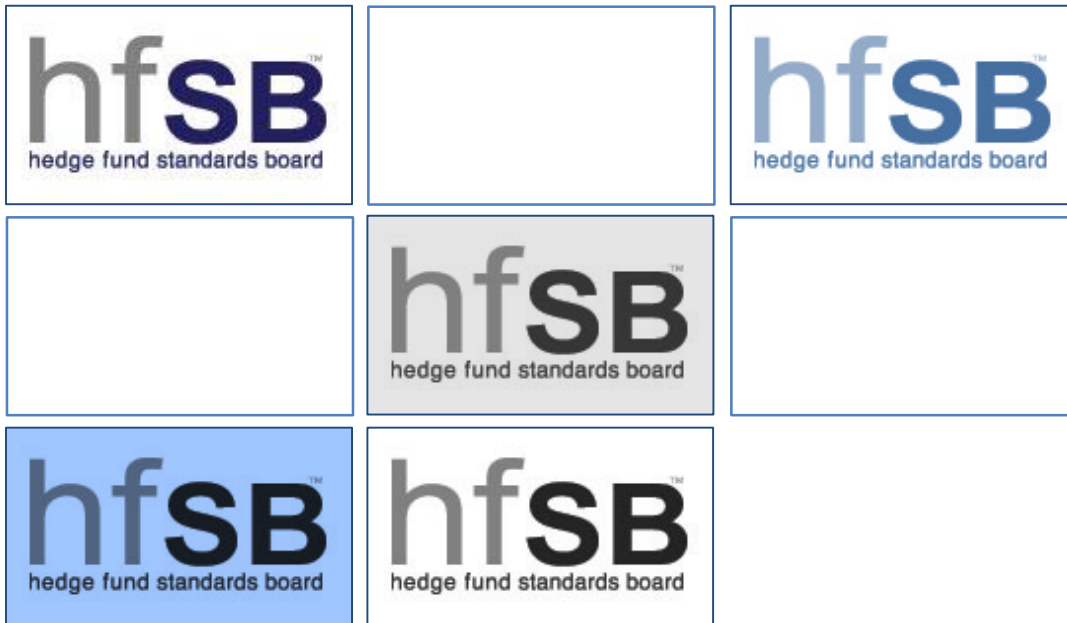


Hedge Fund Standards Board



Annual Report 2014

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1. Foreword

The Hedge Fund Standards Board (HFSB) plays an important role in the hedge fund “eco system” globally through its ability to bring investors and managers together to drive better standards collaboratively for the benefit of the whole industry and the wider economy. Our approach is in part about promoting good practice through Standards that complement the statutory framework in which the industry operates and reflect the interests of investors, managers and the broader community. However, the HFSB is more than just Standards—it is, in effect, a platform for investors and managers to work together to improve the industry in many ways and to engage with regulators and policy-makers; the development of our Institutional Investor Roundtables is a very good example of this. In the last 12 months, the HFSB held these Roundtables around the world, including the UK, US, Canada, Australia, Japan and Switzerland, involving senior investors, managers and regulators. These discussions have focussed on where industry practices need to improve and how the HFSB can help this process of continuous improvement, complementing statutory regimes. Over 400 market participants attended these events, and the HFSB plans to expand the HFSB Institutional Investor Roundtable series over the next 12 months further into Asia and into the Middle East. This unique HFSB platform and our role as a neutral standard-setter also enable us to have an independent dialogue with regulators around the globe. Together, we are focused on maximising the impact we can have to ensure that regulation is proportionate and fit for purpose.

This past year has been a busy one for the Hedge Fund Standards Board, building on the internationalisation of the Standards and particularly the drive to sign up North American hedge funds and investors. Twelve hedge fund managers signed up to the Standards in 2014, including major hedge fund managers, such as Halcyon Capital Management, Magnetar Financial and Taconic Capital Advisors. We also welcomed Innocap, a managed account platform, as a signatory to the Standards. As at 1 May 2015, the HFSB has 123 signatories (representing over \$700 billion in assets under management today), 62 Investor Chapter Members and 9 Core Supporters. All of these “stakeholders” together represent a significant force in the process of continuing to improve the hedge fund industry.

Investors, and particularly our Investor Chapter Members and Investor Trustees, have been instrumental in the campaign to add signatories around the globe, both big and small. Their continuous

engagement in raising awareness about the importance of the HFSB is key to our success, not only with hedge fund managers but also with regulators. We are indebted to them for their continuing support.

Regulatory engagement is a critical part of the HFSB's work, and this past year was no exception. We were actively engaged in discussions and consultations with regulators around the globe, sometimes publicly, often in private as a "trusted partner". Some of the important initiatives have included "shadow banking and financial stability", as well as corporate governance. Perhaps equally important as these "set pieces" has been the daily, on-going dialogue at very senior levels with regulators, government officials and policy makers globally, whether with the US Securities and Exchange Commission or the UK Financial Conduct Authority or the Ontario Securities Commission or the Monetary Authorities in Hong Kong and Singapore or Japan's Financial Services Authority, to name but a few. We also were honoured and pleased to be accepted as an Affiliate Member of the International Organisation of Securities Commissions (IOSCO) and now regularly participate in their working groups. This has given us a unique platform to interact with global regulators. All of these efforts are intended to help ensure that regulation reflects how the industry works.

I also am pleased to report that, with disciplined cost management and the increase in stakeholders, the HFSB again reported a small surplus for this past year. We will continue to focus on cost efficiency at the same time as focusing on delivering highest impact for our stakeholders.

As I look ahead to the next 12 months, it is obvious that regulatory issues will continue to loom large on the agenda for all of us, but we also see investors back in the driving seat, focussing the discussion on their priorities. The HFSB will continue to focus hard on the process of getting 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. In addition to launching the Japanese translation of the Standards last November and the Chinese translation in April 2015, we are continuing with the Institutional Investor Roundtables. As participants repeatedly have told us, these Roundtables provide a highly effective platform to hear from investors and managers around the globe where their priorities lie and how we can help them improve the global hedge fund ecosystem. The HFSB also will test new ways to improve Standards and practices through its "Toolbox".

The Toolbox enables us to address issues of concern more quickly and flexibly than the Standards. Our first initiative was a template for hedge fund board meeting agendas which has had thousands of downloads and been recommended by IOSCO; we will launch our second initiative on Administrator Transparency Reporting in May 2015.

There is no doubt that regulatory activity will continue to increase, particularly in the US and Europe. In this context, our regulatory dialogue is unique—regulators understand that we are not a self-interest group or lobbyists; they see us as an ally in driving better practices globally and helping improve outcomes in markets. There also is a recognition among supervisors that regulation alone cannot always achieve desired outcomes and sometimes not in a cost-effective way. As a result, we are increasingly seeing that the HFSB is pointed to as a “blueprint” for other sectors to create market-based frameworks complementing regulation to drive better outcomes. In this environment we will leverage our strong foundation as a neutral standard-setter with deep-seated knowledge and expertise in hedge funds and markets to help ensure that regulation meets the aspirations and needs of the industry, its customers and the broader community.

We are fortunate at the HFSB to have an exceptionally talented and dedicated team, both the executive and the Trustees. Their support, engagement and goodwill will continue to be the key to our ability to make an impact and a positive difference for the industry and more broadly. I would like to take this opportunity to thank them all. In particular, I would like to thank Sir Michael Hintze and David Neal, who have retired from the Board, for their many years of service as trustees, in Michael’s case, as a Founder Trustee—we have benefited greatly from their wise counsel and unfailing support. And I am delighted to welcome three new trustees, Bruce Cundick, Chief Investment Officer of Utah Retirement Systems (US), David George, Head of Debt & Alternatives of Future Fund (Australia) and Dale West, Senior Manager of Teacher Retirement Systems of Texas (US); their wealth of experience, expertise and independent thinking will add greatly to an already strong Board.

The hedge fund industry has a critical role to play, not only to achieve adequate returns for savers and pensioners, but also as a provider of risk capital to industry, whether big or small companies. This is particularly true now, as banks around the world are hamstrung by weak capital bases and the need to deleverage, particularly in Europe. Reducing reliance on bank lending and increasing exposure to



the capital markets in Europe is a critical long-term European objective, and hedge fund managers (and their investors) have an important role to play in that process.

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

Dame Amelia Fawcett D.B.E.

May 2015

2. HFSB Mission

The Hedge Fund Standards initially were drawn-up and published in 2008 in response to G8 policy leaders' concerns over financial stability. They have been updated several times since then. As guardian of the Standards, the HFSB's mission is to promote the Standards through engagement in the following areas:

- *Collaboration with managers and investors: the HFSB brings together managers and investors as a joint force in the HFSB process to determine how the hedge fund industry should operate, as they are the best economic agents to embrace and endorse the improvements the HFSB seeks to achieve.*
- *Supervisory engagement: the HFSB actively engages with the supervisory community so that regulation reflects how the industry works and the Standards reflect public policy requirements.*
- *International dimension: the hedge fund industry and its clients operate globally; therefore, the Standards have been amended to be internationally applicable. HFSB stakeholders are international with major investors and managers representing North America, Europe and Asia.*
- *Improving the Standards: the Standards are regularly reviewed to ensure that they demonstrate a good industry standard, remain relevant and are in tune with relevant public policy requirements just as they are with evolving industry practice.*

3. The Hedge Fund Standards

The Standards set levels of quality in behaviour and working practice that complement the public policy framework, particularly in the areas of complex, diverse or more innovative practice. They are principle-based, consistent with existing regulation in multiple jurisdictions and intended to benefit hedge fund managers from all jurisdictions.

The Standards are deliberately set at a challenging level so as to encourage high quality behaviour in the interest of securing support and respect from all stakeholders, including investors, regulators and counterparties. They can be a more efficient way of achieving regulatory objectives than detailed and rigid rules. The Standards are based on a “comply or explain” regime catering for the entire breadth and diversity of the industry and allowing managers to “explain” where a specific standard is inconsistent with local law and regulation or specific local business model etc..

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 fact, the FSA stated that they “will take compliance with these [HFSB] standards into account when making supervisory judgements”. In this sense, the Standards are binding, and conformity with them can be verified by investors at any point.

Why are the Standards important?

The Standards provide a powerful mechanism for creating a framework of transparency, integrity and good governance that maintains a high reputation for the industry, facilitates investor due diligence and minimises the need for restrictive regulation. The HFSB welcomes appropriate regulation of the industry, but, given the diversity of investment strategies, the speed of innovation, the complexity of many platforms and the global scope of the industry, traditional rules and regulations are not expected to meet all the needs of investors and managers.

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. For example, the majority of hedge fund assets under management (60%) in the UK/EU market now adhere to the Standards, which is an increasing indication of the Standards becoming the “industry norm” in these important markets.

4. Overview of the HFSB Activities

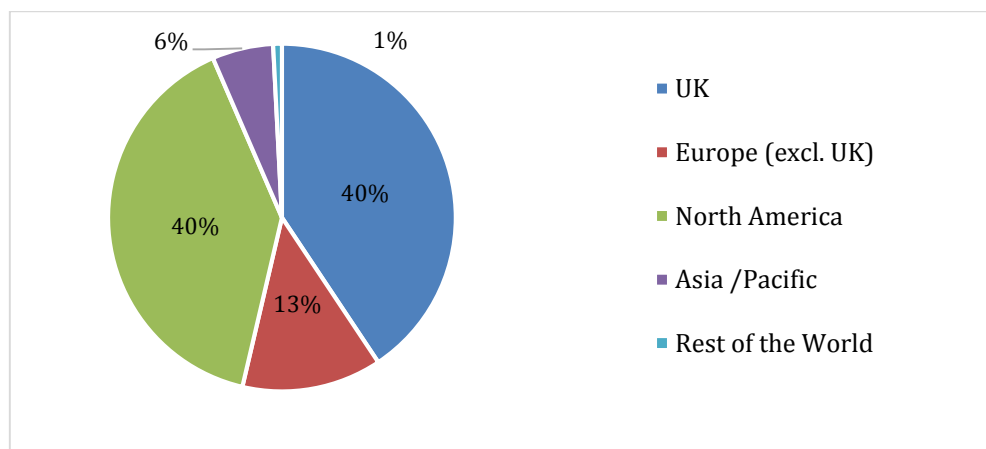
Since its inception in 2008, the HFSB has focussed its endeavours on the following areas:

- Raising awareness among hedge fund managers to encourage them to sign up to the Standards (signatory process)
- Raising awareness among investors so that they encourage conformity (investor campaign) with the Standards
- Engaging with regulators and supervisors to help promote high standards in the industry and advise on regulatory initiatives (regulatory engagement)
- Participating in the regulatory debate and sharing its intellectual capital
- Improving the Standards through consultations

a) Signatory Progress

Since its inception, managers with over US\$700bn in AUM have committed to the Hedge Fund Standards. By comparison, the assets of the global hedge fund industry are estimated at US\$2.4 trillion¹. While the majority of the HFSB signatories are Europe-based, the share of the North American managers is reaching a tipping point and today the North American signatories account for 40% of our signatories (in number). In 2014 we welcomed 12 new signatories, including our first signatory from South America – Gavea Investimentos (Brazil). However, we lost signatories due to closure of their firms, mergers and takeovers.

HFSB Signatories: 123 managers² with over \$700 in AUM



¹ As of 4th Quarter 2014 according to Barclay Hedge, www.barclayhedge.com

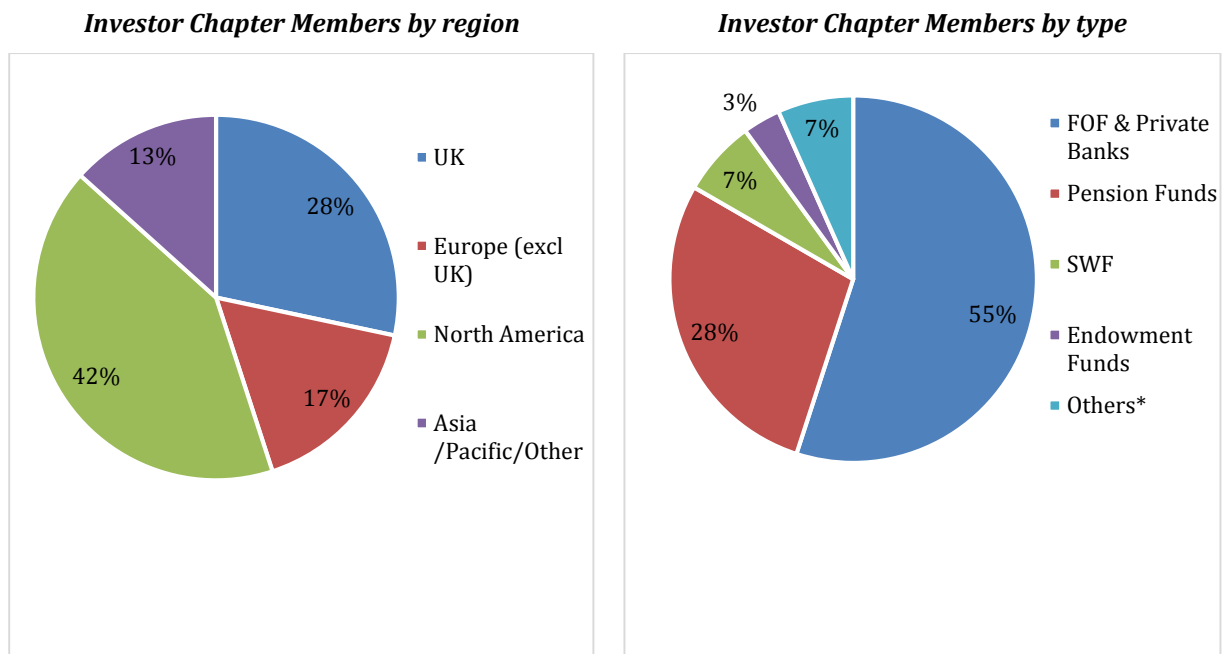
² As at January 2015

Attracting new signatories, particularly in North America, remains one of the HFSB's key priorities for the next 12 months.

b) Investor Campaign

Since the launch of the HFSB Investor Chapter in 2010, the HFSB 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 the ongoing signatory campaign where the investors have played an instrumental role in raising the HFSB profile. Investor Chapter members continue to play a critical role in helping to get managers to become signatories, particularly in the US. In 2014 our Investor Chapter welcomed 6 new members, including Elo, Varma, Ilmarinen, USS, Royal Mail Pension Fund and Gulf Investment Corporation (Kuwait), bringing the total to 60 members.

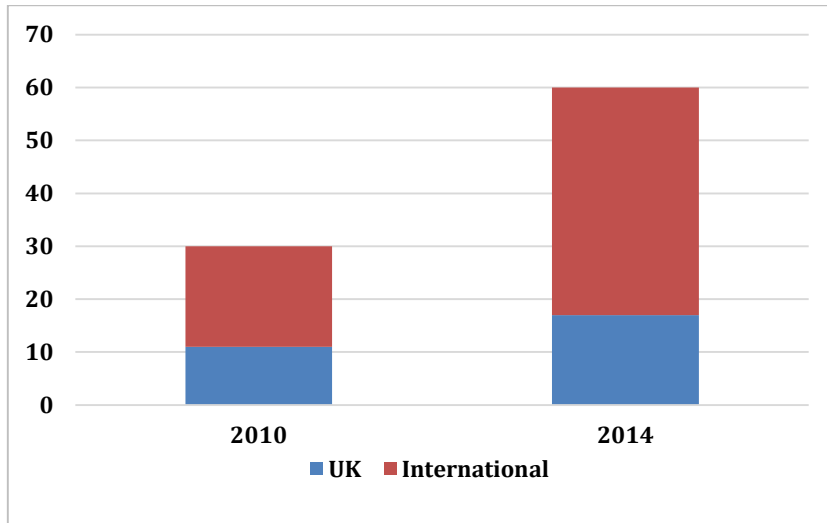
HFSB Investor Chapter: 60 members with over \$400bn invested in hedge funds



*Others - Family offices and other banks

The international base of the Investor Chapter has grown significantly since its inception.

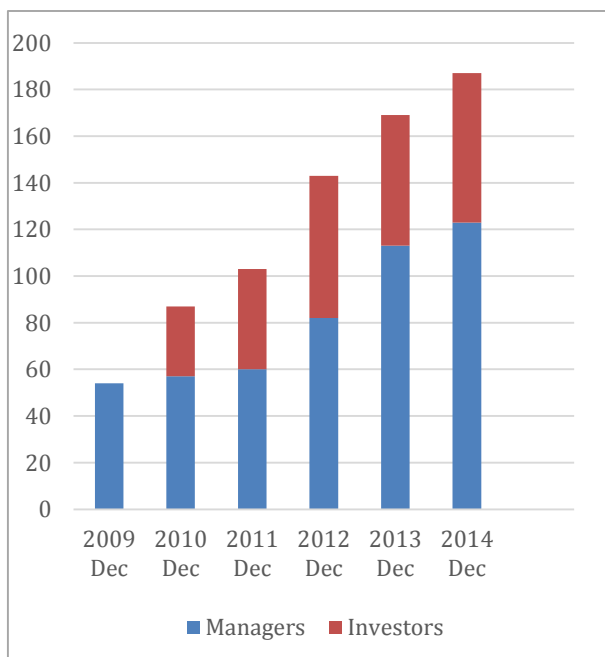
Evolution of the Investor Chapter (# investors)



Stakeholder Evolution

The HFSB remains committed to continuing its endeavours to engage investors in improving and promoting the Standards in 2015.

HFSB Stakeholder Evolution



c) Core Supporters

In autumn 2010 the HFSB created a special group of stakeholders – Core Supporters - that are committed to making a significant contribution to the HFSB endeavours. Today, there are 10 members:

- Aberdeen Asset Management
- Albourne Partners
- Allianz Global Investors
- Arrowgrass
- Ionic Capital Management
- PAAMCO
- PAG
- Reservoir Capital Group
- Towers Watson
- Unigestion.

The Core Supporters are associated with thought leadership of the HFSB and are more actively involved in the HFSB's efforts to improve the market and the industry's contribution to the wider community. Their logos are displayed on the HFSB website, and they interact with the HFSB Trustees and Founders through informal meetings, panels and Board dinners.

d) Regulatory Engagement

Pursuant to its mission to participate in the regulatory debate, the HFSB actively engages with the supervisory community around the globe.

2014 was the HFSB's busiest year yet with meetings with senior officials around the globe, as well as smaller HFSB workshops bringing regulators together with managers and investors on issues of critical interest.

Overview of Regulatory Interaction

<p>Bermuda</p> <ul style="list-style-type: none"> - Bermuda Monetary Authority <p>Brazil</p> <ul style="list-style-type: none"> - Comissão de Valores Mobiliários <p>Canada</p> <ul style="list-style-type: none"> - Autorité des marchés financiers (Québec) - Bank of Canada - Ministry for Finance of the Government of Québec - Ontario Securities Commission <p>Cayman Islands</p> <ul style="list-style-type: none"> - Cayman Islands Monetary Authority <p>Finland</p> <ul style="list-style-type: none"> - Financial Supervisory Authority (FIN-FSA) <p>France</p> <ul style="list-style-type: none"> - Autorité des Marchés Financiers (AMF) 	<p>Germany</p> <ul style="list-style-type: none"> - BaFin - Chancellor’s Office - Deutsche Bundesbank <p>Hong Kong</p> <ul style="list-style-type: none"> - Hong Kong Monetary Authority - Securities and Futures Commission <p>Japan</p> <ul style="list-style-type: none"> - Financial Securities Authority <p>Qatar</p> <ul style="list-style-type: none"> - Securities & Commodities Authority - Qatar Investment Authority <p>Singapore</p> <ul style="list-style-type: none"> - Monetary Authority of Singapore (MAS) <p>Sweden</p> <ul style="list-style-type: none"> - Financial Supervisory Authority (Finansinspektionen) <p>Switzerland</p> <ul style="list-style-type: none"> - FINMA 	<p>United Arab Emirates (UAE)</p> <ul style="list-style-type: none"> - National Bank of Abu Dhabi - Securities & Commodities Authority <p>UK</p> <ul style="list-style-type: none"> - Bank of England - Financial Conduct Authority (FCA) - HM Treasury - Prudential Regulatory Authority (PRA) - UK Trade & Investment in the Kingdom in Bahrain <p>US</p> <ul style="list-style-type: none"> - Securities and Exchange Commission (SEC) <p>International Organisations</p> <ul style="list-style-type: none"> - European Commission - European Securities and Market Authority (ESMA) - International Organisation of Securities Organisation (IOSCO)
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One example of these workshops is the joint workshop in Helsinki for Finland’s Supervisory Authority (FIN-FSA), where senior investor consultants [and Core Supporters of the HFSB] discussed with officials shadow banking and explored various approaches to measuring and monitoring systemic risks.

In June 2014 the International Organisation of Securities Commissions (“IOSCO”) granted affiliate membership to the HFSB, following which the HFSB took part in the IOSCO Annual Conference held in September 2014 in Rio de Janeiro, Brazil. The HFSB also hosted a dinner for world regulators within the framework of the above annual event in Rio and now is a regular participant in IOSCO working groups. IOSCO also regularly distributes HFSB materials to their wide membership, further broadening the HFSB’s influence and impact. Regulators value the contribution of the HFSB to promoting better practices in the industry. Below are some of the quotes by various regulators since the inception of the HFSB.

Quotes on the HFSB by Regulators

- **Hector Sants, Former CEO, FSA, October 2008:** “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.”
- **Marc Wyatt, US SEC’s Office of Compliance Inspections and Examinations, November 2013:** “investors play an important role in driving better standards in the industry and the HFSB created a helpful mechanism for collaboration between managers and investors.”
- **Esther Wandel, Head of Investment Funds Policy, UK FCA, May 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.”
- **Mathieu Simard, Director, Investment Funds Dept of Quebec’s Autorité des marchés financiers, June 2014:** “the application of industry standards that are aligned with the securities regulatory framework and IOSCO principles are encouraged”. He also gave examples where the Hedge Fund Standards align with the Quebec/Canada investment funds regulatory framework and IOSCO principles.”
- **David Wright, Secretary General of IOSCO, July 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.”
- **Drew Bowden, US SEC’s Office of Compliance Inspections and Examinations, September 2014:** “investors play a critical role in improving the industry and the HFSB created a helpful platform for collaboration between managers and investors.”
- **Arminio Fraga, former Governor of the Central Bank of Brazil, September 2014:** “the work of the HFSB is incredibly important at a time when we see the limitations of conventional regulation.”
- **Tang JinXi, Vice Chairman, Asset Management Association of China (AMAC), the self-regulatory organisation for the mutual fund industry, April 2015:** “the Hedge Fund Standards can help the Chinese hedge fund industry improve risk management, investor disclosure and governance.”
- **James Shipton, Executive Director and Member of the Securities and Futures Commission of Hong Kong, March 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.”
- **Andrew Bailey, Deputy Governor of the Bank of England and CEO of the Prudential Regulatory Authority, May 2015:** “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.”
- **Rob Taylor, Head of the FCA’s Investment Management Department May 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”.

e) HFSB Global Institutional Investor Events

Beginning in 2013, the HFSB hosts highly effective institutional investor roundtables which bring managers and investors together to focus on topics of the day through interactive discussions and practical case studies.

In 2014 these events included:

- February: Institutional Investor Roundtable in Sydney & Melbourne
- February: Institutional Investor Roundtable in San Francisco
- May: Stakeholder Annual General Assembly & Institutional Investor Roundtable, London
- June: Canadian Stakeholder Forums in Montreal
- June: Institutional Investor Roundtable in Boston
- September: North American Annual Stakeholder Forum, New York
- November: Institutional Investor Roundtable in Geneva
- November: Institutional Investor Roundtable in Tokyo
- December: Annual Nordic Institutional Investor Roundtable, Helsinki.

In 2015 the HFSB will continue this format of interaction with the market with a continuing series of roundtables and workshops in various locations worldwide.

f) Public Speaking

The HFSB also has actively participated in the past 12 months in over 20 international conferences and roundtables in the UK and overseas, as speakers and panellists, including:

<p>June 2014</p> <ul style="list-style-type: none"> • HFM Week US COO Summit, White Plains, New York • AIMA breakfast meeting on capital markets and economic growth, Berlin • Hedge World Midwest, Chicago <p>September 2014</p> <ul style="list-style-type: none"> • IOSCO Annual Conference, Rio, Brazil 	<p>November 2014</p> <ul style="list-style-type: none"> • International Forum of Sovereign Wealth Funds in Doha, Qatar Regulatory Forum <p>January 2015</p> <ul style="list-style-type: none"> • Governance Solutions for Limited Partnership Structures, Dallas, TX
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g) New Projects

HFSB Toolbox

In April 2014 the HFSB launched its Toolbox which is intended to be an additional aid, particularly for hedge funds, to complement the HFSB's standard-setting activities. While the sign-up process to the Hedge Fund Standards is formal and is done on a "comply-or-explain" basis, the materials available through the HFSB Toolbox will serve as a guide only and are not formally part of the Standards.

The first item in the Toolbox was the Standardised Board Agenda. The purpose of the Standardised Board Agenda is to provide an overview of the typical areas and questions that are covered in a fund board meeting in the ordinary course of business. It is not a prescriptive template and is not formally part of the Standards but is meant to provide helpful guidance on governance practices.

The HFSB will continue its efforts in this area in 2015 and intends to publish a paper on Administrator Transparency Reporting in May.

Working Group: Amendments to the Standards

In December 2014 the HFSB put together a working group, which consisted of an international group of managers and institutional investors whose mandate was to review the coverage of conflicts of interest in the Standards. Their review looked at ways to improve disclosure of conflicts of interest to investors, specifically disclosure of managers' trade allocation policies to investors, as well as ways to further strengthen internal compliance procedures. The group's consultation paper was published in March 2015.

5. Report on Conformity with the Standards

Statistics on conformity with the Standards

The Hedge Fund Standards are based on the “comply or explain” approach. “Comply or explain” takes into account the dynamic nature of the industry and caters for its diversity without requiring constant changes to the Standards. It provides signatories to the Standards with flexibility to “explain” in the event that any action required by the Standards is not consistent with their local law, regulation or their specific business model. This approach enables the Hedge Fund Standards framework to cover various circumstances of firms, while recognising their idiosyncrasies. It rests on disclosure and needs only minimum prescription. However, a “comply only” regime would make the Standards lengthy and far more prescriptive to accommodate all current and future signatories.

In line with the HFSB’s mandate to keep the hedge industry informed of the progress in achieving conformity with the Standards, we have analysed the conformity and disclosure statements received from our signatories and would like to report the following (at May 2015):

Based on the disclosure statements received by the HFSB, the conformity status of the signatories is as follows:

Status of conformity	% of Total Signatories
In conformity with the Standards without explanations	51%
In conformity with the Standards with explanations	49%

Explanations cover a wide range of the Standards. The table below provides an overview of the “most explained” Standards.

Most explained Standards	% of Signatories explained this Standard	Area	What does it cover?
Standard 1	12%	Investment policy and risk disclosure	Managers disclose and explain the fund’s investment policy/strategy and associated risks
Standard 2	10%	Commercial terms disclosure	Managers disclose fees, expenses, termination rights, exit terms; changes to the fees/expenses, disclosure of side letters etc.
Standard 8	14%	Hard-to-value assets	Managers disclose their specific approach to hard-to-value assets. In some cases, signatories stated that they do not invest in hard-to-value assets.

Most explained Standards	% of Signatories explained this Standard	Area	What does it cover?
Standard 11	10%	Governance of Portfolio risk	Managers explain their risk management processes and resources, conflicts of interest in risk monitoring and risk policy document. Smaller managers sometimes do not have a fully segregated “risk function”
Standard 13	8%	Market risk management	Managers explain how they develop measures to identify market risk in the fund’s portfolio, conduct stress-testing. Risk management approaches differ significantly by strategy, and some of the explanations reflect this.
Standard 16	12%	Disclosure of portfolio risk	Managers disclose their investment and risk approach and summary of processes and risk management techniques employed
Standard 17	14%	Operational risk	Managers explain and disclose their approach to how to manage conflicts of interest in risk management, valuation, compliance; third party service providers; disaster recovery, IT; prevention of fraud etc.
Standard 21	13%	Fund governance	Managers explain and disclose their fund governance structure, material changes to the fees/expenses, the fund’s investment strategy, the composition of the fund governing body and governance processes. Not all fund set-ups lend themselves to put in place a fund governing body, but might have other governance arrangements to manage/mitigate conflicts of interest.
Standard 25	8%	Proxy voting	Managers explain their proxy voting policy. In some cases signatories do not exercise proxy voting. Others do not deal in equity markets and therefore do not need a proxy voting policy.

Over the next 12 months, the HFSB will develop more granular detail on the nature and rationale of explanations in order to help inform the HFSB’s Standard-setting process (i.e., which Standards need updating).

6. What Next

The HFSB's key goal remains to expand the HFSB Signatory base and the Investor Chapter as well as focus on a number of other important areas:

- **Consultation on Amendments to the Standards**

The latest consultation on amendment to the Standards is scheduled to be completed by 12th June 2015. After the review of the received feedback over the summer months, the new amendments will be finalised and published late summer/early autumn.

- **Toolbox Guidance**

The HFSB will continue to add content to its Toolbox, to complement its standard - setting activities.

- **Global Institutional Investor Roundtables**

The HFSB will continue and expand its series of Institutional Investor roundtables and regulatory workshops in 2015.

- **Workshops with regulators**

The HFSB will continue to build on its collaboration with regulators through dedicated workshops and advice on regulatory matters. The Standards co-exist very well with regulation, and some jurisdictions may wish to use the Standards as a tool to complement their own statutory approach. The HFSB also will continue its regulatory engagement on topics such as financial stability and shadow banking, where the Hedge Fund Standards provide explicit answers to some of the concerns raised. The HFSB's affiliate membership of IOSCO allows the HFSB to engage in a constructive and efficient manner with many key regulators around the globe.

Appendix 1: HFSB Board of Trustees

Dame Amelia Fawcett, D.B.E. **Chairman, HFSB**

Dame Amelia Fawcett was appointed Chairman of the Hedge Fund Standards Board on 1 July 2011. Dame Amelia is also Deputy Chairman of Investment AB Kinnevik in Stockholm, a Non-Executive Director of State Street Corporation in Boston, Massachusetts (where she chairs the Risk Committee) and a Non-Executive Director of Millicom International Cellular SA in Luxembourg. Dame Amelia was Chairman of the Guardian Media Group plc from 2009 - 2013 (and a Non-Executive Director from 2007 - 2009).

Between 2007 and 2010, she was Chairman of Pensions First, a financial services and systems solutions business, which she helped set up. From 1987 - 2007 she worked for Morgan Stanley, first as an executive and then in a non-executive role. She started her career at the US law firm of Sullivan and Cromwell, first in New York then in Paris. She joined Morgan Stanley in London in 1987, was appointed Vice President in 1990, an Executive Director in 1992 and Managing Director and the Chief Administrative Officer for the Firm's European operations in 1996. In 2002 she was appointed Vice Chairman. As Vice Chairman and Chief Operating Officer, she was a member of the European Management Committee and the Board of Directors of the Firm's major European operating companies. She stepped down from her executive role in October 2006 and was a Senior Advisor to the Firm until April 2007.

Dame Amelia is a Non-Executive Director of HM Treasury, a Governor of London Business School, Chairman of The Prince of Wales's Charitable Foundation, a Commissioner of the UK-US Fulbright Commission, and a Trustee of Project HOPE UK.

Dame Amelia was appointed a Dame Commander of the British Empire in the 2010 Queen's Birthday Honours List for services to the financial services industry, in addition to being awarded the CBE in 2002, also for services to the financial industry. She received The Prince of Wales's Ambassador Award in 2004 and an honorary degree from the American University in London (Richmond) in 2006.

Dame Amelia, a British and American citizen, was born in Boston, Massachusetts, USA in 1956. She has a degree in History from Wellesley (1978) and a law degree from the University of Virginia (1983). She was admitted to the New York Bar in 1984.

Jane Buchan **CEO, PAAMCO**

Jane is CEO at Pacific Alternative Asset Management Company, an investment management firm based in Irvine, CA with offices in London and Singapore. As CEO, Jane is responsible for overall business strategy and firm direction. She began her career at J.P. Morgan Investment Management in the Capital Markets Group. She has also been an Assistant Professor of Finance at the Amos Tuck School of Business at Dartmouth.

Jane currently serves as Director as well as Chairwoman of the Board for the Chartered Alternative Investment Analyst Association (CAIA). She also serves as a Director and Chair of Governance and Nominating for the Torchmark Corporation (TMK). Jane serves as a Trustee for Reed College in Portland, Oregon as well as the University of California Irvine Foundation. She is a member of the Investment Committees for both organizations. She is also a member of the Advisory Board for the Master of Financial Engineering Program at University of California Los Angeles Anderson School of Management. Additionally she serves as an Associate Editor for the Journal of Alternative Investments. Jane is a founding Angel for 100 Women in Hedge Funds.

Jane is a guest on CNBC and Bloomberg television as well as a regular contributor to both the business and investment press. She participates in many industry conferences as a moderator, panelist and keynote speaker. 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 and her husband, Jim Driscoll, reside in Corona del Mar California.

Bruce H. Cundick³
Chief Investment Officer
Utah Retirement Systems

Bruce H. Cundick is the Utah Retirement Systems' Chief Investment Officer. He is 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 \$27 billion state pension fund.

Bruce graduated Magna cum laude from the University of Utah with a Bachelor of Arts degree in Accounting and Master of Business Administration Degree. 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 Chief Financial Officer and Chief Investment Officer at Beneficial Life Insurance Company where he directed \$2 billion 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 has held Board positions in trucking, mortgage banking, real estate development, savings & loan and property and casualty insurance companies. 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.

Tom Dunn
Managing Principal
New Holland Capital

Tom launched New Holland Capital, the hedge fund advisory company, in 2006. It focuses exclusively on the absolute return funds of ABP, the \$280bn Dutch civil servants pension fund. Before that Tom had worked at ABP since 2002, managing the Hedge Fund Group within ABP Investments US and helping ABP evolve from an emphasis on fund of funds to a wide variety of hedge fund-like alternative investments. Tom co-managed (1995-2000) the fixed income business at Lazard Asset Management. Prior to that Tom was a Sr. Portfolio Manager at Goldman Sachs Asset Management where he directed the quantitative fixed income portfolios. In his 9 years at Goldman Sachs, he also pursued a broad range of investment projects involving global asset allocation, currency trading, commodity futures and synthetic equity products. Tom also spent 3 years in corporate finance at First Boston. He holds two degrees from University of Chicago: an MBA in Finance (1986) and a BA in English Literature (1981).

³ Elected to the Board on 23 March 2015

David George⁴
Head of Debt & Alternatives
Future Fund Australia

David George is the Head of Debt & Alternatives of Australia's Sovereign Wealth Fund, the Future Fund, valued at AUS\$109.21bn on 31 Dec 2014. The organisation is also responsible for the investment of the Building Australia Fund, Education Investment Fund, Health and Hospitals Fund and the DisabilityCare Australia Fund. At 31 December 2014 these funds had a combined value of AUS\$10.26bn.

David joined the Future Fund in April 2008 and leads the team responsible for strategy development and implementation of the debt, cash and public market alternative investment programs.

Prior to joining the Future Fund, David was a Principal at Mercer Investment Consulting in Sydney, focused on researching managers in the fixed income and alternatives areas. Previously he has held management and analytical roles at Mercer in Toronto, the Royal Bank of Canada and Integra Capital Management. David was awarded a degree in Economics from the University of Western Ontario and is a CFA and CAIA charterholder.

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.

Kathryn Graham
Head of Strategy Coordination
Universities Superannuation Scheme Ltd (USS)

Kathryn is Head of Strategy Coordination at Universities Superannuation Scheme Ltd (USS), which operates one of the largest pension schemes in the UK, with total fund assets of over £40 billion. She is a former Director and Head of Special Projects at BT Pension Scheme Management Limited (BTPSM), the pensions advisory arm of the BT Pension Scheme, one of the largest in the UK.

Kathryn spent nine years at BTPSM establishing a new team mandated to invest directly into single manager hedge funds before taking responsibility for Manager Selection across the BT Scheme. Latterly she worked for the BTPSM CEO, setting up a team tasked with managing liability risk and undertaking various projects related to scheme strategy.

⁴ Elected to the Board on 11 February 2015

Kathryn's career began at SG Warburg in 1994 in fixed income derivatives and she has also worked at UBS and Progressive Alternative Investments before joining BTPSM. She was educated at Edinburgh University, where she was awarded an MA in Economics and Mathematics. Kathryn is a Trustee of the Hedge Fund Standards Board and a member of the London Board of 100 Women in Hedge Funds.

Anthony Lim
MD, GIC

Anthony was appointed President (Americas) of GIC, the company that manages Singapore's foreign reserves, in 2009, and is based in the GIC New York Office. From 1998 to 2009, Anthony worked in the GIC's London office and was President (London Office). He is also the adviser to the External Managers Department. Prior to that Anthony was a Senior MD at Bankers Trust Company (1987-1998). He held various management and trading positions in the Global Markets division. Anthony worked in Singapore and London during his time at Bankers Trust. He joined Bankers Trust from the Monetary Authority of Singapore, where he had worked from 1983, and included a stint from 1984 to 1986 in the MAS New York office. His last position at the MAS was as Head of the Foreign Exchange, Gold, and Liquidity Division. Anthony is a graduate of the National University of Singapore.

Paul Marshall
CIO & Chairman
Marshall Wace LLP

Marshall Wace LLP, is one of Europe's leading hedge fund groups and manages a number of award-winning funds, including the Eureka Fund. Paul is a founding member of the Hedge Fund Standards Board. In January 2009, he appeared before the UK Treasury Select Committee Review on the role of hedge funds in the financial crisis. He was also a member of HM Treasury Asset Management Working Group.

Paul was formerly a Director of Mercury Asset Management, where he was Chief Investment Officer for European Equities.

Paul holds an MBA from INSEAD Business School and a BA (Hons) from St John's College, Oxford University.

Russell Read⁵
CIO and Deputy CEO
Gulf Investment
Corporation

Russell serves as CIO and Deputy CEO at the Kuwait City-based GIC, which focuses on natural resources-based, Shariah-compliant, and regional (GCC and MENA) opportunities in the public and private markets. Prior to GIC, Russell founded C Change Investments, focusing on private markets investments capable of transforming the production, distribution, and consumption of the world's natural resources. He served as CIO for CalPERS, at which time he was also Chairman of the Investors' Committee for the PWG on Financial Markets. Prior to that served as Deputy CIO for Scudder Investments and Deutsche (Bank) Asset Management (Americas) and Head of Quantitative Investing, Product Design, Risk Management, and Commodities Investing at Oppenheimer Funds. Russell is a founding member of the P8 Group of the world's eighth largest pension systems. He holds a B.A. in

⁵ As of March 2015, Russell stepped down from his role as Deputy CEO, Gulf Investment Corporation

Statistics and M.B.A. in Finance/International Business from the University of Chicago and an M.A. in Economics and Ph.D. in Political Economy from Stanford University. He is also a CFA and a Governor of the New York Academy of Sciences (NYAS).

George Robinson
Co-Founder
Sloane Robinson

George co-founded Sloane Robinson in December 1993. He is also Head of Research, CFO, and Manager of the SR Phoenicia Fund. Between 1979 and 1985 George worked for John Swire & Sons in Hong Kong, UK, Philippines and Korea. In 1985 he joined WI Carr and established their investment offices in both Seoul and Bangkok, before moving to Hong Kong as regional director of research. George graduated from Oxford University with a degree in Engineering Science.

Emmanuel Roman
CEO, Man Group plc

Emmanuel Roman, CEO of Man Group plc ('Man') since February 2013, received an M.B.A. in Finance and Econometrics from the University of Chicago in 1987 and a bachelor's degree from the University of Paris in 1985. He joined Goldman Sachs in 1987 where he worked in a variety of areas, including fixed income, investment banking and capital markets, becoming co-head of Worldwide Equity Derivatives in 1996. In 1998 he was elected to partnership. In 2001 he was appointed co-head of Worldwide Global Securities Services and in 2003 he also became co-head of the European Equities Division. In September 2005, after 18 years at Goldman Sachs, Emmanuel (known as Manny) joined GLG Partners LP as co-CEO where he was responsible primarily for building the business in terms of sales, infrastructure and support. In October 2010, on completion of the acquisition of GLG by Man Group plc, Manny became COO of Man, a group-wide role with primary responsibility for integrating the GLG acquisition. He joined the Board of Man in May 2011 and was appointed President & COO in July 2012 and CEO with effect from 28 February 2013.

Simon Ruddick
MD & Co-Founder
Albourne Partners

Albourne Partners is the world's largest hedge fund advisory firm, which he co-founded in March 1994. Albourne's 150+ clients have over \$200 billion invested in hedge funds. Albourne was awarded the Queen's Award for Enterprise in 2006 and again in 2009. Village.albourne.com, the not-for-profit website, has over 65,000 residents and has led to Simon Ruddick twice appearing in the Institutional Investor's Top 40 Online Entrepreneurs. Albourne has also hosted Hedgestock, featuring a performance by The Who, in 2006 to raise money for Teenage Cancer Trust. As well as appearing on Bloomberg TV, Ruddick's appearances on CNBC have included hosting its Squawk Box programme.

Dan H. Stern
Co-Founder and Co-CEO

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.

Mario Therrien

Senior VP, External Portfolio Management –
Public Markets, Caisse de dépôt et
placement du Québec

Mario Therrien manages the team responsible for investments in external hedge funds and funds in public markets. He joined the Caisse's Alternative Tactical Investments team in 1992 as a financial analyst and was successively promoted to Assistant Manager and Manager. He was then assigned to the position of Vice-President of Varan Tactical Asset Management, a fund specializing in global tactical investments, until 2002. Prior to his latest appointment, he served successively as Vice-President, Fund of Hedge Funds, Absolute Return, and as Senior Vice-President, Fund Management, Private Equity, in charge of investing in venture capital, information technology and life science funds, leveraged buyout funds and hedge funds.

Mario has a bachelor's degree in economics and a master's degree in finance from Université de Sherbrooke. He has also completed the securities course given by the Canadian Securities Institute and holds the chartered financial analyst designation from the CFA Institute. He is a member of the Montréal CFA Society.

Dale West⁶

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.

Sir Andrew Large

Advisor to the HFSB

Andrew Large was Deputy Governor of the Bank of England in 2002-2006. 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

⁶ Elected to the Board on 23 March 2015

Board of Oliver Wyman; Sr. Adviser to the HFSB; Chairman of the Advisory Committee of Marshall Wace, and Chairman of the Board Risk Committee of Axis, Bermuda.

Andrew Large's career has covered a wide range of senior positions in the world of global finance, within both the private and public sectors. Andrew spent twenty years in capital markets and investment banking, first with Orion Bank and then with Swiss Bank Corporation, on its Management Board in 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 in 1998-2002. When at Barclays, 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.

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

Sir Michael Hintze resigned as a Trustee of the HFSB on 11 February 2014
David Neal resigned as a Trustee of the HFSB on 11 February 2014

Appendix 2: Overview of the HFSB Accounts

	Year to 31 Jan 2015	Year to 31 Jan 2014	Year to 31 Jan 2013	Year to 31 Jan 2012	Year to 31 Jan 2011	Year to 31 Jan 2010	Year to 31 Jan 2009
	£	£	£	£	£	£	£
TURNOVER	1,142,605	1,041,897	905,075	862,113	784,645	898,167	602,509
Administrative expenses	(1,075,186)	(997,242)	(886,120)	(845,170)	(956,465)	(829,487)	(602,365)
LOSS/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	67,419	44,655	18,955	16,943	(172,206)	68,680	144
Tax on loss/profit on ordinary activities	(15,825)	(3,262)	13	-	15,102	(14,516)	(599)
LOSS/PROFIT FOR THE FINANCIAL YEAR	51,594	41,393	18,968	16,943	(157,104)	54,197	909

All activities derive from the continuing operations.