



Newsletter – November 2019

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New Stakeholders

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

Investor Chapter

- CERN Pension Fund (Switzerland)

Signatories

- Maverick Capital LLC (US)

The Standards Board in Canada

Over 100 stakeholders attended the Standards Board's events in Montreal and Toronto, including representatives from Canadian and international institutional investors, investment managers and regulatory authorities.

7th Annual Canadian Institutional Investor Roundtable (Montreal)

The roundtable, hosted in collaboration with Caisse de dépôt et placement du Québec (CDPQ), focused on the impact of innovation on the asset management sector and the evolving interface between (large) allocators and investment managers.

The allocator panel, comprising of some of the largest Canadian allocators, shared their views and experience on how to enhance their capabilities, close the knowledge gap, as well as improve collaborative partnerships (strategic partnerships, JVs with family offices, etc.). They also discussed the assessment and impact of long-term disruption risks from drivers such as innovation, climate change, etc. on their overall portfolios. Other points raised include:



- Strengthening the understanding of “big themes” with transformational power (at CIO office level)
- Managing expectations and risk of misalignment in partnerships
- Bridging the “asset class silos” (knowledge transfer, collaboration)
- Preparing for increased public and stakeholder scrutiny of how allocators manage the portfolio
- Understanding the role of technology / “machines” in portfolio construction going forward

The manager panel specifically explored the evolving investor – manager interface, including how managers respond to changing client demands, such as more product customisation and the resulting need for building consultative capabilities and other operational resources (client servicing, reporting, technology, etc.). The panel also touched upon different strategies to further develop the firm, including breaking down multi-boutique silo barriers (e.g. in FI) via diversification and innovation versus investing in the firm’s core capabilities.

The SBAI would like to thank Mario Therrien, Senior Managing Director and Head of Strategic Partnerships, Developed Markets, CDPQ and an SBAI Trustee, for facilitating the event. We also would like to thank the panellists from AQR Capital Management, Capital Fund Management, CDPQ, Formula Growth, Fiera Capital, Ontario Teachers’ Pension Plan and PSP Investments.

Culture and Diversity (Toronto)

The Standards Board held its latest Culture and Diversity breakfast session with an event in Toronto hosted by Polar Asset Management Partners. This is the 11th session following similar events in London, Stockholm, Washington DC, Dallas, Austin, Los Angeles, Boston and Chicago.

Dame Amelia Fawcett, Chairman of the Standards Board, and Tom Sabourin, CEO of Polar Asset Management Partners, led the discussion. The participants focused on critical business and strategic issues, as well as best practices. Key points raised included:

- Importance of empowering / aligning middle management to carry the “tone from the top” into the organisation
- “It is ok to have different corporate cultures within organisations (e.g. across jurisdictions/divisions) as long as values align”
- Building consensus in more diverse set ups: ensuring everyone feels part of the decision-making process, but also accepts the outcome
- Clues in investor due diligence to detect disconnect between stated and actual corporate culture (experiencing employees in different settings, meeting dynamics, etc.)



The SBAI would like to thank Polar Asset Management Partners, a Signatory of the SBAI, for hosting this event and all the participants for their thoughtful contributions.

ILS Investor Roundtable (Toronto)

Following the publication of the [SBAI ILS Valuation Memo](#) in the SBAI Toolbox earlier this year, the Standards Board has continued its series of dedicated Working Group events bringing together investors and managers to further explore specific industry topics, such as valuation of funds investing predominantly in (collateralised) re-insurance investments and side pocketing practices. Key takeaways of the Toronto roundtable include:

- Valuation: need for further clarification about what “fair value” means (including application of risk loads for uncertainty)
- Side pocketing: understanding of timing and methodology – is there an emerging standard?

The Standards Board SBAI would like to thank Canada Pension Plan Investment Board (CPPIB) for hosting the event and all the discussion participants, including senior representatives from Albourne Partners, CPPIB, Hiscox Re Insurance Linked Strategies Ltd, Leadenhall Capital Partners US, Nephila, Ontario Teachers’ Pension Plan, OPTrust and PIMCO. The next dedicated ILS Investor Roundtable will be held at the Standards Board’s Nordic Investor Day on 4 February 2020.

Standards Board Nordic Investor Day

The Standards Board will be holding its next SBAI Nordic Institutional Investor Day on 4 February 2020 in Helsinki. The event will be hosted by Varma Mutual Pension Insurance Company and will include several streams:

SBAI Working Group Sessions (08:00 – 14:00)

- 08:00 Factor Investing Breakfast
- 10:00 ILS Investor Roundtable
- 12:00 Alternative Credit Lunch

Institutional Investor Roundtable (14:00 - 17:00)

- Responsible Investments
- Public versus Private Markets

The detailed agenda, including information on the speakers, will be distributed shortly.

Volunteers needed: SBAI’s Responsible Investment Working Group



Following its announcement last month, the Standards Board is inviting its Signatories, Investor Chapter Members and Core Supporters to join the newly-created working group to help institutional investors and alternative investment managers better understand how Responsible Investing can be applied in different alternative investment strategies, as well as the specific challenges and questions that arise in these contexts. Key areas of focus will be to:

- Review existing materials about Responsible Investing in alternative investments (including emerging regulatory developments)
- Fundamental questions for investors/managers to ask when determining their approach to responsible investments
- Assessing applicability of different strategies

The Standards Board has been involved in discussions and working groups addressing Responsible Investing RI since 2012, when it contributed to the [PRI Responsible Investment in Hedge Fund Report](#) (2012) and the [PRI DDQ](#) (2017). In addition, the topic has been featured at various Standards Board Institutional Investor Roundtables in Asia, Europe and North America. If you would like to join this new important effort, please contact us at info@sbai.org.

Vacancy: Research Director

The Standards Board is looking to hire a Research Director who will be involved in content development and co-ordination of the ongoing and future working groups on a wide variety of topics, including governance, insurance linked strategies, standardisation of disclosure, valuation, alternative credit, responsible investing, asset management regulation/compliance and new topics to be determined in the future.

Key requirements:

- Strong knowledge of the alternative investment industry
- Experience in collaborating with content experts from various fields and managing working groups
- The ability to condense findings into industry guidance to be included in the Standards Board's Toolbox

The position particularly would suit someone with knowledge and experience gained from working in operational due diligence or in a research capacity in alternative investment management, investment consulting or management consulting.

The successful candidate will work closely with the Standards Board's Executive Director in managing the various working groups, undertake independent research projects on industry



standards, practices and regulation and leading the drafting of the Standards Board's Toolbox memos and other research. The position is an excellent opportunity to help drive good industry practice, collaborate with leading institutional investors and investment managers across all major jurisdictions.

The position is full time but candidates wishing to work part-time also will be considered. The location is flexible in the UK/EU/North American time zone, as the successful candidate will be able to work remotely with occasional travel. It is anticipated that the successful candidate will take up appointment as soon as possible. A more detailed job description is available upon request at info@sbai.org.

Vacancy: APAC Director

The Standards Board is looking to add an experienced staff member to support its efforts in the APAC region, including the work of the [SBAI APAC Committee](#).

Key requirements:

- Strong knowledge of the alternative investment industry
- Rich network of contacts built-up over the past 10-20 years within the investment community
- Ability to oversee the progress of the Standards Board's various APAC working groups
- Understanding of current regional regulatory developments

The position particularly would suit someone with 10-20 years of experience gained from working in alternative investment management, investment banking and/or investment consulting with a clear understanding of industry issues (including the regulatory environment).

The successful candidate will work closely with the Standards Board's APAC Committee and interact with the Secretariat to build and lead the Standards Board's efforts in the region, including outreach to prospective stakeholders, preparation of events, overseeing progress of working groups and regulatory engagement. The position is an excellent opportunity to help drive good industry practice and collaborate with leading institutional investors and investment managers on key industry issues.

This is a part-time position (up to four working days a week), location is flexible, occasional travelling in the region will be required. Fluency in Mandarin is a requirement. A more detailed job description is available upon request at info@sbai.org.

Upcoming Events



- 12 December 2019, Shanghai: SBAI Institutional Investor Roundtable
- 4 February 2020, Helsinki: SBAI Nordic Institutional Investor Day
- 6 February 2020, London: New Frontiers in Investment Research: Machine Learning in Risk Premia and ESG Investing
- 7 February 2020, Geneva: SBAI Swiss Institutional Investor Roundtable
- 4 March 2020, Hong Kong: SBAI Annual Institutional Investor Roundtable
- 26 March 2020, London: SBAI ESG Workshop
- 30 April 2020, Boston: SBAI ESG Workshop
- 14 May 2020, New York: SBAI Annual North American Stakeholders Forum
- 9 September 2020, London, SBAI Annual General Assembly
- 2 December 2020, Montreal: SBAI Annual Institutional Investor Roundtable

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

APPENDIX

CERN Pension Fund Formed in 1955, the CERN Pension Fund is responsible for the pension provision for around 3,700 members and around 3,600 beneficiaries based in 48 countries worldwide. The purpose of the Fund is to insure its members and beneficiaries as well as the members of their families against the economic consequences of disability, old age and death. As an international organisation, CERN has created its own social security system, including a pension scheme, the CERN Pension Fund. The Fund, which is a defined-benefit scheme, is an integral part of CERN.

Maverick Capital Founded in 1993, Maverick Capital is an SEC registered investment adviser which manages fundamental hedge funds, long only funds, fund of funds, venture funds, systematic quant funds and separately managed client accounts. Maverick's 135 partners and employees are based in Dallas, New York and San Francisco and its total assets under management are approximately \$9 billion. Collectively, partners, employees and related entities represent the single largest investor in the Maverick Funds.



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