



19 & 20 March 2019

# AIF Magazine Amsterdam Investor Forum

For professional and qualified investors only



Banking for better, for generations to come.  
Leading the way to safe and transparent markets

# The **Amsterdam Investor Forum** is a landmark event in the Netherlands for the Alternative Investment Industry



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# ABN AMRO Clearing

**30+ years'**  
experience

**Founded 2 CCP's**  
including Clearing technology

Services clients on over  
**160 exchanges, MTF and  
FX liquidity providers**

**11 offices**  
worldwide

**#1 clearer**  
major derivatives markets<sup>1</sup>

**Top 3 global clearer**  
in every time zone across all listed  
products<sup>1</sup>

1 On turnover and market share

**800**  
FTE's

Processing  
**18+ million trades daily (avg)**

**6+ billion**  
contracts cleared in 2018

S&P **A<sup>2</sup>**

Moody's **A1<sup>2</sup>**

Fitch **A+<sup>2</sup>**

2 ABN AMRO Group NV issued a 403 statement for ABN AMRO Clearing bank N.V.

## Our strengths

**Sophisticated margin model**  
Multi product & risk model offsetting  
correlated positions

**Margin & asset segregation**  
Security interest/pledge as collateral  
mechanism

**Dutch bank with sound  
financials**  
ECB & DNB regulated  
100% owned by ABN AMRO Group  
Not involved in prop trading nor sales  
activities

## Your benefits

Efficient capital usage across market  
segments

Asset protection through strict  
segregation from ABN AMRO assets

No conflict of interest

## Colophon

### Editorial board

Delphine Amzallag  
Marie Demolin  
Laura de Haan

### Design

Kollerie Reklame-Advies & Promoties

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Welcome to the 8<sup>th</sup> Amsterdam Investor Forum!

On behalf of ABN AMRO Clearing, it is my pleasure to welcome you to our annual Amsterdam Investor Forum. As a leading provider of prime clearing and asset services to alternative investors and managers, we are delighted to host this event again and we are proud at how much the forum has evolved and grown throughout the years. We truly believe that these are important times for us all in this ever-changing industry to come together and discuss the landscape of our industry.

2018 started off as a year of hope and positivity for many hedge funds with volatility returning, an end to quantitative easing and interest rate hikes – foretelling a real chance for hedge funds of regaining the double digit returns and yields for investors. Instead returns were varied with many hedge funds reporting losses and investors seeking other avenues towards safer options. It's no secret that hedge funds had a particularly difficult year with assets under management declining by 3.4% with long short equity strategies recording the biggest losses. Despite the negative press surrounding hedge funds, some managers were able to navigate the choppy waters and outperformed their peers as well as the S&P Index providing significant downside protection.

As the dust settles on a difficult year for hedge funds, will 2019 be the year of change? Will there be a shift from maximising returns to protecting capital?

The hedge fund industry remains as dynamic and exciting as ever but also highly competitive as hedge funds continue to seek their advantage. The year ahead will no doubt bring its own challenges with macro-economic pressures, Brexit, trade war tensions, continued scrutiny in regulation and advancements in innovation and ESG. With a limited capital injection and even more pressure on performance and fees, the industry will need to shift its business strategy, broaden its target market and reposition fund structures to best align with investor interests.

The 2019 edition of the Amsterdam Investor Forum will focus on the changes and the opportunities for alternative investors. We have endeavoured to cover the most important topics shaping the industry, and will address the directions for 2019. Throughout the forum we will dive into macroeconomic trends from an asset and geographical perspective, investor strategies, ESG, data and shifting trading models.

It is a great honour for me to host the Amsterdam Investor Forum 2019. I hope you will find this 8<sup>th</sup> edition of the forum valuable and will appreciate the impressive line-up of industry experts. I sincerely thank you all for your participation, your on-going support since 2011 and your generous contribution to the charities. This is what makes the Amsterdam Investor Forum a success every year.

Yours sincerely,

Delphine Amzallag  
Global Director Prime  
ABN AMRO Clearing



# Agenda

## The Amsterdam Investor Forum, 19th March 2019

11.30 am	<b>Registration and lunch</b>	<b>1st floor</b>
12.30 pm	<b>Welcome and opening</b> Delphine Amzallag, Global Director Prime, <b>ABN AMRO Clearing</b>	<b>Auditorium</b>
12.40 pm	<b>Panel: How to invest globally, Now</b> <b>Moderator:</b> Prof. Dr. Mary Pieterse-Bloem, Global Head Fixed Income, <b>ABN AMRO</b> <b>Panellists:</b> Gerlof de Vrij, Managing Partner, <b>Capstone Investment Advisors</b> Thijs Knaap, Senior Strategist, <b>APG</b> Dr. Anoosh Lachin, Portfolio Manager, <b>Aspect Capital</b>	<b>Auditorium</b>
1.25 pm	<b>A fireside chat: Oil price dynamics</b> Doug King, Partner, <b>RCMA Capital</b> Erik Norland, Senior Economist, <b>CME</b>	<b>Auditorium</b>
2.00 pm	<b>Coffee break</b>	<b>Ground floor</b>
2.40 pm	<b>Panel: Investors insights</b> <b>Moderator:</b> Andrea Marmolejo, Founder and Managing Partner, <b>Blue Topaz</b> <b>Panellists:</b> Per Ivarsson, Executive Vice President and Head of the Investment Management Team, <b>RPM</b> Marcus Storr, Head of Alternative Investments, <b>FERI Trust</b> Nick Samuels, Head of Manager Research, <b>Redington</b>	<b>Auditorium</b>
3.25 pm	<b>Panel: Systematic Internalisers: challenges and opportunities?</b> <b>Moderator:</b> James Fairweather, Global Head of Global Execution Services, <b>ABN AMRO Clearing</b> <b>Panellists:</b> Simon Dove, Head of Liquidity Management, <b>Tower Research Capital</b> Alex Dalley, co-Head of Sales, <b>CBOE Europe</b> Rick Van Leeuwen, Head of Institutional Trading, <b>IMC Trading</b>	<b>Auditorium</b>
4.10 pm	<b>Panel: Trends and challenges driving the ETF market growth</b> <b>Moderator:</b> Rodrigo Araya Arancibia, Managing Director, Fixed Income and Head of Execution Desk, <b>Anthos</b> <b>Panellists:</b> Dennis Dijkstra, CEO, <b>Flow Traders</b> Kirst Kuipers, Managing Director, Head of iShares ETF & Index Investments, <b>BlackRock</b> Marlene Hassine Konqui, Head of ETF Research, <b>Lyxor</b>	<b>Auditorium</b>
5.00 pm	<b>Closing drinks</b>	<b>1st floor</b>



## The Amsterdam Investor Forum, 20th March 2019

8.30 am	<b>Registration</b>	<b>Ground floor</b>
9.00 am	<b>Welcome and opening</b> Delphine Amzallag, Global Director Prime, <b>ABN AMRO Clearing</b>	<b>Auditorium</b>
9.15 pm	<b>Panel: Are trade wars spiraling into a currency war?</b> <b>Moderator:</b> Jerome Lussan, CEO, <b>Laven Partners</b> <b>Panellists:</b> Claire Dissaux, Head of Global Economics and Strategy, <b>Millennium Global</b> Mark Cudmore, Macro Strategist, <b>Bloomberg</b> Lukas Daalder, Managing Director, Chief Investment Strategist for the Netherlands, <b>BlackRock</b>	<b>Auditorium</b>
10.00 am	<b>Panel: Asia's game changers and strategic opportunities</b> <b>Moderator:</b> Gary John-Baptiste, Chief Commercial Officer, Asia Pacific, <b>ABN AMRO Clearing</b> <b>Panellists:</b> Anant Jatia, Founder, <b>Greenland Investment Management</b> Tobias Hekster, co-CIO, <b>True Partner Capital</b> Laura Geritz, CEO, <b>Rondure</b>	<b>Auditorium</b>
10.45 am	<b>Coffee break</b>	<b>Ground floor</b>
11.15 am	<b>Keynote: Nicolas Mirjolet, Senior Quantitative Researcher, RAM Active Investments.</b> <b>Survival of the fittest. Freeing investment strategies from human biases with evolutionary biology and state-of-the-art technology</b>	<b>Auditorium</b>
12.00 pm	<b>AIF Factor</b>	<b>Auditorium</b>
12.45 pm	<b>Lunch break</b>	<b>1st floor</b>
2.00 pm	<b>Panel: A data future</b> <b>Moderator:</b> Stewart Jardine, Director, Market Technology & Data Services, <b>CME</b> <b>Panellists:</b> Rani Piputri, Head of Automated Intelligence Investing, <b>NNIP</b> Pr. Dr. Christophe Boucher, Head of Quantitative Research & Strategy, <b>ABN AMRO Investment Solutions</b> Guillaume Vidal, CEO, <b>Walnut Algorithm</b>	<b>Auditorium</b>
2.45 pm	<b>Panel: Investors Insights</b> <b>Moderator:</b> Jack Inglis, CEO, <b>AIMA</b> <b>Panellists:</b> Lars Dijkstra, CIO, <b>Kempen Capital Management</b> Marianne Dernies, Head of Business Development, <b>ABN AMRO Investment Solutions</b> Susanna Wallis, Investment Manager, <b>GAM</b>	<b>Auditorium</b>
3.30 pm	<b>Coffee break</b>	<b>Ground floor</b>
4.00 pm	<b>Keynote: Major Chris Hunter, QGM</b>	<b>Auditorium</b>
4.45 pm	<b>Panel: The Hedge Fund ESG experience: a growing awareness for investments</b> <b>Moderator:</b> Chris Farkas, UK Hedge Fund Leader, <b>Deloitte</b> <b>Panellists:</b> Paul Uddal, Senior Portfolio Manager, <b>Osmosis</b> Piet Klop, Senior Advisor Responsible Investment, <b>PGGM</b> Steven Desmyter, Co-Head of Responsible Investment and Global Co-Head of Sales & Marketing, <b>Man Group</b>	<b>Auditorium</b>
5.30 pm	<b>Closing remarks:</b> Delphine Amzallag, Global Director Prime, <b>ABN AMRO Clearing</b>	<b>Auditorium</b>
5.40 pm	<b>Cocktail reception &amp; networking</b>	<b>1st floor</b>

Please visit our [website](#) for further information.

**Location:** ABN AMRO Headquarters, Auditorium, Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands



# 5 funds compete for first prize

What are today's most-compelling, persuasive, provocative and entrepreneurial investment approaches? The AIF Factor invites alternative investment managers to pitch their propositions. Now it's up to you to pick the winner from among these five pitches – published in their original, unedited form to ensure submission integrity.

## Pitch 1:

### Bainbridge Equity Market Neutral



The "Bainbridge Equity Market Neutral" strategy is an equity-only, quantitative, market neutral strategy, relying

primarily on fundamental drivers. The program has an absolute return objective.

The strategy diversifies its exposure by investing in more than 12 families of quantitative strategies, 6 of which are inspired by academic risk premia (Value, Momentum, Carry, Defensive, Quality etc.) and 6 other strategies falling in the category of Behavioural Biases and Market inefficiencies.

- » The portfolio is built across multiple geographies, currency blocks, countries and sectors, and targets a constant volatility.
- » The portfolio is quite dynamic, as it turns-over c. 5% of its gross market exposure per day.

## Pitch 2:

### Greenland Global Fund II Limited



Greenland Global Fund II is a global systematic commodity arbitrage fund launching in Q2 2019 that seeks to deliver

growth independent of market cycles at an attractive risk-reward ratio by systematically investing in fundamentally-linked global commodity arbitrage opportunities.

GGF II will implement the successful Greenland Commodity Arbitrage Program, which has a 5+ year track record, by investing in geographic, substitution and cost of production

commodity arbitrage opportunities. All strategies are traded systematically via low-latency trading systems.

Salient Features:

- » Founded by Anant Jatia – former AQR Capital Portfolio Manager, Co-Founder Forefront Capital – India's 1st hedge fund manager, Wharton graduate, 11+ years of systematic investing experience
- » 5+ years strategy track record – Net CAGR 13.66% p.a., Volatility 9.35% p.a., Sharpe 1.46
- » Attractive risk-reward metrics – max drawdown -8.30%, 67% positive months
- » Absolute returns with negligible correlation to traditional asset classes – correlation S&P 500 -0.14
- » Quarterly liquidity with 45 days' notice post 12 months soft lock-up

## Pitch 3:

### Molinero Commo Quantamental



As Quants, we enjoy building mathematical models on market prices. However, instead of just using market price information like most CTAs, we have partnered

with physical commodity firms who are specialists of fundamental data. Based upon our joint research, we have developed quant fundamental models on commodities leveraging our respective expertise. Our program trades a mix of models based upon fundamental & price data, resulting in a more robust performance as well as a completely different trading program than other Hedge Funds. Performance in 2018 was positive and the program has no correlation to the CTA index and equity indexes.





## Pitch 4:

### Vulcan Metals Fund

**Typh6n**

Since March 2017, the Vulcan Metals fund has returned 10.7% p.a. for a 3.2% volatility, confirming the

robustness of a strategy which has delivered a 2.5 Sharpe ratio over 7 years and minimal correlation to other systems. The team consists of 3 experienced professionals – James Gallo, Ed Smith, and Anthony Cicileo – with respectively 29, 25, and 21 years of proprietary trading experience. Having run their strategy successfully for years, they decided to offer it to investors in 2016.

The investment universe includes copper, gold, silver, and palladium. The strategy is discretionary, though quantitative rules are applied for risk management. It employs intra-commodity spreads and arbitrage techniques to target low volatility returns. Each team member focuses on a couple of metals and utilizes a network of information on mining, usage, historical movements, and need, as well as proprietary research, to capitalize on market structure irregularities and continuously adapt to market conditions.

## Pitch 5:

### Singularity Fund



Walnut Investments is a quantitative investment management company applying artificial intelligence

to absolute return strategies. The team of 20 scientists combines advanced machine learning techniques with financial expertise to generate profitable, self-learning trading systems. The company, founded in 2015, is supported by venture capital, family offices and private individuals. After 4 year of R&D, Walnut's investment management services are accessible through its Singularity Fund, a Dublin-based QIAIF ICAV. The fund's investment strategy objectives are to provide superior risk adjusted returns while preserving clients' capital. It offers daily liquidity and low correlation to underlying markets as well as other managed futures programmes.

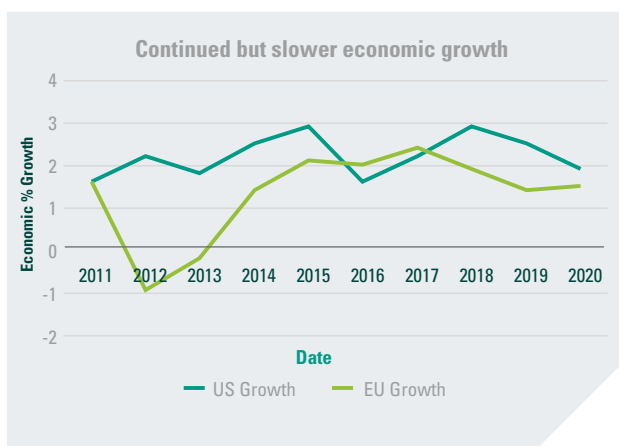


# Adjusting to changing conditions

After years of solid economic growth and strong stock returns, investors now need to adjust to changing conditions. We expect that the global economy will slow down this year, but no major economy will head into a recession. Even so, investors need to adjust their expectations of financial returns, which have been solid over the past few years, lower. The reason being also that current political dossiers weigh heavy on world trade and confidence, and the Federal Reserve and the ECB are exiting their quantitative easing programs.

## Slowing, but still growing

Growth of the global economy has slowed and business confidence has fallen sharply, although it is still consistent with a decent pace of growth. The slowdown has been obvious in Europe and in the emerging world. The US economy is still going strong, but will slow down significantly in the second half of this year when the fiscal stimulus fades and tightening financial conditions start to bite.



The slowdown in Europe, which has been larger than we had expected, has been mainly caused by slowing world trade growth. Exports to Asia have been the main culprit. In recent months, a sharp drop in car production in Germany has added to the weakness in Europe. Recent data provides a glimmer of hope that this is temporary. The monthly [ifo survey](#) of business confidence assessment of new orders in the auto industry showed the highest reading in December in six months.

We suspect that China plays a crucial role in the slowdown of world trade growth. Chinese trade data took a decisive turn for the worse in December. Already in 2018, Chinese policymakers have started providing targeted stimulus by easing monetary policy and again encouraging higher investment spending. They are keen to not let growth slow too much, and they seem to now to be prioritizing growth over deleveraging. Experience suggests that they will continue adding modest stimulus until they are successful. The latest data on industrial production in China and retail sales suggest the economy is stabilizing.

## No recession

Looking ahead, the slowdown in global growth should bottom out in the months ahead, as the Chinese slowdown is halted and European car manufacturers get their act together. A global recession does not look likely any time soon. Recessions are caused either by the bursting of asset bubbles, shocks or as a side-effect of deliberate policies, very often monetary policy. We do not see any asset bubbles that frighten us. Shocks we cannot forecast, but we do have a view on Fed policy.

We believe that the Fed has no inclination to overdo its tightening. While markets were worried in December that the Fed would hike too much, recent comments from the Fed suggest that they are turning more dovish. We have taken out the last rate hike in our forecast and are expecting no more in this cycle from the Fed. The ECB is also adjusting to the reality of lower growth. With core-inflation still well below their target, we believe now that

will only be able to raise interest rates in March 2020. The risk is that they need to further postpone, or even abandon rate hikes.

## Adapting to Change

With the outlook for continued but slower economic growth, we started the year with a modest preference of stocks over bonds in investor portfolios. But in the course of the first months we have adjusted portfolios to the changing conditions. Macroeconomic data suggests that the slump in world trade growth is deepening. We still do not expect a recession but clearly see the ongoing weakness in the world economy.

We are also wary of tightening financial conditions and the deteriorating earnings outlook. Analysts have been downgrading more companies than they are upgrading and we believe that for the slowdown that we predict their earnings expectations are still too high.

Then the political uncertainty continues on several fronts, including Brexit and the US-China trade conflict. Although there is some easing, the time it takes to get to a resolution is clearly weighing on world trade and confidence. We therefore used the rebound in global equity markets to bring our asset allocation stance back to neutral for this asset class.

## More modest returns than in the past

Financial returns have been solid over the past few years, but investors should expect more modest returns in 2019. Overall, lower economic growth will lead to lower earnings growth, which is an important factor in stock market returns. There will, however, be significant differences between sectors and companies. Stock selection and diversification will be important.

Bond returns, which are mainly determined by interest rates, will likely be in the low single digits. A risk that currently few are contemplating is an unexpected increase in inflation. Higher wages, as a result of lower unemployment, could be a trigger. So far this has not occurred, as technological developments have supported productivity increases without significantly higher wages.

Risk in financial markets in general, as measured by market volatility, will most likely increase compared to previous years, given the variety and growing number of risks. We expect markets to remain volatile in 2019.

## Where are the investment opportunities?

Despite lower growth and a political arena full of risks, we still see opportunities for investors. These include:

### » Stocks

We continue to favour stocks over bonds in an environment of moderate growth, but given the market volatility, investors need to time their exposure carefully. In terms of sectors, we recommend investing in the energy sector, which will benefit from higher oil prices. In terms of regions, we prefer US and Emerging Markets over European markets, but investors need to adapt to changing conditions here as well.

### » Thematic investing

Thematic investing can add a new dimension to investment portfolios. Artificial Intelligence, for example, is a means for companies to build a competitive advantage across a wide swath of industries. We expect it to become increasingly commonplace, as it moves out of labs and into business models.

### » Commodities

Our forecast for rising oil prices and continued growth supports an allocation to commodities.

### » Emerging-markets bonds

Emerging markets experienced difficulties in 2018, but conditions are improving. Investing in emerging-markets debt in local currency can further increase returns, but we suggest keeping the allocation small, as the local-currency exposure increases risks.

### » Sustainable investing

Climate change has been widely recognised as a key long-term risk. We suggest looking for companies that are leading their peers in sustainable practices or innovating in areas related to sustainable targets.



**Mary Pieterse-Bloem**  
Member of the  
Global Investment Committee  
ABN AMRO



# Understanding the power of alternative data

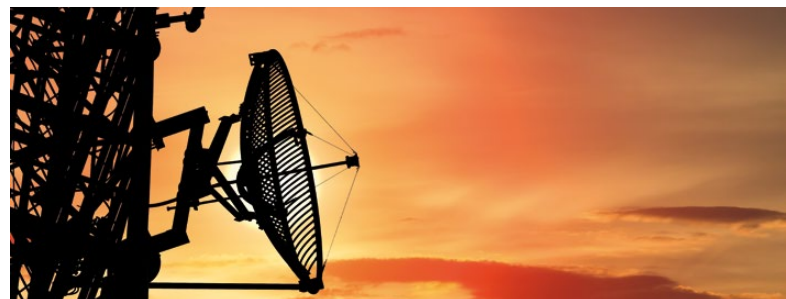
From anticipating the performance of stocks to predicting changes in commodity supplies, satellite imagery has the potential to revolutionise financial markets, writes Stewart Jardine, director of market technology sales at CME Group.

The idea that a buy-side firm might gain an edge on conventional market data by using satellite imagery, social media insights and seemingly bizarre forms of data takes some getting used to. But financial markets are changing rapidly, and alternative data has the potential to revolutionise the status quo across investment and risk management.

Alternative data has its roots in straightforward but ingenious concepts – the idea, for example, that real-time insights into the performance of a large retailer like Walmart can be gained by counting the cars in its car parks each day rather than waiting for backward-looking quarterly results. Or, that the total volume of oil on the planet can be estimated by measuring the shadows cast by oil tanks with floating roofs rather than making belated assumptions based on price movements.

Such insights, typically collated by a new breed of companies using a combination of satellite imagery and artificial intelligence, have the potential to bring unprecedented changes to the way in which firms analyse financial markets, make investment decisions and manage risk. Research suggests a large number of buy-side firms already expect to spend more time and resources on alternative data over the coming year.

At CME Group, our primary business rests on growing activity on our different markets, but data has always been an intrinsic component of that. Our conventional data extends back to 1972, and in recent years, we have transitioned much of it onto the cloud, where we now host a growing volume of alternative datasets to support our commodities business.



Our objective is not to flood market participants with huge troves of data that they will struggle to make sense of, but rather to deliver high-quality content that we believe will help them to make more informed decisions. Thanks to our partnership with TellusLabs, for example, users can now access daily crop health metrics for corn, soy and wheat across the United States, Argentina and Brazil. That, in turn, delivers value for both hedgers and speculators in allowing them to anticipate possible price moves resulting from changes in crop supplies.

In another example, we have partnered with RS Metrics, which uses satellite imagery to analyse the amounts of copper at storage and smelting facilities on a daily and weekly basis. Research has shown that this data can be used to accurately predict changes in the price of Copper futures, supplementing the conventional metals market data.

Alternative data is an exceptionally promising development both at CME Group and across the industry.

Since launching a new [alternative data portal](#) in 2018, we have seen first-hand the power of bringing previously unimagined insights right to the screens of traders, portfolio managers and risk managers.

As satellite imagery and artificial intelligence continue to advance in the months and years ahead, we are excited to play our part in the evolution of alternative data and expect to see its use gradually extend to new products across commodities, energy and fixed income markets.



**Stewart Jardine**  
Director, Market Technology Sales,  
EMEA  
CME Group

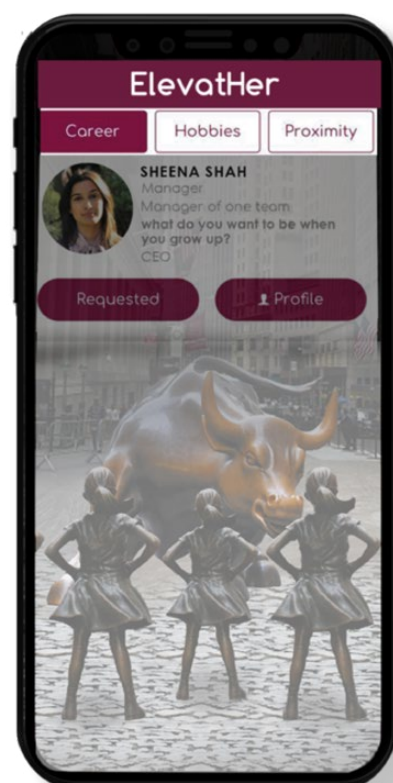
## ElevatHer - Connect With Those Worth Connecting To

ElevatHer is a networking tool empowering women in finance and tech.

The app is designed to be a hub where members can regroup and reinvest in themselves at all stages of their career by building peer-to-peer and mentor-to-mentee relationships across the industry. Through introducing female talent to an untapped support system, the goal is to help woman build their career knowledge, aspirations and networks. ElevatHer also helps members keep on top of sought-after industry events and exciting opportunities for networking through a live central page.

Launched 8<sup>th</sup> March in London.

[elevather.com/](http://elevather.com/)





# ABN AMRO Clearing prime services

- 
- » A truly trusted partner
  - » Global reach
  - » Global execution services
  - » Risk management & financing
  - » Securities borrowing & lending
  - » Operational excellence

CTAINTELLIGENCE

**European Services  
Awards 2017**

**Winner**

Best FCM - Innovation 2017  
Best FCM - Client Service 2016 and 2015  
European Services Awards CTA Intelligence

**CTA**  
INTELLIGENCE  
US CTA SERVICES  
AWARDS 2016

Best FCM 2016 and 2015 US CTA Services Awards  
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**HFM**  
AWARDS  
2016  
EUROPEAN  
SERVICES  
AWARDS

Best Prime Broker - Client Service  
European Services Awards 2016 HFM Awards

  
**FOW**  
INTERNATIONAL  
AWARDS  
2018  
Prime Broker's Clearing  
Provider of the Year  
ABN AMRO Clearing

6x Awarded Proprietary traders' clearing firm of the year  
by FOW International Awards



# Innovation in the world of 'plumbing'

When it comes to business the demand for the ability to predict the future is growing rapidly. Each day, innovators in the business world create new products, methods and ideas that better meet end user needs and requirements. They manage to look at problems differently and come up with solutions that others in the industry cannot.

With the world changing the way it is, we can expect just about anything. Loyalty points used as currency, receiving loyalty stocks and shares from your favourite brands or even using your best Pokémon as barter. But what does this mean for capital markets?

## Change is a certainty

In the last 40 years we lived through some big transformations in the European post trade processing domain. These transformations are now used on a daily basis but were regarded as revolutionary at the time:

- » the start of messaging standards by the incorporation of SWIFT in the 1970's
- » the move from physical certificates to electronic book keeping of stocks and bonds in the 1980's
- » the rise of central counterparties (CCP's) in the 1990's following the crisis in 1987 and the move from the exchange trading floor to anonymous electronic order books
- » exchanges competing through CCP's and the introduction of interoperability that started in 2007 by CHI-X and EuroCCP through MIFID
- » more recently the introduction of systematic internalisers (SI) after MIFID II enabling to route order flow outside regulated markets and/or MTF's.

## Disruption is the buzz-word

Nowadays banks and CCP's are sometimes considered to be unnecessary intermediaries that increase costs. Competition in the financial world is actively looking for new financial technology (FinTech), and instant payment and settlement are expected to be the new norm. Based on the cryptocurrency hype, peer-to-peer trading and decentralized exchanges gained popularity in recent years.



Because of this disruption, capital markets are undoubtedly entering a new era. A rise in entrepreneurship, maturing markets and growing financial globalization still seem to underline the need for efficient and robust capital markets. It is likely that only those who embrace innovation, cut costs and adapt to a new way of working will flourish. Maintaining sustainable profit margins continues to be a key factor for businesses and innovation is a crucial element.

## A level playing field fosters competition

Traditionally, ABN AMRO Clearing has been at the forefront of innovation driven by entrepreneurship and the ever-changing regulatory landscape. Our purpose is to contribute to creating a level playing field in which all competitors are equal instead of protected by monopolies. We work alongside regulators and exchanges to make sure our goals are met.



One of the most striking initiatives we directed was the incorporation of an equities and derivatives CCP in Europe. This fostered competition and challenged the incumbent providers to the benefit of all their clients.

### 'Banking as a Service', for non-banks

Two years ago we engaged with a regulated next generation exchange (P2P-24/7 trading and real-time DVP settlement) that was founded in the Netherlands ([nx'change](#)). Peer-to-peer or decentralized exchanges were on the rise, and ABN AMRO Clearing developed a 'banking as a service' model based on blockchain technology. This set up facilitates real time settlement of the cash leg of a trade on the exchange. At the same time it provides clients with the comfort that their money sits with a regulated institution like ABN AMRO Clearing Bank NV instead of passing through a cumbersome structure, including placements in a Money Market Fund.

This new 'banking as a service' creates great possibilities for other FinTech companies and corporates, who can now offer banking services without becoming a bank. While the FinTech companies and corporates interact with their client communities through apps and online tools, ABN AMRO Clearing focuses on the 'plumbing' (holding cash covered by deposit insurance and reporting to the relevant authorities). This plumbing is typically the function that FinTech companies and corporates are not looking to disrupt and/or innovate. Our 'banking as a service' could therefore reduce the need for shadow banking, as this can also be offered to alternative investment platforms (e.g. crowdfunding) and/or other (regulated) decentralized exchanges.

We expect to further expand our 'banking as a service' product, that may evolve into other services beyond investment cash accounts to FinTech companies and corporates (e.g. securities investment accounts) and even expand into offering savings accounts, FX, Loans and credit cards. So you may hear about the first airliner offering a savings account and pay interest in air miles. Who knows...

### More in the pipeline

Also, in Europe we are starting with a new model by offering buy-side investors direct access to market makers who have registered as 'systematic internalisers' (SI's). By enabling this flow we contribute to creating a safe, alternative post trade model for equity markets. In this set up ABN AMRO Clearing acts as facilitator to clear and settle trades between price makers and price takers, bypassing traditional market structures and making T+1 or even T+0 settlement possible. This pioneering model is scheduled for implementation and will become available to buy side clients in Q2 2019.

Our innovative ideas go beyond finance. We are investigating on how to facilitate and accelerate the energy transition. The landscape is rapidly evolving, with fossil fuels being replaced progressively with green energy. Can we as a clearing firm help lift barriers for scaling up these initiatives, by supporting local markets with a sustainable vision on the future energy landscape? Could our customers play a role as market maker (e.g. with regard to battery storage capacity or micro-grids) to post prices on (decentralized) energy markets? This is yet to be determined.

### Is the sky the limit?

These real life examples demonstrate the innovative ideas that ABN AMRO Clearing is working on. These new and interesting ideas illustrate that the borders between the traditional banking services and other industries become more flexible. This will definitely make our world and the banking landscape a more interesting one. The pace of change we cannot dictate, but if change starts to happen we need to be at the forefront, and the preferred partner for new and existing clients.



**Niek van Rens**  
Head of Innovation  
ABN AMRO Clearing

# Hedge Funds in 2019

Bitcoin, Cryptocurrency, ESG, and GDPR were just a few of the hedge fund topics discussed the most throughout 2018. In thinking about industry prospects for the year ahead, it is useful to remind ourselves of the key themes highlighted in “[Perspectives – Industry leaders on the future of the hedge fund industry](#)<sup>1</sup>” published earlier this year. Many of these will be integral to the development of the industry throughout 2019 and beyond.

## 1. Delivering alpha versus harvesting beta:

The hedge fund industry is presented with a challenge: how can it reinvent its investment edge to meet the expectations of an investor base that is increasingly sensitive to fees? In AIMA research published earlier this year with PwC<sup>2</sup>, we highlighted that investors increasingly wish only to pay for true alpha and not for the harvesting of beta.

Investors understand that alpha is highly difficult to produce on a consistent basis. They understand that it is an artisanal product. This means investors will remain willing to pay a premium to those actors that can deliver it. This also means they will be less willing to pay for undifferentiated returns accessible through highly scalable smart-beta strategies. Such strategies are of value but, increasingly, the fees being charged on them will likely be proportional to the value they add for investors.

## 2. Man and Machine Learning:

Hedge fund firms are being disrupted by revolutionary technologies that have already reshaped global industries, from international shipping to online shopping. Growing investor demand, an explosion of data and huge technological advances are pushing firms to become increasingly quantitative. Machine learning will not just affect a specific type of hedge fund firm, but the entire industry.

Every hedge fund firm will need access to simpler forms of machine learning. This will not only be to make predictions. It will be required to process the massive volume of data which they must analyse. But the future of the hedge fund industry will not just rely solely on technology and data – it will require the continual interaction of man and machine. In a sign of things to come, managers are already creating new roles for experts in machine learning and data scientists.

<sup>1</sup> Perspectives - Industry leaders on the future of the hedge fund industry (AIMA, ASI)

<sup>2</sup> “Global Alternatives Distribution Survey 2018 - The right strategy at the right price” (PwC, AIMA)





We expect this trend to become more prominent throughout next year.

### 3. Responsible Investment goes mainstream:

Whilst good governance has always been important to investors, different forms of responsible investment are now increasingly becoming more widely adopted across the hedge fund industry. Supported by growing demand from investors, improving ESG data sets and the wider availability of technology to facilitate the use of this data, we will likely see more hedge funds offering their investors responsible investment opportunities. The hedge fund industry cannot remain stationary. In Perspectives, managers revealed that hedge funds are ready for the future.

Hedge funds have never had the luxury of being able to stand still. Amidst a series of emerging mega-trends, more than ever, the industry has had to justify its existence at every step of its journey. This has included constant challenges from investors to meet their highest expectations through to remaining at the forefront of modern investment techniques. Far from failing to embrace change, hedge fund firms are thriving on it. They continually explore new ways of protecting and growing capital for investors.

In 2018, AIMA suggested that these themes would be integral to the future development of the hedge fund industry. We expect them to become more pronounced over the coming 12 months.



**Tom Kehoe**  
Global Head of Research at the  
Alternative Investment Management  
Association (AIMA)

## About the Alternative Investment Management Association

The Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry, with more than 2,000 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than \$2 trillion in hedge fund or private credit assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 100 members that manage \$350 billion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors). For further information, please visit AIMA's website, [aima.org](http://aima.org)

# Sustainability and the board:

## What do directors need to know in 2019?

Sustainability, which encompasses environmental, social, and governance (ESG) concerns, is increasingly positioned at the top of board agendas. Although it might not be the first boardroom topic you think of, sustainability is now central to corporate competitiveness and a company's continued ability to operate. Traditionally encompassing topics as varied as environmental disasters, labor relations, safety incidents, or scandals, sustainability affects all sectors and challenges even the most progressive companies and the most thoughtful directors.

With growing investor attention to sustainability, there is often greater emphasis on the governance element (the "G") of ESG and the board's fiduciary duty to oversee a company's strategy, risk, and capital allocation. Enterprise risk management (ERM) is a central avenue for expanding the company's consideration of those risks posed by environmental and societal trends as well as changing stakeholder expectations that can, and increasingly do, impact a company's ability to achieve its strategic objectives. Expanding ERM to include ESG risks can help connect risk, strategy, and decision making and can make companies more resilient and competitive. A more robust integration of ESG risks into broader ERM practices can promote measurement and disclosure of meaningful ESG information and enable management and the board to assess overall resource needs and allocate capital more effectively.

## Deloitte.

Deloitte sees sustainability securing more time at and in between board meetings, in part because there is no single, standardized approach to incorporating ESG into boardroom discussions on business strategy and risk.

### Why now?

Companies that neglect the physical and economic impact of sustainability do so at their own peril. There is a growing body of evidence indicating that sustainability factors influence financial returns and present an opportunity to drive long-term value.

### Risk

Poor environmental performance in the areas of energy, waste, water, and emissions can expose a company to fines, lawsuits, regulatory exposure, reputational impact, and increased operating costs.

Poor labor practices and talent management can result in lost work, fines and penalties, and higher turnover.

Lack of attention to changing consumer and commercial expectations can threaten a company's ability to operate.

### Opportunity

Investment in sound environmental practices reduces costs by improving resource and waste management while providing greater insight into the physical and financial exposure to climate risk, as well as expanding access to capital.

Investment in talent and supply chain performance can yield lower costs, a rise in productivity, and greater ability to attract talent.

Investment in positive environmental and social attributes of products and services can drive market penetration and competitiveness.

Consistent with their fiduciary duty to their beneficiaries, large investors are seeking greater transparency into how companies are addressing environmental and social trends, including changes in stakeholder expectations, in their business strategy, governance, risk assessment, and measurement and disclosure practices. Investors want companies to report on how sustainability drives and protects value through credible communication of performance and ongoing engagement. They also want to see that the board is actively engaged in integrating ESG into long-term strategy.



Influential voices like Blackrock's CEO Larry Fink<sup>1</sup> continue to promote the expectation that companies take a long-term approach to communicating business strategy and performance, including sustainability

### Why is sustainability a board-level risk?

On a global scale, the directors of public companies are facing challenges from investors and other stakeholders to be proactive in evaluating competitive threats and understanding disruptive market trends, which include environmental and societal concerns. Board oversight is central to investor trust and confidence in an organization's future performance. Directors can enable more effective engagement with investors by fostering more proactive identification, measurement, and disclosure of ESG risks that provide insight into how the organization is integrating sustainability and changing stakeholder expectations into risk and strategy.

Expectations of investors around ESG continue to increase, but investors are not a monolith, and their interest in sustainability spans a spectrum of strategies and approaches. Investors continue to reinforce their belief that ESG factors provide critical insight into how the company is driving and protecting value, but in the absence of effective disclosure, they cannot price that risk effectively. Without transparent and consistent sustainability disclosure, investors cannot execute their investment strategies effectively. This need has intensified the push by investors to engage with companies and use any and all levers to encourage more meaningful disclosure.

Deloitte's work with investors suggests that they do not have easy access to comparable and consistent sustainability information, including industry-specific information. A number of sustainability data providers and raters have stepped in to fill this void. Given that much of this information does not come directly from company disclosures, data providers often rely on proxies or other sources to provide a clearer picture for investors. Companies are increasingly challenged to understand the universe of sustainability data used to evaluate corporate performance, and this information gap represents a clear call to action for companies to increase the level of sustainability disclosure in a more standardized and consistent format. If a company doesn't tell its sustainability story, someone else will. This is an opportunity for boards and management to better communicate, through improved disclosure, how

sustainability is integrated with strategy, risk management, and operations to drive long-term value. Investors expect the board to be fully engaged in this process and demonstrate a solid understanding of ESG.

### Ongoing evolution of sustainability standards and policies

Near-term US regulation of sustainability is unlikely, and we don't anticipate the SEC to take any immediate action promoting enhanced sustainability disclosure. Outside the United States, the policy landscape is quite different. The European Union Directive on Non-Financial Reporting<sup>2</sup> went into effect in 2017, with the 2018 reporting season representing the first period for disclosures. Companies that operate in EU member states and meet certain criteria are required to disclose information on the way they operate and manage social and environmental challenges. Regulatory bodies and stock exchanges around the world are also taking measures to respond to growing investor demands for more uniform sustainability information linked to financial performance of global companies.

There is no single sustainability standard in the market today, but a number of initiatives are under way to advance greater standardization and transparency of sustainability disclosures. These standard-setting and reporting initiatives are important market mechanisms driving improved sustainability disclosure, and they also can enable increased reliability of sustainability reporting and facilitate external assurance of reporting to promote trust and confidence with stakeholders, increasingly through external assurance. There, however, remains a certain level of market confusion as to the purpose and use of these standards, including questions on how to determine materiality and how disclosures should be presented (e.g., standalone report, survey response, annual report, or financial filing).



If a company  
doesn't tell its  
sustainability story,  
someone else will.

<sup>1</sup> Fink, L., A Sense of Purpose, 2017, <https://www.blackrock.com/corporate/en-us/investor-relations/larry-fink-ceo-letter>

<sup>2</sup> European Commission, *Non-Financial Reporting*, 2018, [https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/nonfinancial-reporting\\_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/nonfinancial-reporting_en)







### A few of the leading initiatives include:

- » The Global Reporting Initiative (GRI)<sup>3</sup>: Based in the Netherlands, the GRI is an independent international standards organization that helps companies communicate their efforts on sustainability issues such as climate change, human rights, governance, and social well-being.
- » The Sustainability Accounting Standards Board (SASB)<sup>4</sup>: Based in the United States, the SASB is an independent organization whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material information useful to investors.
- » The Financial Stability Board Task Force on Climate-Related Financial Disclosures<sup>5</sup>: Established by the G20, the Financial Stability Board is an international organization that monitors and makes recommendations for the global financial system; the Task Force on Climate-Related Financial Disclosures is an industry-led body that has developed recommendations for voluntary climate-related disclosures that are consistent, comparable, and provide useful information to investors, lenders, insurers, and other stakeholders.
- » The International Integrated Reporting Council (IIRC)<sup>6</sup>: Based in the United Kingdom, the IIRC is a global coalition of regulators, investors, companies, standard setters, accounting organizations, and NGOs committed to establishing an international framework for producing an integrated report on how a company's strategy, governance, performance, and prospects lead to the creation of value.

3 <https://www.globalreporting.org/>

4 <https://www.sasb.org/>

5 <https://www.fsb-tcfd.org/>

6 <http://integratedreporting.org/>



# Hope is not a strategy

LAVEN

The UK's exit from the European Union, or "Brexit", is fast approaching with 29th March 2019 being only 45 working days away at the time of publication. Since the Brexit vote there has been volumes of conversation regarding what fund managers should do in order to mitigate the risk of potential changes to delegation and distribution regulation between the UK and Europe.

Many larger managers have bolstered existing European offices to ensure substance and correct levels of regulatory cover in the relevant jurisdictions to continue regardless. For those Managers, the costs were not a hurdle and they have solved at least one of two main problems; being able to manage an EEA AIF from another EU jurisdiction than the UK. For some others, however, the costs and the fact that there is simply not the time to become regulated in a new EU jurisdiction, leaves questions open as to what other solutions can be implemented effectively and efficiently to mitigate the risk Brexit poses. The second risk related to distribution is one that even fewer Managers have attempted to solve as it is a bit more complicated and has obtained less coverage. The irony is that even with a hard Brexit it is likely Managers will be able to manage EEA AIFs but it is very likely distribution will come to a halt across the border even with a soft Brexit... We have addressed the two major concerns facing fund managers in more detail below.

## Managing

- » For all intents and purposes, delegation of the management to a UK entity under UCITS, AIFMD or MiFID has been assumed to continue post March 2019, for at least a transition period. If this is not the case, and or delegation is not allowed to continue, then there will be severe consequences for both the UK managers and the European funds. Nevertheless there is time to prepare for this.
- » If it were to happen, the best scenario a Manager could implement swiftly, would be to launch a Manager on a hosted platform (since an independent application would probably be too slow) in any European jurisdiction. This would also mitigate any tax risk around moving a going concern at no value. Therefore, if you are managing a



fund from the UK this would be a key next step, especially following the recent confirmed rejection by the UK parliament of the proposed deal.

- » It is worth noting that in the case of management, some structures are set up with a fund and under that a management company (be it UCITS or AIFM), with a sub investment manager (usually under MiFID). This multi-layer structure may be a blessing as it allows a fund to rely on the EU based manager at least to start with.

## Distribution

- » Distribution is quite different in that it does not represent such a risk for investors. Therefore regulators in the EU are intending for it to stop as of 29 March if it is done from a UK regulated entity and under the passport to and from EU jurisdictions. For the purposes of this article we note that most sales activities are carried out under the MiFID permissions of advising and arranging, and indeed many firms from the US, with a base in the UK, only have a MiFID advisor licence to support their distribution in the EU.
- » One solution is to move the sales force into the EU with a new company duly regulated (probably under MiFID however it may be that the marketing is carried out under a UCITS or AIFM permission which relates



to the distribution of a set UCIT or AIF product). In reality, the work force will not move that easily and the solution would be costly.

- » An alternative is to register some of the sales team with a locally registered company. This would enable them to utilise the permissions of locally registered company and therefore market and distribute to European investors. Essentially this would be the EU equivalent of a UK CF30 under the FCA. This solution is cost effective as the Manager does not need to have as much substance in the relevant EU jurisdiction, although this remains a moot point, and it is not clear either how often such staff would have to show up in the country that is hosting them. However, in practice this will work and is already in effect, under MiFID permissions.
- » The way the employee is shared with the company in the EU jurisdiction is through a secondment arrangement, and this means that in effect, depending on local labour laws he or she would not have to be a resident. This concept is called a “tied agent” and the one restriction would be for the employee to be clear who he or she is acting for when marketing in the EU and with regards to what product. Of course, the secondment may give rise to tax issues with regards to the related emoluments gained from that part of the employee’s work.
- » This tied agent model is relatively underutilised in Europe compared with the regulatory hosting model known as the Appointed Representative in the UK, which is quite advanced. It will be interesting to watch how regulators react and adapt to an increased demand for this tied agent model. Based on our experience in the UK this is well regarded and reliable.
- » It is worth noting that the market is so focussed on hosted UCITS management companies and AIFMs that it does not readily explain this solution to clients. If you are relying on a AIFM or UCITS hosted solution note that to be seconded to a hosted management company will not grant you the same distribution rights as referred to above, those will be limited to related funds only. Only a MiFID solution will work more broadly and for persons acting as third-party marketers too.

#### » **Current standing**

On 3 October 2018, ESMA published a speech, stating that in the event of a no deal Brexit, ESMA should have in place with its UK counterparts the type of memorandum of understanding (MOU) that it already has with a number of third country regulators. ESMA is currently negotiating with the FCA with the objective of having the MOUs in place before the end of March 2019, with the aim being to have this agreed by the time the UK leaves the EU. The CSSF announced this week that it too would have in place an equivalence for the UK covering Managers. As for Ireland, the Deputy Governor of the Central Bank of Ireland, Ed Sibley, said in a speech this January 2019 that, “It is reasonable for firms to plan on the basis that MOUs will be in place by 29th March.” This confirms our view that the delegation of management is not the problem... but distribution is.

#### **Conclusion**

Overall there are several ways to ensure you can continue to manage and distribute funds between the UK and Europe post the 29<sup>th</sup> of March 2019. At least during a transition period, regulators from the FCA to the CBI and the CSSF will play along protecting delegated fund Managers. However, for distribution only another regulated platform will allow persons to distribute from the UK to the EU and indeed from the EU to the UK as the UK temporary permissions regime will also be limited in scope to asset management. Being pragmatic, active distributors must act now to cover the worse and protect their commercial credentials.

#### **What’s needs to happen now?**

##### » **Regulatory Cooperation Agreements**

Whichever ways these are agreed either between the Bank of England (BoE) and the European Central Bank (ECB), the FCA and ESMA or bilaterally between the regulators themselves these must be in place prior to March or the end of any transition period.



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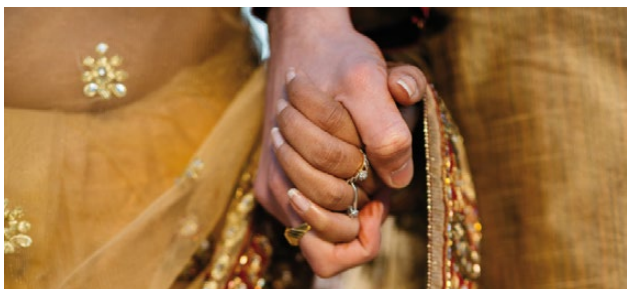


# Khazana Foundation

## Empower children

The Children's Khazana Foundation is an independent organization in the Netherlands founded in 2015 by three female executives in Financial Services. The goal of Khazana is to support initiatives that provide basic financial skills to children who have no access to the banking system.

One of these initiatives is the Children's Development Khazana (CDK) in Mumbai, part of the Hamara foundation. The CDK works in the slums of Mumbai to support street children by providing them with a system to manage their financial lives and supports them with basic needs and education. These children don't have access to the financial system, as they are all under 18 years old. Some of them live on the streets and have nowhere to put their money safely. Some children are responsible for other children, other family members or are just alone. Not many think of longer-term goals as they are too busy just getting by.



### Imagine you are a kid

Imagine the first time you bought something with your own, hard-earned, hard-saved money. Remember the feeling of independence it gave. Remember the feeling of self-empowerment.

The CDK provides the children with a savings account, teaches them about longer-term goals, provides education about the banking system and how money works. Through a number of 'bank branches' children can manage their accounts and save small quantities of cash. When they are 18 years old they qualify for a bank account in the normal financial system. The Children's Khazana Foundation is about early financial empowerment and inclusion.



### Inform children about the financial system

The Children's Khazana Foundation sponsors the adult facilitators, supports training activities, monitors the progress of the children and savings, and discusses opportunities for further growth in Mumbai. Two children are elected bi-annually, on a rotational basis, to keep the cash books and general ledger, with the help of adult facilitators. All children are encouraged to participate in activities organised to inform them about the financial system, their rights and entrepreneurship.

At the end of 2017, 452 children were members of CDK. In November, children visited a branch of the Canara Bank in Mumbai Central. Bank officials gave information about banking operations, type of accounts, the importance of a safe banking environment and explained which skills were required and what kind of careers relate to banking.

[khazanafoundation.org](http://khazanafoundation.org)





# Alternatives 4 Children

## A year of developments and achievements

Alternatives 4 Children (A4C) is an independent charitable foundation, based in the Netherlands. It was founded in 2011 with the aim of bringing professionals from the Dutch (alternative) Financial industry together for a positive cause. Our mission is to provide children from developing nations with concrete long lasting alternatives for a sustainable future. Through fundraising, we are constantly striving to support educational projects and ultimately help populations become self-sustainable.

### Achievements and developments

In 2018, we had the privilege to support 5 interesting projects that are spread over Africa and Asia. The proceeds from Amsterdam Investor Forum (AIF)'s donation helped the projects achieve the following:

#### **Tiny Miracles, Mumbai**

Tiny Miracles was established in 2010 with the belief that "To be successful you need to transform all areas of life simultaneously". Therefore their ambition is to lift "very poor" communities to "middle class" communities within 10 years by educating the parents and children and finding a source of family income, which eventually will improve the living circumstances in the slum.



In 2018, Tiny Miracles experienced yet another great year. Besides the vase covers, lampshades and bottle grips, they also started making shopping bags. This new line of shopping bags will help hundreds of women get a job. In the upcoming year, Tiny Miracles will expand their activities to their 3rd community, with the goal of expanding this business model to 25 other communities in the next 5 years. Currently, 1650 people are involved in the Tiny Miracles program of which 450 are children. The education program of Tiny Miracle has also shown great success and is also being applied in new communities.

### ABC Vonisha Bridge School, Bangalore

Vonisha Service Foundation is set to create impact in the improvement of social health of the population in India cutting across religion, region, caste, creed and contribute positively to society. Vonisha Bridge School is a 1-year Transformational Bridge School that provides education for "Out of School Children" from migrant labourers to get them back into mainstream schools. Additionally, Vonisha Bridge schools also provide free meals for the Out of School Children living in the Bangalore slums.

The school year of 2017-2018 ended in June 2018 with about 120 children benefitting from the activities Vonisha Bridge School has to offer. Of those 120 children, 50 completed the program and were mainstreamed in India's formal education system. This was celebrated with 2 graduation ceremonies!

The school year 2018-2019 started in July with 110 registered children. Up until now they have achieved a consistent 75%+ attendance rate. With different celebrations and even a visit to the eye doctor, this year promises to be even better than last year!

### Kamitei, Tanzania

Kamitei is a non-profit organisation that aims to improve primary and secondary education opportunities for children in rural Tanzania through investments in basic facilities, teaching materials and teacher training. Kamitei Foundation runs two scholarship programs for children from partner communities in rural Tanzania.

Through the 'Eagle Scholarship program', Kamitei identifies the best students and grants them a scholarship to excellent English-medium private schools, enabling them to enroll in tertiary education. Through the 'Community scholarship program', Kamitei grants secondary school graduates from each partner community vocational training scholarships of 1-3 years (e.g. teacher diploma, tour guide, etc).



In 2018, Kamitei granted 5 new Eagle Scholarships in November. These children will continue their education at a private school in Arusha. This results in a total of 59 scholarships over the years. Furthermore, at one of the schools they started building a kitchen to provide food for the children.

### Kanaka, Ghana

Kanaka school is located in the rural centre of Ghana, and provides pre-school, primary and secondary education. Its aim is to provide quality education at an affordable price, making education accessible for children and young adults. The school has already begun operating for lower education levels and currently provides day-care and education to approx. 50 young children.

In 2018, Kanaka bought a school bus that picks the children up and brings them back home as a solution for the transportation problem the children faced. Furthermore, in 2018 Kanaka added 50 new children to primary school and improved some of the school facilities. As of 2018, they also started to provide vocational classes for sawing and with the skills the students learned, they made new school uniforms.

### Macheo, Kenya

Macheo is a Dutch non-profit organization established in 2005. Their mission is to empower and protect vulnerable children and their communities giving them hope for a brighter future. Since its founding, the charity has grown into a solid, effective and reliable organization, supported by recurring sponsors and respected by the local government.





## Alternatives 4 Children. A year of developments and achievements

In 2018, we helped Macheo provide 22+ schools with food, which in return enhanced the retention rate at the schools. Additionally, Macheo started with the “enhance communities’ capacity on children’s rights”-program, which already resulted

in 84+ reported cases of abuse. Through interventions and counseling the “enhance children’s capacity on children”-program has proven to be effective and made the children more aware of their rights.



### Thank you

Of course these achievements would not have been possible without your support, as well as the support of ABN AMRO Clearing. We are thankful to be able to rely on our extensive network in the Dutch Alternative investments industry for fundraising support. We are also grateful for the strategic cooperation we have established with the AIF. Through our combined efforts, we hope to proceed further towards achieving our mission and making an impact in 2019 as well.



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