



Newsletter – August 2017

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New Stakeholders

The HFSB is delighted to welcome the following new addition to its family:

Investor Chapter

- Air Canada Pension Investments (Canada)

Upcoming events

- **7 September, London: HFSB Annual General Assembly**
This is the 9th annual event for HFSB stakeholders. This London gathering will bring together HFSB Signatories, Investor Chapter members and Core Supporters. The keynote remarks will be made by Andrew Bailey, CEO of the UK's Financial Conduct Authority. Other speakers include senior representatives from AlphaGen Capital, Caisse de dépôt et placement du Québec, Church Commissioners for England, Future Fund, Man Group, Nordkinn Asset Management, Utah Retirement System and Varma Mutual Pension Insurance Company.
- **19 September, Chicago: HFSB Institutional Investor Roundtable**
Topics for discussion include institutional investor priorities, use of alternative data in investment management and how managers can instil a strong culture in their firms. Confirmed speakers include senior representatives from Alyeska Investment Group, Citadel, Exelon Corporation, Magnetar Financial, Municipal Employees' Retirement System of Michigan and Varma Mutual Pension Insurance Company. The closing remarks will be made by the Senior Advisor of the Asset Management Unit, Division of Enforcement of the SEC in Chicago.
- **21 September, Washington, D.C.: HFSB Institutional Investor Roundtable**
Confirmed speakers include senior representatives from HealthCor Management, Maryland State Retirement and Pension System, Orchard Global Capital Group, Pennsylvania Public School Employees' Retirement System, Tipper X and the SEC. Tom Hardin (Tipper X), who was the cooperating witness in Operation Perfect Hedge, a major investigation into insider trading, will speak about corporate ethics.
- **16 October, Los Angeles: HFSB Institutional Investor Roundtable**
The event will bring together international industry participants. Details to be published soon.



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

Analysis of conformity with the Standards: Shareholder Conduct

Shareholder Conduct is the final section of the Standards and focuses on promoting behaviours and practices that contribute to market integrity and shareholder engagement. Specifically, the section covers prevention of market abuse, proxy voting and borrowing stock (to vote).

The Standards recommend that managers should ensure that they have internal compliance arrangements in place to detect and prevent breaches of market abuse laws and regulations. All signatories comply with these Standards.¹

As for proxy voting, where the Standards recommend that managers should have a proxy voting policy which allows investors to evaluate the general approach the manager takes towards proxy voting, some signatories provided the following explanations:

- These standards are not relevant to them because they do not invest in equities
- A proxy voting process will be put in place when asset levels allow it to be outsourced to a specialist service provider
- Proxy voting policy is included in the compliance manual
- Have the policy but have not made available to investee companies
- Do not have a formal proxy voting policy document outlining their policies in respect of shareholder conduct and proxy voting. Also do not generally participate in voting.

In terms of borrowing stock to vote, where the Standards recommend that the manager should not borrow stock in order to vote, all signatories comply with these Standards.

This concludes our high level analysis of the disclosure statements of our signatories based on each section of the Standards. In our future newsletters, we will provide a more detailed analysis of explanations on specific Standards as part of our Standards' Corner.

APPENDIX

Air Canada Pension Investments	Air Canada, voted Best Airline in North America at the Skytrax World Airline awards, is the sponsor of 10 defined benefit pension plans. The pension fund supports the retirement plans of approximately 55,000 active and retired employees based in Canada. The plans' assets are
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¹ The issues of prevention of market abuse and insider trading will be an area of focus at the upcoming HFSB Institutional Investor Roundtable to be hosted on 21 September 2017 in Washington D.C.



managed by Air Canada Pension Investments, through a well-diversified portfolio comprised of traditional asset classes (bonds and equities), alternative investments (infrastructure, private equity, private debt and real estate) and portable alpha strategies (hedge funds and internally managed global macro) of an aggregate value above \$CAN 18B. Fixed income assets are mostly managed in-house while equities and alternative investments are externally managed.



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