

Golden Era of Rock Star Traders Concludes

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Money can be dull. There are only so many denominations, and only so many ways to make it. What's interesting are the people who risk it, and over the past four decades no one has made more of a spectacle of risk than George Soros, whose Quantum fund famously bet \$10 billion that the Bank of England would be forced to devalue the pound. Soros earned \$1 billion on that trade and incalculable legend points.

Now, Soros is going to stop risking other people's money. By the end of this year, his Soros Fund Management LLC will have no outside customers for the first time in 42 years. The shift concludes a process that began in 2000, when Soros stopped accepting new investments, Bloomberg Businessweek reports in its Aug. 1 issue.

Four years later he turned management of the company over to his sons Robert and Jonathan. On July 26, after months of debate, the three men decided to return the less than \$1 billion of outsiders' money Quantum still oversees and convert the firm into a family office to manage almost \$25 billion for George, his family, and foundations.

There's a two-word explanation for closing what was once one of the world's biggest hedge funds and consistently one of the best-performing --- with returns of about 30 percent annually in its first 30 years: Dodd-Frank. The law requires hedge funds to register with the Securities and Exchange Commission and provide information about customers, employees and assets. By returning outsiders' money, Soros Fund Management escapes that rule and the loss of privacy that goes with it.

...Dissident Literature

Soros now funds a network of foundations that operate in 70 countries around the globe, everywhere from the U.S. to Montenegro to South Africa and Haiti. His money has paid for

Xerox machines that helped spread dissident literature in Soviet-era Hungary, for training Burmese journalists reporting on the military dictatorship's 2007 crackdown, and for drug treatment and early parole programs in Baltimore.

"Soros has been tremendously generous, and he's been a courageous risk-taker in his philanthropy," said Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy in Washington. Caroline Preston, a writer at the Chronicle of Philanthropy, said Soros "has built a reputation as someone who tackles complex social issues and funds projects even if they have a low chance of success."

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