



Newsletter – March 2020

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New Stakeholders

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

Signatories

- Perseverance Asset Management International (Singapore) Pte Ltd (Singapore)
- Sussex Capital Management Ltd (Bermuda)

New SBAI Series: Navigating through COVID-19

The global outbreak of the coronavirus COVID-19 is having profound implications for individuals and businesses all over the world. Governments' responses to COVID-19 are evolving daily; these responses already are having significant knock-on effects on companies and markets. Accurately assessing current conditions and defining strategies to navigate effectively through this dynamic environment in a timely manner is essential for industry executives.

As a neutral, collaborative platform that brings together institutional investors and managers, the Standards Board is uniquely positioned to facilitate a candid dialogue about how to navigate the current dislocations, as well as draw lessons for industry practices in areas such as risk management (market, liquidity and counterparty), valuations, operational management (including resiliency) and investor communication.

The new webinar series - Navigating through COVID-19 will gather industry executives and practitioners to explore these current industry issues.



Upcoming Series (invitations forthcoming)

- **9 April: Navigating through COVID-19 - Investors' Perspective** (Speakers from: CERN Pension Fund, Elo Mutual Pension Insurance Company, University of California Office of the Chief Investment Officer)
- **23 April: Navigating through COVID-19 - APAC Industry Leaders' Perspective - key lessons from the region** (with speakers from CPPIB, Future Fund, PAG)

More information on upcoming roundtables as part of this series and our events are available on our website.

Continuing our APAC Expansion - New Team Members

Building on our growing activities in the APAC region, including the creation of the APAC Committee, China Working Group, Japan Working Group and annual events in Hong Kong, Melbourne, Singapore, Shanghai and Sydney, the Standards Board has added two new team members from the APAC region: Becky Xu and Annie Yangeksakul. They are both based in the APAC region and will be engaged in the activities of the APAC Committee, the above-mentioned working groups and generally support the Standards Board's initiatives and events in the region. Please see Appendix II below for their bios.

The Standards Board is delighted to welcome Becky and Annie and looks forward to working with them.

Regulatory Alert: Short-Selling Reporting and Restrictions

The recent market turmoil caused by the global outbreak of COVID-19 has prompted a small number of regulators to impose short-selling restrictions (or enhanced reporting) in their respective stock markets, as summarised below. The SBAI extensively covered the topic of short-selling reporting and restrictions in consultation responses following the 2008 financial crisis. At the time, the Standards Board highlighted the importance of short-selling as a risk management tool and as a contributor to liquidity. The Standards Board also drew attention to the negative consequences of regulatory interference in a functioning price formation process (potentially triggering further sell-



offs). More background information on the SBAI's contribution to the short-selling debate is available [here](#).

Overview of current regulatory short-selling measures:

- **ESMA:** Minimum threshold for the net short reporting obligation for shares has been reduced from 0.2 percent to 0.1 percent, applicable to shares trading in a European Union regulated market. The public net short reporting threshold remains at 0.5 percent
- **Italy's [Commissione Nazionale per le Società e la Borsa \(CONSOB\)](#):** three-month short-selling ban for all traded shares on the Italian regulated market (also applies if trades are carried out through derivatives or other financial instruments)
- **France's [Autorité des Marchés Financiers \(AMF\)](#):** one-month ban (creation or increase of short net positions)
- **Belgium's [Financial Services and Market Authority \(FSMA\)](#):** ban for shares traded on Euronext Brussels (regardless of the place where the transaction is executed)
- **Spain's [Comisión Nacional del Mercado de Valores \(CNMV\)](#):** one-month ban for creation or increase in short positions (shares or indexes, including cash transactions, derivatives traded on trading venues or OTC derivatives)
- **Austria's [Financial Market Authority FMA](#):** one-month ban on the Vienna stock exchange (all shares admitted to trading on the Regulated Market of the Vienna Stock Exchange that fall under the competence of the FMA as supervisory authority)
- **Greece's [Hellenic Capital Market Commission](#):** temporary ban (Athens Stock Exchange)
- **South Korea's [Financial Services Commission](#):** six-month ban

The **[UK Financial Conduct Authority \(FCA\)](#)** has highlighted its focus “on maintaining open markets that operate with integrity” and noted that “an ability to short sell can contribute to this, including by supporting effective price formation, enhancing liquidity and enabling risk management.”

[Germany's BaFin](#) has clarified that instruments related to indices Euro STOXX 50®, STOXX® Europe 600, MSCI Europe, MSCI EMU are exempt from short-selling restrictions; therefore, trading in these instruments is possible.

Upcoming Webinars and Events

- 9 April 2020: Navigating through COVID-19 - Investors' Perspective (Webinar)
- 21 April 2020: Co-Investments (Webinar)



- 23 April 2020: Navigating through COVID-19 - APAC Industry Leaders' Perspective - key lessons from the region (Webinar)
- 30 April 2020: Responsible Investment Roundtable (Webinar)
- 14 May 2020: Alternative Credit Roundtable (Webinar)
- 24 August 2020: San Francisco: Culture & Diversity and Responsible Investment Roundtable
- 9 September 2020: London, Annual General Assembly
- 2 December 2020: Montreal: Annual Institutional Investor Roundtable

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

APPENDIX I

Perseverance Asst Management International (Singapore) Pte Ltd Perseverance Asset Management specializes in investing into Greater China public equities market and operates in Shenzhen, Shanghai, Beijing and Singapore. The firm adopts a multi-manager structure and its seasoned portfolio management team shares an average of near 20 years investment experience, mostly in Chinese A share market. While each portfolio manager has distinctive investment style, they all follow a fundamental bottom-up research driven investment philosophy and practice. Perseverance Asset Management offers equity hedge funds and long-only products in both RMB and USD vehicles.

Sussex Capital Management Ltd Sussex Capital Management Limited (SCML) is an insurance linked securities (ILS) asset manager founded in Bermuda in 2017. Sponsored by Brit Insurance, a leading global specialty insurer and reinsurer, and a member of the Fairfax Financial Holdings Limited group of companies. SCML is a multi-strategy platform which, through the issuance of ILS provides investors access to Brit's expertise and long-standing relationships in the international insurance and reinsurance markets. SCML manages the Diversified Fund, a portfolio of global property catastrophe reinsurance whose returns are uncorrelated to the financial markets and the Specialty Insurance Fund, backing a diversified portfolio of specialty insurance and reinsurance risk, the first of its kind in the Lloyd's of London market.

APPENDIX II



Becky Xu

Becky Xu spent 11 years at the Government of Singapore Investment Corporation first as Investment officer and then as Portfolio Manager in the Asia Pacific Equities department, specializing in Greater China equities. Later she joined Guotai Junan Assets (Asia) Limited, Hong Kong as Deputy CIO, where she managed a fundamental equity long short portfolio and oversaw the investment strategies and risk exposure of the whole asset management firm. Becky has a MSc Degree in Wealth Management from Singapore Management University and a BA Degree in World Economics from Fudan University, China.

Annie Yangeksakul

Annie Yangeksakul joined the hedge fund industry in 2007, as an allocator based in New York focused on Asia hedge funds. In 2012, Annie joined the capital introductions team at Credit Suisse Hong Kong before moving to KKR Prisma (later merged as PAAMCO Prisma) based in Hong Kong and Singapore to focus on their Asia hedge fund of funds portfolio. Prior to 2007, Annie worked in the healthcare investment banking group at Goldman Sachs. Annie has an MBA from Stanford University and a BA (Magna Cum Laude with Distinction) in Economics from Yale University.



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