

THE STANDARDS BOARD PUBLISHES A MULTI-JURISDICTIONAL REVIEW OF REGULATORY GUIDANCE ON RESPONSIBLE INVESTMENT

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The Standards Board for Alternative Investments (SBAI) has published a [memo](#) that provides a multi-jurisdictional review of current Regulatory Guidance on Responsible Investment. The memo, which is part of a series of SBAI publications and events on the theme of Responsible Investment, focuses on three central perspectives: **Regulations for Investors**, **Regulation for Issuers** and **Regulation for Investment Managers**. It highlights the spectrum of approaches taken by different regulators and takes a brief look at potential changes to the investment landscape that may be driven by this regulation.

Brandon Gill New, Senior Portfolio Manager - Capital Markets Group at OPSEU Pension Trust said “Institutional Investors increasingly need to identify their own Responsible Investment-related risks and opportunities and engage with partners accordingly. This memo is an important tool to clarify the local and global regulatory environment in which investment managers operate.”

My-Linh Ngo, Head of ESG Investment at [BlueBay Asset Management](#) said “Investment managers must understand their regulatory requirements as they relate to RI. This memo is a timely and useful resource for managers in understanding the key RI regulations around the world. However, given this is still a relatively new area for regulatory intervention, managers should ensure to apply critical thinking on the nature of any regulation and engage in sharing of thinking and practice with peers and policy makers. It is in all of our interests to ensure we have an efficient and well-functioning market which delivers on sustainable development.”

This memo, which was developed by the SBAI’s Responsible Investment Working Group with input from Herbert Smith Freehills, provides a detailed overview of the regulations in Europe, North America, and Asia.

Rebecca Perlman, Senior Associate at Herbert Smith Freehills said: “Since 2018, there have been over 170 RI-related regulatory measures proposed globally – more than in the previous six years combined. The RI field, particularly in the EU, has expanded beyond the range of soft law instruments that have been developed over the past decade, to include a growing body of hard law regulations relating to RI. As associated regulatory and litigation risks continue to develop, it is critical for businesses, investors, and lenders to familiarise themselves with this growing set of regulatory obligations. This memo provides a resource to help guide this process.”

The SBAI Responsible Investment Working Group is actively reviewing other areas of relevance, including guidance on a Responsible Investment Policy Framework, Strategy specific considerations for implementation of Responsible Investment (L/S Equity, Fixed Income, Credit, Systematic and ILS) and Investor Approaches to Responsible Investment. Maria Long, Content Director of the SBAI said: “With the detailed drill-down into strategy specific considerations when implementing a Responsible

Investment Framework, the SBAI RI Working Group is aiming to fill a void in providing practical guidance for managers and investors operating outside of more traditional long only strategies.”

SBAI’s Responsible Investment Working Group consists of over 65 leading industry practitioners, including Aberdeen Standard Investments, Albourne Partners, APG Asset Management, Blackstone Alternative Asset Management, BlueBay Asset Management, Bridgewater Associates, Brummer & Partners, CERN Pension Fund, CQS, Employees Retirement System of Texas, Fiera Capital, HealthCor Management, HPS Investment Partners, Innocap Investment Management Inc., Magnetar Capital, Man Group, Marshall Wace, New Holland Capital, Ontario Teachers’ Pension Plan, Orchard Global Asset Management, Public Sector Pension Investment Board (PSP Investments), RockCreek Group, The State Pension Fund of Finland (VER), Unigestion, Whitebox Advisers LLC and Winton.

The Responsible Investment memo forms part of the [SBAI Toolbox](#), which provides guidance to institutional investors and managers on a broad range of topics, including addressing conflicts of interest, risk and fee transparency and cyber security. The SBAI Toolbox complements the [Alternative Investment Standards](#), to which investment managers formally sign up to on a comply or explain basis. In addition to the SBAI’s work in Responsible Investment, the SBAI is also running a number of other working groups focusing on the following areas: Governance, Alternative Credit, Insurance Linked Funds, Alternative Risk Premia and Standard Investor Profile Template, as well as regional focus groups in China and Japan.

About the Standards Board for Alternative Investments (SBAI)

Established in 2008, the SBAI is a neutral standard-setting body for the alternative investment industry and custodian of the Alternative Investment Standards (the Standards). The Standards Board is a platform that brings together managers, investors, and their peers to share areas of common concern and develop practical, industry-wide solutions. It provides a powerful mechanism for creating a framework of transparency, integrity, and good governance, facilitating investor due diligence, providing a benchmark for manager practice, and complementing public policy.

The SBAI and the Standards are supported by more than 130 alternative investment managers with approximately \$1 trillion in aggregate assets and by more than 80 major institutional investors, including sovereign wealth funds, pension funds, endowments/foundations and fund of funds, overseeing \$4 trillion in assets. More information about the SBAI can be found at www.sbai.org.

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Notes to editors:

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- APG Asset Management
- ARP Americas LP
- Aspect Capital
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 - OPSEU Pension Trust
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 - Pictet Alternative Investments
 - Public Sector Pension Investment Board (PSP Investments)
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9. [Signatories](#) (please click to see the full list)

10. In July 2014, the SBAi became an affiliate member of the International Organization of Securities Commissions ("IOSCO").