

HFSB RELEASES RESULTS OF WORKING GROUP ON ADMINISTRATOR TRANSPARENCY REPORTING

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The Hedge Fund Standards Board (HFSB), the standard-setting body for the hedge fund industry, has published its standardised Administrator Transparency Reporting (ATR) data structure as part of its [Toolbox](#). The HFSB is custodian of the Hedge Fund Standards, and is supported by more than 120 hedge fund managers with \$700 billion in aggregate assets and by more than 60 leading institutional investors.

In the wake of the financial crisis in 2008 and events such as the Madoff scandal and Lehman Brothers collapse, an increasing number of administrators are providing ATRs to hedge fund investors. ATRs provide independent confirmation of fund assets and liabilities by the administrator, as well as allow investors to evaluate the fund's pricing sources and assess the diversification and quality of counterparties.

Given the increasing importance and prevalence of ATRs in the hedge fund industry, the HFSB has developed the industry's first-ever standard ATR data structure, in an effort to improve the comparability and understanding of these documents for hedge fund investors.

The standardised ATR data structure was developed by a working group put together by the HFSB and consisting of more than 15 hedge fund managers, investors and administrators, following the publication of the HFSB Administrator Transparency Reporting Memo in May 2015.

The working group developed a tiered reporting framework to include basic, detailed and optional information, and to focus on areas such as existence confirmation, counterparty exposure reporting, pricing source verification and fair value hierarchy.

Christophe Juhem, Head of Operational & Legal Due Diligence at Unigestion, and a member of the working group said:

“Administrators currently provide data at varying levels of granularity and sometimes in differing data structures. As this data is very important to investors, the template will help improve the quality and consistency of administrator transparency reports as well as facilitate ongoing monitoring of their investments by investors.”

Dame Amelia Fawcett, Chairman of the HFSB, said: “Our work on the ATR reflects the HFSB’s ability to bring together investors, managers and other important parties to establish and implement best practices across the hedge fund industry.”

As a Toolbox “item”, the standard ATR data structure provides guidance and will not form part of the Hedge Fund Standards and the comply-or-explain approach. The HFSB Toolbox is designed to complement the HFSB’s standard-setting activities, providing additional guidance to managers, investors and fund directors on practical issues, such as fund governance, cyber security, etc.

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Notes to editors:

1. The HFSB was formed in January 2008 to agree standards of good practice for hedge fund managers. The Standards are regularly reviewed by international investors and managers, as demonstrated by the recent consultation on conflicts of interest. The HFSB is supported by more than 120 hedge fund managers with \$700 billion in aggregate assets, and by more than 60 institutional investors investing \$600 billion in hedge funds. A full list of signatories and supporters is available at www.hfsb.org.
2. In July 2014, the HFSB became an affiliate member of the International Organisation of Securities Commissioners

(“IOSCO”). On announcement of granting affiliate membership to the HFSB, David Wright, General Secretary of IOSCO, said “There is an important role for industry standards to play alongside statutory regulation in promoting transparency and good governance in financial markets. The HFSB can play a valuable role working with regulators and supervisors.”

3. Dame Amelia Fawcett became chairman of the HFSB in July 2011. She is also Deputy Chairman of Investment AB Kinnevik in Stockholm, a Non-Executive Director of State Street Corporation in Boston, Millicom International Cellular S.A. in Luxembourg and Her Majesty's Treasury in the UK. She was formerly Vice Chairman and Chief Operating Officer of Morgan Stanley International Limited and a member of the Court of Directors of the Bank of England. In 2002 she was awarded a CBE and in 2010 a DBE, both for services to the finance industry. She is a Governor of the London Business School, a Fulbright Commissioner, a Trustee of Project HOPE (UK) and Chairman of The Prince of Wales's Charitable Foundation.

4. The Trustees of the HFSB are:

- Dame Amelia Fawcett, Chairman (HFSB)
- Jane Buchan, CEO, Pacific Alternative Asset Management Company (PAAMCO)
- Bruce Cundick, CIO, Utah Retirement Systems
- Tom Dunn, Managing Principal, New Holland Capital
- David George, Head of Debt & Alternatives, Future Fund Australia
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5. The Founders of the HFSB are:

- AlphaGen Capital
- Brummer and Partners
- Cheyne Capital
- CQS
- Lansdowne Partners Limited
- Man Group plc
- Marshall Wace
- Och-Ziff Capital Management
- Winton Capital Management

6. The Core Supporters of the HFSB are:

- Aberdeen Asset Management
- Albourne Partners
- Allianz Global Investors
- Arrowgrass Capital Partners LLP
- IONIC Capital Management LLC
- PAAMCO
- PAG
- Reservoir Capital Group
- Towers Watson
- Unigestion