

SBai

Standards Board for Alternative Investments

Annual Report 2019

Established in 2008, the Standards Board for Alternative Investments (Standards Board or SBAI), (previously known as the Hedge Fund Standards Board (HFSB)) is a standard-setting body for the alternative investment industry and custodian of the Alternative Investment Standards (the Standards).

It provides a powerful mechanism for creating a framework of transparency, integrity and good governance to simplify the investment process for managers and investors. The SBAI's Standards and Guidance facilitate investor due diligence, provide a benchmark for manager practice and complement public policy.

The Standards Board is a platform that brings together managers, investors and their peers to share areas of common concern, develop practical, industry-wide solutions and help to improve continuously how the industry operates.

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1 Message from the Chairman Mario Therrien



As was reported in April 2020, the Board of Trustees of the Standards Board for Alternative Investments (SBAI) appointed me as Chairman and Luke Ellis, CEO, Man Group PLC as Deputy Chairman of the SBAI.

I am incredibly honoured to lead the Board of Trustees of the Standards Board along with Luke and further the important work and growing adoption of the Standards around the world. The current environment underscores the value of the SBAI as a collaborative platform where industry leaders can share knowledge and develop solutions that help institutional investors, investment managers and regulators strengthen the alternative investment industry.

The SBAI has entered its second decade when the entire world is living through extraordinary times. This also provide us with a catalyst to refresh how we interact with the ecosystem. We will consolidate what the SBAI has built during its first decade in bringing managers and investors together to improve our industry, continue producing prime quality content through our working groups and the Toolbox. The SBAI team successfully adapted its events to the virtual format and will continue in this mode for the foreseeable future.

To implement the above objectives, the SBAI is expanding its team. In August, Maria Long joined the team as a Content Director to co-ordinate content development. The SBAI will also hire a Marketing/Event Management Director who will look after the SBAI' marketing needs as well as manage events (physical and virtual). Earlier this year, we also

expanded our efforts in the APAC region by hiring two team-members, Becky Xu and Annie Yang who are spearheading our Asian initiatives.

Following the success of our APAC and North American Committees, in June we added our third regional committee – EMEA Committee that will focus on our efforts in this region. Elena Manola-Bonthond, CIO of CERN Pension Fund was appointed Chairman of the EMEA Committee.

We would like to take this opportunity to thank our Signatories, Investor Chapter Members, Core Supporters and Founders for their ongoing support and commitment to the Standards and efforts to improve practices in the industry.

The last 12 months were packed with major developments in the life of the SBAI. In 2019/2020 fiscal year, we welcomed 19 new Signatories and 16 Investor Chapter members. Several of our stakeholders increased their involvement by becoming Core Supporters: Angelo Gordon & Co., L.P., BlackRock, BlueBay Asset Management, Bridgewater Associates, Capital Fund Management, Fiera Capital Corporation, HPS Investment Partners, Magnetar Capital, Orchard Global Asset Management, PIMCO, Springs Capital and Whitebox Advisors LLC.

In 2019, the Standards Board produced more industry guidance for the Toolbox in a wide range of areas, including cyber security, Standardised Trial Data Agreement, insurance-linked fund valuation and co-investments. Earlier this year, the SBAI published memos on conflicts of interest in parallel funds, valuation, conflicts of interest and fund structuring in alternative credit. These materials are covered in more detail further in the Toolbox chapter of this report.

As I look ahead to the next 12 months, it is obvious that regulatory issues in relation to potential vulnerabilities in asset management will continue to loom large on the agenda for all of us, but we also see investors back in the driving seat, focusing the discussion on their priorities. The Standards Board will continue its relentless efforts to get as many managers as possible around the globe to sign up to the Standards and to involve more investors in its activities through its Investor Chapter. The

Standards Board also will continue its activities in content development and is planning to publish the materials produced by its working groups on responsible investments, governance and investor disclosure.

Regulatory engagement is a critical part of the Standards Board's work, and this past year was no exception. We actively were engaged in discussions and consultations with senior regulators around the globe, sometimes publicly, often in private as a "trusted partner". Regulators take a strong interest in our work, from conflicts of interest to cyber security, and they view the Standards Board as an important reference point, complementing their efforts in a number of areas. They understand that we are not a self-interest group or a lobbyist—they see us as a neutral standard-setter and an ally in driving better practices globally and in helping improve outcomes in markets in a cost-effective way.

I would like to take this opportunity to thank Dame Amelia Fawcett, who stepped down from the Board in March, for leading the SBAI during its first decade. We will continue building on the organisation's success to make sure that the next phase of the SBAI's development has even a bigger impact on the industry.

In closing, I would like to pay special tribute to our Founders and Core Supporters who have been so steadfast in their support, both financially and with their time. We would not be here today without their foresight and dedication.

Mario Therrien
2020

2 Board of Trustees



Mario Therrien

Head of Investment Funds
and External Management
CDPQ
Chairman, SBAI



Luke Ellis

CEO
Man Group Plc
Deputy Chairman,
SBAI



Leda Braga

CEO
Systematica
Investments



Jane Buchan

Founder
Martlet Asset
Management



Clint Carlson

President & CIO
Carlson Capital



Bruce Cundick

CIO
Utah Retirement
Systems



Chris Gradel

Founder, Managing
Partner & CIO
PAG



Stuart Fiertz

Co-Founder, President
and Director of Research
Cheyne Capital
Management



**Richard
Lightburn**

CEO
MKP Capital
Management



Simon Ruddick

Chairman &
Co-Founder
Albourne Partners



David George

Deputy CIO
Future Fund
Australia



Daniel H. Stern

Co-Founder &
Co-CEO
Reservoir Capital
Group



Betty Tay

MD, Head of
External Managers
Department
GIC



Dale West

Senior MD,
Public Markets
Teacher Retirement
System of Texas



Poul Winslow

Global Head of
Capital Markets
and Factor Investing
CPPIB

3 Key Highlights

The 2019/2020 fiscal year has been very productive for the SBAI in terms of content development, launching new working groups, welcoming new stakeholders as well as hosting global events. There also has been changes on the SBAI Board of Trustees.

Toolbox

The SBAI has continued to expand its Toolbox with the addition of the following items:

- Alternative Credit (new)
- Standardised Board Agenda (update)
- Conflicts of interest in parallel funds (new)
- Co-Investments (new)
- Cyber security (update)
- ILS Funds Valuations (new)

(see section 5 for more details)

Newly launched Working Groups

The SBAI has launched several new working groups in the following areas:

- Alternative Credit
- Governance
- Standard Investor Profile Template
- ILS Funds – Side pocketing practices
- Responsible Investment
- Risk Reporting Working Group
- Standard Investor Profile Template

In addition, the SBAI has continued its Culture and Diversity in Asset Management roundtable series.

(see section 6 for more details)

Regulatory Interaction

The Standards Board continues to contribute to the global regulatory process directly with regulators and through its Affiliate Membership of IOSCO. Areas of focus include, amongst others, cyber security, conflicts of interest, big data/AI, financial stability, definition of leverage and culture & diversity in asset management.

Global Events

In the 2019, the SBAI hosted 27 global institutional investor roundtables to discuss industry issues. These roundtables were attended by over 600 representatives from major investors and managers and were held in Boston, Chicago, Geneva, Helsinki, Hong Kong, London, Los Angeles, Melbourne, Montreal, New York, San Francisco, Shanghai, Singapore, Sydney, Tokyo, Toronto and Washington D.C.

In 2020, the SBAI kicked off the year with 6 events in Austin, Geneva, Helsinki, London, Melbourne and Sydney. However, due to the COVID-19 global pandemic and the subsequent travel ban, the SBAI switched to the virtual format and in the first 6 months of 2020, hosted 13 virtual events attended by over 800 guests. The full list of events in 2019/2020 is Section 9 - Global Events section.

Stakeholder campaign

19 new managers signed up to the Standards and 16 investors joined the Investor Chapter in the 2019/2020 fiscal year.

Board of Trustees

Mario Therrien of Caisse de dépôt et placement du Québec was appointed Chairman of the SBAI in April 2020, following the departure of Dame Amelia Fawcett.

Luke Ellis of Man Group plc, was appointed Deputy Chairman of the SBAI in April 2020.

In September 2019, **Leda Braga of Systematica Investments** was elected to the Board.

George Robinson of Sloane Robinson and **Kathryn Graham of USS** retired from the Board of Trustees in 2019 having served on it since 2008.

4 Standard-Setting: Building a Robust Ecosystem

The Alternative Investment Standards provide a powerful mechanism for creating a framework of transparency, integrity and good governance to simplify the investment process for managers and investors. They set levels of quality of working practice that complement the public policy framework, facilitate investor due diligence, streamline consultant and investor due diligence by establishing a set of common practices and approaches, provide a benchmark for manager practice and complement public policy.

While the SBAI welcomes appropriate regulation of the industry, traditional rules and regulations are not expected to meet all the needs of investors and investment managers. Standards provide a more flexible tool to account for the diversity of investment strategies, the speed of innovation, the complexity of many platforms and the global scope of the industry. They are principle-based, consistent with existing regulation in multiple jurisdictions and intended to benefit alternative investment managers and investors from all jurisdictions.

The Standards are always likely to be more demanding, comprehensive and appropriate than the regime in any one country, because the Standards are defined by those with a strong vested interest in the success of the industry. Over time, the Standards are expected to become the generally accepted norm with all market participants adhering to them.

The Standards are based on a “comply or explain” regime, catering for the entire breadth and diversity of the industry. This flexible approach accommodates managers who are unable to conform to specific standards due to unique business reasons, however, it requires managers to renew conformity with the Standards annually and explain if they choose not to comply with specific Standards.

The signatory process requires that managers make a public commitment to investors. While conformity with the Standards is based on self-certification, failure to conform is a form of misrepresentation. In this sense, the Standards are binding, and conformity with them can be verified by investors at any point.

Keeping the Standards fit for purpose is an iterative process, and in line with its mandate, the SBAI responds to changes in industry practices and investor expectations by consulting publicly on improvements to the Standards from time to time. So far, the Standards have been amended four times:

<p>CP1 Handling of redemptions 2009</p>	<p>CP2 Administration and Safekeeping 2009</p>	<p>CP3 Globalisation of the Standards 2011</p>	<p>CP4 Managing conflicts of interest 2015</p>
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All amendments resulting from the above consultations have been incorporated in the Standards.

The Role of the Standards

The Standards

- Demonstrate the industry is willing voluntarily to establish responsible standards of practice
- Provide a benchmark and a set of common practices that investors can adopt in their due diligence and monitoring – making the process more predictable and efficient
- Result in the industry being defined by the responsible practices represented in the Standards rather than by irresponsible actions of individual sub-par firms
- Enable the industry to organise and take control of its future, rather than having that future dictated by regulators, the media and random events

The Standards expand the Investor Base

- Well-established standards will enable the industry to grow by building investor confidence
- The Standards establish common practices that make the investor/ manager relationship more predictable and efficient – vs. discordant practices resulting from individual negotiations
- The presence of investors as equal partners in the SBAI ensures that the Standards are meeting their needs
- Investors are able to pre-identify managers who have committed to the Standards, which aids their selection and due diligence process
- Better industry practices decrease the need for costly regulation. Strong industry standards help investors address criticisms and concerns some constituents may have about alternative investment funds in areas such as disclosure, valuation, risk management, governance and shareholder conduct

5 Toolbox: Thought Leadership in Practice

Not all aspects of manager practice need to be enshrined in Standards, and that is where the SBAI Toolbox comes into play. Launched in 2014, the Toolbox complements the SBAI’s standard-setting activities by providing additional guidance to managers and investors on practical issues. The materials available through the Toolbox have been developed by the SBAI working groups, comprising investors, managers and select relevant service providers (see section 6).

Managers and investors have told us that the content material in the Toolbox has become one of the most valuable outputs of the SBAI’s activities.

Overview of Toolbox

Transparency Reporting Tools	Manager/ Investor guidance	Other templates
 Open Protocol Enabling Risk Aggregation	Alternative Credit NEW	Standardised Board Agenda UPDATED
Administrator Transparency Reporting	ILS Fund Valuation NEW	Standard Trial Data License Agreement NEW
Standard Total Expense Ratio (STER)	Co-Investments NEW	
	Cyber Security UPDATED	

The materials available through the Toolbox serve as a guide only. They are not formally part of the Standards and the comply-or-explain approach.

Toolbox - additions and updates in 2019/2020

- 1 ILS Fund Valuation
- 2 Cyber Security
- 3 Standardised Board Agenda
- 4 Co-Investments
- 5 Standard Trial Data Licence Agreement
- 6 Alternative Credit

1 ILS Fund Valuation

Following the insurance losses from catastrophic events worldwide in 2017 and 2018, the Standards Board, whose members include both managers and institutional investors in alternative investments, published "Valuation of Insurance-Linked Funds", a document that provides guidance for investors conducting due diligence on funds that invest in (re)insurance-linked investments ("ILS Funds"). It also identifies particular aspects of the process that relate to ILS Funds, including processes for capturing material information about catastrophe events, use of modelling, income recognition and loss estimation procedures.

Stages of valuation (pre-ultimate loss determination)



The memo also suggests questions that investors may wish to ask when assessing a manager's approach to valuation. The document, developed by a working group of institutional investors, investment managers, and investment consultants, is the first in a series of Toolbox Memos on ILS Funds to be published by the Standards Board. Currently the working group is focusing of the topic of side-pocketing.

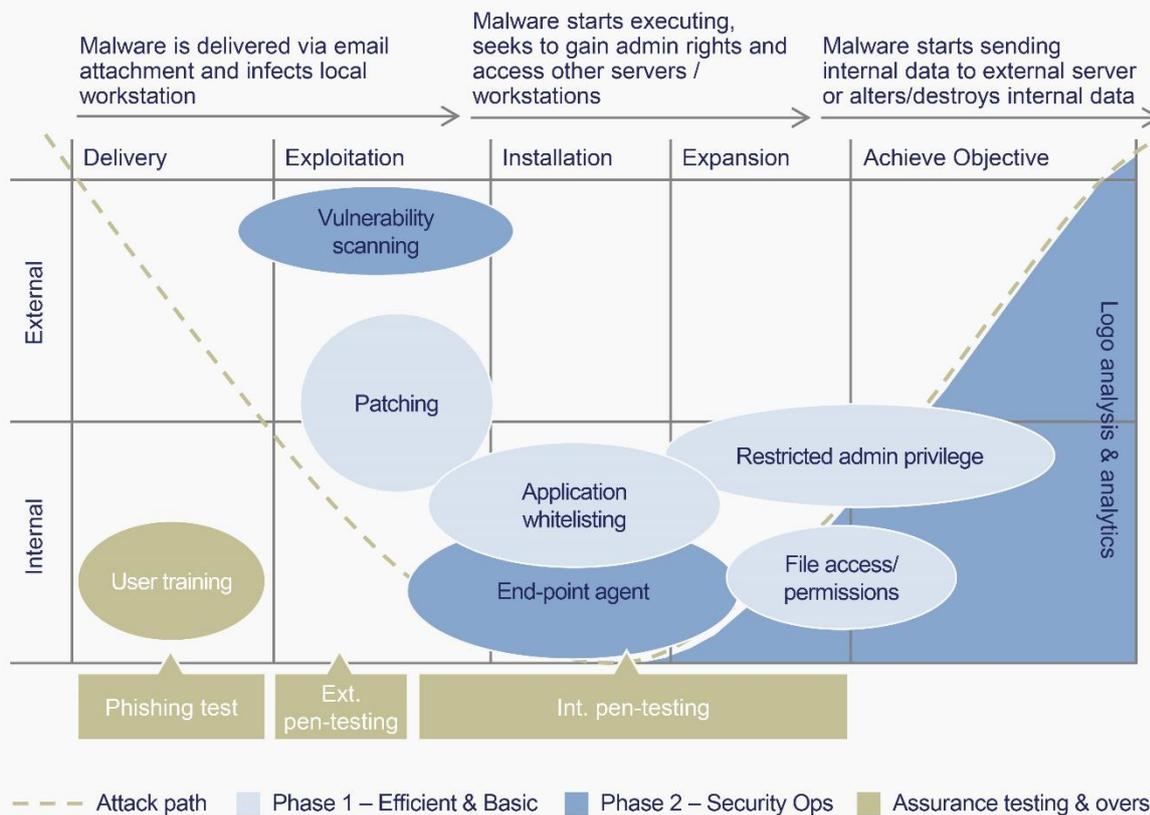
The ILS Valuation memo is available [here](#).

2 Cyber Security

Following the publication of its first Cyber Security Memo in 2015, the SBAI published an updated Cyber Security Memo in 2019. The Memo focuses on small and medium-sized alternative investment managers and provides a series of practical tools these managers can consider, including:

- A cyber defence framework
- A basic cyber hygiene implementation (the "SBAI Basic Approach")
- Due diligence of managed IT service providers
- An overview of regulatory expectations
- Examples of contractual requirements for technology service providers
- Summary of cyber security testing options

Impact of controls on a data theft attack



The SBAI also ran a series of table-top cyber-attack simulation exercises with its Signatories, Investor Chapter Members and regulators to explore responses to realistic attack scenarios, including data theft, financial infrastructure attack and crypto ransomware.

The Cyber Security Memo is available [here](#).

3 Standardised Board Agenda

The governance arrangements of investment funds seek to address conflicts of interest that can arise between the manager, the funds that they manage and the

investors in those funds. Fund governance has been at the heart of the Standards since its inception, and more recently, they have become an area of increased investor scrutiny and regulatory attention. The purpose of the SBAI's Standardised Board Agenda is to provide guidance to fund directors, managers and investors on issues and topics to be addressed and documentation to be produced at those board meetings. The original version was published in April 2014.

The Standards Board's Governance Working Group, formed in 2018, updated the Standardised Board Agenda in 2019, following an extensive review of these fund governance frameworks in key investment fund jurisdictions, including the Cayman Islands, Ireland and Luxembourg. The agenda now includes a declaration and review of conflicts of interest of fund directors, a review of structural conflicts of interest (e.g., between different funds of the same manager), a more extensive review of the fund manager's Management/Executive Committee Report, a review of non-audit services provided by the auditor and an assessment of independence of the audit firm.

Standardised Board Agenda – Overview

- 1 Formalities
- 2 Investment Manager Report
- 3 Operations Report
- 4 Investor Relations Report
- 5 Administrator Report
- 6 Third Party Service Provider Report
- 7 Auditor's Report (annually)
- 8 Legal and Compliance Update
- 9 Regulatory and Compliance Update
- 10 Industry Developments
- 11 General Issues
- 12 AOB
- 13 Ratification of all documents signed by directors

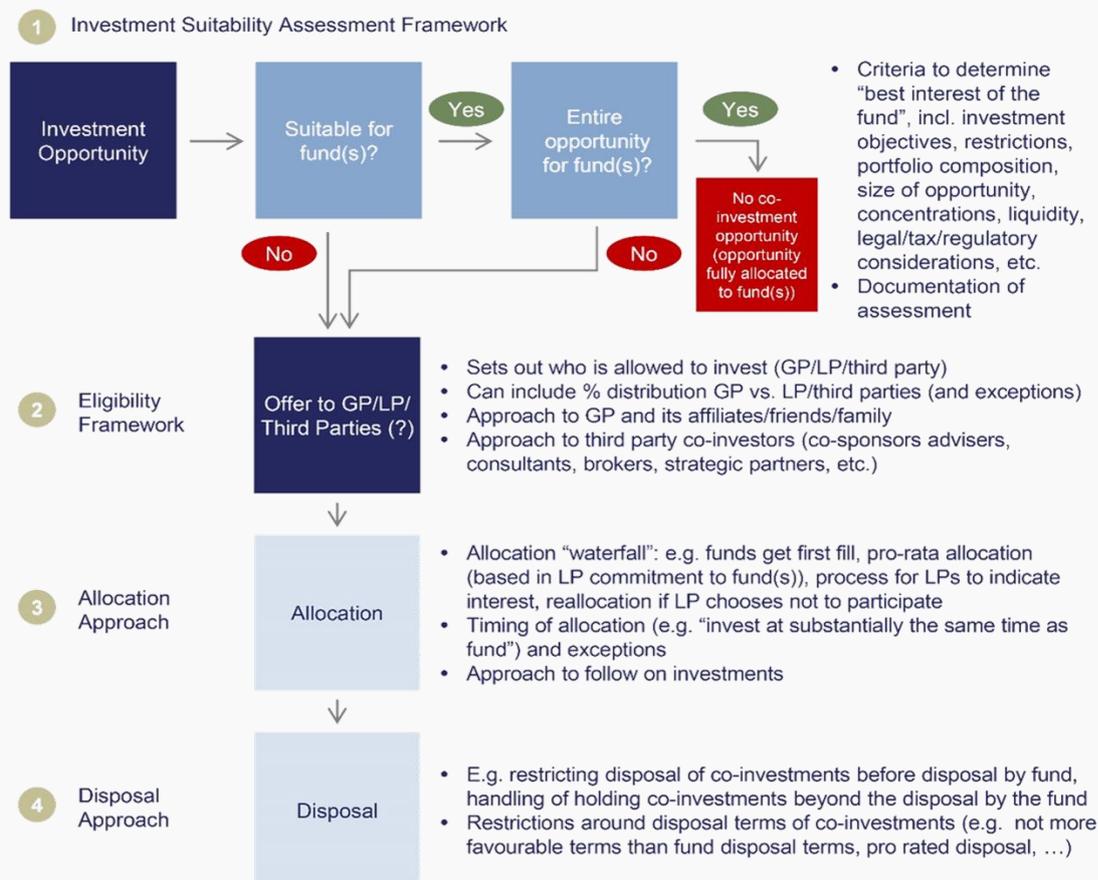
The detailed Standardised Board Agenda is available [here](#).

4 Co-Investments

Co-investments have become increasingly popular in alternative funds, not just in Private Equity and Real Estate, but also in other liquid and illiquid alternative investment strategies, including alternative credit and activist funds. Co-investments allow investors to participate in individual investment opportunities in parallel with the regular fund structure and most often at lower fees. Co-investments are used when opportunities are too large to be (fully) allocated to the fund vehicle or exceed the investment restrictions of the fund.

The Standards Board’s Co-Investment Memo provides an overview of the co-investment landscape in alternative investments, key governance and compliance challenges and investor concerns, an illustrative co-investment process to address these challenges and concerns, structuring considerations, fee, expense and other cost considerations and investment risk disclosure considerations.

Co-investment process



The Co-investment memo is available [here](#).

5 Standard Trial Data Licence Agreement

Alternative investment managers always have sought to access a wide array of data sources to inform their investment research and decisions. In recent years, the topic of “big data”, combined with artificial intelligence and machine learning, have attracted significant attention, fuelled by explosive growth in available alternative data sources, such as business and financial transactions, social media, apps, web-scraping, geo-location data, satellites and sensors.

Trialling such new data is significantly slowed due to the negotiating process of a trial data license agreement. The SBAI’s Trial Data Licence Agreement addresses this by providing a template which tackles some of the key issues, including personal data protection, prevention of insider trading and ‘right to use data’.

The publication of the Trial Data Licence Agreement follows the SBAI’s Big Data/Artificial Intelligence in Asset Management events in London ([summary](#)), New York ([summary](#)), Hong Kong and San Francisco. At these important events, a wide array of SBAI stakeholders explored the impact of innovation on investment strategies and focused on better understanding key legal and compliance considerations.

The Standardised Board Agenda is available [here](#).

6 Conflicts of Interest in Parallel Funds

This memo sets out a case study about potential conflicts of interest arising between parallel funds, highlights how the Alternative Investment Standards address these issues and provides examples for additional measures managers can take to strengthen their approach. It also provides an overview of areas investors should assess as part of their due diligence on how a manager addresses potential conflicts of interest. The memo follows the SBAI’s public consultation on conflicts of interest in parallel funds in 2015/16 (Consultation Paper CP4).

While asset managers must act in their clients’ best interests and treat them fairly, the relationship between managers and their clients can give rise to conflicts of interest between a manager and its clients and between different clients (see illustration below).

Overview of types of conflicts of interest



* Under UK and US law, the manager’s client is technically the fund. Notwithstanding this, conflicts of interest between different funds can translate into conflicts of interest between different investors in these funds.

7 Alternative Credit

Alternative credit investing has increased significantly in relevance in recent years due to the reduction in bank lending following the financial crisis. This is a welcome development, as it provides more investment choices for investors and a broader range of funding sources for users of capital (e.g. corporates, etc.). To accompany this important development, the SBAI set up an Alternative Credit Working Group in 2019, focusing on industry practices and standards and providing guidance to institutional investors. The Working Group has published three memos on alternative credit fund management:

The Fund Structuring Memo focuses on key considerations for the two most common fund models employed by alternative credit managers: the closed-ended private equity model and the open-ended hedge fund model.

The Valuation Memo highlights the key features of a robust valuation framework and illustrates the fair value process for direct loans.

The Conflicts of Interest Memo identifies the specific conflicts of interest that can arise in funds investing in alternative credit, including in situations where different funds invest in different parts of a company's capital structure and where one fund refinances a loan held by another fund.

6 SBAI Working Groups – Practical Collaboration

The SBAI Working Groups bring together institutional investors and managers to advance the Standards Board’s efforts to improve industry practice in key areas. Over 180 stakeholders participated in working groups representing over 100 entities.

Overview of Working Groups and Initiatives

Alternative Credit	<ul style="list-style-type: none"> Conflicts of interest Valuation Choice of fund structure 	Governance	<ul style="list-style-type: none"> Indemnification wording in offering documents Cash handling and cyber security Manager committees/functions
Factor Investing	<ul style="list-style-type: none"> Back-testing Broker dealer practices 	Responsible Investment Working Group	<ul style="list-style-type: none"> Develop a framework to help investors and managers calibrate their approach to RI in alternative investment strategies
Insurance Linked Funds	<ul style="list-style-type: none"> Guidance on valuation of ILS Funds (just published) Next steps: Side pocketing practices 	Standard Investor Profile (SIP) Template	<ul style="list-style-type: none"> Guidance on valuation of ILS Funds (Standardising subscription, KYC and AML processes for investors via a standard data structure)
China Working Group	<ul style="list-style-type: none"> Comparing Chinese standards and practice to international practice 	Risk Reporting	<ul style="list-style-type: none"> Mapping regulatory reporting templates (Form PF, AIFM-D Annex IV, ...)/perspective on harmonization Systemic risk analyses
Japan Working Group	<ul style="list-style-type: none"> Comparing Japanese standards and practice to international practice 	Initiative: Culture & Diversity	<ul style="list-style-type: none"> Roundtable series Focus on critical business and strategic issues C-level working group (to be launched)

The working groups focus on key areas of manager and investor concern and seek to develop guidance to be published in the SBAI Toolbox. Each working group has members from some of the leading alternative investment managers and investors around the globe.

Overview of active working groups

Project/ Working Group	Areas of focus
Alternative Credit	<ul style="list-style-type: none"> – Conflicts of interest (published in 2020) – Choice of fund structure (published in 2020) – Valuation practices (published in 2020) – Application of responsible Investment considerations to alternative credit
Alternative Risk Premia	<ul style="list-style-type: none"> – Back-testing practices – Broker dealer practices: framework to assess broker dealer products
China Working Group	<ul style="list-style-type: none"> – Help foreign investors to understand the similarities and differences between onshore China and global industry standards and provide context why those differences exist – Help China fund managers who are seeking foreign capital to understand the global best practices
Culture & Diversity	<ul style="list-style-type: none"> – Launched in 2017 with a series of private sessions for CEOs, including events in Austin, Boston, Chicago, Dallas, Los Angeles and Toronto – Focus on exploring how organisations understand the need for more diversity at senior management and Board levels, the need for accountability at all levels of an organisation and how to cultivate an ethical and compliant culture
Governance	<ul style="list-style-type: none"> – Standardised Board Agenda (published in 2019) – Co-investments (published in 2019) – Conflicts of interest in parallel funds (published in 2019) – Cash handling and cyber security – Transparency of full range of fee options – Indemnification wording in offering documents
Insurance Linked Strategies Funds	<ul style="list-style-type: none"> – Valuations memo (published in 2019) – Side Pocketing practices: <ul style="list-style-type: none"> – Feature of a robust side-pocketing process – Key Questions for investors to ask
Japan Working Group	<ul style="list-style-type: none"> – Identify current challenges faced in establishing Tokyo as a financial hub – Relevance of the SBAI's Standards to practices in Japan

Project/ Working Group	Areas of focus
Responsible Investment	<ul style="list-style-type: none"> – Review existing materials about Responsible Investing in alternative investments – Review of regulatory developments – Assessing applicability of different strategies – Key questions investors need to ask when calibrating their approach
Risk Reporting Working Group	<ul style="list-style-type: none"> – Mapping regulatory reporting templates (e.g. Form PF, AIFM-D Annex IV)/ perspective on harmonisation – Systemic risk analyses
Standard Investor Profile (SIP) Template	<ul style="list-style-type: none"> – Standardising subscription, KYC and AML processes for investors via a standard data structure

Members of the working groups include stakeholders and supporters of the SBAI

Aalto University Foundation	Church Commissioners for England
Aberdeen Standard Investments	CN Pension Fund
Aktia Asset Management	Commonwealth of Pennsylvania Public School Employees' Retirement System (PSERS)
Albourne Partners	CQS
Asset Management One Alternative Investments, Ltd (AMOIE)	Dymon Asia Capital
Angelo Gordon	Elo Mutual Pension Insurance Company
AP4	Employees Retirement System of Texas
APG Asset Management	Ferd
Arch Ventures	Fiera Capital
ARP Americas	Finisterre Capital
Arrowgrass	GIC Ltd
Aspect Capital Limited	Harvard Management Company, Inc.
Avanda Investment Management	HealthCor Management
Bayerische Versorgungskammer	HPS Investment Partners
BIMCOR	Hudson Structured Capital Management (HSCM)
BlackRock	InfraHedge
Blackstone Alternative Asset Management	Inherent Group
Bluebay Asset Management	Innocap Investment Management Inc.
Boussard & Gavaudan	Ionic Capital Management
Bridgewater Associates	IXI Investments
Brummer & Partners	J Paul Getty Foundation
Cairn Capital	K2 Franklin Templeton
Canada Pension Plan Investment Board	LFIS
Capital Fund Management	Lansdowne Partners
CDAM Ltd	Leadenhall Capital Partners
CDPQ	Magnetar Capital
CdR Capital Ltd	Man Group
CERN Pension Fund	Martlet Asset Management
Cheyne Capital Management (UK) LLP	Mirabaud Asset Management
	MKP Capital Management

Monarch Alternative Capital	Sabre Trium
Myriad Asset Management	Sandbar Asset Management
Nephila Advisors	Schroder Secquaero
New Holland Capital	Strategic Value Partners
Nordkinn Asset Management	Sussex Capital Management Ltd
NorthPeak Governance	Systematica Investments
Noviscient	Taconic Capital Advisors
New Zealand Superannuation Fund	Teacher Retirement System of Texas
Office of New York City Comptroller	The State Pension Fund of Finland (VER)
OPTrust	Transtrend
Orchard Global Asset Management	Trium Capital
Ontario Teachers' Pension Plan	Unigestion
PAAMCO Prisma	Union Bancaire Privée
PAG	University of Toronto Asset Management (UTAM)
Periscope Capital	University of Southern California (USC)
PGGM	Utah Retirement Systems
Pictet Asset Management	Varma Mutual Pension Insurance Company
PIMCO	Veritas Pension Insurance
PSP Investments	Victorian Funds Management Corporation
QMA Wadhvani	Welton Investment Partners
Renaissance Technologies	Whitebox Advisors
RockCreek Group	Winton Capital
Royal Mail Pension Plan	Zebedee Capital Partner

7 Regional Committees in 2019/2020

APAC Committee¹

In 2019, the APAC Committee welcomed two new members: William Ma, CIO of Noah Holdings (HK) Limited and Brian Pohli, Executive Director of CQS (HK) Limited.

In 2019/2020, the APAC Committee supported a number of high profile events hosted by the SBAI in the APAC region, including Hong Kong (co-hosted by the Hong Kong Monetary Authority), Shanghai (in collaboration with the Lujiazui Financial City), Singapore (an Institutional Investor Roundtable and a Cyber Attack Simulation co-hosted by the Monetary Authority of Singapore (MAS), in Melbourne (co-hosted by Future Fund Australia) and Sydney (co-hosted by JP Morgan Australia).

In February 2020, the Standards Board hired Becky Xu and Annie Yang, APAC-based consultants, who are involved in the Standards Board's activities in Asia Pacific. They closely work with the APAC Committee as well as the SBAI Head Office in London.

APAC Committee - established in 2016

- **David George**, Future Fund Australia
- **Chris Gradel**, PAG
- **Richard Johnston**, Albourne Partners
- **Ted Lee**, CPPIB (Chairman)
- **William Ma**, Noah Holdings (HK) Ltd
- **Brian Pohli**, CQS (HK) Ltd
- **Betty Tay**, GIC
- **Danny Yong**, Dymon Asia Capital (Vice-Chairman)

¹ In Sep 2019, George Long, Founder, Chairman & CIO of LIM Advisors stepped down from the Committee

EMEA Committee

In June 2020, the Standards Board created its third regional Committee which will focus on the SBAI's initiatives in Europe, the Middle East and Africa (EMEA Region).

Elena Manola-Bonthond, CIO of CERN Pension Fund, was appointed Chairman and Doc Horn, Head of Total Return Equities, Pictet Asset Management, Deputy Chairman of the Committee.

EMEA Committee – established in 2020

- **Angela Borrett**, Albourne Partners Limited
- **Patrick Bronger**, APG Asset Management
- **Erik Eidolf**, Nordkinn Asset Management
- **Stuart Fiertz**, Cheyne Capital Management (UK) LLP
- **Fiona Frick**, Unigestion
- **Doc Horn**, Pictet Asset Management (Deputy Chairman)
- **Kristina Jacobsen**, Ferd AS
- **Roy Kuo**, Church Commissioners for England
- **Elena Manola-Bonthond**, CERN Pension Fund (Chairman)
- **Kai Rimpi**, Varma Mutual Pension Insurance Company
- **Martin Tornqvist**, Capital Fund Management

North American Committee

In 2019, the North American Committee welcomed new members: Anoop Dhakad of HPS Investment Partners, Derek Drummond of State of Wisconsin Investment Board (SWIB) and Kirk Wickman of Angelo Gordon. The Committee also said good-bye to Jane Buchan of Martlet Asset Management, Tom DeVita of MKP Capital Management and Marcus Frampton, CIO, Alaska Permanent Fund Corporation (APFC) who completed their term on the Committee. Ed O'Reilly of Citadel remains Chairman of the Committee.

North American Committee (NAC) - established in 2018

- **Bradley Belt**, Orchard Global Asset Management²
- **Clint Carlson**, Carlson Capital
- **John Claisse**, Albourne Partners
- **Anoop Dhakad**, HPS Investment Partners³
- **Derek Drummond**, State of Wisconsin Investment Board (SWIB)⁴
- **Samantha Foster**, University of Southern California
- **Ed O'Reilly**, Citadel (Chairman)
- **John Richardson**, Ionic Capital Management
- **Priti Singh**, Canada Pension Plan Investment Board
- **Scott Taylor**, Mellon Foundation
- **Karl Wachter**, Magnetar Capital
- **Kirk Wickman**, Angelo Gordon⁵

² Joined in 2018

³ Joined the Committee in 2019

⁴ Joined the Committee in 2019

⁵ Joined in 2019

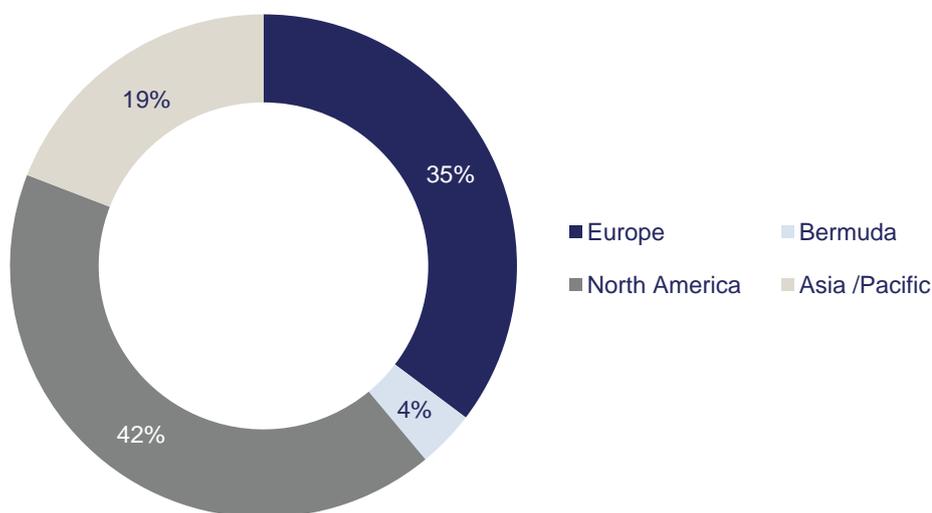
8 Stakeholder Campaign

The Standards Board has continued its active engagement with the alternative investment fund manager and investor communities in North America, the Asia-Pacific region and Europe.

Signatory Progress

Since its inception, managers with over US\$1.2tn in AUM have committed to the Alternative Investment Standards. By comparison, the assets of the global hedge fund industry are estimated at approximately US\$3.1tr . The signatories from North America still have the largest share of our signatory base, accounting for 42% of all signatories. However, the share of our APAC signatories has more than doubled since 2018 an increase from 8% to 19%. There is a growing interest from Bermuda-based managers who focus on insurance-linked strategies (ILS) and they represent 4% of our signatory base. In 2019/2020 we welcomed 30 new signatories from North America, Europe and Asia Pacific, but we also lost a few signatories due to closure, mergers and redemptions.

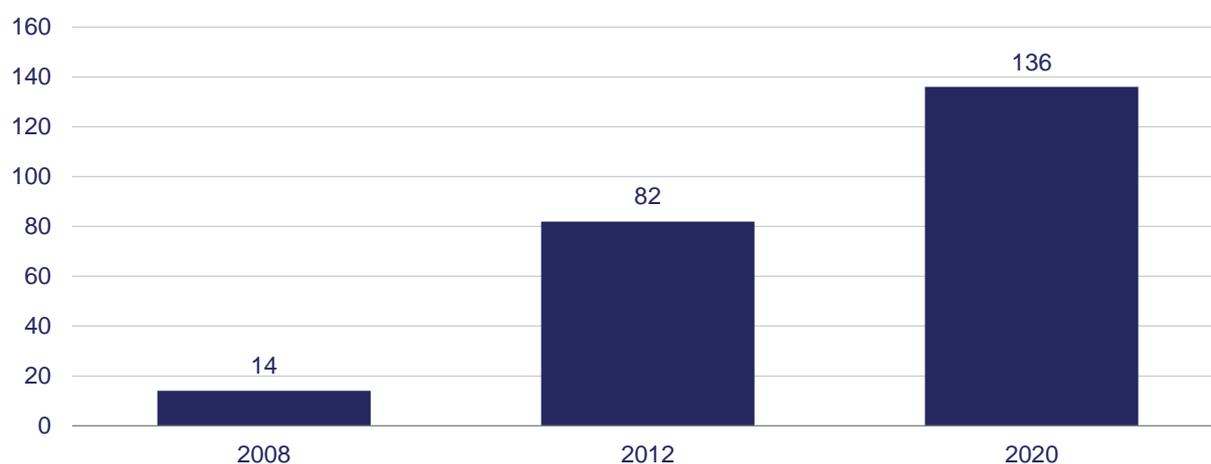
Signatories: 136 managers with over \$1.2tn in AUM (as at July 2020)



New Signatories in 2019-2020

Acadian Asset Management	Leadenhall Capital Partners LLP
AlphaCrest Capital Management	Martlet Asset Management
Angelo Gordon	Maverick Capital
Brilliance Capital Management	Minority Asset Management
Cairn Capital	Perseverance Asset Management
CdR Capital	Quest Partners
Crabel Capital Management	Sandbar Asset Management
Frost Asset Management	Schroders Investment Management
Graham Capital	Securis Investment Partners
HPS Investment	Sussex Capital Management Ltd
HSCM	Sylebra Capital Management
Inherent Group	Telligent Capital Management
IXI Fund Managers Ltd	Transtrend
Jupiter Research Capital	Whitebox Advisors
La Francaise Investment Solutions	Zebedee Capital Partners

Evolution of Signatories



Attracting new signatories, particularly in North America, remains one of the SBAI's key priorities for the next 12 months. We recognise that the benefits the Standards bring to the industry – including strengthening manager practices, improving investor confidence and bringing greater efficiency to investor/manager relationships – all grow as adoption of the Standards increases.

Investor Campaign

One of the most powerful aspects of the Standards Board is the fact that institutional investors are equal partners in the SBAI process as members of the Investor Chapter—pension and endowment funds, sovereign wealth funds, hedge funds of funds, private banks and family offices all are active participants in, and drivers of, the SBAI process. The Investor Chapter members manage US\$3tn in assets.

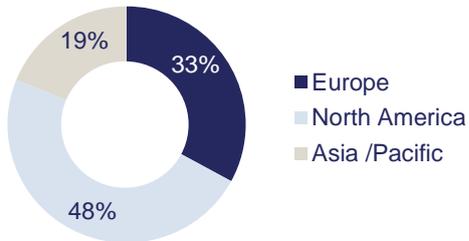
Since the launch of the Investor Chapter in 2010, the SBAI actively has engaged with investors around the globe in a variety of initiatives, such as reviewing amendments to the Standards, participating in joint panels on investor expectations and contributing to working groups to develop Toolbox items. Investor Chapter members also actively have encouraged their peers to become involved and have played a critical role in encouraging managers to commit to the Standards.

In 2019-2020 our Investor Chapter welcomed 19 high profile institutional investors as members:

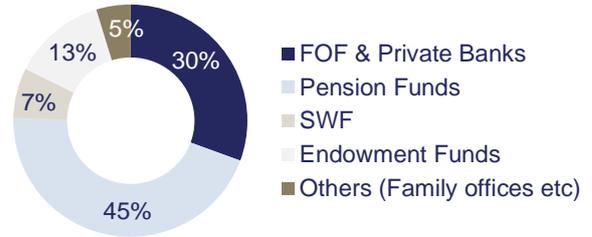
Aalto University	Office of NYC Comptroller
AMOAI	Ontario Teachers' Pension Plan
Andrew Mellon Foundation	OPTEU Pension Trust
Avanda Investment Management	PSP Investments
CDR	Regents of the University of California
CERN Pension	Reservoir Capital
Employees Retirement System of Texas	State of Wisconsin Investment Board
J Paul Getty	The State Pension of Finland (VER)
LGT Capital	Veritas Pension Insurance
Mitsui & Co Pension Fund	

Investor Chapter: 85 members

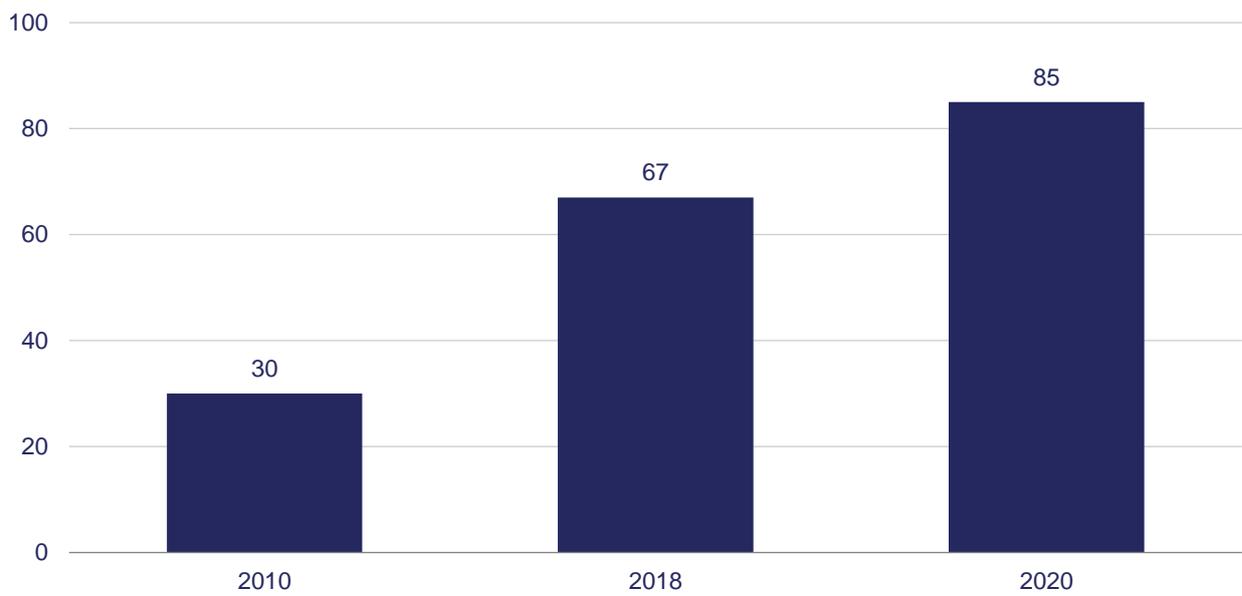
Investor Chapter Members by region



Investor Chapter Members by type



Evolution of Investor Chapter Members



Core Supporters

In autumn 2010 the Standards Board created a special group of stakeholders – Core Supporters – that are committed to making a significant contribution to the SBAI’s efforts. Today, there are 20 members in this critically important leadership group:

Aberdeen Asset Management	Fiera Capital
Acadian Asset Management	HPS Investment Partners
Albourne Partners	Ionic Capital Management LLC
Angelo Gordon	Magnetar Capital
BlackRock	Orchard Global Asset Management
BlueBay Asset Management	PAG
Bridgewater Associates	PIMCO
Capital Fund Management	Springs Capital
Carlson Capital	Unigestion
Citadel	Whitebox Advisors LLC

Core Supporters are associated with SBAI thought leadership and actively are involved in its efforts to improve the market and the industry’s contribution to the wider community. Their logos are displayed on the SBAI website, and they interact with the SBAI’s Trustees and Founders through informal meetings, panels and Board dinners, as well as meetings with senior regulators in a wide variety of jurisdictions.

9 Global Institutional Investor Events: Connecting the Investment Community

Starting in 2013, the SBAI has hosted small-scale but highly effective institutional investor roundtables, bringing together managers, investors and regulators to explore topics of the day through interactive discussions and practical case studies.



In the 2019/2020 fiscal year these events included:

Location	Event	Host
Shanghai	Institutional Investor Roundtable	Lujiazui Financial City
Hong Kong	Institutional Investor Roundtable	Hong Kong Monetary Authority
New York	Institutional Investor CIO Roundtable	Sculptor Capital Management
Toronto	Institutional Investor Roundtable: ILS, Culture and Diversity	CPPIB
Montreal	Institutional Investor Roundtable	CDPQ
Philadelphia	Institutional Investor Roundtable	Albourne
Washington DC	Institutional Investor Roundtable	RockCreek Group
Chicago	Culture & Diversity in Asset Management Roundtable	Citadel and GCM Grosvenor
Bermuda	Insurance Linked Strategies Roundtable	SBAI and ILS Convergence Conference
London	Annual General Assembly	KPMG
London	Emerging Manager Information Session	BlueBay Asset Management

Location	Event	Host
Singapore	Institutional Investor Roundtable	Dymon Asia Capital
London	SBAI Cyber Security Seminar	SBAI
Tokyo	Stakeholder Forum	JP Morgan Tokyo
New York	Annual North American Stakeholder Forum	BAML New York
San Francisco	Institutional Investor Roundtable	Albourne
Los Angeles	Culture and Diversity Roundtable	Crabel Asset Management
Boston	Culture and Diversity Breakfast	State Street Global Advisors
New York	Credit Working Group Launch	New Holland Capital
Austin	Culture and Diversity Roundtable	Teacher Retirement System of Texas (TRS) and the Texas Alternative Investment Association (TAIA)
London	Factor Investing – New Developments in Factor Investing Conference	Imperial College Business School in collaboration with Université Paris-Dauphine and Unigestion
Geneva	Institutional Investor Roundtable	Unigestion
Helsinki	Institutional Investor Roundtable	Varma Mutual Pension Insurance Company

Events in 2020

In Person Events in February 2020

- **Swiss Institutional Investor Roundtable** hosted by Unigestion, focusing on public vs private
- Women in Finance Leadership Breakfast hosted by the Texas Alternative Investment Association in collaboration with the Teacher Retirement System of Texas and SBAI
- **New Frontiers in Investment Research:** Machine learning in risk premia and ESG investing organised by Unigestion in collaboration with Imperial College London Business School, Université Paris-Dauphine and SBAI
- **Melbourne Institutional Investor Roundtable** hosted by Future Fund, focusing on responsible investment and innovation
- **Nordic Institutional Investor Day** hosted by Varma Mutual Pension Insurance Company, focusing on factor-investing, ILS, alternative credit public vs private markets
- **Sydney Institutional Investor Roundtable** hosted by JP Morgan focusing on responsible investment and innovation

Starting from April 2020 the format was changed to virtual due to COVID-19 pandemic. The virtual events included the following series between April and June 2020:

Navigating through COVID-19

- Investors’ Perspective
- APAC Industry Leaders’ Perspective (APAC time zones)
- Implications for ODD and Monitoring
- Superfunds’ Perspective (APAC time zones)
- Were You Prepared?
- Looking Beyond the Lockdown
- Managing Risk and Strategic Partnerships
- Looking at the Post-Pandemic World
- RI Considerations during the Crisis

Toolbox Webinars

- Co-Investments (for Europe and North America)
- Co-Investments (for APAC)

Virtual Institutional Investor Roundtables

- Responsible Investment Roundtable
- Alternative Credit

The Standards Board highly appreciates support and hospitality extended by all of its hosts. None of these valuable events would have been possible without the support of these institutions, and we are extremely grateful for their continued support.

10 Regulatory Engagement in 2019/2020

Pursuant to its mission to participate in the regulatory debate, the Standards Board actively engages with the global supervisory community through meetings with senior officials and smaller workshops bringing together regulators, managers and investors on important issues of mutual interest. The below table shows the regulators we interacted with over the year.

Overview of Regulatory Interaction

<p>Australia</p> <ul style="list-style-type: none"> – Australia Prudential Regulation Authority (APRA) – Australian Securities & Investments Commission (ASIC) 	<p>EU (ex UK)</p> <ul style="list-style-type: none"> – AMF (France) – Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) – European Securities and Markets Authority (ESMA) – Ministry of Finance of Finland 	<p>UK</p> <ul style="list-style-type: none"> – Bank of England – Financial Conduct Authority (FCA) – HM Treasury – Prudential Regulatory Authority (PRA)
<p>Canada</p> <ul style="list-style-type: none"> – Autorité des marchés financiers (Québec) – Canadian Securities Administrators (CSA) – Ontario Securities Commission (OSC) 	<p>Hong Kong</p> <ul style="list-style-type: none"> – Hong Kong Monetary Authority – Securities and Futures Commission (SFC) 	<p>US</p> <ul style="list-style-type: none"> – FBI Cyber Branch (New York) – Federal Reserve Bank of Dallas – Securities and Exchange Commission (SEC) – US Attorney’s Office, Eastern District of New York

<p>China</p> <ul style="list-style-type: none"> – Alternative Management Association of China (AMAC) – China Securities Regulatory Commission (CSRC) – Shanghai Lujiazui Financial City Development Authority – Beijing Municipal Government (Advisory Council) 	<p>Singapore</p> <ul style="list-style-type: none"> – Monetary Authority of Singapore (MAS) 	<p>International Organisations</p> <ul style="list-style-type: none"> – International Organization of Securities Commissions (IOSCO) – International Forum of Sovereign Wealth Fund (IFSWF) – Financial Stability Board (FSB)
	<p>Switzerland</p> <ul style="list-style-type: none"> – FINMA 	

The Standards Board also participates in IOSCO’s annual cyber security survey in collaboration with the Affiliated Members Consultative Committee (AMCC) and ICI Global (SBai is an AMCC member). IOSCO also regularly distributes the materials published by the Standards Board to their membership of global regulators, further broadening the SBai’s influence and impact. For example, the Administrator Transparency Reporting documentation, which was published by the SBai working group, was shared and distributed widely by IOSCO.

As a collaborative platform, the Standards Board closely follows the current and emerging issues investors and investment managers face and shares its insights with the supervisory community. In 2019/20, the Standards Board published industry guidance via its [Toolbox](#) in a wide range of areas which addressing key areas of regulatory concern:

Co-Investments – Focus on addressing conflicts of interest and ensuring fair treatment of investors

Cyber Security – Practical guidance for small- and medium-sized managers

Big Data/AI – Addressing issues in relation to personal data protection, prevention of insider trading and “right to use data”

ILS Fund Valuation – Developing a robust valuation framework for ILS Fund managers to address conflicts of interest

Fund Governance – Strengthening the independent oversight of funds

Alternative Credit – Detailed guidance to investment managers, investors and regulators in areas such as fund structuring, valuations and conflicts of interest

Conflicts of interest between parallel funds – Case study highlighting additional practical steps managers can take to strengthen their approach to addressing potential conflicts

In addition, the SBAI leads an industry wide dialogue on key current issues through its Institutional Investor Roundtables, Workshops and seminars with regulators:

Public versus Private Markets – Allocations to “private markets” by major institutional allocators have increased in recent years, driven by investor search for yield, as well as the emergence of new alternative credit opportunities filling the vacuum left by banks in the provision of credit. The Standards Board currently is exploring how the rise of private asset allocations impacts allocator portfolios, including resulting market and liquidity risks, alignment of interest in investment organisations, governance issues and financial stability. We also are exploring questions in relation to the functioning of public markets in light of increasing passive flows

Systemic Risk Dashboard – Systemic risk analyses based on Open Protocol Data and existing regulatory data

Liquidity Risk Management – Review of SBAI Standards and Toolbox Guidance addressing the handling of situations of liquidity distress in commingled funds; further review of practices in alternative credit funds (see Alternative Credit Working Group below)

Culture & Diversity in Asset Management – The topic of culture and diversity has risen to the top of board and management agendas, and financial regulators are exploring the linkages between culture (or the lack thereof) and compliance failures. The Standards Board’s Culture and Diversity Roundtable series focusses on critical business and strategic issues, as well as best practices (what works, what doesn’t and why) to foster a “good” and inclusive corporate culture

Responsible Investments (RI) – As you well know, this is an area of rapidly increasing relevance for many institutional investors and alternative managers around the globe. We have set up a new Working Group to assess some of the fundamental questions that investors need to answer when calibrating their approach to RI and the applicability of RI concepts to different alternative strategies

There is little doubt that regulators value the Standards Board’s contribution to promoting better practices in the industry, as they have noted many times over the years—they see us as a neutral standard-setter which complements their own work. We will continue to do all we can to add real value to the process of developing constructive and effective standards. Below are some of the quotes provided by various regulators since the inception of the Standards Board.

Quotes on the Standards Board by Regulators

We commend the SBAI's activities in cyber security, specifically its series of table-top cyber-attack simulation exercises, as well as its helpful guidance on basic measures to prevent cyber-attacks. These initiatives help market participants understand key risks and develop practical approaches to address them." The SBAI's collaborative approach is unique in that it gives managers and institutional investors an equal voice in the development of industry practices and proactively addresses emerging issues.

Christina Choi

Executive Director of Investment Products, Securities and Futures Commission of Hong Kong, May 2018

I commend the HFSB for identifying the importance of adequate risk disclosure and its ongoing transparency initiatives, including the launch of the standardised Administrator Transparency Report last year and the Open Protocol risk reporting standard later this month. These initiatives are not just relevant to hedge fund managers but to all alternative investment funds and beyond.

Gerard Fitzpatrick

Senior Leader, Investment Managers and Superannuation, Australian Securities and Investment Commission (ASIC), May 2017

The trend towards greater market-based finance should be welcomed, but it is important that accompanying risks to financial stability are well understood and managed. The HFSB provides a powerful platform for the market participants, specifically institutional investors and managers, to contribute to this effort to strengthen the resilience of capital markets.

Andrew Bailey

Deputy Governor, Bank of England and CEO, Prudential Regulatory Authority, May 2015

I would like to recognise the fact that in its short existence, the HFSB has, in my view, broken new ground in the way in which industry associations can operate as standard setters.

The HFSB is one of the first of a new brand of industry associations, which bridges the gap between the old self-regulatory organisation model and conduct regulation by the likes of the SFC. It is significant that the HFSB was the model for the FICC Markets Standards Board set up in the UK last year as a result of the Fair and Effective Markets Review recommendations.

And when the industry evolves its own robust conduct standards, particularly through an organisation like the HFSB where funds and investors come together, the chances are that the laws and rules we enforce are less likely to be breached. This is of obvious value to members as well as the regulators.

At the same time, we are not normally in a position to formally endorse industry standards as part of our formal framework of regulation. For one thing, we cannot do so when rules have not gone through the usual legislative or consultative process. But more importantly, we should not fetter or formalise the HFSB's own freedom to develop its standards without too much interference from us.

Ashley Alder

CEO of the Securities and Futures Commission of Hong Kong and the new Chairman of IOSCO,
June 2016

I welcome investors and managers collaborating to improve industry standards, and the HFSB has created an important framework to allow such collaboration to occur.

Drew Weilbacher

US SEC's Office of Compliance Inspections and Examinations, September 2015

More quotes from regulators are in Appendix III

11 Looking Ahead

A key priority of the Standards Board is to ensure the continuous adoption of the Standards by managers and support for the Standards by investors, particularly in North America and the Asia Pacific. The Board, Signatories and Investor Chapter members are committed to this critical initiative and expect to see strong progress in this area in the coming year. The SBAI will also continue to build its virtual engagement platform with stakeholders and regulators to continue the active dialogue on standards and practices.

We also will focus on a number of other important initiatives:

Toolbox Guidance

Responsible investment

Cyber security

ILS Funds: Side pocketing practices

Risk reporting

The SBAI also will launch a working group on culture and diversity.

Enhanced collaboration with securities regulators via IOSCO

Dedicated workshops on topics such as cyber security, liquidity risk management, conflicts of interest and leverage.

12 Appendix I: Board of Trustees

Mario Therrien

Head of Investment Funds and External Management, CDPQ Chairman, SBAI

Mario Therrien leads CDPQ's investment funds activities. The teams he oversees invest in private investment funds and credit in private markets, as well as in venture capital in Québec and internationally. They are also responsible for external management in equity markets, as well as developing and managing strategic and institutional relationships. His mandate consists of adding value by building portfolios with the best external managers, while improving in-house management through the sharing of knowledge and expertise. He sits on the Investment-Risk Committee.

Prior to this role, Mr. Therrien was Senior Vice-President and Head of Strategic Partnerships, Developed Markets. He joined CDPQ in 1993 as an Analyst before taking on the role of Portfolio Manager in the group responsible for absolute return activities. Subsequently, he was mandated to develop external management activities in liquid-asset classes.

He holds a Bachelor's degree in Economics and a Master's degree in Finance from Université de Sherbrooke. He has also completed the Canadian Securities Course given by the Canadian Securities Institute, and is a CFA charter holder. Mr. Therrien is a member of the Montreal CFA Society.

Luke Ellis

Chief Executive Officer, Man Group plc Deputy Chairman, SBAI

Luke Ellis is CEO of Man Group plc ("Man") based in London. Luke was previously President of Man, having joined the firm in 2010, and had been a member of the Executive Committee. Before joining Man, he was Non-Executive Chairman of GLG's Multi-Manager activities. Prior to this, he was Managing Director of FRM from 1998 to 2008 and one of two partners running the business. Before joining FRM, he was a Managing Director at JPMorgan in London, and as Global Head was responsible for building the firm's Global Equity Derivatives and Equity Proprietary trading business. Mr. Ellis holds a BSc (Hons) in Mathematics and Economics from Bristol University.

Leda Braga⁶
CEO, Systematica Investments

Leda Braga is the founder and CEO of Systematica Investments, a global institutional hedge fund manager with approximately \$8.2 billion in assets under management. Systematica was formed in January 2015 as a spin-off of BlueCrest Capital, where Ms Braga was President and Head of Systematic Trading for 14 years. Prior to BlueCrest, she was part of Cygnifi Derivatives Services (a J.P. Morgan spin-off). At Cygnifi Ms Braga was part of the management team and head of its Valuation Service. Prior to Cygnifi, she spent nearly seven years at J.P. Morgan as a Quantitative Analyst in the derivatives research team. Her past experience includes modelling of interest rate exotics, FX/interest rate hybrid instruments and equity derivatives.

Ms Braga holds a PhD in Engineering from Imperial College London, where she worked as a lecturer and led research projects for over three years prior to joining J.P. Morgan. In addition, she has served in the advisory board of the pension fund of the CERN in Geneva and currently serves on the advisory board of the London School of Economics' Systemic Risk Centre.

Jane Buchan
CEO and Co-CIO, Martlet Asset Management

Jane is Chief Executive Officer and Co-Chief Investment Officer of Martlet Asset Management responsible for firm strategy, organization and performance. Martlet is based in Newport Beach, CA and was founded in July 2018. The firm's strategies include alternative risk premia and developing liquid strategies with a focus on fixed income. Prior to this, Ms. Buchan co-founded and led Pacific Alternative Asset Management Company (PAAMCO), a Fund of Hedge Funds focused on institutional investors for 18 years. Under her leadership first as CEO of PAAMCO and then co-CEO of PAAMCO Prisma, the firm grew to \$32 billion AUM placing it third globally in the league tables by the time of her retirement in July 2018 (HFM InvestHedge Billion Dollar Club).

Jane began her career at J.P. Morgan Investment Management in the Capital Markets Group where she was trained in quantitative fixed income portfolio management. She has been an Assistant Professor of Finance at the Amos Tuck School of Business at Dartmouth. She recently served as chairwoman of the board for the Chartered Alternative Investment Analyst Association (CAIA) and is a member of the Advisory Board for the Master of Financial Engineering Program at UCLA Anderson School of Management.

Jane holds both a PhD and an MA in Business Economics (Finance) from Harvard University. She earned a BA in Economics from Yale University. Jane has thirty-three years of experience in investment management and portfolio construction with institutional investors.

⁶ Joined the Board in September 2019

Clint Carlson**President & CIO, Carlson Capital**

Mr. Carlson founded Carlson Capital in 1993. For five years prior, he was head of risk arbitrage for the investment arm of the Bass Brothers organization. Before joining the Bass organization, Mr. Carlson co-managed a risk arbitrage fund for Maxxam Group and affiliated companies.

Mr. Carlson received a B.A. and an M.B.A. from Rice University and a law degree from the University of Houston. He is a Board Member of the Rice Management Company and a member of the Board of Overseers for the Jones School of Business at Rice University.

Bruce H. Cundick**Chief Investment Officer, Utah Retirement Systems**

Bruce H. Cundick is the Utah Retirement Systems' Chief Investment Officer and responsible for directing the overall operations of the Investment Department. He manages all aspects of investment functions for all plans. The Utah Retirement Systems is a \$27bn state pension fund.

Bruce graduated Magna cum laude from the University of Utah with a BA in Accounting and an MBA. Bruce is a Chartered Financial Analyst (CFA) and a Certified Public Accountant (CPA).

He has been with the Utah Retirement Systems for fourteen years. During the previous fourteen years, Bruce was the CFO and CIO at Beneficial Life Insurance Company where he directed \$2bn portfolio of fixed income, mortgage-backed and equity securities. Prior to that, he held the position of President and Chief Executive Officer at Deseret Federal Savings and Loan. He has also taught at the University of Utah for over 30 years. He was an adjunct professor and has taught part-time as an associate instructor of Business Finance and Investments in the University's Masters of Science and Technology program. He currently sits on the Benefits Finance Committee of the Board of Directors for Intermountain Health Care and the Investment Advisory Committee for the University of Utah Endowment.

Stuart Fiertz**Co-Founder, President and Director of Research, Cheyne Capital Management**

Stuart Fiertz is the Co-Founder, President and Director of Research of Cheyne Capital Management (UK) LLP. From 1991 to June 2000, and prior to establishing Cheyne Capital with Jonathan Lourie, Stuart worked for Morgan Stanley where he was responsible for the development and implementation of customised portfolio strategies and for credit research in the convertible bond management practice.

Prior to joining Morgan Stanley, Stuart was an equity research analyst for the Value Line Investment Survey, and a high yield credit analyst in Boston at Merrill Lynch and in New York at Lehman Brothers. Stuart is a CFA® charterholder and a CAIA designee. He is also on the board of the CFA Society of the UK, a council director of the Alternative Investment Management Association (AIMA) and chairman of the AIMA Alternative Credit Council.

Stuart was educated at the International School of Geneva and at Dartmouth College where he was awarded a BA degree in Political Science and Economics.

David George**Deputy Chief Investment Officer, Public Markets, Future Fund Australia**

David George is Deputy Chief Investment Officer, Public Markets, of Australia's Sovereign Wealth Fund, the Future Fund, valued at A\$154 billion on 31 March 2019. The organisation is also responsible for the investment of five other special purpose funds on behalf of the Australian Federal Government. At 31 March 2018 these funds had a combined value of A\$33.6 billion.

David joined the Future Fund in April 2008 and from 2013 has had responsibility for investments across the debt, cash and public market alternative investment programs. In March 2018 David took on the newly created role of Deputy Chief Investment Officer, Public Markets, which has oversight of the listed equity, debt, cash, hedge fund and derivative overlay investment activities.

Prior to joining the Future Fund, David was a Principal at Mercer Investment Consulting in Sydney and previously has held management and analytical roles at Mercer in Toronto, the Royal Bank of Canada and Integra Capital Management. David sits on the Board of the CAIA Association. David earned a BA in Economics from Western University and is a CFA and CAIA charter holder.

Chris Gradel
Founder, PAG

Chris Gradel is the Founder of PAG, one of Asia's largest alternative investment firms with over USD11 billion under management. At PAG he acts as CIO of its absolute return strategies, which includes managing PAG's multi-strategy hedge fund, as well as a number of credit funds.

Chris has spent 19 years in the Asia Pacific region. Prior to founding PAG in 2002, he led several investments in China for the Marmon Group. This included the buy-out and turnaround of a Chinese State-owned manufacturing company in 1996. Chris also worked as an Engagement Manager for McKinsey and Company, working with clients across the Asia Pacific region.

Chris graduated from New College, Oxford, with an MEng in Engineering, Economics and Management.

Richard Lightburn
CEO, MKP Capital Management

Richard Lightburn serves as Chief Executive Officer of MKP Capital Management, bringing more than 25 years' experience in financial markets to the role. He is a Principal of the firm and is a member of the Investment Committee. Prior to being named CEO, Mr. Lightburn led all of MKP's global rates and Agency MBS trading strategies at the firm. Before he joined MKP in 2008, Mr. Lightburn worked for three years as a Managing Director at HSBC Securities, where he managed the prime mortgage trading business. Prior to HSBC, Mr. Lightburn worked for 15 years at Goldman Sachs. When he left the firm in 2004, Mr. Lightburn was a Managing Director and Co-Head of the Mortgage Liquid Products trading group.

Richard Lightburn received a B.S. in Mechanical Engineering from the Massachusetts Institute of Technology (1989).

Simon Ruddick
Chairman & Co-Founder, Albourne Partners

Albourne's 280+ clients have over \$550 billion invested in alternatives. Albourne received the Queen's Award for Enterprise in 2006 and 2009. Simon Ruddick received Lifetime Achievement Awards from Global Custodian in 2010 and from HFR in 2012, along with the International Leadership Award from the American Red Cross. Also in 2012, Albourne was ranked 1st in HFM Week's Investor Power 30.

Simon Ruddick previously managed a hedge fund and worked at Bankers Trust, Morgan Grenfell and Daiwa Securities.

Simon Ruddick holds an MA in PPE from Trinity College, Oxford.

Dan H. Stern**Co-Founder and Co-CEO, Reservoir Capital Group**

Dan Stern co-founded Reservoir Capital Group in 1998. Prior to founding Reservoir, Mr. Stern co-founded and was President of Ziff Brothers Investments and served as a Managing Director of William A.M. Burden & Co., and an Associate at Bass Brothers Enterprises in Fort Worth, Texas. Mr. Stern has participated in the formation and development of numerous investment management entities, including HBK Investments, Och-Ziff Capital Management, Starwood Capital, Ellington Capital Management, and Anchorage Advisors, among others. He is the President of the Lincoln Center Film Society and serves as a Trustee of Lincoln Center, the Mt. Sinai Medical Center, and the Educational Broadcasting Corporation (PBS Channel 13 New York). Mr. Stern received an A.B. from Harvard College and an M.B.A. from Harvard Graduate School of Business.

Betty Tay**MD, Head of External Managers Department, GIC Private Limited**

Betty is Managing Director, Head of External Managers Department in GIC. In her current capacity, Betty oversees the day-to-day activities of the External Managers Department, including portfolio management for all of GIC's public market external managers programs, manager selection and monitoring, operations and administration for the department. In addition, Betty is a member of GIC's Business Continuity Plan Steering Committee.

Betty 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. In this capacity, Betty was posted to GIC's London office, and was instrumental in developing portfolio management expertise in non-Asia emerging markets. In 2002, Betty joined the External Managers Group.

Betty has over 20 years of experience in international financial markets including trading functions across various products in local and international financial institutions. She began her career as a proprietary trader with the Development Bank of Singapore (DBS). Prior to joining GIC, Betty spent 6 years as a Principal at Bankers Trust Company (Singapore). She served as the Head of the Foreign Exchange Forwards Division and managed the firm's balance sheet in Singapore.

Betty graduated from the National University of Singapore in 1991 with a BSc in Mathematics. She also holds both Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations. She completed the Stanford Executive Program in August 2014.

Betty is a member of the Investment Advisory Committee for the Lee Kuan Yew Fund for Bilingualism Limited.

Dale West**Senior Managing Director, Teacher Retirement System of Texas**

Dale West is the Senior Managing Director of External Public Markets at the Teacher Retirement System of Texas in Austin, Texas. TRS is a \$130 billion pension system serving 1.4 million active and retired educators and their families. Dale's team oversees the Trust's \$39 billion portfolio of externally managed public market assets, including \$27 billion in traditional long-oriented equities and \$11 billion in hedge funds. Dale serves on the TRS Internal Investment Committee and Management Committee. He is a member and past board member of the Texas Hedge Fund Association.

Prior to joining TRS, Dale was based in London with the emerging markets equity team of T. Rowe Price International, where he covered telecoms and emerging markets. He also served in the U.S. Foreign Service, including a three-year posting to the American embassy in Bucharest, Romania.

Dale received an MBA from Stanford University, and is a graduate of the Plan II Honors Program at the University of Texas at Austin.

Poul Winslow**Senior Managing Director and Global Head of Capital Market and Factor Investing, Canada Pension Plan Investment Board**

At CPPIB, Poul Winslow leads the team responsible for selecting and managing relationships with external managers across a wide range of active mandates. He has more than 25 years of experience in the financial services industry. Prior to joining the CPPIB, Poul had several management and investment roles at Nordea Investment Management. He was also Chief Investment Officer of Andra AP-fonden (AP2) within Sweden's national pension plan system.

Poul obtained his undergraduate and Masters degree in Economics and Management from Aarhus University in Denmark.

Sir Andrew Large
Chairman Emeritus of the SBAI

Sir Andrew Large was Deputy Governor of the Bank of England from 2002 to 2006. He now acts independently for central banks and governments in relation to financial stability and crisis prevention issues. He is also Chairman of the Senior Advisory Board of Oliver Wyman; Senior Adviser to Hedge Fund Standards Board; Chairman of the Advisory Committee of Marshall Wace, and Chairman of the Board Risk Committee of Axis, Bermuda.

Sir Andrew's career has covered a wide range of senior positions in the world of global finance, within both the private and public sectors. Sir Andrew spent twenty years in capital markets and investment banking, first with Orion Bank and then with Swiss Bank Corporation, on its Management Board from 1987-1989. Prior to his time at the Bank of England he chaired the Securities and Investments Board (precursor of the FSA) 1992-1997 and Deputy Chairman of Barclays Group from 1998-2002. When at Barclays, Sir Andrew was Chairman of Euroclear in Brussels. Concurrently he served on the Managing Director of the IMF's Capital Markets Consultative Group 1999-2002 and chaired for the Group of 30 a global report into strengthening the global financial infrastructure for clearing and settlement. Sir Andrew chaired the Hedge Fund Working Group, that created the original standards and was the first Chairman of the Standards Board for Alternative Investments (formerly known as Hedge Fund Standards Board).

Sir Andrew has a keen interest in education; he is the Chairman of the INSEAD Advisory Council and was a member of the INSEAD Board 1998-2010.

George Robinson resigned as a Trustee in March 2019

Kathryn Graham resigned as a Trustee in March 2019

13 Appendix II: Overview of Accounts

in £	Year to 31 Jan 2020	Year to 31 Jan 2019	Year to 31 Jan 2018	Year to 31 Jan 2017	Year to 31 Jan 2016	Year to 31 Jan 2015	Year to 31 Jan 2014	Year to 31 Jan 2013
Turnover	1,285,957	1,197,972	1,198,306	1,142,172	1,190,717	1,142,605	1,041,897	905,075
Admin expenses	(1,275,369)	(1,196,640)	(1,206,368)	(1,126,307)	(1,103,384)	(1,075,186)	(997,242)	(886,120)
Loss/profit on ordinary activities before taxation	9,099	(1,292)	(8,062)	15,865	87,348	67,419	44,655	18,955
Interest receivable and similar income	1,410	1,030	72	51	15	-	-	-
Tax on loss/profit on ordinary activities	(2,899)	(3,654)	40	(4,425)	(19,322)	(15,825)	(3,262)	13
Loss/profit for the financial year (before tax)	11,899	2,362	(7,950)	11,491	68,026	51,594	41,393	18,968

14 Appendix III: Quotes on the Standards Board by Regulators

When the industry evolves its own robust conduct standards, particularly through an organisation like the HFSB, where funds and investors come together, laws and regulations we enforce are less likely to be breached. There is no reason why the Standards should only apply to hedge fund managers, and we would like to encourage the HFSB to explore widening its remit.

Ashley Alder

CEO of the Securities and Futures Commission of Hong Kong, April 2017

I commend the HFSB's efforts to improve cyber security practices in the asset management industry. The cyber-attack scenarios explored during the event were useful in raising awareness of the participants about different safeguards and actions to consider when responding to a cyber-attack incident.

Tan Yeow Seng

Director & Head of the Technology Risk and Payments Department of the Monetary Authority of Singapore, April 2017

As part of its support to the development of financial markets in emerging markets and developing countries (EMDEs), the World Bank places a great emphasis on the development of broad and well-regulated capital markets... It welcomes the work done by the HFSB and looks forward to collaborating with the HFSB to contribute to the development of transparent capital markets across EMDEs.

Michel Noel

Head of Investment Funds, Finance & Markets Global Practice, World Bank, September 2015

It is encouraging to see the hedge fund industry being proactive in addressing topical issues through the HFSB process, which complements the FCA's efforts.

Rob Taylor

Head of the FCA's Investment Management Department May 2015

The Hedge Fund Standards can help the Chinese hedge fund industry improve risk management, investor disclosure and governance.

Tang JinXi

Vice Chairman, Asset Management Association of China (AMAC), the self-regulatory organisation for the mutual fund industry, April 2015

Improvements in culture cannot be achieved through rules alone, and that the industry needs to take a proactive approach in addressing emerging issues. This is why what the HFSB does is so important.

James Shipton

Exec Director, Member of the Securities and Futures Commission of Hong Kong, March 2015

Investors play a critical role in improving the industry, and the HFSB has created a helpful platform for collaboration between managers and investors.

Drew Bowden

US SEC's Office of Compliance Inspections and Examinations, September 2014

The work of the HFSB is incredibly important at a time when we see the limitations of conventional regulation.

Drew Bowden

US SEC's Office of Compliance Inspections and Examinations, September 2014

We are pleased to welcome the Hedge Fund Standards Board as an affiliate member of IOSCO. There is an important role for industry standards to play alongside statutory regulation in promoting transparency and good governance in the financial markets. The HFSB can play a valuable role working with regulators and supervisors.

David Wright

Secretary General of IOSCO, July 2014

The application of industry standards that are aligned with the securities regulatory framework and IOSCO principles are encouraged.

Mathieu Simard

Director, Investment Funds Dept of Quebec's Autorité des marchés financiers, June 2014

The FCA encourages the asset management industry to challenge itself constantly. We need a change of culture, not just a change of rules or systems. Initiatives like the Hedge Fund Standards Board can be an important driver for that.

Esther Wandel

Head of Investment Funds Policy, UK FCA, May 2014

FSA sees the HFSB Standards as a very constructive addition to the wider regulatory architecture. It should be noted that the FSA will take compliance with these standards into account when making supervisory judgements...

Hector Sants

Former CEO, FSA, October 2008

SBai

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