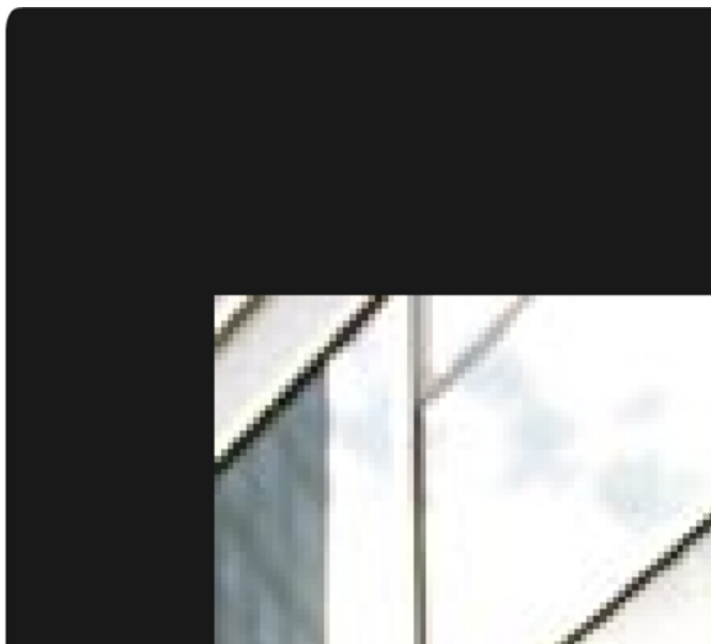


From The Times

October 23, 2008

Nathaniel Rothschild: the solid financier reverted to type?



Francis Elliott, David Robertson

The 4th Baron Rothschild was, as usual, surrounded by the exquisite and priceless as he attended the opening party of the Royal Academy of Art's Byzantium exhibition on Tuesday. Fellow guests said, however, that the banking patriarch seemed troubled, as though he were a man wondering what his son had got himself into.

Jacob and Serena Rothschild must have hoped that the years of worry over their youngest child and only son, Nathaniel, were at an end. Rebellious school years, an Oxford career spent mostly in black tie, a sudden marriage in Las Vegas followed by costly divorce – at one time it might have seemed that he was headed for self-destruction.

But by the time the clan gathered for their summer party in Corfu, 37-year-old Nathaniel was a source of considerable pride to his family.

After a stint at Lazards in London and then New York, he made his mark as an investment adviser with Gleacher Partners, a corporate finance firm, and then took up an opening at the Atticus hedge fund. Speaking to *The New York Times*, his business partner Timothy Barakett said that his subsequent success – the fund was recently reported to have \$14 billion under its management – was his own work. "It's not about family connections. He has a knack for identifying talented people and interesting investments," Mr Barakett said.

Possibly the most valuable investment Mr Rothschild has made, however, is in his relationship with Oleg Deripaska. They are believed to have met in the US and then at subsequent parties hosted by their mutual friend, Roman Abramovich.

Mr Rothschild and Mr Deripaska hit it off and the financier became part of the Russian's small group of close friends. This has led to Mr Rothschild becoming intimately involved in Mr Deripaska's business empire, a relationship that has been very low-profile in keeping with the Russian's style, so Mr Rothschild's decision to wade noisily into politics is surprising.

The timing of his intervention is also odd, as both he and Mr Deripaska are facing difficulties in their core businesses. Mr Rothschild has become distracted as Atticus faces substantial losses and Mr Deripaska has lost billions of dollars in the stockmarket turmoil.

Until August, another of Mr Rothschild's best contacts was his old school and university friend George Osborne, the Shadow Chancellor.

Mr Rothschild's decision to expose his former friend's dealings with the Russian businessman has stunned those used to the clan's discretion. He justifies his disclosures on the ground that Mr Osborne breached his trust and abused his hospitality.

The two have known each other since they were pupils at the Colet Court prep school in London. Both were sons of aristocrats – but although the young Gideon Osborne, as he was then known, was from a well-heeled background, it did not compare with the stratospheric wealth of his contemporary.

Their paths parted at 13, Nathaniel going to Eton, Gideon to St Paul's.

A fellow student at Eton was quoted in a newspaper profile last year as remembering the young Rothschild as “a rather scruffy and unpredictable boy with a rebellious streak, who you would never have tipped to make a big success of his life”. He was even sent to live with a master at one stage. “To be honest, aside from his name, he's the last person I would have expected to end up running his own hedge fund – but then perhaps that's what's made him so successful. He has a willingness to take risks, to seek out the extreme, to act impetuously.”

That wildness ensured notoriety at Oxford, where he led the excesses of the Bullingdon Club – whose members included George Osborne. It was Rothschild who was said to have arranged for strippers to attend a party at Waddesdon Manor, his family's stately home, according to one former call-girl present. “They were very precise in what they wanted – three slim black girls in stockings, suspenders and high heels,” Natalie Rowe told a newspaper in 2005. “They also wanted the girls to do extras.”

At Oxford, Mr Rothschild is thought to have met Frances Howell, the daughter of the Tory frontbencher David Howell. Carrot-haired with freckles, he was a dedicated Lothario, but the future Mrs Osborne was resistant to his charms. Many were not and at 23 he suddenly married the actress Annabelle Neilson. It was amid the ruins of that three-year relationship that Mr Rothschild is said to have decided to put his life back on track.

The true success of the Atticus hedge fund, say friends, is that it allowed the son to feel his father's approval. Somewhere along the track the young financier gave up alcohol, as was reported in a magazine article on his Manhattan townhouse. “Nat doesn't drink but also wouldn't dream of denying his guests, who expect things of a host with ancient connections to Château Mouton and Château Lafite Rothschild,” *Men's Vogue* reported. “The 670-odd backlit bottles from California, France, Australia; the jero-boams of Perrier-Jouët and Château Thebot Bordeaux cradled inside the glass-door refrigerators augur some serious parties to come.”

The piece goes on to record how Mr Rothschild “rules the house via concealed touch-screens, controlling the music, the TVs, a nightclubby neon strip in the stairs that lures guests to an enclosed roof deck with a canvas platform bed and outdoor shower”.

Mr Rothschild also has homes in Switzerland, London, Paris, Moscow and Corfu, as well as a private jet to ferry him between them. Quite where it flies next depends on the outcome of the next few days and weeks.

Now that he has fired his torpedo at Mr Osborne's career, friends are waiting to see whether it is a return to the impetuosity of his youth – or the first moves of a calculated campaign that will be waged with steel and maturity. One of those inside his gilded world laid out the stakes: “Unless he wins he will have to stay away from London.”

No wonder his father seemed surprised.

[Contact our advertising team](#) for advertising and sponsorship in Times Online, The Times and The Sunday Times. [Globrix Property Search](#) - search [houses for sale](#) and [rooms and property to rent](#) in the UK. [Milkround Job Search](#) - for graduate careers in the UK. Visit our classified services and find [jobs](#), used [cars](#), [property](#) or [holidays](#). Use our [dating](#) service, read our [births](#), [marriages](#) and [deaths announcements](#), or place your [advertisement](#).

Copyright 2008 Times Newspapers Ltd.

This service is provided on Times Newspapers' [standard Terms and Conditions](#). Please read our [Privacy Policy](#). To inquire about a licence to reproduce material from Times Online, The Times or The Sunday Times, click [here](#). This website is published by a member of the News International Group. News International Limited, 1 Virginia St, London E98 1XY, is the holding company for the News International group and is registered in England No 81701. VAT number GB 243 8054 69.

