



Overview

The HFSB has made significant progress in the last several months, including significant developments in the Asia-Pacific (APAC) region.

Updates include:

- New HFSB Stakeholders in June
- New Trustee
- APAC Committee established
- HFSB in Hong Kong
- HFSB Upcoming Events
- New working group on fee terms and definitions

New HFSB Stakeholders in June

The HFSB is delighted to welcome three new additions to its signatory family:

- **HealthCor Management L.P. (USA)**
- **Income Partners Asset Management (HK) Ltd (Hong Kong)**
- **Springs Capital (Hong Kong) Limited**

The HFSB is equally delighted to welcome two new members to its Investor Chapter:

- **New Zealand Superannuation Fund**
- **Telstra Super (Australia)**

New Trustee

The HFSB is pleased to announce that Betty Tay, Managing Director and Head of the External Managers Department at GIC, Singapore's Sovereign Wealth Fund, has joined the Board of Trustees of the HFSB.

Ms. Tay joined GIC in July 1999 as a Senior Portfolio Manager. She served as a Portfolio Manager within the Emerging Markets Group from 1999 to 2002. Ms Tay holds a BSc in Mathematics from the National University of Singapore and CFA and CAIA designations. She is a member of the Investment Advisory Committee for the Lee Kuan Yew Fund for Bilingualism Limited.

GIC, formerly known as Government of Singapore Investment Corporation, is a sovereign wealth fund established by the Government of Singapore in 1981 to manage Singapore's foreign reserves. It is one of the largest investment management organizations in the world, with over 1000 people, investing well over US\$100 billion in multiple asset classes in more than 40 countries.

Dame Amelia Fawcett, Chairman of the HFSB, said: "We welcome Betty to the Board and look forward to her counsel and perspectives as a senior representative of one of the world's largest investment organisations."

Betty Tay said: "I'm looking forward to working more closely with the HFSB on its initiatives in Asia as well as around the world. **As a global investor, having agreed standards that are applicable across all regions facilitates our due diligence and raises the quality of manager practices and operations, especially in areas such as transparency and alignment of interests.**"

Please click [here to read the press release](#).

APAC Committee

The HFSB has established an Asia-Pacific (APAC) Committee which will include: APAC-based HFSB Trustees Betty Tay of GIC, Chris Gradel of PAG and David George of Future Fund, as well as senior APAC-based industry executives Richard Johnston of Albourne Partners and Ted Lee of Canada Pension Plan Investment Board (CPPIB). Additional hedge fund manager representatives will be announced in due course. The APAC Committee will help the HFSB establish a more dedicated effort in the region by assisting the HFSB's dialogue and relationships with regulators, hedge fund managers and investors. It also aims to ensure that Asia-Pacific regional and local issues and needs are

addressed as the HFSB develops standards and guidance. The APAC Committee will report to the HFSB Board of Trustees.

Dame Amelia Fawcett, Chairman of the HFSB, said: “We’re excited about the launch of the APAC Committee and are grateful for the support of the industry leaders who are serving as its members. The Committee will be instrumental in coordinating the HFSB’s APAC efforts, including fostering the dialogue between investors and managers on industry standards and practices.”

HFSB in Hong Kong

The HFSB held its latest Institutional Investor Roundtable in Hong Kong on June 22. The event, which was opened by Chris Gradel, Trustee of the HFSB and Founder of PAG, brought together nearly **60 representatives** from hedge fund managers and institutional investors and focused on institutional investor priorities and how alignment between managers and investors can be improved.

The institutional investor panel focused on the current market environment and the relationship between managers and investors. Participants included Richard Johnston, MD at Albourne Partners; Ted Lee, Senior PM, CPPIB; and Terence Lee, VP, Blackstone. Some of the important points discussed included:

- Methods of addressing **conflicts of interest in co-investment/side car opportunities**.
- How **better risk transparency enables investors to identify concentrations/crowded trades in their hedge fund portfolios**, and **the pros/cons of investors actively managing the risk arising from the build-up of excessive concentrations** in their overall portfolio.
- How smaller institutions who do not have the teams or tools to analyse position level data can use aggregate data (such as Open Protocol) to enhance their approach to risk management.
- How smaller managers can compete in an environment with rising barriers to entry, and different **investor approaches to creating viable models for smaller / start up managers**.

Ashley Alder, CEO of the SFC, who made the keynote remarks, provided an overview of the current domestic and international regulatory priorities, including cyber security and conflicts of interest. He highlighted the renewed focus of global financial stability regulators, such as the Financial Stability Board, on asset management, with a particular focus on improving liquidity risk management and understanding “leverage” in asset management. **He also commented on the HFSB’s proactive approach to addressing industry issues in collaboration with managers and investors: "The HFSB has broken new ground in the way it operates as a standard-setter, bridging the gap between self-regulatory organisations and conduct regulators."**

The event also included a cyber-attack simulation exercise with speakers from Northwest Investment Management (Mark Smith) and Herbert Smith Freehills (Dominic Geiser). The exercise illustrated various responses to, and implications of, a potential cyber incident, including regulatory considerations.

The roundtable was hosted by CPPIB’s Hong Kong Office. The HFSB would like to take this opportunity to thank the CPPIB team for their generous support before and during the event.

HFSB Upcoming Events

- **8 Sep 2016:** Annual General Assembly, London
- **27 Sep 2016:** Institutional Investor Roundtable, Chicago
- **29 Sep 2016:** Institutional Investor Roundtable, Washington, D.C

New working group on fee terms and definitions

Following the announcement in the May newsletter, a working group has been established to discuss the issue of fee terms and definitions. Representatives from HFSB stakeholders around the globe (Signatories, members of the Investor Chapter and Core Supporters) will comprise the group, which will develop guidance within the HFSB “Toolbox” to be issued later this year. The purpose of the working group is not to recommend fee levels or prescribe commercial arrangements but to review the existing methodology and common definitions to improve understanding between managers and investors. Materials available through the HFSB Toolbox serve as a guide only and are not formally part of the Hedge Fund Standards and the “comply-or-explain” approach.

APPENDIX

HealthCor Management, L.P.	HealthCor Management, L.P. launched in 2005 as an investment manager focused on the global healthcare and life sciences industry in New York. HealthCor’s team of 13 investment professionals includes its two co-founders and portfolio managers, Joe Healey and Art Cohen, who have invested through numerous market cycles together for over 16 years in healthcare. The firm utilizes a fundamentally driven bottom-up stock selection approach and value philosophy to deliver superior risk-adjusted returns in the major sub-sectors of healthcare including pharma, medtech, biotech and services. HealthCor’s strategies include its flagship long short equity fund and a sub-advised sleeve of a mutual fund and UCITs fund. Through the HealthCor Foundation Trust, the firm supports non-profit and charitable foundations advocated by its employees.
Income Partners Asset Management (HK) Ltd	Income Partners was founded in 1993 by Emil Nguy and Francis Tjia. Over the past 23 years, Income Partners has been a market leader in both traditional and alternative Asian fixed income and credit strategies. The firm offers unconstrained long strategies (including Renminbi high yield, high grade credit, investment grade and money market strategies), absolute return strategies (including global macro and Asian credit strategies) and managed account solutions. Income Partners has offices in Hong Kong and Beijing.
Springs Capital	Founded in 2007, Springs Capital is a leading alternative investment manager that specializes in Chinese listed companies. Headquartered in Beijing and with offices in Hong Kong, Shenzhen and Singapore. The firm’s investment style is contrarian bottom-up stock picking based on rigorous research in out-of-favor sectors. The firm typically runs a concentrated portfolio featuring high conviction names and maintains an agnostic view on sectors and market capitalization. Springs Capital offers RMB products, USD hedge fund and QFII mandates to serve domestic Chinese long-term clients and global investors including pension funds, SWFs, endowments/foundations, insurance companies, family offices and HNWIs.
New Zealand Superannuation Fund	The New Zealand Superannuation Fund is a sovereign wealth fund established by the New Zealand Government to partially pre-fund the future cost of universal pension payments. A long-term, growth-oriented investor, the Fund has returned 9.6% p.a. since inception in 2003. The Fund is managed by the Guardians of New Zealand Superannuation, a Crown entity. Funds under management were NZ\$30 billion as at 31 May 2016.
Telstra Super	Telstra Super Pty Ltd was established in June 1990 as a subsidiary of Telstra Corporation Limited. Today, Telstra Super is Australia’s largest corporate super fund with over \$16 billion in assets invested on behalf of around 100,000 members. Telstra Super Pty Ltd is the independent trustee that manages the Telstra Superannuation Scheme (Telstra Super), under the direction of the Telstra Super Board of Directors. The Senior Management team and staff of Telstra Super Pty Ltd oversee the administration, investment and management of members’ super under the direction of the Board.