

## Newsletter

June 2015

Dear All,

Below is our June report.

### **HFSB at the Annual IOSCO Conference in London**

The HFSB participated in the IOSCO 2015 Conference held in London, the largest annual gathering of the leading global securities regulators. As previously reported, the HFSB was granted affiliate membership of IOSCO in 2014. The following key topics related to the asset management sector were discussed during the IOSCO Conference: cyber-security, improving culture through market-driven standard-setting (see separate coverage on the launch of the [FICC Market Standards Board](#) below) and the regulatory approach to non-bank, non-insurance global systemically important financial institutions ("[NBNI G-SIFIS](#)").

Within the framework of this event, the HFSB hosted a private dinner with senior global regulators, during which a number of topics were discussed, including the way forward on the NBNI G-SIFI debate and the increasing recognition of standard-based principles by regulators as an important complement to detailed regulations.

### **New Signatory**

The HFSB is delighted to welcome a new addition to its signatory family:

- **Dabroes Management LP (USA)**

#### **HFSB working group to standardise Administrator Transparency Reporting**

Following the announcement on adding an Administrator Transparency Reporting (ATR) template to its [Toolbox](#), the HFSB put together an international working group consisting of managers, investors and fund administrators to explore further standardisation of ATR with the industry. The working group has started its activities and a report on their findings will be published later this year.

#### **HFSB Consultation on Conflicts of Interest**

The [HFSB Consultation](#) published in March 2015 concluded on 12 June 2015. We would like to thank everyone who sent their feedback to us. We will review all your input over the coming months and publish the finalised amendments to the Hedge Fund Standards later this year. The HFSB Signatories will have six months from the date of the publication to achieve conformity with these amendments.

### **Upcoming HFSB Events**

17 Sep 2015: Institutional Investor Roundtable, Washington, D.C.

24 Sep 2015: Annual North American Stakeholder Forum & Institutional Investor Roundtable, New York

19 Oct 2015: Institutional Investor Roundtable, Montreal, Quebec, Canada

## **HFSB welcomes the launch of FICC Market Standards Board (FMSB)**

The Fixed Income, Commodity and Currency (FICC) markets have come under intense regulatory scrutiny following the benchmark-rigging scandals involving major banks (and subsequent fines running into billions). As part of the [Bank of England Fair and Effective Markets Review](#), leading global FICC market participants announced the creation of the FICC Markets Standards Board (FMSB) to complement regulatory efforts and drive better practices in this area.

**The HFSB was invited to participate in the FMSB steering committee, led by Elizabeth Corley, CEO of Allianz Global Investors. Allianz is a long-time Signatory and a Core Supporter of the HFSB.**

**During a high-level regulatory panel discussion at the IOSCO Conference**, involving senior UK and US regulators, academics and industry representatives, **Elizabeth Corley recognised the pioneering role of the HFSB in the area of standard-setting**. She noted: "the HFSB approach of bringing users (investors) and providers (managers) together served as a blueprint for developing the FMSB framework". The panellists at the IOSCO event expressed their concerns about excessively granular regulation driving 'robotic' compliance, without necessarily improving behaviours and outcomes.

The HFSB welcomes this opportunity to contribute to the debate on creating more successful regulatory systems, which drive better outcomes and help build a better industry 'culture'.

During his Mansion House Speech on 10<sup>th</sup> June 2015, Mark Carney, Governor of the Bank of England, made the following comments in regard to the new FMSB which clearly resonate with what the HFSB does and stands for:

"I welcome the industry's leadership in drawing up plans for a new FICC Markets Standards Board. The Board's mandate will be to establish readily understandable standards, keep them up-to-date with market developments, and promote adherence to them. Crucially, the Board will be dynamic, and will monitor and address areas of uncertainty in specific trading practices. We need global standards for global markets.

I welcome the FICC Markets Standards Board's intent to be as global as possible in its membership and influence."

To read the speech in full, please [click here](#).

## **Introducing New Trustees**

Continuing our topic of introducing our new Trustees, this month we would like to tell you about **Bruce Cundick, 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.

**Dabroes Management LP**

Dabroes Management LP is a European long/short manager utilising a rigorous fundamental research process on stock selection to generate absolute returns. The firm's senior investment team, which has been together for over 14 years, seeks to identify the most compelling long or short opportunities and then capture alpha with each investment. The firm has offices in London, New York and Israel.

HFSB Somerset House, New Wing, Strand, London WC2R 1LA, Email: [info@hfsb.org](mailto:info@hfsb.org); +44 (0) 20 3701 7560  
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