hedge fund standards board

Bringing managers and investors together to set standards for the hedge fund industry

Annual Report 2015

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1. Foreword

The Hedge Fund Standards Board (HFSB) expresses its appreciation to its stakeholders: Signatories, Investor Chapter Members and the Core Supporters for their ongoing support and commitment to the Hedge Fund Standards and promoting better practices in the industry.

The HFSB plays an important role in the hedge fund "eco system" globally through its ability to bring investors and managers together to drive better standards collaboratively for the benefit of the whole industry and the wider economy. Our approach is in part about promoting good practice through Standards that complement the statutory framework in which the industry operates and that reflect the interests of investors, managers and the broader community. However, the HFSB is more than just Standards—it is, in effect, a platform for investors and managers to work together to address real issues that affect investors, managers, regulators and the public at large.

In the last 12 months, the HFSB has developed ground-breaking content in a number of areas. First, in March 2015, the HFSB proposed amendments to its Standards in its Consultation Paper CP4 to improve disclosure of conflicts of interest to investors. CP4 was launched following significant investor and manager concerns about the handling of conflicts of interest by some managers. Prior to this consultation, the issue of conflicts of interest had not been addressed sufficiently by either regulations or the existing Hedge Fund Standards. The proposed changes seek to strengthen internal compliance procedures to mitigate conflicts of interest. The HFSB completed the consultation in November 2015, and the new amendments to the Standards came into effect in May 2016. This consultation process has helped the HFSB strengthen the Standards and improve disclosure to investors in important areas, such as parallel funds, trade allocation policies and better arrangements to mitigate conflicts of interest.

The CP4 consultation is an excellent example of how a market-based framework, such as the Hedge Fund Standards, is capable of addressing investor concerns promptly and cost-efficiently in collaboration with managers. This process delivered a strong solution agreed to by the managers and now being widely adopted. Regulators also are acknowledging these efforts. For example, Ashley Alder, CEO of the Hong Kong Securities and Futures Commission and the new Chairman of the International Organisation of Securities Commissions ("IOSCO") noted: *"….when the industry evolves its own robust conduct standards, particularly through an organisation like the HFSB where funds and investors come together, the chances are that the laws and rules we enforce are less likely to be breached. This is of obvious value to members as well as the regulators."*

In addition to Consultation Paper CP4, the HFSB has developed two new Toolbox items, a Memo on Administrator Transparency Reporting and a Cyber Security Memo. Both memos were the first of their kind, and each was very well received by the Industry. Here the HFSB Toolbox (launched in 2014) once again proved itself to be a helpful and practical mechanism to provide practical guidance to managers and investors alike. This year, we are exploring the area of fees and expenses (particularly the area of trying to standardise certain definitions), and we recently added a standardised Administrator Transparency reporting data template.

Regulatory engagement is a critical part of the HFSB's work, and this past year was no exception. We actively were engaged in discussions and consultations with senior regulators around the globe, sometimes publicly, often in private as a "trusted partner". We were very pleased that securities regulators around the globe took a strong interest in our work, notably in the areas of conflicts of interest and cyber security, and that the HFSB is becoming an important reference point, complementing their efforts in a number of areas. Regulators understand that we are not a self-interest group or a lobbyist; they see us as a neutral standard-setter and an ally in driving better practices globally and helping improve outcomes in markets in a cost-effective way.

Over the last 12 months, the HFSB has held numerous Institutional Investor Roundtables around the globe, with over 500 market participants attending these events. In 2015 for the first time high profile bodies, such as the World Bank and the Asset Management Association of China (AMAC), hosted our events in Washington, D.C. and Beijing, respectively. An increasing number of senior regulators are viewing the HFSB platform as beneficial for the market and therefore, often speak at our events. We also are encouraged that the HFSB events are creating a better dialogue between investors and managers.

In early 2016 we established a "mutual observer" relationship with the International Forum of Sovereign Wealth Funds (IFSWF) in order to bring the SWF community together with HFSB stakeholders, to foster a constructive dialogue between hedge fund managers and sovereign wealth funds.

Finally, I am pleased to report that we have strengthened significantly the HFSB Board of Trustees with six new important appointments (between February 2015 and April 2016). During the year, we welcomed Bruce Cundick of Utah Retirement Systems; Clint Carlson of Carlson Capital; David George of Future Fund of Australia; Betty Tay of GIC (Singapore); Dale West of Teacher Retirement System of Texas and Poul Winslow of Canada Pension Plan Investment Board. Their wealth of experience, expertise and independent thinking already have added greatly to an already strong Board.

I also am pleased to report that, with disciplined cost management and the increase in stakeholders, the HFSB again reported a surplus for this past year. We will continue to focus on cost efficiency, at the same time as focusing on delivering highest impact for our stakeholders.

As I look ahead to the next 12 months, it is obvious that regulatory issues in relation to potential vulnerabilities in asset management will continue to loom large on the agenda for all of us, but we also see investors back in the driving seat, focussing the discussion on their priorities. The HFSB will continue to focus hard on the process of getting as many managers as possible around the globe to sign up to the standards and to involve more investors in its activities through its Investor Chapter.

We are fortunate at the HFSB to have an exceptionally talented and dedicated team, both the executive and the Trustees. Their support, engagement and goodwill will continue to be the key to our ability to make an impact and a positive difference for the industry. I would like to take this opportunity to thank them all. In particular, I would like to thank Anthony Lim and Manny Roman, both of whom retired from the Board this year, for their many years of service as Trustees, in Manny's case, as a Founding Member of the HFSB. We have benefited tremendously from their extraordinary commitment and wise counsel over many years, and we will miss them both.

In closing I would like to pay special tribute to our Founders and Core Supporters who have been so steadfast over many years in their support, both financially and with their time. We would not be here today without their foresight and dedication.

Dame Amelia Fawcett D.B.E.

September 2016

2. HFSB Mission

The Hedge Fund Standards initially were drawn-up and published in 2008 in response to G8 policy leaders' concerns over financial stability. They have been updated several times since then. The HFSB believes that responsible standards of practice strengthen the hedge fund industry, for the benefit of both investors and managers. Standards can improve how managers operate, increase transparency, provide solutions to industry issues, decrease the need for regulation and make the manager/investor relationship more predictable and efficient.

To this end, the HFSB seeks to:

- Bring managers and investors together as a joint force in the HFSB process to establish responsible standards of practice that meet investor requirements.
- Support the supervisory community by providing information on how the hedge fund industry operates and ensuring the Standards complement public policy.
- Maintain and improve the Standards through public consultations to keep them relevant, up-to-date and in line with the evolving industry practices and needs.
- Promote adoption of the Standards by managers, and the support of them by investors, to increase their effectiveness and improve how the hedge fund industry operates.

The Hedge Fund Standards address key issues related to hedge fund practices, covering the areas of:

- Disclosure
- Valuation
- Risk Management
- Fund Governance
- Shareholder Conduct.

Managers achieve conformity with the Standards on a "comply or explain" basis and make their disclosure statements available to existing and prospective investors upon request. More detailed information on the Standards is available in Appendix III of this Report.

3. The Hedge Fund Standards

The Hedge Fund Standards set levels of quality in behaviour and working practice that complement the public policy framework, particularly in the areas of complex, diverse or more innovative practice. They are principle-based, consistent with existing regulation in multiple jurisdictions and intended to benefit hedge fund managers from all jurisdictions.

The Standards are deliberately set at a challenging level so as to encourage high quality behaviour in the interest of securing support and respect from all stakeholders, including investors, regulators and counterparties. They can be a more efficient way of achieving regulatory objectives than detailed and rigid rules. The Standards are based on a "comply or explain" regime catering for the entire breadth and diversity of the industry and allowing managers to "explain" where a specific standard is inconsistent with local law and regulation or specific local business model etc.

The signatory process requires that managers make a public commitment to investors. While conformity with the Standards is based on self-certification, failure to conform is a form of misrepresentation. In fact, the FSA stated that they "will take compliance with these [HFSB] standards into account when making supervisory judgements". In this sense, the Standards are binding, and conformity with them can be verified by investors at any point.

Why are the Standards important?

The Standards provide a powerful mechanism for creating a framework of transparency, integrity and good governance that maintains a high reputation for the industry, facilitates investor due diligence and minimises the need for restrictive regulation.

The Standards:

- Demonstrate the industry is willing to <u>voluntarily establish</u> responsible standards of practice.
- Result in the industry being defined by the <u>responsible practices</u> represented in the Standards, rather than by irresponsible actions of individual sub-par firms.
- They enable the industry to organise and <u>take control of its future</u>, rather than having that future dictated by regulators, the media and random events.
- <u>Standards play major roles in industries</u> (such as FASB, GIPS) and the HFSB is emerging to play that role in hedge funds.

The Standards expand the Investor Base:

- Well-established standards will enable the industry to grow by building investor confidence.
- The Standards establish common practices that make the investor/manager relationship more predictable and efficient – vs. discordant practices resulting from individual negotiations.
- The presence of investors as equal partners in the HFSB ensures that the Standards are meeting their needs.
- Investors are able to pre-identify managers who have committed to the Standards, which aids their selection and due diligence process.

The HFSB welcomes appropriate regulation of the industry. However, given the diversity of investment strategies, the speed of innovation, the complexity of many platforms and the global scope of the industry, traditional rules and regulations are not expected to meet all the needs of investors and managers.

The Standards are always likely to be more demanding, comprehensive and appropriate than the regime in any one country, because the Standards are defined by those with a strong vested interest in the success of the industry. Over time, the Standards are expected to become the generally accepted norm with all market participants adhering to them. For example, the majority of hedge fund assets under management (60%) in the UK/EU market now adhere to the Standards, which is an increasing indication of the Standards becoming the "industry norm" in these important markets.

4. Overview of HFSB Activities 2015/2016

The 2015/2016 fiscal year has been a very productive and important year for the HFSB, with significant developments in the Standards, our Toolbox content and our work with senior regulators around the globe. Early 2015, the HFSB published its 4th consultation paper on the latest amendment to the Standards on managing conflicts of interest. Following the launch of the HFSB Toolbox in 2014, which allows the HFSB to develop new content outside the scope of the Hedge Fund Standards, the HFSB added two new items: the Administrator Transparency Reporting Memo and the Cyber Security Memo.

The HFSB also has continued to grow its efforts internationally, with new appointments to the Board of Trustees, increased work with IOSCO, and significant global additions to our Manager Signatories and Investor Chapter stakeholders, particularly in Asia and the US. This is underpinned by our series of global Institutional Investor Roundtable events—we held 13 events in 11 cities and 7 countries in 2015.

Consultation Paper CP4: Conflicts of Interest

The HFSB held its fourth consultation on the Standards, focussing on conflicts of interest. This followed on from significant investor [and manager] concerns about a particular firm's handling of such conflicts of interest, as well as broader industry concerns that such conflicts are not adequately disclosed to investors.

Conflicts of interest can arise between a manager and its clients, and between different clients, and usually are caused by information asymmetries and/or lack of alignment. Consultation Paper CP4 was published in March 2015 and focussed specifically on conflicts of interest that can arise between parallel funds (including parallel employee/partner funds). The HFSB held dedicated consultation roundtables and events to explore this issue with managers, investors and regulators and collected their written and verbal feedback.

The new amendments to the Standards, which were published in November 2015 and came into force in May 2016, seek to strengthen managers' practices and procedures for mitigating conflicts of interest and to enhance disclosure to investors. Such disclosures include:

- Existence of funds/accounts managed by the firm using the same or similar strategy and any material adverse effect they may have on the investors in the fund
- Manager co-investment in the fund

- Employee/partner funds
- Trade allocation policy

The HFSB also presented its findings from CP4 to global regulators, including IOSCO, as the issue of conflicts of interest remains an area of focus for global securities regulators (for example, conflicts of interest was included in the 2016 Exam Priorities of the US Securities and Exchange Commission's Office for Compliance Inspections and Examinations (OCIE)). The HFSB will continue to monitor this area and assess if further work is needed.

It is important to highlight that the findings presented by the HFSB are not just applicable to hedge fund managers; they are equally applicable to all asset managers who run parallel funds with similar strategies. The HFSB encourages all firms to assess their handling of such conflicts of interest and the relevant disclosures they make to investors.

More information, including the Consultation Paper CP4 and the final updated Standards, are available at http://www.hfsb.org/standards/consultations/.

HFSB Toolbox

In April 2014 the HFSB launched its Toolbox, which is intended to be an additional guide, particularly for hedge funds, to complement the HFSB's standard-setting activities. The materials available through the HFSB Toolbox serve as practical guidance only and are not formally part of the Standards. Managers and investors alike have told us the content in the Toolbox has become one of the most valuable parts of the HFSB's work.

The HFSB added two major topics to the Toolbox content in 2015:

- Administrator Transparency Reporting
- Cyber Security

Administrator Transparency Reporting

Administrator transparency reports (ATRs) play an important role in investor due diligence and on-going monitoring of managers. They provide independent confirmation by the administrator of fund assets and liabilities, and they also allow investors to evaluate a fund's pricing sources and assess the diversification and quality of counterparties, as well as to assess shifts in the type of assets (Level I-III) included in a portfolio.

In May 2015, the HFSB added an Administrator Transparency Reporting Memo to its Toolbox, which sets out the type of data included in such reports. Later in 2015, the HFSB formed a working group comprising 11 major fund administrators, to develop a standardised ATR data structure.[1] The standardised ATR reporting data structure was published in February 2016.

A key benefit of standardisation of this type of data is that it allows investors to more easily compare and aggregate this information from multiple funds, facilitating better risk monitoring. It also allows fund administrators to simplify the process by producing the report to the standard specification.

Cyber Security

Cyber Security is of major concern to governments, companies and individuals. In light of the systemic importance of major banks and infrastructure providers in the financial sector, supervisors have taken a greater interest in assessing the level of preparation and resiliency in the financial services industry. While hedge fund managers historically have represented little systemic risk, and do not provide any infrastructure services (unlike banks, exchanges and custodians), the HFSB felt it was important to understand how the asset management / hedge fund industry can improve its cyber security [understanding, resilience and preparedness].

In September 2015, the HFSB published a Cyber Security Memo for Hedge Fund Managers. The memo helps managers identify their key digital assets ("crown jewels") and also provides a list of practical "quick win cyber security action items and projects" to enhance a firm's resilience, including the development of an "Incident Response Plan".

The HFSB presented its findings at the IOSCO mid-year conference and held several cyber seminars for managers, as well as dedicated cyber-attack simulation exercises in New York and London, to explore the response to three potential cyber-attack scenarios: (1) data theft; (2) financial infrastructure attack; and (3) crypto-ransomware. A key lesson from these exercises was that cyber incidents are not just "technical issues", and that management needs to be prepared/trained for cyber incidents. The HFSB's work in this area also highlighted the importance of "customised" answers for

[1] BNY Mellon, Citco, HedgeServ, HSBC, Kaufman Ross in Fund Services, NAV Fund Administration Group, Northern Trust, SS&C GlobeOp, State Street Alternative Investment Solutions, U.S. Bancorp Fund Services, Wells Fargo Global Fund Services

different areas of financial services, since asset managers face different challenges than those faced by banks, payment providers, etc.

The HFSB will continue to explore this topic with its stakeholders and continue its series of cyber security events.

All HFSB Toolbox Resources, including the ATR template and the Cyber Security Memo are publicly available at www.hfsb.org/toolbox/.

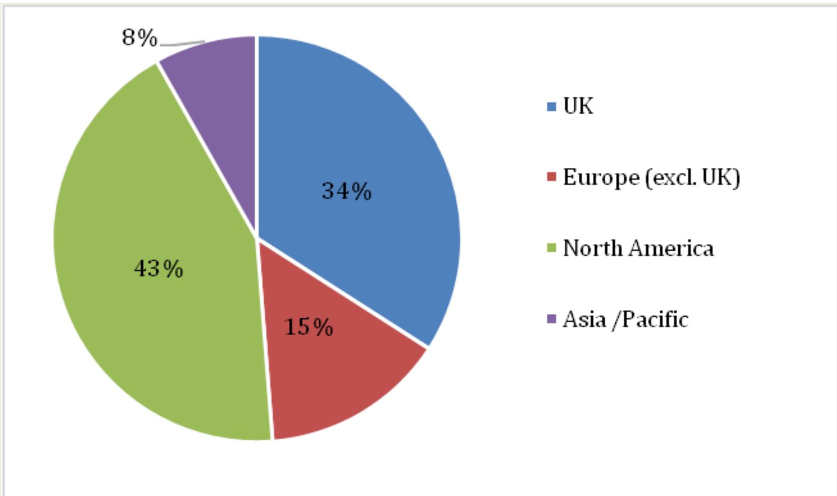
Stakeholder Campaign

The HFSB has continued its active engagement with the hedge fund manager and investor communities in North America, the Asia-Pacific region and Europe.

Signatory Progress

Since its inception, managers with over US$1tn in AUM have committed to the Hedge Fund Standards. By comparison, the assets of the global hedge fund industry are estimated at US$2.7tr[2]. This year, for the first time, the majority of HFSB signatories are from North America—they account for 43% of all signatories. UK-based signatories account for 34%. In 2015-2016 we welcomed 25 new signatories from North America, Europe and Asia Pacific, and we also lost a few signatories due to closure, mergers and redemptions. Today, the HFSB is stronger than it ever has been in terms of hedge fund commitment to the Standards.

HFSB Signatories: 125 managers with over$1tn in AUM (as at August 2016)



[2] As of 1st Quarter 2016 according to Barclay Hedge

New Joiners in 2015-2016

- Alyeska Investment Group
- BCK Capital
- Bodenholm
- Carlson Capital
- CDAM
- Crystalline Management Inc.
- Duet Asset Management
- Dymon Asia Capital
- Eagle Trading Inc.
- Effissimo Capital Management
- Eisenstat Capital Partners
- Florin Court Capital
- Goldman Sachs Asset Management
- HealthCor Management
- Hutchin Hill Capital
- Income Partners
- Islandbridge Capital
- MKP Capital Management
- Quantica Capital
- Rockhampton Management Ltd
- ROW Asset Management
- Springs Capital
- Talarium

- Trient Asset Management
- Trium Capital LLP
- Trustbridge Partners

Attracting new signatories, particularly in North America, remains one of the HFSB's key priorities for the next 12 months. The HFSB recognises that the benefits the Standards bring to the hedge fund industry – including strengthening manager practices, improving investor confidence, and bringing greater efficiency to investor/manager relationships – all grow as adoption of the Standards increases.

Investor Campaign

The HFSB process is supported by institutional investors, including pension and endowment funds, sovereign wealth funds, hedge funds of funds, private banks and family offices. The HFSB's Investor Chapter members manage US$2tn in assets and invest over US$ 600bn in hedge funds. Since the launch of the HFSB Investor Chapter in 2010, the HFSB has actively engaged with investors around the globe in a variety of initiatives, such as reviewing amendments to the Standards, participating in joint panels on investor expectations, and contributing to working groups to develop HFSB Toolbox items. The HFSB's Investor Chapter members also have actively encouraged their peers to become involved in the HFSB, and have played a critical role in encouraging managers to commit to the Standards.

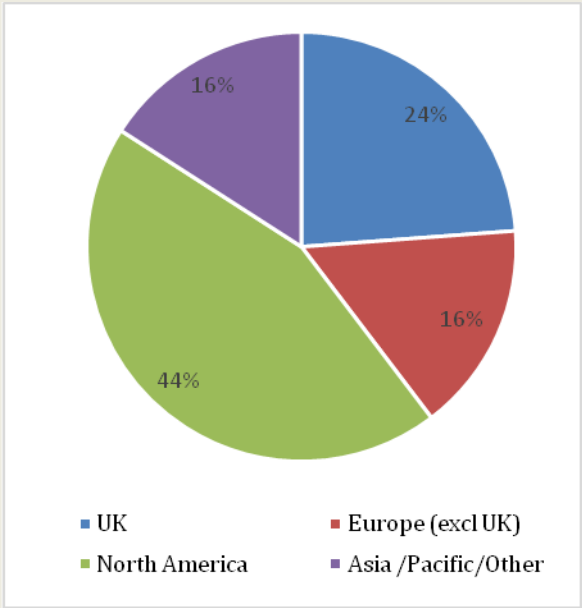
In 2015-2016 our Investor Chapter welcomed six high profile institutional investors as members:

- Canadian Pension Plan Investment Board
- New Zealand Superannuation Fund
- Teacher Retirement System of Texas
- Telstra Super
- Victorian Funds Investment Corporation
- West Virginia Investment Management Board

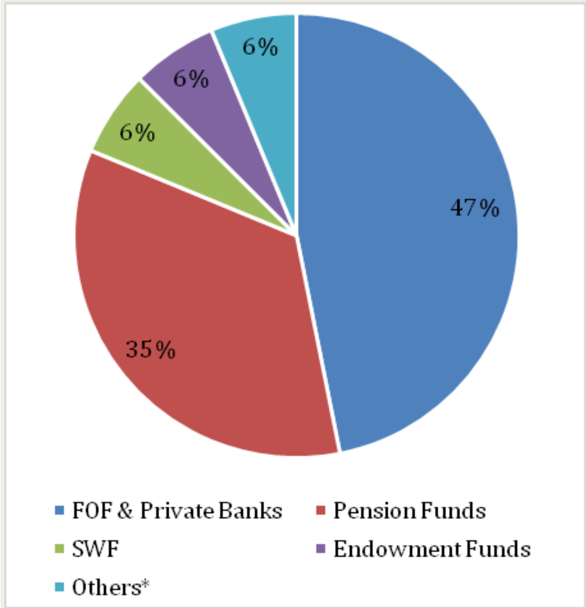
The HFSB is in active conversations with several additional institutions who are taking steps to join.

HFSB Investor Chapter: 65 members with over $600bn invested in hedge funds (as at August 2016)

Investor Chapter Members by region



Investor Chapter Members by type



***Others** - Family offices and other banks

One of the biggest developments in the HFSB investor campaign was establishing a "Mutual Observer" relationship with the International Forum of Sovereign Wealth Funds (IFSWF). The Mutual Observer relationship will help ensure that SWFs are active participants in HFSB activities and in the standard-setting process. Likewise, the relationship enables the HFSB to offer insights and information to the SWF community on hedge fund industry issues. The Mutual Observer role will enable the IFSWF and HFSB to participate in each other's events, co-host seminars that bring together the IFSWF and HFSB memberships to discuss topics of mutual interest and relevance (such as governance, transparency and financial stability), give the IFSWF and its members access to the full range of HFSB's resources (Standards and the Toolbox), and foster a constructive dialogue and alignment of interests between hedge fund managers and SWFs.

The HFSB remains committed to continuing its endeavours to engage investors in improving and promoting the Standards in 2016.

Core Supporters

In autumn 2010 the HFSB created a special group of stakeholders – Core Supporters – that are committed to making a significant contribution to the HFSB efforts. Today, there are 10 members in this critically important group:

- Aberdeen Asset Management
- Albourne Partners
- Allianz Global Investors
- Arrowgrass
- Ionic Capital Management
- PAAMCO
- PAG
- Reservoir Capital Group
- Willis Towers Watson
- Unigestion

The Core Supporters are associated with HFSB thought leadership and are actively involved in the HFSB's efforts to improve the market and the industry's contribution to the wider community. Their logos are displayed on the HFSB website, and they interact with the HFSB Trustees and Founders through informal meetings, panels and Board dinners.

HFSB Global Institutional Investor Events

Starting in 2013, the HFSB has hosted small-scale, but highly effective institutional investor roundtables, which bring together managers and investors to explore topics of the day through interactive discussions and practical case studies.

Today, the investor roundtables are very popular with HFSB stakeholders and other market participants. In 2015 these events included:

HFSB Event 2015	
February	• Institutional Investor Roundtables in Sydney & Melbourne
March	• Institutional Investor Roundtable in Hong Kong
April	• Institutional Investor Roundtable in Shanghai

May	• Stakeholder Annual General Assembly and Institutional Investor Roundtable in London
September	• Institutional Investor Roundtable in Washington D.C. • North American Annual Stakeholder Forum in New York
October	• Canadian Stakeholder Forum in Montreal
November	• Institutional Investor Roundtable in Beijing
December	• Institutional Investor Roundtable in Geneva • Annual Nordic Institutional Investor Roundtable in Helsinki • Cyber-attack simulation table top exercise in London

The roundtables attracted over 500 participants in aggregate, who gathered to discuss topics, including but not limited to

- Managing conflicts of interest
- Institutional investor priorities 2015
- Redemptions and gating
- Institutional risk management techniques
- Private fund regulation and self-regulation
- Responsible investment
- Structuring long-term investments
- Due diligence case studies on situations of liquidity distress
- Cyber security in asset management (cyber-attack simulations exercises and practical seminars)

In 2016 the HFSB continued its series of roundtables and workshops in various locations worldwide.

The HFSB would like to thank our hosts for these events, who included, Future Fund Australia, Bloomberg Australia, Asset Management Association of China, CFA China, UBS China, Herbert Smith Freehills, Caisse de dépôt et placement du Québec, The World Bank, New Holland Capital, Varma Mutual Pension Insurance Company, Unigestion and Stroz Friedberg.

Regulatory Engagement

Pursuant to its mission to participate in the regulatory debate, the HFSB actively engages with the supervisory community around the globe.

2015 was the HFSB's busiest year yet, with meetings with senior officials in many markets, as well as smaller HFSB workshops bringing regulators together with managers and investors on important issues of mutual interest. The below table shows the regulators we interacted with over the year.

Overview of Regulatory Interaction

Canada - Autorité des marchés financiers (Québec) - Bank of Canada - Ministry for Finance of the Government of Québec - Ontario Securities Commission **China** - Alternative Management Association of China (AMAC) **Finland** - Financial Supervisory Authority (FIN-FSA)	**Germany** - BaFin - Chancellor's Office - Deutsche Bundesbank **Hong Kong** - Securities and Futures Commission **Switzerland** - FINMA **UK** - Bank of England - Financial Conduct Authority (FCA) - HM Treasury - Prudential Regulatory Authority (PRA)	**US** - FBI Cyber Branch New York - Federal Reserve Bank of Dallas - Securities and Exchange Commission (SEC) - US Senate Banking Committee - US Treasury **International Organisations** - European Commission - European Securities and Market Authority (ESMA) - International Organisation of Securities Organisation (IOSCO)

In June 2015 the HFSB contributed to IOSCO's report on cyber security efforts. The report, in which the HFSB was quoted and referenced several times, was published in April 2016. IOSCO also regularly distributes the materials published by the HFSB to their membership of global regulators, further broadening the HFSB's influence and impact. For example, the Administrator Transparency Reporting documentation, which was published as a result of the working group put together by the HFSB, was shared and distributed widely by IOSCO.

There is little doubt that regulators value the HFSB's contribution to promoting better practices in the industry, as they have noted many times over the years, and we will continue to do all we can to add real value to the process of developing constructive and effective standards. Below are some of the quotes provided by various regulators since the inception of the HFSB.

Quotes on the HFSB by Regulators

Ashley Alder, CEO of the Securities and Futures Commission of Hong Kong and the new Chairman of IOSCO, June 2016:

"I would like to recognise the fact that in its short existence, the HFSB has, in my view, broken new ground in the way in which industry associations can operate as standard setters.

The HFSB is one of the first of a new brand of industry associations, which bridges the gap between the old self-regulatory organisation model and conduct regulation by the likes of the SFC. It is significant that the HFSB was the model for the FICC Markets Standards Board set up in the UK last year as a result of the Fair and Effective Markets Review recommendations.

And when the industry evolves its own robust conduct standards, particularly through an organisation like the HFSB where funds and investors come together, the chances are that the laws and rules we enforce are less likely to be breached. This is of obvious value to members as well as the regulators.

At the same time, we are not normally in a position to formally endorse industry standards as part of our formal framework of regulation. For one thing, we cannot do so when rules have not gone through the usual legislative or consultative process. **But more importantly, we should not fetter or formalise the HFSB's own freedom to develop its standards without too much interference from us."**

Gerard Fitzpatrick, Senior Leader of Australian Securities and Investment Commission (ASIC), May 2016:

"I commend the HFSB for identifying the importance of the cyber-attack risk and am glad to see the initiative of running the cyber-attack simulation exercises in London and New York. I also commend the publication of the HFSB Cyber Security Toolbox Memo, which identifies key risks with their possible impacts, as well as strategies to mitigate these threats."

Drew Weilbacher, US SEC's Office of Compliance Inspections and Examinations, September 2015:

"I welcome investors and managers collaborating to improve industry standards and the HFSB has created an important framework to allow such collaboration to occur."

Michel Noel, Head of Investment Funds, Finance & Markets Global Practice, World Bank, September 2015:

"As part of its support to the development of financial markets in emerging markets and developing countries (EMDEs), the World Bank places a great emphasis on the development of broad and well-regulated capital markets… It welcomes the work done by the HFSB and looks forward to collaborating with the HFSB to contribute to the development of transparent capital markets across EMDEs."

Andrew Bailey, Deputy Governor, Bank of England and CEO, Prudential Regulatory Authority, May 2015:

"The trend towards greater market-based finance should be welcomed, but it is important that accompanying risks to financial stability are well understood and managed. The HFSB provides a powerful platform for the market participants, specifically institutional investors and managers, to contribute to this effort to strengthen the resilience of capital markets.”

James Shipton, Exec Director, Member of the Securities and Futures Commission of Hong Kong, March 2015:

“Improvements in culture cannot be achieved through rules alone, and that the industry needs to take a proactive approach in addressing emerging issues. This is why what the HFSB does is so important.”

Tang JinXi, Vice Chairman, Asset Management Association of China (AMAC), the self-regulatory organisation for the mutual fund industry, April 2015:

“The Hedge Fund Standards can help the Chinese hedge fund industry improve risk management, investor disclosure and governance.”

Drew Bowden, US SEC’s Office of Compliance Inspections and Examinations, September 2014:

“Investors play a critical role in improving the industry and the HFSB created a helpful platform for collaboration between managers and investors.”

Arminio Fraga, former Governor of the Central Bank of Brazil, September 2014:

"The work of the HFSB is incredibly important at a time when we see the limitations of conventional regulation.”

David Wright, Secretary General of IOSCO, July 2014:

“We are pleased to welcome the Hedge Fund Standards Board as an affiliate member of IOSCO. There is an important role for industry standards to play alongside statutory regulation in promoting transparency and good governance in the financial markets. The HFSB can play a valuable role working with regulators and supervisors.”

Mathieu Simard, Director, Investment Funds Dept of Quebec’s Autorité des marchés financiers, June 2014:

“The application of industry standards that are aligned with the securities regulatory framework and IOSCO principles are encouraged”.

Esther Wandel, Head of Investment Funds Policy, UK FCA, May 2014:

“The FCA encourages the asset management industry to challenge itself constantly. We need a change of culture, not just a change of rules or systems. Initiatives like the Hedge Fund Standards Board can be an important driver for that."

Marc Wyatt, US SEC’s Office of Compliance Inspections and Examinations, November 2013:

“Investors play an important role in driving better standards in the industry and the HFSB created a helpful mechanism for collaboration between managers and investors.”

Hector Sants, Former CEO, FSA, October 2008:

“FSA sees the HFSB Standards as a very constructive addition to the wider regulatory architecture. It should be noted that the FSA will take compliance with these standards into account when making supervisory judgements...”

Rob Taylor, Head of the FCA's Investment Management Department May 2015: "it is encouraging to see the hedge fund industry being proactive in addressing topical issues through the HFSB process, which complements the FCA's efforts".

Board Appointments

In 2015/2016 the HFSB added six new Trustees to its Board, representing high profile organisations from the investor and manager community. They included: Clint Carlson (Carlson Capital); Bruce Cundick (Utah Retirement Systems); David George (Future Fund Australia); Betty Tay (GIC); Dale West (Teacher Retirement System of Texas) and Poul Winslow (Canada Pension Plan Investment Board).

5. Report on Conformity with the Standards

The Hedge Fund Standards are based on the "comply or explain" approach. This approach takes into account the dynamic nature of the industry and caters for its diversity without requiring constant changes to the Standards. It provides signatories to the Standards with flexibility to "explain" in the event that any action required by the Standards is not consistent with their local law, regulation or specific business model. This approach enables the Hedge Fund Standards framework to cover various circumstances of firms, while recognising their idiosyncrasies. It rests on disclosure and needs only minimum prescription. When the Standards were developed in 2008, a "comply only" regime was rejected, as it would make the Standards lengthy, far more prescriptive and more difficult to accommodate current and future signatories.

In line with the HFSB's mandate to keep the hedge industry informed of the progress in achieving conformity with the Standards, we have analysed the disclosure statements received from our signatories and would like to report the following (at May 2016):

Statistics on conformity with the Standards

Based on the disclosure statements received by the HFSB, the conformity status of the signatories is as follows:

Status of conformity	% of Total Signatories
In conformity with the Standards without explanations	53%
In conformity with the Standards with explanations	42%
Conformity in progress (new applicants)	5%

The table below provides an overview of the "most explained" Standards.

Most explained Standards	How many signatories explained this standard in their disclosure statements	Area	What does it cover?
Standard 1.4	22	Investment policy and risk disclosure	Inclusion of a statement in the fund's annual report explaining how the fund has invested its assets during the relevant period in accordance with its published investment policy
Standard 2.3	21	Commercial terms disclosure	Disclosure of side letters which contain "material terms"

Most explained Standards	How many signatories explained this standard in their disclosure statements	Area	What does it cover?
Standard 3.1	15	Performance measurement	Disclosure of the fund's performance in the marketing materials when the fund has material exposure to hard-to-value assets
Standard 5.1	17	Segregation of functions in valuation	Valuation arrangements to address and mitigate conflicts of interest related to asset valuation
Standard 6.2	17		Disclosure of any material involvement of the portfolio manager in the valuation process
Standard 7.2	17	Hard-to-value assets	Consulting the fund governing body when side pockets may be used
Standard 8.1	20	Disclosure of hard-to-value assets	Disclosure of the percentage of the fund's portfolio invested in hard-to-value assets
Standard 8.2	17		Notification of any material increase in the percentage of the fund's portfolio invested in hard-to-value assets
Standard 8.3	16		Reporting the value of side pockets
Standard 8.4	18		Disclosure of material issues related to valuation of hard-to-value assets
Standard 10.1	16	Disclosure of risk framework	Explaining the approach to managing risk to the fund governing body and in the fund's offering documents
Standard 11.2	15	Portfolio risk	Segregation of the risk monitoring function from portfolio management
Standard 11.4	19		Putting in place a written Risk Policy Document which sets out responsibilities and procedures for risk monitoring
Standard 16.1	16	Disclosure of portfolio risk	Disclosure of the investment and risk management approach
Standard 16.2	23		Disclosure of the actual risk profile of the fund in the management report
Standard 21.1	16	Fund governance	Establishment of the fund governance structure which is suitable and robust to handle potential conflicts of interest

Most explained Standards	How many signatories explained this standard in their disclosure statements	Area	What does it cover?
Standard 21.2	16		Obtaining investor consent on material adverse changes to the fees/expenses, redemption rights or the fund's stated investment strategy in the event the majority of the fund governing body is not independent or when there is no fund governing body
Standard 21.5	19		Ensuring that the meetings of the fund governing body safeguard appropriate legal, regulatory and tax status of the fund
Standard 21.6	18		Ensuring the fund governing body's compliance with the appropriate code of corporate governance
Standard 21.7	16		Regular reporting on compliance with laws and regulations applicable to activities of administrators on behalf of the fund
Standard 25.1	19	Proxy voting	Putting in place a proxy voting policy
Standard 26.1	18		Disclosure of the proxy voting policy.

Over the next 12 months, the HFSB will develop more granular details on the nature and rationale of explanations in order to help inform the HFSB's standard-setting process (i.e., which Standards need to be revisited and updated).

6. What's Next

A key priority of the HFSB is to increase the adoption of the Standards among managers and support for the Standards among investors, particularly in the US and Asia Pacific regions, since the positive impact of the Standards increases as the level of adoption grows. The Board, as well as signatories and Investor Chapter members, are committed to this critical initiative and expect to see strong continued progress in this area.

We also will focus on a number of other important initiatives:

- Creation of a dedicated APAC Committee, to help coordinate the HFSB activities in the region.
- HFSB Toolbox Guidance: Working group to explore fee terms and definitions.
- Expansion of the HFSB Institutional Investor Roundtable Series to new financial centres, including Los Angeles, Chicago, Shanghai and Toronto.
- Enhanced collaboration with securities regulators via IOSCO: Dedicated workshops on topics such as cyber security, liquidity risk management and conflicts of interest.
- Building partnerships with organisations such as the International Forum of Sovereign Wealth Funds (IFSWF) through joint events and initiatives of mutual interest.
- New HFSB website and content for LinkedIn and Twitter: more interactive design and user-friendly for mobile devices.

Appendix I: HFSB Board of Trustees

Dame Amelia Fawcett, D.B.E.

Chairman, HFSB

Dame Amelia Fawcett was appointed Chairman of the Hedge Fund Standards Board on 1 July 2011. Dame Amelia is also Deputy Chairman of Investment AB Kinnevik in Stockholm, a Non-Executive Director of State Street Corporation in Boston, Massachusetts (where she chairs the Risk Committee) and a Non-Executive Director of HM Treasury in London. Dame Amelia was Chairman of the Guardian Media Group plc from 2009 - 2013 (and a Non-Executive Director from 2007 -2013).

Between 2007 and 2010, she was Chairman of Pensions First, a financial services and systems solutions business, which she helped set up. From 1987 - 2007 she worked for Morgan Stanley, latterly as Vice Chairman and Chief Operating Officer for its European operations. She started her career at the US law firm of Sullivan and Cromwell, first in New York then in Paris.

Dame Amelia is a Governor and Deputy Chairman of London Business School, Chairman of The Prince of Wales's Charitable Foundation, a Commissioner of the UK-US Fulbright Commission and a Trustee of Project HOPE UK.

Dame Amelia was appointed a Dame Commander of the British Empire in the 2010 Queen's Birthday Honours List for services to the financial services industry, in addition to being awarded the CBE in 2002, also for services to the financial industry. She received The Prince of Wales's Ambassador Award in 2004 and an honorary degree from the American University in London (Richmond) in 2006.

Dame Amelia, a British and American citizen, was born in Boston, Massachusetts, USA in 1956. She has a degree in History from Wellesley (1978) and a law degree from the University of Virginia (1983). She was admitted to the New York Bar in 1984.

Jane Buchan

CEO, PAAMCO

Jane is CEO at Pacific Alternative Asset Management Company, an investment management firm based in Irvine, CA with offices in London and Singapore. As CEO, Jane is responsible for overall business strategy and firm direction. She began her career at J.P. Morgan Investment Management in the Capital Markets Group. She has also been an Assistant Professor of Finance at the Amos Tuck School of Business at Dartmouth.

Jane currently serves as Director as well as Chairwoman of the Board for the Chartered Alternative Investment Analyst Association (CAIA). She also serves as a Director and Chair of Governance and Nominating for the Torchmark Corporation (TMK). Jane serves as a Trustee for Reed College in Portland, Oregon as well as the University of California Irvine Foundation. She is a member of the Investment Committees for both organizations. She is also a member of the Advisory Board for the Master of Financial Engineering Program at University of California Los Angeles Anderson School of Management. Additionally she serves as an Associate Editor for the Journal of Alternative Investments. Jane is a founding Angel for 100 Women in Hedge Funds.

Jane is a guest on CNBC and Bloomberg television as well as a regular contributor to both the business and investment press. She participates in many industry conferences as a moderator, panellist and keynote speaker. Jane holds both a PhD and an MA in Business Economics (Finance) from Harvard University. She earned a BA in Economics from Yale University.

Jane and her husband, Jim Driscoll, reside in Corona del Mar California.

Clint Carlson[3]

President & CIO, Carlson Capital

Mr. Carlson founded Carlson Capital in 1993. For five years prior, he was head of risk arbitrage for the investment arm of the Bass Brothers organization. Before joining the Bass organization, Mr. Carlson co-managed a risk arbitrage fund for Maxxam Group and affiliated companies. Mr. Carlson received a B.A. and an M.B.A. from Rice University and a law degree from the University of Houston. He is a Board Member of the Rice Management Company and a member of the Board of Overseers for the Jones School of Business at Rice University.

Bruce H. Cundick[4]

Chief Investment Officer, Utah Retirement Systems

Bruce H. Cundick is the Utah Retirement Systems' Chief Investment Officer. He is responsible for directing the overall operations of the Investment Department. He manages all aspects of investment functions for all plans. The Utah Retirement Systems is a $27 billion state pension fund.

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[3] Elected to the Board on 19 April 2016
[4] Elected to the Board on 23 March 2015

Bruce graduated Magna cum laude from the University of Utah with a Bachelor of Arts degree in Accounting and Master of Business Administration Degree. Bruce is a Chartered Financial Analyst (CFA) and a Certified Public Accountant (CPA).

He has been with the Utah Retirement Systems for fourteen years. During the previous fourteen years, Bruce was the Chief Financial Officer and Chief Investment Officer at Beneficial Life Insurance Company where he directed $2 billion portfolio of fixed income, mortgage-backed and equity securities. Prior to that, he held the position of President and Chief Executive Officer at Deseret Federal Savings and Loan.

He has also taught at the University of Utah for over 30 years. He was an adjunct professor and has taught part-time as an associate instructor of Business Finance and Investments in the University's Masters of Science and Technology program.

He has held Board positions in trucking, mortgage banking, real estate development, savings & loan and property and casualty insurance companies. He currently sits on the Benefits Finance Committee of the Board of Directors for Intermountain Health Care and the Investment Advisory Committee for the University of Utah Endowment.

Tom Dunn

Managing Principal, New Holland Capital

Tom launched New Holland Capital, the hedge fund advisory company, in 2006. It focuses exclusively on the absolute return funds of ABP, the $280bn Dutch civil servants pension fund. Before that Tom had worked at ABP since 2002, managing the Hedge Fund Group within ABP Investments US and helping ABP evolve from an emphasis on fund of funds to a wide variety of hedge fund-like alternative investments. Tom co-managed (1995-2000) the fixed income business at Lazard Asset Management. Prior to that Tom was a Sr. Portfolio Manager at Goldman Sachs Asset Management where he directed the quantitative fixed income portfolios. In his 9 years at Goldman Sachs, he also pursued a broad range of investment projects involving global asset allocation, currency trading, commodity futures and synthetic equity products. Tom also spent 3 years in corporate finance at First Boston. He holds two degrees from University of Chicago: an MBA in Finance (1986) and a BA in English Literature (1981).

David George[5]

Head of Debt & Alternatives, Future Fund Australia

David George is the Head of Debt & Alternatives of Australia's Sovereign Wealth Fund, the Future Fund, valued at AUS$109.21bn on 31 Dec 2014. The organisation is also responsible for the investment of the Building Australia Fund, Education Investment Fund, Health and Hospitals Fund and the Disability Care Australia Fund. At 31 December 2014 these funds had a combined value of AUS$10.26bn.

David joined the Future Fund in April 2008 and leads the team responsible for strategy development and implementation of the debt, cash and public market alternative investment programs.

Prior to joining the Future Fund, David was a Principal at Mercer Investment Consulting in Sydney, focused on researching managers in the fixed income and alternatives areas. Previously he has held management and analytical roles at Mercer in Toronto, the Royal Bank of Canada and Integra Capital Management.

David was awarded a degree in Economics from the University of Western Ontario and is a CFA and CAIA charterholder.

Chris Gradel

Founder, PAG

Chris Gradel is the Founder of PAG, one of Asia's largest alternative investment firms with over USD11 billion under management. At PAG he acts as CIO of its absolute return strategies, which includes managing PAG's multi-strategy hedge fund, as well as a number of credit funds.

Chris has spent 19 years in the Asia Pacific region. Prior to founding PAG in 2002, he led several investments in China for the Marmon Group. This included the buy-out and turnaround of a Chinese State-owned manufacturing company in 1996. Chris also worked as an Engagement Manager for McKinsey and Company, working with clients across the Asia Pacific region.

Chris graduated from New College, Oxford, with an MEng in Engineering, Economics and Management.

[5] Elected to the Board on 11 February 2015

Kathryn Graham

Head of Strategy Coordination, Universities Superannuation Scheme Ltd (USS)

Kathryn is Head of Strategy Coordination at Universities Superannuation Scheme Ltd (USS), which operates one of the largest pension schemes in the UK, with total fund assets of over £40 billion. She is a former Director and Head of Special Projects at BT Pension Scheme Management Limited (BTPSM), the pensions advisory arm of the BT Pension Scheme, one of the largest in the UK.

Kathryn spent nine years at BTPSM establishing a new team mandated to invest directly into single manager hedge funds before taking responsibility for Manager Selection across the BT Scheme. Latterly she worked for the BTPSM CEO, setting up a team tasked with managing liability risk and undertaking various projects related to scheme strategy.

Kathryn's career began at SG Warburg in 1994 in fixed income derivatives and she has also worked at UBS and Progressive Alternative Investments before joining BTPSM. She was educated at Edinburgh University, where she was awarded an MA in Economics and Mathematics. Kathryn is a Trustee of the Hedge Fund Standards Board and a member of the London Board of 100 Women in Hedge Funds.

Sir Paul Marshall

CIO & Chairman, Marshall Wace LLP

Marshall Wace LLP, is one of Europe’s leading hedge fund groups and manages a number of award-winning funds, including the Eureka Fund. **Sir Paul Marshall** is a founding member of the Hedge Fund Standards Board. In January 2009, he appeared before the UK Treasury Select Committee Review on the role of hedge funds in the financial crisis. He was also a member of HM Treasury Asset Management Working Group.

Sir Paul was formerly a Director of Mercury Asset Management, where he was Chief Investment Officer for European Equities. Sir Paul holds an MBA from INSEAD Business School and a BA (Hons) from St John's College, Oxford University.

George Robinson

Co-Founder, Sloane Robinson

George co-founded Sloane Robinson in December 1993. He is also Head of Research, CFO, and Manager of the SR Phoenicia Fund. Between 1979 and 1985 George worked for John Swire & Sons in Hong Kong, UK, Philippines and Korea. In 1985 he joined WI Carr and established their investment offices in both Seoul and Bangkok, before moving to Hong Kong as regional director of research. George graduated from Oxford University with a degree in Engineering Science.

Simon Ruddick

MD & Co-Founder, Albourne Partners

Albourne Partners is the world's largest hedge fund advisory firm, which he co-founded in March 1994. Albourne's 150+ clients have over $200 billion invested in hedge funds. Albourne was awarded the Queen's Award for Enterprise in 2006 and again in 2009. Village.albourne.com, the not-for-profit website, has over 65,000 residents and has led to Simon Ruddick twice appearing in the Institutional Investor's Top 40 Online Entrepreneurs. Albourne has also hosted Hedgestock, featuring a performance by The Who, in 2006 to raise money for Teenage Cancer Trust. As well as appearing on Bloomberg TV, Ruddick's appearances on CNBC have included hosting its Squawk Box programme.

Dan H. Stern

Co-Founder and Co-CEO, Reservoir Capital Group

Dan Stern co-founded Reservoir Capital Group in 1998. Prior to founding Reservoir, Mr. Stern co-founded and was President of Ziff Brothers Investments, and served as a Managing Director of William A.M. Burden & Co., and an Associate at Bass Brothers Enterprises in Fort Worth, Texas. Mr. Stern has participated in the formation and development of numerous investment management entities, including HBK Investments, Och-Ziff Capital Management, Starwood Capital, Ellington Capital Management, and Anchorage Advisors, among others. He is the President of the Lincoln Center Film Society and serves as a Trustee of Lincoln Center, the Mt. Sinai Medical Center, and the Educational Broadcasting Corporation (PBS Channel 13 New York). Mr. Stern received an A.B. from Harvard College and an M.B.A. from Harvard Graduate School of Business.

Betty Tay[6]

MD, Head of External Managers Department, GIC Private Limited

Betty is Managing Director, Head of External Managers Department in GIC. In her current capacity, Betty oversees the day-to-day activities of the External Managers Department, including portfolio management for all of GIC's public market external managers programs, manager selection and monitoring, operations and administration for the department. In addition, Betty is a member of GIC's Business Continuity Plan Steering Committee.

Betty joined GIC in July 1999 as a Senior Portfolio Manager. She served as a Portfolio Manager within the Emerging Markets Group from 1999 to 2002. In this capacity, Betty was posted to GIC's London office, and was instrumental in developing portfolio management expertise in non-Asia emerging markets. In 2002, Betty joined the External Managers Group.

Betty has over 20 years of experience in international financial markets including trading functions across various products in local and international financial institutions. She began her career as a proprietary trader with the Development Bank of Singapore (DBS). Prior to joining GIC, Betty spent 6 years as a Principal at Bankers Trust Company (Singapore). She served as the Head of the Foreign Exchange Forwards Division and managed the firm's balance sheet in Singapore.

Betty graduated from the National University of Singapore in 1991 with a BSc in Mathematics. She also holds both Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations. She completed the Stanford Executive Program in August 2014. Betty is a member of the Investment Advisory Committee for the Lee Kuan Yew Fund for Bilingualism Limited.

Mario Therrien

Senior VP, External Portfolio Management, Public Markets, Caisse de dépôt et placement du Québec

Mario Therrien manages the team responsible for investments in hedge funds and external funds in public markets. He joined the Caisse's Alternative Tactical Investments team in 1992 as a financial analyst and was successively promoted to Assistant Manager and Manager. He was then assigned to the position of Vice-President of Varan Tactical Asset Management, a fund specializing in global

[6] Elected to the Board on 19 April 2016

tactical investments, until 2002. Prior to his latest appointment, he served successively as Vice-President, Fund of Hedge Funds, Absolute Return, and as Senior Vice-President, Fund Management, Private Equity, in charge of investing in venture capital, information technology and life science funds, leveraged buyout funds and hedge funds.

Mario has a bachelor's degree in economics and a master's degree in finance from Université de Sherbrooke. He has also completed the securities course given by the Canadian Securities Institute and holds the chartered financial analyst designation from the CFA Institute. He is a member of the Montréal CFA Society.

Dale West[7]

Senior Managing Director, Teacher Retirement System of Texas

Dale West is the Senior Managing Director of External Public Markets at the Teacher Retirement System of Texas in Austin, Texas. TRS is a $130 billion pension system serving 1.4 million active and retired educators and their families. Dale's team oversees the Trust's $39 billion portfolio of externally managed public market assets, including $27 billion in traditional long-oriented equities and $11 billion in hedge funds. Dale serves on the TRS Internal Investment Committee and Management Committee. He is a member and past board member of the Texas Hedge Fund Association.

Prior to joining TRS, Dale was based in London with the emerging markets equity team of T. Rowe Price International, where he covered telecoms and emerging markets. He also served in the U.S. Foreign Service, including a three-year posting to the American embassy in Bucharest, Romania.

Dale received an MBA from Stanford University, and is a graduate of the Plan II Honors Program at the University of Texas at Austin.

Poul Winslow[8]

MDF, Head of Thematic Investing and External Portfolio Management,

Canada Pension Plan Investment Board

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[7] Elected to the Board on 23 March 2015
[8] Elected to the Board on 22 August 2015

At CPPIB, Poul Winslow leads the team responsible for selecting and managing relationships with external managers across a wide range of active mandates. He has more than 25 years of experience in the financial services industry. Prior to joining the CPPIB, Poul had several management and investment roles at Nordea Investment Management. He was also Chief Investment Officer of Andra AP-fonden (AP2) within Sweden's national pension plan system.

Poul obtained his undergraduate and Master's degree in Economics and Management from Aarhus University in Denmark.

Sir Andrew Large

Advisor to the HFSB

Andrew Large was Deputy Governor of the Bank of England in 2002-2006. He now acts independently for central banks and governments in relation to financial stability and crisis prevention issues. He is also Chairman of the Senior Advisory Board of Oliver Wyman; Sr. Adviser to the HFSB; and Chairman of the Advisory Committee of Marshall Wace.

Andrew Large's career has covered a wide range of senior positions in the world of global finance, within both the private and public sectors. Andrew spent twenty years in capital markets and investment banking, first with Orion Bank and then with Swiss Bank Corporation, on its Management Board in 1987-1989. Prior to his time at the Bank of England he chaired the Securities and Investments Board (precursor of the FSA) 1992-1997 and Deputy Chairman of Barclays Group in 1998-2002.When at Barclays, Andrew was Chairman of Euroclear in Brussels. Concurrently he served on the Managing Director of the IMF's Capital Markets Consultative Group 1999-2002, and chaired for the Group of 30 a global report into strengthening the global financial infrastructure for clearing and settlement.

Andrew has a keen interest in education; he is the Chairman of the INSEAD Advisory Council and was a member of the INSEAD Board 1998-2010.

Russell Read resigned as a Trustee in March 2015

Anthony Lim resigned as a Trustee in July 2016

Manny Roman resigned as a Trustee in August 2016

Appendix II: Overview of HFSB Accounts

	Year to 31 Jan 2016	Year to 31 Jan 2015	Year to 31 Jan 2014	Year to 31 Jan 2013	Year to 31 Jan 2012	Year to 31 Jan 2011	Year to 31 Jan 2010	Year to 31 Jan 2009
		£	£	£	£	£	£	£
TURNOVER	1,190,717	1,142,605	1,041,897	905,075	862,113	784,645	898,167	602,509
Administrative expenses	(1,103,384)	(1,075,186)	(997,242)	(886,120)	(845,170)	(956,465)	(829,487)	(602,365)
LOSS/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	87,348	67,419	44,655	18,955	16,943	(172,206)	68,680	144
Tax on loss/profit on ordinary activities	(19,558)	(15,825)	(3,262)	13	-	15,102	(14,516)	(599)
LOSS/PROFIT FOR THE FINANCIAL YEAR	67,790	51,594	41,393	18,968	16,943	(157,104)	54,197	909

All activities derive from continuing operations.

Hedge Fund Standards Board
Somerset House, New Wing, Strand, London, WC2R 1LA, United Kingdom

www.hfsb.org
Email: info@hfsb.org
Phone: +44(0) 20 3701 7560; +44(0) 20 3701 7561