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Penson adjusts strategy after disappointing quarter

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Following Penson Worldwide's announcement of second quarter losses, the company has begun a major strategy review.

The big contributor to the quarterly net loss of $30.2 million was a $43 million bad debt charge after reevaluation of nonaccrual receivables collateralised by securities.

Bryce Engel has recently been appointed president and CEO of Penson Worldwide. He will be responsible for all operating businesses and product lines, including global technology and will answer to Philip Pendergraft, who made the announcement of cost-cutting and other measures.

Key changes already announced include the sale of one of Penson's UK operations and the expansion of its outsourcing agreement with Broadridge in Canada.

"The goal of these strategic initiatives is for Penson to return to profitability even in today's difficult environment, while significantly increasing our capital base and strengthening our balance sheet," wrote Pendergraft.

In London, the sale of Penson Financial Services (PFSL) is expected to be completed by the end of this year. Afterwards, it expects to maintain access to UK and European markets for its North American clients. PFSL generates around $9 million in net revenues, but getting it off the company's books will shed an operating loss in the $6 million range.

In its Canadian operations, however, the firm plans to expand its technology outsourcing agreement with Broadridge in partnership with IBM, including the outsourcing of its data centres and related telecommunications.

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Northern Trust wins Health Foundation mandate

Northern Trust has been appointed by the Health Foundation to provide custody and related services for £710 million (approximately US$1.1 billion) in charity assets. This latest mandate builds on previous charity client wins and is in line with Northern Trust's historical focus on charities, foundations and endowments.

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HSS launches TA services in Malaysia

HSBC Securities Services (HSS) has launched transfer agency services through HSBC (Malaysia) Trustee, also selected as the first provider of such administration to the regional fund management industry.

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Penson adjusts strategy after disappointing quarter

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Other plans include looking at how to best profit from Penson's Australian operations and the merging of its futures and broker-dealer business in the US into one operating company. The latter is a path being taken by several firms that own both a broker-dealer and futures commission merchant and the move is anticipated to free up $30 million in regulatory capital and reduce costs by up to $2 million annually, according to company figures.

Although its share price fell to a year's low just after releasing the quarterly results, it has since rebounded as investors digest Penson's plan moving forward.

Northern Trust wins Health Foundation mandate

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"We chose Northern Trust following a rigorous competitive tender because of its long track record in the asset servicing business and its specialism in serving the charities sector," said Daniel Thorndyke of the Health Foundation. "Northern Trust demonstrated its understanding of our requirements, in particular a focus on accurate accounting, valuations and reporting for the sophisticated assets in which we are invested and provided us with reassurance of their expertise in the landscape in which we operate. We are confident that Northern Trust will provide the Foundation with the critical asset servicing solutions necessary to enable us to focus on improving the quality of healthcare in the UK."

"We understand that charities have a distinct set of challenges and our deep understanding of the sector, together with our aligned asset servicing expertise, was integral to winning this client," said Douglas Gee of Northern Trust. "Providing granular investment data and meaningful reporting – especially so in the more complex arena of alternative assets – is a critical aspect to the role of a global custodian today, and an area in which Northern Trust continues to excel."

HSS launches TA services in Malaysia

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"Off-loading non-core functions like transfer agency services and fund accounting to HSBC Trustee allows us to focus on our core competency," said CEO of OSK-UOB Islamic Fund Management Berhad, adding that HSBC Trustee has continued to provide strong support for business growth, including its new Islamic subsidiary which will be launching its first series of Islamic funds.

With this launch, HSS now offers end-to-end securities services, including trustee, custody (both global and sub-custody and clearing), fund accounting and valuation, as well as transfer agency services in Malaysia.

J.P. Morgan Clearing upgraded by S&P

J.P.Morgan's broker-dealer subsidiary has been upgraded one notch by Standard & Poor's (S&P), raising it to AA-/A-1+ with a stable outlook.

The credit rating agency said it expects capital to continue to build and payout ratios - both dividend and share buy-back - to remain modest. The rating is also based on the unconditional guarantee of J.P. Morgan Securities.

"We could also lower the ratings if rule making regarding Dodd-Frank legislation hurts profitability more than we expect," wrote S&P.

The upgrade comes in the same week as S&P downgraded the US central securities depository and three clearinghouses following the US sovereign downgrade. However, S&P affirmed the fundamental soundness of those operations, citing sovereign credit risk as the key consideration.

IMS tackles compliance for UK-based investment managers

With US regulation compliance looming on the horizon, consultancy IMS Group has announced its service to help UK-based advisers and managers of private funds cope with the far-reaching reform.

The Dodd-Frank Act will mean that managers must apply to register with the Securities and Exchange Commission (SEC) by mid-February 2012 if they have more than $25 million of AUM attributable to US clients or if they have 15 or more US clients. If less than $150 million of private fund assets are managed from a location in the US, and this will apply to many UK-based managers, the firm may be eligible for Exempt Reporting Adviser Status (ERA), according to IMS Group.

ERAs would be required to submit and periodically update reports to the SEC over and above those required by UK regulator, the Financial Services Authority (FSA). As well, the SEC can require an inspection. At a recent IMS conference, more than three quarters of some hundred delegates expressed concerns over a lack of preparedness for such new requirements. Delegates were drawn from the alternative investment industry - hedge fund managers, private wealth fund managers and private equity firms - with offices in the UK.

"Managers of private funds with US investors should start preparing for SEC oversight in some form," said Jon Wilson, director of project consulting and head of the new service. "This could be adopting all of the typical rule requirements of a registered adviser or complying with US laws which they previously had not been subject to."

IMS Group's service works by integrating compliance requirements from both the FSA and SEC.

Investors committed new capital in August – GlobeOp

Hedge fund flows advanced 1.1 per cent in August, according to GlobeOp client data.

"Investors committed new capital in August despite unsettled markets in the U.S. and Europe," said Hans Hufschmid, CEO, GlobeOp Financial Services. "August is usually a positive month for hedge fund capital flows, and 2011 continued that trend."

The GlobeOp Capital Movement Index for August stands at 135.06 points compared to 120.49 last year. However, the month-on-month lift in August last year on the index was 2.7 per cent.

GlobeOp's data represents between 8 - 10 per cent of the hedge fund industry.

Citi appointed as global custodian by Denmark bank

Citigroup has extended its mandate with KommuneKredit to now provide global custody services. Citi already manages currency administration for the credit institution.

Andrew Gelb, head of securities and funds services for Europe, Middle East and Africa at Citi said: "We are extremely pleased by KommuneKredit's decision to consolidate their global transaction services with Citi. This further appointment confirms the strength of our long-term relationship with KommuneKredit and demonstrates their confidence in our investor services capabilities."

SunGard launches policy manager with training component

SunGard has launched a compliance product to adhere to regulatory and internal performance requirements for firms covered by specific rules from the Financial Industry Regulatory Authority (FINRA) - the largest independent regulator for all securities firms doing business in the US.

"SunGard is committed to helping customers protect their businesses from losses and reputational damage due to compliance breaches," said Steve Sabin, CEO of SunGard's Protegent business unit, adding that the product will help firms build a compliance programme spanning supervision and surveillance to education and training.

With the product, firms can adhere to FINRA rules 3012 and 3013, which require that all firms establish, maintain and enforce a supervisory control system in writing as well as promote communications between business managers and compliance officers throughout the firm.

Cynicism permeates S&P downgrades of US clearing houses

Standard & Poor's (S&P) has downgraded three subsidiaries of Depository Trust & Clearing Corporation (DTCC). The National Securities Clearing Corporation, the Depository Trust Company and Fixed Income Clearing Corporation have dropped a notch from AAA to AA+.

According to S&P: "We have not changed our view of the fundamental soundness of [DTCC's] depository or clearing operations. Rather, the downgrades incorporate potential incremental shifts in the macroeconomic environment and the long-term stability of the US capital markets as a consequence of the decline in the creditworthiness of the federal government."

DTCC stated it does not anticipate any changes in operations as a result of this revision of its credit rating.

"I don't think the rating itself changed the market view," said a New York-based analyst at Equity Research Desk in response to the continuing ripple effects after the US downgrade. "It is a delayed response to something that the market has already priced into."

Though there are likely to be operational issues for firms that will need to change contracts, these firms have likely prepared or changed contracts in advance, he says, but from a market perspective the rating agencies are more reactive than proactive.

He notes that the best measure of default risk is in the CDS market, not in ratings set by agencies. "If you look at France, which still has AAA, its CDS is higher than the US," he said.

Options Clearing Corporation (OCC) was also downgraded by S&P today. "This rating change will have no negative impact on OCC's operations or our ability to meet our obligations to OCC's clearing members," said Wayne Luthringshausen, OCC chairman and CEO.

OCC's total volume for the first week of August, at just over 145 million contracts, is equal to 51 per cent of the total volume recorded in August of last year. On Friday, $16.2 billion in premium changed hands, wrote OCC.

Citi appointed for Lloyds Banking £1.3 billion CDO

Citi's global transaction services has been appointed to Lloyds Banking Group's £1.3 billion collateralised loan obligation (CLO) via Sandown Gold, a cash flow securitisation of loans granted to UK small and medium-sized enterprises issued for funding purposes.

Citi will act as note trustee, principal paying agent, registrar and agent bank.

Western exchanges should focus on clearing and settlement

Western exchanges should focus on developing post-trade clearing and settlement capabilities or foster ties with emerging market players, according to a new report from PricewaterhouseCoopers (PwC).

"The difficulties encountered by bidders in several recent aborted mergers among Western exchanges have led to a number of businesses questioning their next move," said Shamshad Ali, PwC partner. "[Traditional exchanges] will need to look closely at different models to compete against, or collaborate with, their emerging market counterparts."

In June, a proposed merger between the London Stock Exchange (LSE) and Canadian TMX Group was rejected by shareholders, while the proposed merger between Deutsche Boerse and NYSE Euronext faces greater scrutiny by European Union (EU) regulators over competition concerns.

Alternative trading platforms, Chi-X Europe and BATS, while pressuring major exchanges as they increase market share, are also seeing delays to their proposed merger.

These transatlantic consolidations are driven by falling margins and increasing competition, while recently enacted laws such as the US Dodd-Frank Act and Europe's MiFID are revolutionising the regulatory landscape. That has led some exchanges to offer services catering to firms' needs with impending regulatory changes. Just last week, the UK Financial Services Authority announced a £15 million agreement to sell its transaction reporting system to LSE, which will migrate customers onto its own platform.

But the biggest changes will come from rules that seek to push derivatives on-exchange or through central clearing houses.

"[Trading through exchanges and the clearing houses they control] could create hugely valuable growth opportunities which may further encourage exchange groups that focus primarily on equities to bolster their derivative trading operations through acquisition," wrote PwC in its report, adding that some exchanges have sought to diversify their revenue streams to include data and post-trade services.

This value may be especially pronounced in Europe, where, in conjunction with the MiFID reforms, the European Commission published its EMIR proposals, seeking to increase OTC market stability by ensuring contracts are centrally cleared and imposing rules to establish greater levels of interoperability - a term that refers to the ability of diverse or disparate organisations to operate with each other.

Clearing house EuroCCP recently announced interoperability with BATS Europe and UBS' multi-lateral trading facility (MTF). With wider adoption, Diana Chan, CEO of EuroCCP, hopes to increase competition and lower costs for European equities trading activities.

PwC wrote: "If the EU forced clearing platforms to be more open in an effort to boost competition, specialists such as LCH.Clearnet would be better positioned to compete with the exchange silos in much the same way as MiFID allowed Chi-X and other new entrants to gain equity trading market share from the national stock exchanges."

But in terms of consolidation activity, the consultancy firm says look towards emerging markets. As economic growth continues to outstrip the traditional markets, exchanges in Asia and Latin America are positioned at the heart of the growth surge, notes Shamshad Ali, partner.

"Over the next five years, significant M&A activity will be driven from the emerging markets as local exchanges seek growth opportunities outside their home markets," he said.

The top emerging market exchanges to watch, according to PwC, are Brazil, Hong Kong, Singapore, Shanghai and the merged Russian Exchange (MICEX and RTS).

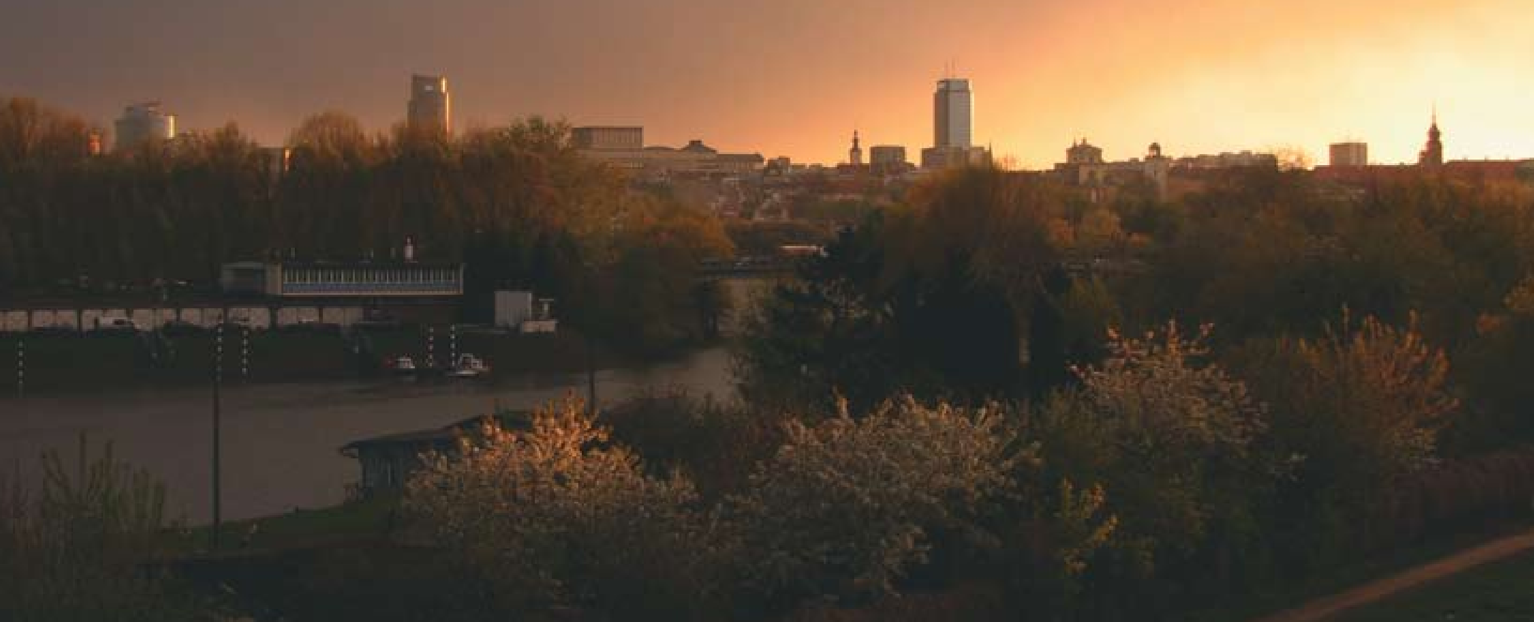
KBC completes MBOs in Serbia and Romania

As further demonstration of KBC Securities' focus on Central and Eastern Europe, the group has completed divestments of its operations in Serbia and Romania.

"Refocus of its geographical footprint in Central and Eastern Europe is in line with the refocus of the group's overall strategy," wrote KBC Securities, adding that the impact of the transactions on KBC's earning and capital is negligible given the size of the activities.

KBC Securities still has fully owned entities in Belgium, the Czech Republic, Slovakia, Hungary, Poland and Bulgaria.

Financial software solutions that deliver



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US banks' credit losses at risk "manageable" – ISDA

Credit mitigation techniques such as netting and collateralisation are significantly reducing the exposure of US banks, according to a new report from the International Swaps and Derivatives Association (ISDA).

"The Office of the Comptroller of the Currency (OCC) reports and ISDA's analysis demonstrate that the credit risk losses and exposure of US banks related to derivatives are quite manageable," said Conrad Voldstad, ISDA chief executive officer. "It's also clear that a renewed focus on robust risk management practices - including netting, collateralisation, clearing and portfolio compression - is helping to increase the safety and efficiency of OTC derivatives markets."

After netting, exposure of the US banking system is 14 basis points of the $244 trillion of notionals outstanding. Collateralisation further reduces this to $107 billion, or four basis points, but only considered liquid collateral, mostly cash and securities.

Of this, $79 billion is exposure to corporations and another $10 billion is exposure to sovereigns. In all, the $107 billion of uncollateralised exposure represents less than one per cent of the US banking industry's assets.

Less than one-third of this amount - or approximately $30 billion - is with entities covered by Dodd-Frank requirements on margining and clearing. Among other rules, The Dodd-Frank Act imposes clearing and trade execution requirements for standardised OTC derivative products. Supporters say the Act will increase transparency and reduce systemic risk as a result of counterparty defaults.

In terms of losses to US banks on OTC derivatives products due to counterparty defaults, OCC figures show a total of less than $2.7 billion since 2007.

During this time, over 350 banks with assets of more than $600 billion failed, Fannie Mae and Freddie Mac failed and Lehman Brothers collapsed.

EuroCCP inter-opt-erable on BATS Europe and UBS MTF

BATS Europe and UBS' multi-lateral trading facility (MTF) have opted for EuroCCP, allowing firms trading in those venues to select a preferred CCP to clear trades.

"We are hoping the success of these initiatives will encourage other trading venues to follow suit in implementing interoperability," said Diana Chan, CEO of EuroCCP, adding that wider adoption of the concept will increase competition and lower costs for European equities trading activities.

Interoperability refers to the ability of diverse or disparate systems or organisations to operate with each other. Firms trading on BATS Europe can elect a preferred a CCP to clear their trades and if trading firms on both sides of a trade have selected a preferred CCP, then each side will be cleared by the respective CCP of choice.

UBS MTF will now allow trading firms to choose EuroCCP to clear cash equities trades as it interoperates with the existing CCP.

EuroCCP customers will not be charged clearing fees for transaction volumes over 230,000 sides a day. "This translates into an actual fee cap of €4,300 for EuroCCP customers trading an average daily volume of over 230,000 sides," writes EuroCCP. So far, EuroCCP has been selected by BofA Merrill Lynch, Credit Suisse, Morgan Stanley and Nomura as the preferred CCP on BATS Europe and by Citigroup on UBS MTF.

Investment fund assets down in Q1 2011 - EFAMA

Investment fund assets worldwide were at €19.5 trillion in the first quarter this year, down slightly from £19.9 trillion in the previous quarter.

Net inflows were down over 38 per cent to €102 billion, largely on the back of increased net withdrawals from money market funds (MMFs), according to the European Fund and Asset Management Association (EFAMA). Net outflows from MMFs, with asset share of 18 per cent, sharply increased to €74 billion in the first quarter, compared to £33 billion in the previous quarter.

In the US, MMFs reversed direction with net outflows of €57 billion, "considerably lower" than the net inflows of €4 billion in the previous quarter. But Europe saw net outflows slow, to €9 billion compared to €41 billion.

Taking MMFs out of the equation, net inflows of all funds slid just over 11 per cent, according to EFAMA figures.

Equity funds saw net inflows of €45 billion, still down from €68 billion the quarter previous and represented 40 per cent of funds. Bonds increased modestly, to €42 billion as did mixed/balanced funds, to €33 billion. Including non-UCITS funds, Europe's global market share reached just about 37 per cent at the end of the first quarter, with the US at just over 42 per cent.

The reduction of net inflows into long-term funds in Europe - from €67 billion to €39 billion quarter on quarter - reflects renewed tension in stock and sovereign debt markets.

Postbank goes live with SunGard infrastructure

As a further investment in risk calculation and analysis technology, Deutsche Postbank has selected SunGard's Adaptiv Analytics. The additional infrastructure will calculate and analyse over 30,000 risk simulations per trade across risk factors, while also helping the bank meet regulatory and market changes.

This will allow for fast calculation of Monte Carlo Value at Risk (VaR), a methodology allowing for more flexibility to cover options and option-like securities. Despite the computation bulk, some market participants note the method's advantage in providing the ability to include subjective judgments and other information to improve forecasted probability as compared to traditional historical simulation approaches of VaR calculations in determining portfolio risk.

Dr. Guenther Fiebach, head of market risk and risk analytics at Deutsche Postbank, said, "Our aim is to have full transparency and an in-depth understanding of the sources of risk, including extreme event scenarios…In addition, having a consistent view on the relevant positions and the associated market risks across the enterprise helps us assess, monitor and act upon market risks and opportunities quickly, thereby enhancing productivity."

LSE buys FSA's ARM for £15m

The UK's Financial Services Authority (FSA) announced a conditional agreement to sell its Transaction Reporting System (TRS) to the London Stock Exchange (LSE) for £15 million. The TRS is an Approved Reporting Mechanism (ARM) established in the UK market for MiFID compliant transaction reporting by firms to the FSA.

Information collected by the FSA is used to detect and investigate suspected cases of market abuse, insider trading, market manipulation while supervising firm activity.

With a competitive market to provide transaction reporting services, the FSA stated that maintaining an ARM was no longer part of its core regulatory role.

The LSE plans to migrate TRS customers to its own ARM, the UnaVista platform, after transaction completion.

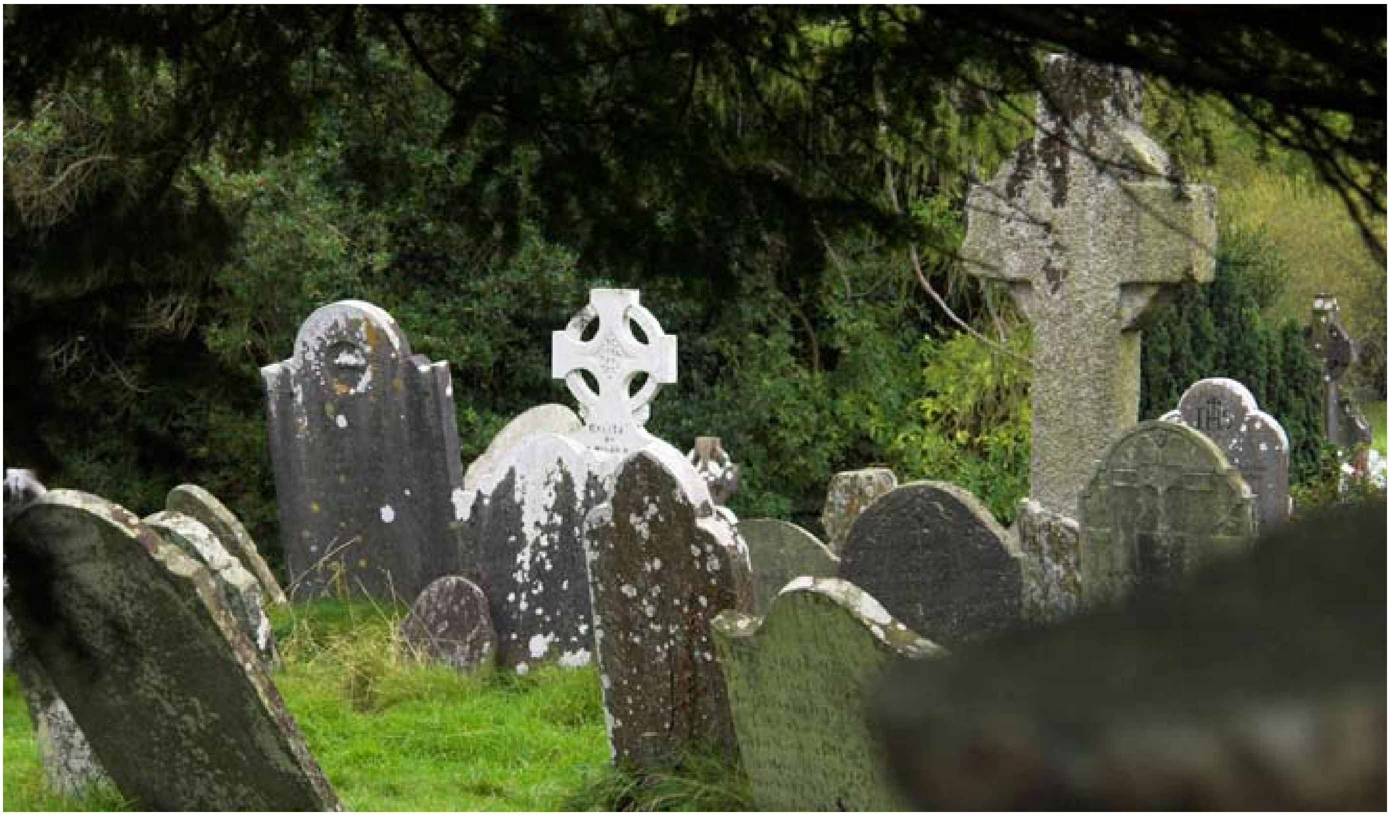
StanChart selected as custodian by EPFO

Standard Chartered Bank has been appointed custodian of the Employees' Provident Fund Organisation, India (EPFO).

Union labour minister and chair of the Central Board of Trustees (CBT) meeting, Mallikarjun Kharge, said the appointments were made following the calling of bids on an all-India basis, the Hindu reports.

The EPFO is one of the largest provident funds in the world in terms of members and financial transaction volume.

Earlier at its meeting in Delhi, CBT had approved four fund managers to handle EPF funds invested both in public and private sectors, including the stock market. They are State Bank of India, ICICI Bank, HSBC Bank and Reliance Capital.



Ireland

Battered by the financial crisis and struggling under a mountain of debt, Ireland's banks are struggling to turn the tide

BEN WILKIE REPORTS

A decade ago, Ireland was held up as a model for how the European Union was bringing countries wealth and comfort. The Celtic tiger roared as the low-taxation environment brought billions in fund assets to the nation, creating opportunities in the middle and back office, international companies relocated their headquarters, and Irish firms (and individual investors) expanded outwards.

Dublin became a boom town. In the financial world - as well as, to a lesser extent, technology and other sectors - the issue wasn't about locals getting a job, it was about employers attracting and retaining staff. Salaries rose, property prices rocketed and luxury brands poured into the country. Ireland went from being one of the poorest members of the European Union to one of the richest in the space of a generation.

And then it all went wrong. Much of the country's prosperity had been built on property and when the credit crunch hit, everyone suffered. Property values reached a peak in 2007, and have seen some of the biggest falls in the world - many properties are now worth less than half what their owners paid for them. Development companies, expecting the boom to last for ever were left with a stockpile of homes they were even unable to sell at a huge loss.

> Following the Lehman collapse, there were significant worries about the same thing happening to the Celtic providers

Unemployment started to rise, going over 300,000 or more than 11 per cent of the population. And Ireland returned to its historic status as a net exporter of talented and motivated professionals. The Irish Stock Exchange Index, which had hit a peak of over 10,000 in 2007, fell to a 14-year low of 1,987 less than two years later.

All of this had the obvious effect on the banking sector. While Ireland is home to hundreds of banks, most of the international names didn't have a huge footprint when it came to domestic retail or property transactions. Instead, it was the domestic banks who had taken on all the debt, and almost all of the risk - although some UK banks did have significant business in the country, simply adding to their woes at home. Following the Lehman collapse, there were significant worries about the same thing happening to the Celtic providers. The Irish Government stepped in, guaranteeing the savings of everyone who had an account with an Irish bank, even those with savings in their international subsidiaries.

Technically, no Irish bank did go to the wall, but it was a close-run thing. As the global crisis began to bite, things went from bad to worse, and state support was needed. A hidden loans scandal at Anglo Irish Bank, where the chairman admitted to 87 million euros of additional debt at the bank led to its nationalisation, while Allied Irish Bank

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and Bank of Ireland required Government recapitalisation. The cost to the state has run into tens of billions of euros.

And the Government simply couldn't afford it. Officially, the bank liabilitied are around 109 per cent of the country's GDP, but this counts all the foreign banks and funds that domicile in Ireland but have few of the problems the locals have - and few of the responsibilities. In reality, the figure is likely to be over 300 per cent,

So it was inevitable that Ireland became the second EU country - after Greece - to require a bailout. At the end of 2010, Ireland received 85 billion euros from a number of resources within the EU and the International Monetary Fund. While this has put a plaster over the wound, there remain fears that it won't be enough and that Ireland may have to do an Iceland - or at least work quickly to restructure some of its debts.

Politically, the downturn has been a disaster. The Government fell, and while there hasn't been the violence seen in Greece and elsewhere, there have been serious demonstrations about spending cuts and bankers' recklessness, while the country has come under intense international criticism over its low-tax environment that some countries say siphon off the revenues due to them.

Surprisingly, though, the institutional finance industry has fared rather well. As global sources of funding dried up, so of course did funding in Ireland. But what appears to have happened is that Ireland has been one of the destinations investors have gone to in their flight to quality.

It was inevitable that Ireland became the second EU country - after Greece - to require a bailout. At the end of 2010, Ireland received 85 billion euros from a number of resources within the EU and the International Monetary Fund

Total assets under administration in Ireland have reached a record high and are fast approaching the €2 trillion mark, according to the Irish Fund Industry Association. At the same time it claimed that the Irish funds industry is now credited with servicing an estimated 43 per cent of the world's hedge fund assets.

Figures from the Central Bank and IFIA show that total assets under administration in Ireland hit an all time high of €1.88 trillion at the end of 2010 – up from €1.4 trillion at the end of 2009.

Recently published figures from the Central Bank reported that the value of Irish domiciled investment funds had reached an all high time of €964 billion as at the end of December – up nearly a third (29 per cent) on the same time last year from €748 billion. Some €914 billion worth of assets held in non Irish domiciled funds is serviced in Ireland.

The IFIA also highlights that the Irish funds industry now services a whopping 43 per cent of total assets held in the world's hedge funds – up from an already impressive 42 per cent, according to analysis of the latest available report from HFM Week.

Gary Palmer, chief executive of the IFIA, says: "This is excellent news and the fact that both domiciled assets have reached an all time high and that fact that Irish funds industry companies now service some 43 per cent of all hedge funds is truly testament to the excellence, innovation and reach the jurisdiction provides.

This growth continues to highlight the opportunities, solutions and efficiencies Ireland offers to the international funds industry."

It's now estimated that over 850 fund providers from more than 50 countries use Ireland as their fund domicile and asset servicing centre. While there have certainly been job cuts, the country's fund industry remains a major player.

But it's not really the domestic banks that are offering securities lending any more. In an attempt to repay debts and improve their balance sheets, many of the subsidiary businesses of the banks have been put on the market, with the major international players snapping up the business.

In October last year, State Street Global Advisors (SSgA) agreed to acquire Bank of Ireland Asset Management (BIAM) for 57 million euros.

With approximately EURO26 billion in assets under management among more than 500 clients the firm offers a broad range of investment solutions to institutional investors and intermediaries including global fundamental equities, fixed income, cash, asset allocation, property and balanced funds.

"This acquisition enables SSgA to expand its range of investment capabilities to include active fundamental management," said Scott Powers, president and chief executive officer of State Street Global Advisors.

"As our clients look for more solutions-driven investment management strategies that span the risk spectrum, the addition of this team and capabilities will enhance our ability to deliver on these needs. Like SSgA, Bank of Ireland Asset Management's investment philosophy is rooted in a disciplined, team-based approach and has a strong track record of excellent performance. We look forward to building on this track record and extending its capabilities to our global client base."

This was followed by Northern Trust's acquisition of the fund administration, investment operations outsourcing and custody business of the Bank of Ireland Group, Bank of Ireland Securities Services (BOISS).

It's now estimated that over 850 fund providers from more than 50 countries use Ireland as their fund domicile and asset servicing centre. While there have certainly been job cuts, the country's fund industry remains a major player.

Northern Trust has paid around €60 million (approximately US$82 million) to acquire the business.

"Ireland is one of the largest European domiciles for cross-border fund administration," says Northern Trust chairman and chief executive officer Frederick H. Waddell. "We look forward to combining this business with our existing activities in Ireland and continuing to provide the exceptional client service and solutions for which Northern Trust and Bank of Ireland Securities Services are both known."

Following the completion of the acquisition, however, Northern Trust transferred many operations over to London, including its securities lending services. Jobs are being lost in a market that has already seen huge cutbacks.

And it's unlikely to end there - while the underlying business continues to grow in Ireland, the country's domestic banks are on their knees and simply unable to compete. **AST**

Next issue:
Fund administration in the Caribbean

Training and Education

Date	Location	Course	Provider
18-19 Aug	London	**Repo and Securities Lending** This course will offer a start to finish discussion of the key terms of the Global Master Repurchase Agreement and the Global Master Securities Lending Agreement, as well as the agreements used in the US domestic market. Attendees will be taken through the operative terms of the agreements, events of default, and the termination and close-out provisions.	Euromoney Training
22-23 Sep	London	**Corporate Actions** This course gives a good detailed understand of International Corporate Actions: what each one is, why it arises, what choices if any for the invstor, and any dangerous or significant accounting points. Examples are taken from around the world with numorous exercises.	Investment Education PLC
22 Sep	London	**Risks & Controls in Securities Operations** This course provides a good Risk and Controls awareness for operations. It helps the early identification of risks, an application of appropriate and timely controls, and helps reduce the possible escalation of dangerous situations within normal day-to-day activity.	Investment Education PLC
13 Oct	London	**UCITS Funds** This practical one day course is designed to provide an insight into the area of UCITS, showing how funds may select eligible assets and demonstrate how these instruments may be employed to achieve different investment objectives.	Eureka Financial
16-17 Nov	London	**Collateral Management** This course looks at Collateral Management in OTC Derivatives in particular as well as Repos and Securities Lending and Borrowing. Risk identification, control, documentation, types of collateral, gross and net exposure and other practical aspects are covered as well as the conceptual framework and practical problems egg the treatment of corporate actions on a borrowed/lent position.	Investment Education PLC
23-24 Nov	Zurich	**Corporate Actions** This course looks at Collateral Management in OTC Derivatives in particular as well as Repos and Securities Lending and Borrowing. Risk identification, control, documentation, types of collateral, gross and net exposure and other practical aspects are covered as well as the conceptual framework and practical problems egg the treatment of corporate actions on a borrowed/lent position.	Investment Education PLC

Upcoming industry events

12th Annual Collateral Management

Date: 7-9 September 2011
Location: London
Website: http://www.marcusevans.com

This collateral management event, brings together senior figures from the collateral world in order to address key topics including regulatory reform, automisation, optimisation and how to attain best practice in operational procedures.

Sibos 2011

Date: 19-23 September 2011
Location: Toronto
Website: www.sibos.com

Sibos brings together influential leaders from financial institutions, market infrastructures, multinational corporations and technology partners to do business and shape the future of the financial industry.

The Finadium 2011 Conference

Date: 20 September 2011
Location: New York
Website: www.finadium.com

Themes for this year's conference include ETFs in securities lending, transparency in financing for hedge funds and their investors and the impact of CCPs on collateral management. Lunch is provided and networking is encouraged.

Collateral Management & Securities Financing Asia

Date: 21-22 September 2011
Location: Hong Kong
Website: www.collateralmanagementasia.com

Collateral management & securities financing framework is now a top consideration for Asian financial institutions.

16th European Beneficial Owners' Securities Lending Conference

Date: 26-27 September 2011
Location: London
Website: www.imn.org

For nearly 20 years we have been dedicated to meeting the needs of the European beneficial owner community and are proud to continue assisting beneficial owners in mapping a strategic course to navigate the opportunities and challenges.

5th Annual Collateral Management 2011

Date: 5-6 October 2011
Location: Barcelona
Website: http://finance.flemingeurope.com

The Fleming Group brings you Collateral Management, already in it's fifth year. Collateral managers from major European financial institutions will gather in the beautiful city of Barcelona to discuss latest trends and developments.

28th Annual RMA Conference on Securities Lending

Date: 10-13 October
Location: Naples, FL
Website: www.rmahq.org

RMA's Annual Conference on Securities Lending last year held in Boca Raton, Florida, rebounded from previous years and the effects of the unprecedented financial market events with over 425 SBL professionals from across the industry attended.

Data Explorers Securities Financing Forum

Date: 16 November 2011
Location: Hong Kong
Website: www.dataexplorers.com/hongkong

For nearly 20 years we have been dedicated to meeting the needs of the European beneficial owner community and are proud to continue assisting beneficial owners in mapping a strategic course to navigate the opportunities and challenges.

NeMa Asia 2011

Date: 15-16 November 2011
Location: Singapore
Website: www.informaglobalevents.com

NeMa Asia (Network Management Asia) - the sister event to NeMa, has now become the most important gathering of network managers, sub-custodians and brokers in the industry.

Industry Appointments

BNY Mellon has appointed **Diego Folino** as the company's country executive in Mexico. In that role, Folino will oversee capabilities and presence across all business lines in Mexico.

Folino will also serve as representative of the company in its office in Mexico and join the Latin America Management Committee, reporting to Rene Boettcher, BNY Mellon's chairman of Latin America. He will also become chairman of the board of directors for BNY Mellon's Mexican banking subsidiary, Institucion de Banca Multiple.

Folino joins the asset management and servicing group with nearly 25 years of international banking, corporate finance and management experience. Most recently, he served in a variety of senior management positions at Standard Chartered Bank, including as president and CEO of their private banking activities in the Americas based in Miami, CEO and country representative in Mexico, and head of corporate banking activities in Mexico.

HSBC Securities (HSS) has appointed **Nico Torchetti** as head of product development for its global sub-custody and clearing business.

He will be responsible for the continued expansion of sub-custody and clearing products with a specific focus on broker-dealer outsourcing and will be based in Hong Kong.

"Nico brings an exceptionally strong background in product development and having him on board will help us compete more aggressively in our rapidly expanding broker outsourcing franchise," said Colin Brooks, global head of sub-custody and clearing at HSS.

Torchetti joins from Deutsche Bank where he was head of direct securities services, Hong Kong and head of broker dealer coverage, Asia.

ALPS Fund Services (ALPS), has appointed **Michael W. Gull** to the position of vice president, business development for the firm. Gull joins the firm in New York to head up East Coast business development for hedge fund administration.

Gull, who has 20 years of Wall Street experience, will be responsible for growing ALPS' hedge fund administration business on the East Coast.

Gull comes to ALPS from INFONIC AG, a provider of software solutions to the alternative investment sector, where he was Head of U.S. Sales. Previously, he held director level positions in the Investment Banking industry with Citigroup and Bear Stearns, where he sold prime brokerage to hedge fund managers.

HSBC Securities has hired **Matt Davey** as head of bid management in Europe. In this role, Davey will be responsible for assembling the HSBC bid team and driving all aspects of the engagement process with major prospects.

Davey will report to Carole Anderson, head of business development Europe.

"We are delighted to have Matt on board and his expertise in managing large bids will be a great asset. We are committed to growing our business and Matt's appointment will add to the strength of our sales team," she said.

Davey joins HSBC from J.P. Morgan where he was responsible for a team leading new business engagements with large prospects. He has also worked in various client-facing roles at State Street, initially in London and then Boston.

Benjamin Keefe has been appointed director of advisory services by Gamma Finance, technology provider for secondary market transactions in illiquid hedge fund assets. He comes into the role from UBS.

He has also served in a variety of roles at Nedgroup Invesments, HSBC, Morgan Stanley and Goldman Sachs. At UBS, he was a director responsible for risk assessment of new business initiatives and complex trades.

J.P. Morgan has announced new appointments to its financing and market products (FMP) group in Asia Pacific.

Stewart Cowan is the new head FMP in Australia, New Zealand and Japan but will continue to lead the securities lending operation.

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Cowan's expanded role now includes oversight of J.P. Morgan's clearance and collateral management, transition management and foreign exchange solutions, building on his 20 years of experience, the last 10 of which have been with the firm in a variety of securities servicing roles.

Michael Wynn joins the Australian transition management sales desk. Wynn's most recent role at J.P. Morgan was on the passive currency overlay execution desk based in the UK. **AST**