



## Newsletter – December 2016

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### ***New HFSB Trustees***

The HFSB is delighted to welcome Luke Ellis, CEO of Man Group Plc, and Henry Kenner, Founding Partner and CEO of Arrowgrass Capital Partners, to the HFSB Board of Trustees.

Dame Amelia Fawcett, Chairman of the HFSB, said: "We are thrilled to welcome Luke and Henry to the Board and appreciate their willingness to serve as Trustees. The HFSB will benefit greatly from their global expertise and perspectives as leading managers. Today the Board has representatives from major investors and managers from the US, Canada, the UK, Hong Kong, Singapore and Australia, providing the HFSB with strong resources to understand and establish good practices in an increasingly diverse alternative investment industry."

Luke Ellis said: "As one of the Founders of the HFSB, Man Group is delighted to be at the forefront of the effort to strengthen our industry and increase the value we bring to investors. The HFSB has a unique role as a platform for bringing the industry together to solve issues, and I look forward to working with the Board on standards and guidance, particularly in areas which represent an expansion of focus, such as liquid alternatives."

Henry Kenner said: "Arrowgrass is a Core Supporter of the HFSB because we believe we have an obligation not only to build an institutional quality business but also to contribute to the creation of an institutional quality industry. The HFSB is in a strong position to achieve that objective because of its ability to promote global collaboration between investors, managers and regulators. I'm pleased to join the Board and contribute to this process and the HFSB's mission."

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

### ***Summary of 2016***

2016 has been a ground-breaking year for the HFSB in a number of areas, including content development, standard-setting, global events and stakeholder and regulatory interaction:

- In February the HFSB [published](#) the industry's first ever standardised [Administrator Transparency Reporting \(ATR\)](#) data structure as part of its Toolbox;
- In March the HFSB established a [mutual observer relationship](#) with the International Forum of Sovereign Wealth Funds;
- In May the latest amendments to the Standards on mitigating conflicts of interest came into effect. Prior to this consultation, the issue of conflicts of interest had not been addressed sufficiently by either regulations or the existing Hedge Fund Standards;



- In June the HFSB set up a new working group to explore the issue of fee terms and definitions. The working group is expected to publish its findings in Q1 of 2017;
- In June the HFSB established its [APAC Committee](#) to help its efforts in the region and ensure that Asia-Pacific regional and local issues and needs are addressed as the HFSB develops standards and guidance;
- In the area of [cyber security](#), the HFSB ran a series of cyber-attack simulation exercises and practical seminars in New York, Hong Kong and London.
- The HFSB hosted 15 global institutional investor roundtables worldwide bringing together over 500 representatives from major investors and managers to discuss industry issues. The events were held in New York, Los Angeles, Melbourne, Sydney, Hong Kong, London, Chicago, Washington D.C., Singapore, Montreal and Shanghai.
- The HFSB welcomed four new Members to its Board of Trustees: [Clint Carlson](#) of Carlson Capital, [Luke Ellis](#) of Man Group plc, [Henry Kenner](#) of Arrowgrass Capital Partners, and [Betty Tay](#) of GIC.
- In November the HFSB invited volunteers to join its new working group on liquid alternatives.
- The HFSB launched its new website and pages on [LinkedIn](#) and [Twitter](#).

The HFSB also welcomed 19 new [Signatories](#) and 6 new [Investor Chapter](#) members in 2016. The new Signatories are Alyeska Investment Group, BCK Capital, Bodenholm, Carlson Capital, Dymon Asia, Florin Court Capital, Frontlight Capital, Goldman Sachs Asset Management, Graticule Asset Management Asia, HealthCor Management, Income Partners, LIM Advisors, MKP Capital Management, Nezu Asia Capital Management, Rockhampton Management, ROW Asset Management, Springs Capital, Talarium and Trustbridge Partners.

The new Investor Chapter members are Alaska Permanent Fund Corporation, CB Permatrust Asset Management, New Jersey Division of Investment, New Zealand Superfund, Telstra and Victorian Funds Management Corporation.

### **Upcoming events**

- 25 January 2017, Geneva: Institutional Investor Roundtable focusing on responsible investment
- 26 January 2017, Helsinki: Institutional Investor Roundtable focusing on liquid alternatives

The full event schedule is available [here](#).

### **What's Next?**

A key priority of the HFSB is to increase the positive industry impact of the Standards, Toolbox items and the HFSB's collaborative process by ensuring the HFSB is proactively addressing emerging areas and is broadening participation and support among managers globally. In 2017 the HFSB will continue its constructive engagement with its stakeholders and market participants on important topics, including:

- **Liquid alternatives:** The working group will explore good standards of practice applicable to liquid alternatives and understand how the Standards apply to liquid alternatives.
- **Fees and expenses:** The HFSB will publish the findings and guidance of its working group on fee terms and definitions. The purpose of the working group is not to recommend fee levels or prescribe commercial arrangements but to review the existing methodology and common definitions to improve understanding and disclosure.
- **Cyber Security:** The HFSB will continue its cyber-attack simulation series in 2017 to help managers improve protections against cyber-security breaches.



- **Analysis of conformity with the Standards:** The findings of this analysis will be particularly relevant to managers for a better understanding of the spectrum of practices; it also will give them the opportunity to benchmark their own approaches.
- **Vulnerabilities in asset management:** The HFSB will continue its dialogue with IOSCO, informing the global regulatory process on the standards and practices that help address potential systemic concerns.
- **Global Events:** The HFSB will continue its Institutional Investor Roundtable series in 2017 and will add Boston, San Francisco, Tokyo and Toronto to the list of cities where the HFSB hosts its events (Chicago, Geneva, Helsinki, Hong Kong, London, Los Angeles, Melbourne, Montreal, New York, Shanghai, Singapore and Washington D.C.).

## Finally

The HFSB would like to express its immense gratitude to the over 200 managers and investors who support the Standards as Signatories and Investor Chapter members. The HFSB would like to also thank its Founders, Core Supporters and Trustees for their continued guidance, contribution and support for the HFSB's mission to promote better practices in the industry. The HFSB looks forward to continuing its collaboration in 2017. In the meantime, from all of us here at the HFSB, this, our last newsletter of the year, comes with our best wishes for the holiday season and a successful and collaborative new year.

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