



Newsletter – March 2019

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New Stakeholders

The Standards Board is delighted to welcome the new additions to the SBAI family.

Signatories

- Angelo Gordon (USA)
- Brilliance Capital Management Limited (Hong Kong)
- Crabel Capital Management (USA)

Core Supporters

- Angelo Gordon (USA)
- Bridgewater Associates (USA)
- Magnetar Capital (USA)

Bridgewater Associates and Magnetar Capital have been Signatories to the Standards for a number of years.

Please read the press release [here](#).

SBAI Alternative Credit Working Group Launch

[The Standards Board for Alternative Investments \(SBAI\) launched its Alternative Credit Working Group](#) to explore current institutional investor priorities in the credit space, as well as standards and practices. Over the past decade, many institutional investors have embraced alternative credit, which is an important asset class, providing funding to economic activity outside of bank balance sheets.

Jim Grossman, Chief Investment Officer of the Pennsylvania Public School Employees' Retirement System (PSERS) and member of the working group, said: "Good standards of practice are critical from an institutional investor perspective. We encourage credit



investment managers to sign up to the Alternative Investment Standards, and we look forward to contributing to the working group.”

The Alternative Credit Working Group launch event in New York City on 12 March, brought together leading credit investors and managers and was hosted by New Holland Capital, with the support of Angelo Gordon. The Working Group is expected to complete its work by the end of 2019. Topics for further exploration include:

The State of the Private Debt Markets

- Taxonomy of the alternative credit space
- Conflicts of interest (e.g. investing at different levels of the capital structure, refinancing loans from one fund into another, robustness of insider information protection, side pocketing)
- Transparency of level 3 assets
- Valuation: Disclosure of pricing impact of systematic risk premia on valuation

The Standards Board thanks the speakers and panellists from Angelo Gordon, Casey Quirk, MKP Capital Management and New Holland Capital for sharing their views and expertise on these and other topics. A special thank you goes to the hosts – Angelo Gordon and New Holland Capital -- for their hospitality and support.

Culture and Diversity in Asset Management

Boston and Los Angeles

The SBAI continues its series of roundtables on culture and diversity in asset management with two events next month in Boston and Los Angeles.

These latest events follow similar gatherings in Austin and Dallas (Texas), London, New York, Stockholm and Washington, D.C. The events in Boston and Los Angeles will be hosted by State Street Global Advisors and Crabel Capital Management, respectively.

More about these events will be reported next month.

SBAI North American Stakeholder Forum

The Standards Board will start sending out invitations for its largest event in North America shortly. The Annual North American Stakeholder Forum will be held in New York City on 16 May 2019. The Stakeholder Forum also will provide an opportunity for the SBAI Signatories,



Investor Chapter Members and Core Supporters to meet many of the SBAI Trustees. Preliminary topics for panel discussions include:

- Founders' and Leaders' Perspective: Evolving Asset Management
- Shaping / Changing Corporate Culture: How it Works in Practice
- Redefining Partnerships Between Asset Owners & Managers

Toolbox: Administrator Transparency Reports (ATRs)

We would like to remind our readers of the items available through the [SBAI Toolbox](#). The Toolbox complements the SBAI's standard-setting activities by providing additional guidance to managers, investors and fund directors on practical issues, including fund governance, internal processes and reporting. This month we focus on [ATRs](#).

ATRs play an important role in investor due diligence and ongoing monitoring of managers. They are produced by the Fund Administrator on behalf of the fund and provide independent confirmation of fund assets and liabilities, pricing sources and counterparty exposures. In 2015, the Standards Board published its first ever Standardised ATR data structure to improve comparability and understanding of these documents for investors and to allow for easy aggregation of ATR data across multiple funds. This report includes the following:

- Independent verification of the fund's net asset value (NAV)
- Confirmation of fund assets and liabilities, including summary balance sheet
- Verification of pricing sources (third parties versus sourced from manager)
- Reporting of counterparty exposures
- Reporting of fair value hierarchy level
- Optional: Reporting of related party co-investment in the fund

Please visit our [ATR page](#) to download the ATR data structure in Excel and the documentation.

Upcoming Events

- 16 April 2019, Boston: SBAI Culture & Diversity in Asset Management Breakfast Roundtable
- 23 April 2019, Los Angeles: SBAI Culture & Diversity in Asset Management Roundtable
- 24 April 2019, San Francisco: SBAI Institutional Investor Roundtable
- 16 May 2019, New York: SBAI Annual North American Stakeholder Forum
- 26 September 2019, London: SBAI Annual General Assembly
- 21 November 2019, Montreal: SBAI Institutional Investor Roundtable



- 5 December 2019, Shanghai: SBAI Institutional Investor Roundtable

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

APPENDIX

Angelo Gordon

Angelo Gordon is a leading, privately-held alternative investment firm, managing approximately \$32 billion across a broad range of credit and real estate strategies. Founded in November 1988, the firm has been investing on behalf of pension funds, corporations, endowments, foundations, sovereign wealth funds and individuals for 30 years. Since inception, the firm's investment approach has consistently relied on disciplined portfolio construction backed by rigorous research and a strong focus on capital preservation. As a firm, Angelo Gordon is entrepreneurial and opportunistic and has grown by pursuing strategies that complement and build on its core capabilities. It has over 490 employees, including more than 200 investment professionals, in offices across the U.S., Europe and Asia.

Bridgewater Associates

Bridgewater Associates is a global leader in institutional portfolio management with more than \$160 billion in assets under management. Bridgewater Associates is known for being an industry-leading innovator, having been the first firm to manage currency overlay strategies, the first global inflation bond manager, one of the first managers to separate alpha from beta and offer products based on each, and was the first to advise the U.S. government on the creation of Treasury Inflation-Protected Securities. Located in Westport, CT, Bridgewater Associates manages portfolios for a wide array of institutional clients globally, including public and corporate pension funds, foreign governments and central banks, and university endowments and charitable foundations.

Brilliance Capital Management Ltd

Founded in early 2013, Brilliance Capital Management (the "Firm") acts as Investment Manager to a number of offshore funds and segregated accounts. Brilliance Asset Management Limited, an affiliate that provides Investment Advisory Services to the Firm, holds Type 9 (Asset Management) License from the Securities and Futures Commission of Hong Kong. Brilliance Asset Management Limited is also registered with the U.S. Securities and Exchange Commission and is a Qualified Professional Asset Manager under the Employee Retirement Income Security Act.



The Firm manages about \$1.6 billion in assets across equity long short and equity long only strategies. The principal, Shi Lin, has seeded all his personal financial investments in the Fund. The team started from a team of four people at the beginning and gradually grow to 22 people, with offices in Hong Kong (business development, compliance and risk management and trading) and Beijing (research, operation and administration) respectively.

Crabel Capital Management

Crabel Capital Management is a global alternative investment firm specializing in systematic, automated trading of worldwide futures and foreign exchange. The Los Angeles based firm was founded by short-term trading pioneer Toby Crabel and has delivered over 25 years of uncorrelated returns for its institutional clients. The firm has developed a diverse array of trading strategies designed to systematically capture market anomalies implemented through a technologically advanced, low latency infrastructure. Global co-location facilities and proprietary execution algorithms allow the firm to efficiently trade in approximately 200 futures and foreign exchange markets. The Crabel Gemini and Crabel Advanced Trend programs are available as UCITS funds on the MontLake Platform.

Magnetar Capital

Founded in 2005, Magnetar Capital is a multi-strategy alternative investment manager with approximately 13.1 billion dollars* of assets under management, that seeks to achieve stable risk-adjusted returns by opportunely employing a wide range of alternative credit and fixed income, energy and infrastructure, and systematic investing strategies. Magnetar invests in public and private markets, regions and business structures, taking advantage of the deep rigor of fundamental and quantitative analysis. The firm is based in Evanston, Illinois and has offices in New York, London and Houston.

* The assets under management figure includes assets managed by Magnetar and its affiliated investment managers, including designated investments in side pockets and unfunded commitments (money committed to any fund managed by Magnetar and its affiliated investment managers as of the report date, but not yet transferred by the investors) as of January 1, 2019.



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