

International Forum of Sovereign Wealth Funds (IFSFW) and Hedge Fund Standards Board (HFSB) establish Mutual Observer relationship

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The International Forum of Sovereign Wealth Funds (IFSFW), a global network of sovereign wealth funds, and the Hedge Fund Standards Board (HFSB), the standard-setting body for the hedge fund industry, have established a Mutual Observer relationship.

The IFSWF is a global network of sovereign wealth funds (SWFs) established in 2009 to enhance collaboration, promote a deeper understanding of SWF activity and raise the industry standard for best practice and governance. Its 31 member funds collectively have about US\$ 5.5 trillion under management, representing 80% of assets managed by sovereign funds globally.

The HFSB was established in 2008 and is custodian of the Hedge Fund Standards. The HFSB brings together managers and investors from around the world to set standards for how the hedge fund industry should operate. It is supported by more than 120 hedge fund managers with over US\$ 800 billion in aggregate assets and by more than 60 leading institutional investors with aggregate assets of over US\$ 2 trillion.

The Mutual Observer relationship will help ensure that SWFs are active participants in HFSB activities and in the standard setting process. Likewise, the relationship enables the HFSB to offer insights and information to the SWF community on hedge fund industry issues. The Mutual Observer role will enable the IFSWF and HFSB to:

- Participate in each other's events through attendance and speaking roles;
- Organise and co-host seminars that bring together the IFSWF and HFSB memberships to discuss topics of mutual interest and relevance;

- Foster a constructive dialogue between hedge fund managers and SWFs and align their interests;
- Collaborate on issues of mutual interest, including governance, transparency and financial stability; and
- Make the HFSB's resources including its Standards and Toolbox more accessible to the SWF community and invite SWFs to take an active part in the HFSB process.

Adrian Orr, IFSWF Chair, and Chief Executive Officer of the New Zealand Superfund, said: "We are delighted to form a closer relationship with the HFSB to share knowledge and experience with the objective to raise Standards in the financial industry. This relationship will help ensure that sovereign wealth funds have a voice in the hedge fund standard setting process."

Dame Amelia Fawcett, Chairman of the HFSB, said: "The interests of the HFSB and IFSWF are very much aligned, particularly in the areas of transparency, good governance and financial stability. The HFSB relies on hedge fund managers and investors to work together to set industry standards, and we welcome closer dialogue with sovereign wealth funds, which are a large and influential hedge fund investor group."

Both the HFSB and the IFSWF maintain strong links with official stakeholders and regulatory bodies globally. The HFSB was granted affiliate membership in the International Organization of Securities Commissions (IOSCO) in 2014; the IFSWF was established under the auspices of the International Monetary Fund (IMF) in 2009.

Hedge funds have been an important component in many SWF portfolios, and a number of SWFs such as the GIC and the Future Fund of Australia have been long standing supporters of, and active participants in the work of both the HFSB and the IFSWF.

David George, HFSB Trustee, and Head of Debt and Alternatives for the Future Fund of Australia, said: "The Future Fund works towards reshaping the investment model to prioritise the interests of the asset owners, and ultimate end-beneficiaries. The Future Fund supports the HFSB and the IFSWF which provide platforms to foster constructive dialogue within the SWF community and between

hedge fund managers and asset owners and we look forward to helping shape the joint initiatives between the HFSB and the IFSWF.”

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Notes to editors:

The International Forum of Sovereign Wealth Funds (IFSWF) is a global network of sovereign wealth funds (SWFs) established in 2009 to enhance collaboration, promote a deeper understanding of SWF activity and raise the industry standard for best practice and governance. Central to the IFSWF are the Santiago Principles, which all members voluntarily endorse, bringing to bear transparency, accountability and prudent investment practices. Additional information on the IFSWF can be found at www.ifswf.org.

The HFSB was formed in January 2008 as the standard setting body for the hedge fund industry, bringing together managers and investors globally to help determine how the hedge fund industry should operate. It is custodian of the Hedge Fund Standards, which create a framework of transparency, integrity and good governance for the industry, facilitate investor due diligence and complement public policy. The HFSB is supported by more than 120 hedge fund managers with \$800 billion in aggregate assets, and by more than 60 institutional investors investing \$600 billion in hedge funds. A full list of signatories and supporters is available at www.hfsb.org.