



Newsletter – August 2019

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New Stakeholders

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

Investor Chapters

- Asset Management One Alternative Investments, Ltd. (Japan)

Signatories

- Leadenhall Capital Partners (UK)

SBAI Annual General Assembly

The SBAI Annual General Assembly will be held in London on 26 September 2019. The event will bring the SBAI's global stakeholders together to explore current industry issues. We have a strong line-up of SBAI Trustees, Core Supporters and other stakeholders leading discussions, and they will focus on a wide variety of current important topics, including:

1. Industry Leaders' Perspective: Evolving Asset Management
2. Shaping Corporate Culture: How it Works in Practice
3. Institutional Investor Priorities 2020

Confirmed speakers to date include:

- Elena Bonthond, CIO, **CERN Pension Fund**
- Patrick Bronger, Senior Portfolio Manager, **APG Asset Management**
- Bruce Cundick, CIO, **Utah Retirement System**
- Dame Amelia Fawcett, Chairman, **SBAI**



- Stuart Fiertz, Co-Founder, President and Director of Research, **Cheyne Capital**
- Amy Flikerski, Senior Portfolio Manager, External Portfolio Management, **Canada Pension Plan Investment Board**
- Erich Gerth, CEO, **Bluebay Asset Management**
- Sir Paul Marshall, Chairman & CIO, **Marshall Wace**
- Jacques Saulière, CEO, **Capital Fund Management**
- Danny Yong, CIO & Founder, **Dymon Asia**

SBAI Manager Information Session

The Standards Board continues its Manager Information series and is hosting its third session in London on 26 September, following similar events in New York and Dallas earlier this year. Senior representatives of Albourne, CDAM, Future Fund, Man Group and Teacher Retirement System of Texas will share their views with a group of London-based (emerging) managers on the benefits of becoming involved in the SBAI. Specifically, the speakers will focus on:

- Adoption of the Standards and the core principle of “comply-and-explain”
- How the Standards and the SBAI resources provide emerging managers with a roadmap to institutionalisation
- How the Standards Board facilitates collaboration between managers and investors on industry practices and standards

Managers interested in attending, please contact us at info@sbai.org.

SBAI Japan Stakeholder Meeting

The SBAI Japan Stakeholder meeting will be held on 27 September in Tokyo. It provides an opportunity for fund managers and investors to learn more about the SBAI, how they can get involved and the SBAI Japan Working Group’s current areas of focus.

Topics for discussion:

- What issues are Japanese asset owners and managers facing?
- How do Japanese asset owners compare to overseas asset owners (structure, resources, asset allocation, expected vs. achieved returns, fees paid to managers/gatekeepers, etc.)?

Please contact us at info@sbai.org for more information.



ILS Working Group: Upcoming Investor Roundtables in Bermuda and Toronto

Following the publication of the [SBAI ILS Valuation Memo](#) in the SBAI Toolbox earlier this year, the SBAI ILS Working Group is now focusing on side-pocketing practices in funds investing predominantly in (collateralised) re-insurance investments. To broaden the discussion and get further input, the SBAI will hold two dedicated roundtables in the coming months:

- 10 October, Bermuda: Investor Lunch at the ILS Convergence Conference
- 19 November, Toronto: ILS Investor Roundtable

Please contact us at info@sbai.org for more information.

Open Protocol – enabling better understanding of liquidity risks

Liquidity risk in open-ended (retail) investment funds has come to the forefront of the debate again with recent cases of funds experiencing investor runs and subsequent suspensions of redemptions. It is a timely reminder for investors to monitor the liquidity risks in their portfolio in individual (fund) and aggregate (portfolio) terms. In addition, systemic risk regulators increasingly are scrutinising data provided through the regulatory risk reporting frameworks for potential systemic concerns.

The Open Protocol (OP), a comprehensive risk reporting framework (available through the [SBAI Toolbox](#)), provides detailed information about the risk profile of investment funds, including a detailed perspective on liquidity risk. The framework covers exposure information from many different investment strategies and provides detailed metrics which facilitate the assessment of the liquidity profile of the fund for each exposure type:

- Equity exposures: market capital exposure (mega cap, small cap, micro-cap etc.); instrument liquidity (exchange traded vs. non-exchange traded)
- Sovereign & Interest Rate exposures: instrument liquidity
- Credit and Convertible Bond exposures: instrument liquidity, concentration of ownership
- Real Assets & Commodities exposures: instrument liquidity

In addition, OP provides detailed information about the investor liquidity (percentage of assets that can be redeemed by investors in different time intervals) and unencumbered cash.

Managers accounting for over USD 1.3tn in assets report OP to their investors. The SBAI encourages managers and investors to review and adopt OP to improve overall risk management. Systemic risk supervisors are encouraged to review/adopt the Open Protocol methodology in their own efforts to better understand potential financial stability concerns.



More information about OP is available [here](#).

Upcoming Events

- 16 September 2019, Singapore: SBAI Institutional Investor Roundtable
- 26 September 2019: SBAI Emerging Management Information Session
- 26 September 2019, London: SBAI Annual General Assembly
- 27 September 2019, Tokyo: SBAI Japan Stakeholder Meeting
- 10 October 2019: Insurance Linked Strategies: SBAI ILS Investor Roundtable, Bermuda at ILS Convergence Conference
- 15 October 2019, Chicago: SBAI Culture & Diversity in Asset Management Roundtable
- 17 October 2019, Washington D.C.: SBAI Institutional Investor Roundtable
- 21 October 2019, Philadelphia: SBAI Institutional Investor Roundtable at Albourne Annual Conference
- 19 November 2019, Toronto: Insurance Linked Strategies at SBAI Investor Roundtable
- 19 November 2019, Toronto: SBAI Culture & Diversity in Asset Management Roundtable
- 21 November 2019, Montreal: SBAI Institutional Investor Roundtable
- 12 December 2019, Shanghai: SBAI Institutional Investor Roundtable (Note: moved from 5 December)

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

APPENDIX

Asset Management One Alternative Investments, Ltd.

Asset Management One Alternative Investments, Ltd was renamed in November 2018 (“AMOAI”), becoming a 100% subsidiary of Asset Management One Co., Ltd., Japan’s top-tier asset manager. The original firm, Mizuho Global Alternative Investments, Ltd. (“MGAI”), was formed as a wholly owned subsidiary of Mizuho Bank in January 2010 to provide alternative investment products, including hedge funds, private equities primarily for corporate pension plan sponsors. AMOAI currently provides alternative investment gatekeeping services involved in manager search, investment and operational due diligence and monitoring, alternative investment allocations advice to corporate pension sponsors, financial institutions through various channels of the Mizuho Financial Group firms. AMOAI is registered with Japan’s Financial Services Agency as investment management business and investment advisory and agency business operators.



Leadenhall Capital Partners

Leadenhall Capital Partners is a London based investment manager wholly focused on investing in insurance linked investment for institutional investors. Leadenhall offers dedicated funds and managed accounts which give institutional investors access to both life and non-life insurance linked investments. Investors benefit from the attractive returns of the sector, whilst diversifying their risks from the traditional capital markets. Many instruments, such as cat bonds and private placements of collateralised reinsurance, are used to transfer insurance linked risk to the capital markets. Leadenhall uses all of them to ensure liquidity, profitability, diversification and growth.



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Our mailing address is: SBAI, 7 Henrietta Street, London WC2E 8PS, United Kingdom
