asset servicing times

The primary source of global asset servicing news and analysis

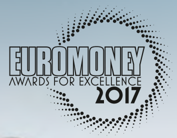
Conference Special

A Canadian innovation

Ronald Landry of CIBC Mellon discusses Canada's collaboration with NEO Connect to create the first platform-traded fund process

At your side worldwide.

www.commerzbank.com/worldwide



The Euromoney Awards for Excellence honoured Commerzbank as Germany's Best Bank for its strategic approach that is creating a 'stable, efficient and more profitable lender' amidst challenging times for the German banking sector. Euromoney, 07/2017 issue

SmartStream-STP

Combining the elements for highly responsive solutions

At SmartStream we believe that starting with a solid foundation of elements is vital when creating new operating models. As a result, it's never been easier for firms to access highly responsive, tailored solutions which can be deployed at speed and with immediate impact.

Our innovative technology delivers an unparalleled range of reconciliation and exception management options to monitor and manage all transaction types; lowering cost, reducing risk and creating more agile operations.

So, whether you are looking to replace legacy systems, build an internal processing utility, utilise the cloud or outsource your entire operation, partnering with SmartStream is the perfect chemistry.

Contents

Latest News

Total assets under custody for Australian investors jumped by 4.2 percent for the first six months of 2019, according to ACSA

p8

Notified AIFs

Rebecca Xuereb of BOV Fund Services provides an insight into the Notified Alternative Investment Fund

p20

Green Investment

Guernsey Finance's Dominic Wheatley reflects on the interest of the private equity industry in green finance

p22

Fund Platforms

Maximilien Dambax and Antonis Anastasiou of Alter Domus explain how alternative investment funds are being structured

p24

PTF Insight

Ronald Landry of CIBC Mellon discusses Canada's innovation in lower-cost investment fund distribution

p28

Liquidity Management

Nadeem Shamim discusses what SmartStream is working on in the cash and liquidity management space

p32

Sustainability Focus

Eduard von Kymmel says that when it comes to financial investments, the concept of sustainability is increasingly on the agenda

p34

Industry Appointments

All the latest asset servicing industry comings and goings at Vistra, Calastone, Ultimus and more

p40

W: www.assetservicingtimes.com
T: @ASTimes_

Editor: Becky Bellamy
beckybutcher@blackknightmedialtd.com
+44 (0)208 075 0927

Reporter: Jenna Lomax
jennalomax@blackknightmedialtd.com
+44 (0)208 075 0924

Reporter: Maddie Saghir
maddiesaghir@blackknightmedialtd.com
+44 (0)208 075 0925

Designer: James Hickman
jameshickman@blackknightmedialtd.com
+44 (0)208 075 0930

Publisher: Justin Lawson
justinlawson@blackknightmedialtd.com
+44 (0)208 075 0929

Associate Publisher: Joe Farrell
joefarrell@assetservicingtimes.com
+44 (0)208 075 0932

Office Manager: Chelsea Bowles
accounts@blackknightmedialtd.com

Published by Black Knight Media Ltd

Copyright © 2019 All rights reserved

Wei_Huang/shutterstock

AFME: More work to be done to make Europe competitive

There is still much work to be done at European and national levels, particularly in making Europe's capital markets more competitive, according to Simon Lewis, chief executive of the Association for Financial Markets in Europe (AFME).

Lewis made the comments in the AFME's second edition of its annual report which tracks the progress of the European Commission's Capital Markets Union (CMU) project. The report indicated that Europe's reliance on bank lending has increased with 88 percent of new funding last year coming from banks and only 12 percent from capital markets—a decline from 14 percent on average between 2013 and 2017.

The association also found the EU 27 "lags behind" on fintech funding with only $7.2 billion in investments made since 2009, compared with $120 billion in the US, $20.3 billion in the UK and $23.8 billion in China. Despite these figures, AFME found that Europe had strengthened its global leadership in sustainable finance, with the issuance of green, social and dual-purpose bonds.

Issuance of such bonds increased by 16 percent in the EU during 2018 to €69 billion—an increase of €9 billion compared to 2017. AFME found that Belgium, the Netherlands and Sweden were the leading EU nations in sustainable finance with over 7 percent of bonds issued in 2018 classified as sustainable.

Comparing the 28 EU Member States, AFME stated the UK is leading the EU with regards to the provision of new bond or equity financing for non-financial corporations (NFCs) with 26 percent of new funding derived from markets.

The Netherlands and France followed closely with market instruments providing 18 percent of total new finance in both jurisdictions.

Together the UK, France and the Netherlands account for 49 percent of total new funding for NFCs raised from markets in 2018.

Lewis said: "As the EU begins a new political cycle, there is an increasing focus on the need for the European Commission to further develop the CMU. While some of our report's indicators show a positive trajectory since last year's results, such as Europe's global leadership in sustainable finance, it is clear that there is still much work to be done."

BNY Mellon's Pershing introduces new manager gateway

BNY Mellon's Pershing has launched Manager Gateway, a consolidated digital solution for investment managers. A successor to Pershing's Manager Workstation, Manager Gateway features a centralised portal that helps asset managers act on service requests and orders, automatically collecting and processing the information on behalf of Pershing's clients.

Manager Gateway includes a workstation application that streamlines day-to-day processes for investment managers and a tool that allows model providers to create, manage and deliver models to investment professionals.

Manager Gateway uses a single ID for easy access to all accounts, account details, billing, corporate actions, transactions and on-demand performance reports. It also eliminates the need for commingled manager codes. Other capabilities include type-ahead, expanded search, and on-demand access to reports.

Managers can also customise their view using new context search criteria based on firm, style, investment professional and/or account. It further supports customisable configurations and workflows by discretionary manager, decreasing the need for investment managers to create and maintain multiple versions of the same model.

Discretionary managers receive alerts and can set up manual or automatic approvals, eliminating an extra step for investment professionals. Configurations to adjust cash allocations are also available.

According to Pershing, approximately 400 asset managers who deliver advisory investment solutions to Pershing clients are expected to have access to Manager Gateway by the end of Q4 2019.

A phased migration to the new model will begin in Q4 2019, with completion also expected by mid-year 2020.

Sarah Chain, director of global strategy and product management at Pershing, said:

A Canadian Asset Servicing Leader

With more than 1,300 professionals exclusively focused on servicing Canadian investors and global investors into Canada, CIBC Mellon can deliver on-the-ground execution, expertise and insights to help clients navigate the Canadian market. Leveraging the technology and scale of BNY Mellon, a global leader in investment servicing, and the local presence of CIBC, one of Canada's leading financial institutions, CIBC Mellon has the experience and the capabilities to help you succeed in Canada.

Canadian custody and sub-custody

Canadian correspondent banking[1]

Broker-dealer clearing
Securities lending[2]

Brokerage[1]

Investment fund services

MIS (Connect Workbench, STP scorecard, trade match report card)

Data analytics[2]

[1] Provided by CIBC
[2] Provided by BNY Mellon

Learn more, contact:
Shane Kuros at +1 905 755 7121
www.cibcmellon.com

©2019 CIBC Mellon. A BNY Mellon and CIBC Joint Venture Company.
CIBC Mellon is a licensed user of the CIBC trade-mark and certain BNY Mellon trade-marks, is the corporate brand of CIBC Mellon Trust Company and CIBC Mellon Global Securities Services Company and may be used as a generic term to reference either or both companies.

"Demand for model portfolios continues to rise, as advisors increasingly look to scale their business and focus on delivering added value to clients. Manager Gateway simplifies the client service experience so that model providers only need to enter models once before they're automatically routed to investment professionals."

GAEL picks PFS for fund admin

GAEL Fund Services, a newly established alternative fund administration service provider, has selected the Pacific Fund Systems' fund administration system, PFS-PAXUS, for its fund administration business operations.

PFS-PAXUS will provide GAEL's clients with complete back-office fund accounting, portfolio valuation, fund pricing and transfer agency services on a single, fully integrated system.

Pacific Fund Systems platform is used by administrators of both traditional and alternative funds, including hedge funds, private equity and real estate.

Clearstream reveals assets under custody increase

Clearstream monthly figures for September showed its assets under custody stood at approximately €14.2 billion, an increase of 3 percent compared with September's €13.8 million last year.

Volume outstanding stood at €445.8 billion compared to last year's €426.4 billion, marking a 5 percent increase. According to Clearstream, year-to-date figures for volume outstanding this year showed a 4 percent rise to €447.5 billion.

The figures also indicated monthly figures for September revealed an increase in global securities financing compared to the same period last year.

Euromoney Tradedata adopts the BT Radianz Cloud

Euromoney Tradedata has joined the BT Radianz Cloud to expand access to its services for financial services organisations globally.

IR_Stone/shutterstock

Archax partners with R3 for post-trade

Archax has selected R3's Corda Enterprise platform to reduce friction in its post-trade processes.

As part of the partnership, Archax will use a private version of Corda Enterprise within its own system to handle post-trade activities, on a distributed ledger system.

Archax provides an exchange for institutions and professional investors to trade in all types of digital securities globally.

Its application to operate a multilateral trading facility in London is currently being considered by the Financial Conduct Authority.

Graham Rodford, CEO of Archax, commented: "R3, with its Corda product, provides the final piece of the puzzle on which we can build a truly revolutionary post-trade solution. This partnership will deliver the blockchain efficiency gains for financial markets that are so often talked about, and we believe will be the first of its kind."

He added: "This partnership between R3 and Archax will enable us to revolutionise the current post-trade space, removing friction and streamlining activities to improve efficiency and reduce cost."

Cathy Minter, chief revenue officer at R3, said: "R3 made a conscious decision to leverage blockchain technology to solve real business problems in both complex and highly regulated markets. Representing assets as tokens on a blockchain platform is one of the most impactful applications of the technology and a key focus for R3."

Euromoney Tradedata is also increasing its range of market data services to include futures and options reference data. This will enable Euromoney Tradedata's customers to access their latest futures and options reference data services via the same Radianz connections they already use for other trading applications.

Through the BT network connection, members can access applications and services from more than 400 providers.

Mark Woolfenden, managing director of Euromoney Tradedata, said: "Euromoney Tradedata recognises the future of data consumption on demand will be prevalent within community networks, as part of a suite of delivery systems required to service all parts of the market that need futures and options reference data."

Michael Woodman, managing director at Radianz, BT, added: "The success of financial institutions is increasingly tied to their ability to access data in a timely, secure, reliable and compliant manner. By accessing Euromoney Tradedata over the Radianz Cloud, institutions can help ensure they have the right data at the right time to make faster, better-informed decisions across their trading operations globally."

Huatai Financial picks BNP Paribas for custody services

Huatai Financial Holdings has selected BNP Paribas Securities Services to provide its clearing, settlement and custody services.

BNP Paribas Securities Services will support Huatai Financial's activity as a direct London Stock Exchange (LSE) member and will help Huatai Financial access international markets.

In June, Huatai Securities raised $1.69 billion through the sale of global depository receipts in London on the Shanghai segment of the LSE.

Philippe Kerdoncuff, head of BNP Paribas Securities Services, China, said: "We are delighted to support Huatai Securities and its subsidiaries in further strengthening its international business platform. It is another example of where BNP Paribas has been able to support an innovative client and its cross border ambitions."

A spokesman for Huatai Financial, commented: "We selected BNP Paribas for its understanding and capability to support our international growth strategy. BNP Paribas' expertise in both Shanghai and London, its relationships with the respective exchanges and understanding of the cross-border connect scheme, played a major part in our decision to partner with it. We are pleased to partner with one of the leading global custodians to support our international growth strategy."

FCA warns firms to take 'reasonable steps' for post-Brexit reg reporting

Firms should take reasonable steps to be prepared to comply with post-Brexit second Markets in Financial Instruments Directive

BOV Fund Services Limited, Malta's market leader in fund administration, offers an attractive package of corporate services as part of its comprehensive suite of fund administration services.

Our corporate services cover both the turnkey fund formation services, as well as support services ranging from the registered office service, to the role of Company Secretary to the Board of the SICAVs. Your fund's corporate governance obligations are entrusted to our dedicated team that ensures the industry's best practices are adhered to consistently. BOV Fund Services also provides technology-based electronic board room facilities, further strengthening the company's commitment to meet our client's high expectations.

+356 2122 7148
www.bovfundservices.com
infobovfs@bov.com

BOV Fund Services Limited is recognised to provide fund administration services and licensed to provide company services by the Malta Financial Services Authority.

(MiFID II) transaction reporting and European Market Infrastructure Regulation (EMIR) trade reporting requirements, according to the Financial Conduct Authority (FCA).

The authority said it is aware that leaving the EU during the working week could pose operational challenges for firms and it will take a proportionate and pragmatic approach to supervise reporting around exit day.

On MiFID II transaction reporting, the FCA warned firms (that are not able to comply fully with the regime at the time of the UK's withdrawal from the EU) will need to be able to back-report missing, incomplete or inaccurate transactions.

On EMIR reporting, FCA-registered trade repositories should be ready to receive reports from UK reporting counterparties and be in a position to share these with UK authorities.

FCA-registered trade repositories must ensure the migration of outstanding trades and historic EMIR data, and that the details of any trades newly concluded, terminated or modified by the UK reporting counterparties on 1, 2, and 3 November 2019, are embedded in their systems, available for UK authorities by 4 November 2019.

The FCA also indicated that if the UK leaves the EU without a deal, passporting will end.

It said: "Any Economic European Area passporting firm wishing to continue operating in the UK will need to notify the FCA by 30 October that they wish to enter the Temporary Permissions Regime."

Fund managers have until 16 October 2019 to inform the FCA if they want to make changes to their existing notification.

Nausicaa Delfas, executive director for international at the FCA, said: "The FCA has been preparing to ensure UK financial services are well placed if the UK leaves without a deal. We have set out steps certain firms need to take—it is important that firms are as prepared as possible if there is a no-deal exit, and that they are aware of what they need to do."

Gordon_Bell/shutterstock

Assets under custody for Australian investors sees significant jump

Total assets under custody for Australian investors jumped by 4.2 percent for the first six months of 2019 to AUD $3.7 trillion, according to the Australian Custodial Services Association (ACSA). The results were included in the ACSA's new asset servicing industry statistics for the six months ending 30 June 2019.

Robert Brown, ACSA chief executive, said: "Assets held in Australia for foreign investors (sub-custody) increased by 10.6 percent to AUD $1.6 trillion at the end of June 2019, also reversing the decline in value evidenced in the prior period."

He added: "Looking forward to ACSA, the finalisation of our managed funds improvement programme, continued advocacy for efficient implementation of regulatory change and engagement on ASX's Clearing House Electronic Subregister System replacement project remain key priorities for the sector."

Our asset services are first rate and second to none. Perfect for third party funds.

Asset Management
Wealth Management
Asset Services

Geneva Lausanne Zurich Basel Luxembourg London
Amsterdam Brussels Paris Stuttgart Frankfurt Munich
Madrid Barcelona Turin Milan Verona Rome Tel Aviv Dubai
Nassau Montreal Hong Kong Singapore Taipei Osaka Tokyo
assetservices.pictet

Building Responsible Partnerships

WhyFrame_Bell/shutterstock

Gemini and BSO collaborate on crypto exchange connectivity

Ethernet network BSO has given Gemini, a cryptocurrency exchange and custodian, access to its crypto connectivity solutions.

Gemini will have access to BSO's global Crypto Connect network that provides specialist solutions for institutional clients.

The BSO Crypto Connect solution enables public cloud and private infrastructures inter-connectivity worldwide.

Jeanine Hightower-Sellitto, managing director of operations at Gemini, said: "Gemini is a crypto-native company working to mature the crypto trading space. We are very pleased to be working with BSO to provide direct access to a wider range of market participants; including investment firms who require traditional data centre cross connectivity capabilities."

Michael Ourabah, CEO of BSO, commented: "We are delighted to be working with Gemini to deliver institutional quality connectivity and service to support the growth of the cryptocurrency community."

He added: "Crypto Connect supports both new entrants as they scale to institutional corporate structure and institutions who want to enter the crypto market with the same latency and service levels they have come to expect from BSO."

MUFG acquires Maitland's hedge fund admin business

MUFG Investor Services, the global asset servicing arm of Mitsubishi UFJ Financial Group (MUFG), has acquired select divisions of the fund administration business of Maitland.

Maitland employees will join MUFG Investor Services offices in the Cayman Islands, Halifax, and Dublin. When completed, the acquisition will add approximately $20 billion in assets under administration to MUFG Investor Services.

John Sergides, CEO of MUFG Investor Services, said: "We were impressed with the work Maitland delivers and the superior level of service they provide to clients, qualities we hold to high regard as well. By adding Maitland's capabilities and technology, we are able to reaffirm our commitment to the alternative asset servicing space and ensure our clients continue to receive the best possible support."

Scott Price, head of private equity and hedge fund services at Maitland, commented: "For nearly 30 years, we have offered independent third-party fund administration services across a wide range of fund types, strategies and investment styles, operating at the highest technological and governance levels with a highly recognised client service model."

He added: "The partnership and integration with MUFG Investor Services will afford an even larger platform to offer the strongest capabilities to our clients."

Cloud computing most important technology for treasurers

Some 44 percent of respondents to the latest Economist Intelligence Unit (EIU) survey predicted that cloud computing will be the most important technology for treasurers over the next five years.

Cloud computing was followed by big data analytics (42 percent) and artificial intelligence (37 percent).

The EIU's report, supported by Deutsche Bank, is based on a survey of 300 senior corporate treasury executives from around the world,

The leading supplier *of* global fund administration software *for* alternative *and* traditional funds

Our software solution automates and simplifies the work processes of fund administrators by replacing multiple legacy systems with **PFS-PAXUS** an **innovative**, **intuitive**, **fully-integrated functionally rich solution** that sets a new industry standard, with customer web access built into its core **PFS-CONNECT**.

PFS-PAXUS is a specialist accounting and fund administration system that is the product of choice for administrators of both alternative and traditional funds across the globe. With an extensive range of functionality, combined with advanced reporting abilities and comprehensive regulatory coverage, **PFS-PAXUS** is a proven global technology solution for the fund administration industry that enables clients to automate all Fund Accounting, Investment Accounting and Share Registry administration components on a single, fully integrated platform.

PFS-PAXUS provides leading fund administrators with the technical and servicing competencies to **keep customers satisfied today and into the future**

• Market Leader • Complete Fund Administration Solution • Comprehensive, Scalable and Flexible solutions • $600+bn AuA • 80+ clients operating in 30+ countries • Quick and simple implementation and data onboarding • Exemplary support

To learn more about the next generation of fund administration software call **+44 (0) 1624 632777** or email **information@pacificfundsystems.com**

www.pacificfundsystems.com

identifying what a data-driven treasury means and key considerations when developing a data strategy.

The report also found that despite the attention it attracts, robotic process automation was cited by only 9 percent of respondents as important. As part of the survey, treasurers said it facilitates automation more than data analysis.

In addition, treasurers said the primary benefits to becoming more data-driven are higher operational efficiency (39 percent) and improved return on investments/assets (36 percent).

The report also found that data intelligence was seen as a tool that could help treasurers to navigate regulations, such as the General Data Protection Regulation.

However, four in 10 treasurers expressed significant concerns about the quality of data they are working with.

Ole Matthiessen, global head of cash management at Deutsche Bank, said: "Treasury management systems deployed in the cloud offer a host of benefits, including a wider and more dynamic view of financial positions, automatic access to the latest analytical tools and an ability to more easily collaborate with stakeholders, reducing the need for data collection and input by treasury."

He added: "It has taken some time for risk-averse treasurers to accept the security and robustness of cloud-based solutions, but we are now witnessing a change in mindset."

"Simply 'owning' data is not enough; digital transformation is required in order to extract, aggregate, and analyse good quality data. The journey towards an efficient data-driven treasury takes time and our survey can help treasurers to identify how far along they are and what steps they need to take next."

Standard Chartered fixed income brokerage set for 'greater growth'

Standard Chartered's new fixed income prime brokerage offering, connected to its own custody and repo financing capabilities, has proven popular with hedge funds, according to Andy Sterry, co-head of prime services at Standard Chartered.

Sterry said the number of customers using the service has doubled so far this year and the aim is to repeat that growth in 2020.

Commenting on the growth, Sterry explained: "Essentially, we're now able to offer a custody service with a financing facility on top. This means that clients can leverage our custody network, access segregated traders, utilise pre-agreed financing terms and benefit from a client solutions team to manage settlement processes."

He added: "Fixed income prime brokerage is the natural next step for the prime business and one which complements our existing prime services products as well as the bank's commercial, corporate and institutional banking franchises."

Standard Chartered initially entered the prime space in 2014, focusing on servicing over-the-counter clearing demand, with foreign exchange and rates products added soon after.

The fixed income prime platform was launched in 2018 with a selection of buy-side clients.

James Barten, head of the new fixed income prime brokerage unit, described the product as "a partnership between Standard Chartered's prime services and securities services unit".

Barten said Standard Chartered's clients are "finding the idea of having a custody account linked in with a prime services account appealing, particularly due to the ease of switching assets between long custody and financing in an automated fashion".

He commented: "On the custody side, the fixed income prime product is plugged into all our four custody hubs—Hong Kong, Singapore, Dubai and Mauritius. We can replicate all of Standard Chartered's offshore financing capabilities offered by the repo desk under fixed income prime brokerage. This combined approach means we can offer clients line by line financing down the credit curve, commercial haircuts, as well as broad access to collateral supply across the fixed income asset spectrum."

Opus acquires AFA fund admin unit

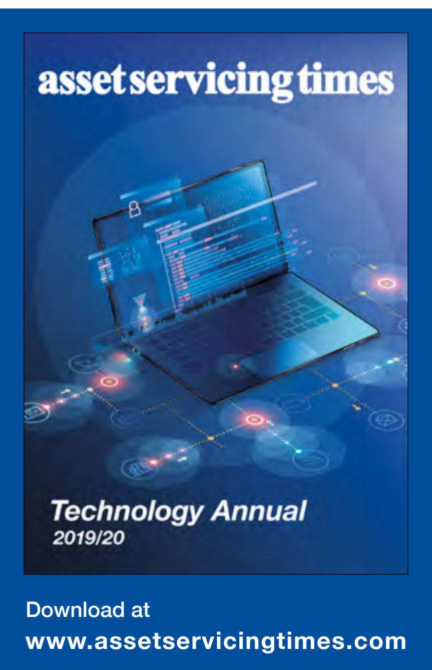
Opus Fund Services has acquired the fund administration unit of Advanced Fund Administration (AFA).

Peter Young, president, COO and founder of AFA, and his team, will work together with Opus as consultants in conjunction with this acquisition.

AFA, which has offices in the Cayman Islands and New Jersey, provides business to its hedge fund clients consisting of legal, advisory and compliance services.

Commenting on the acquisition, Young said: "Working with the Opus platform will greatly benefit our administration clients who will enjoy the expanded institutional quality service, together with the greater resources Opus can provide. We are very happy with this transaction and are confident that the clients will be too. This will also allow AFA to focus on our remaining lines of business."

Robin Bedford, CEO of Opus Fund Services, said: "This is the result of many months of hard work by both parties. We are excited to have the opportunity to work with the AFA client base as they become part of the award-winning Opus proprietary platform."



Download at
www.assetservicingtimes.com

WE KEEP A WATCHFUL EYE ON WHAT MATTERS TO YOU
With our years of experience and track record in custody services, it is second nature to us to provide top class safekeeping and administration services while leading change in the Nigerian financial market.
For more information, contact Segun Sanni.
email: segun.sanni@stanbicibtc.com or
visit www.stanbicibtcbankcom
www.facebook.com/stanbicibtc
@stanbicibtc
Stanbic IBTC Bank
A member of Standard Bank Group
Moving Forward™
Moving Forward is a trademark of The Standard Bank of South Africa Limited.
Stanbic IBTC Bank PLC RC 125097

A different view from the top

This year's R&M Fund Accounting and Administration Survey shows changes in the top positions

Becky Bellamy reports

Unlike previous years, the 2019 R&M Fund Accounting and Administration Survey showed changes throughout. Survey respondents answered 38 questions rating their service providers out of seven, with one being 'unacceptable' and seven being 'excellent', considering each firm's communication, approach and flexibility, quality of personnel, value for money, core fund and accounting administration and accounting and valuation, before delivering an overall score.

This year's results showed HSBC Securities Services knock RBC Investor & Treasury Services (RBC I&TS) off the top, with an overall score of 6.25, compared to its 5.87 score last year.

One respondent explained that HSBC's overall quality of the fund accounting and administration process "has continued to improve over the past several years". The respondent added: "HSBC has been our record keeper and custodian for 10 years and the quality of the service we receive has improved as time goes by."

Another client suggested that "timeliness was a particularly strong point".

State Street maintained its second-place position with "a great all-round performance", according to one client. Its overall score totalled 6.18, a 0.07 jump from last year's result.

Northern Trust recorded a significant—the greatest—increase, jumping to third from sixth place last year. One respondent from the Channel Islands said: "The relationship [with Northern Trust] has always been very good, yet the last 12 months has seen an increase in pro-activity and a desire on the part of Northern Trust to deepen the relationship outside of just formal meetings, board meetings etc. This has been very welcome and much appreciated."

RBC I&TS slipped into fourth place, dropping 0.36 from last year's score. Commenting on its experience with RBC I&TS, a London-based client said: "The fund accounting system has improved but still not industry standard."

Overall

Overall Score	2019	2018	Change 18/19
1 HSBC Securities Services (3)	6.25	5.87	0.38
2 State Street (2)	6.18	6.11	0.07
3 Northern Trust (6)	6.04	5.49	0.55
4 RBC I&TS (1)	5.99	6.35	-0.36
5 BNP Paribas (5)	5.73	5.62	0.11
6 Societe Generale SS (4)	5.37	5.75	-0.38
7 JP Morgan (8)	5.33	5.36	-0.03
Overall Average	5.96	5.82	0.14

ImageFlow/shutterstock

Initial Margin Threshold Monitoring

CALCULATE, MONITOR, PREPARE

With one simple trade file calculate your IM exposure and get the transparency you need to effectively monitor your IM thresholds.

www.trioptima.com/threshold-monitoring

All information contained herein ("Information") is for informational purposes only, is confidential and is the intellectual property of CME Group Inc and/or one of its group companies ("CME"). The Information is directed to Equivalent Counterparties and Professional Clients only and is not intended for Non-Professional Clients (as defined in the Swedish Securities Market Law (lag (2007:528) om vc:irdepappersmarknaden)) or equivalent in a relevant jurisdiction. This Information is not, and should not be construed as, an offer or solicitation to sell or buy any product, investment, security or any other financial instrument or to participate in any particular trading strategy. The Information is not to be relied upon and is not warranted, either expressly or by implication, as to completeness, timeliness, accuracy, merchantability or fitness for any particular purpose. All representations and warranties are expressly disclaimed. Access to the Information by anyone other than the intended recipient is unauthorized and any disclosure, copying or redistribution is prohibited without CME's prior written approval. If you receive this information in error, please immediately delete all copies of it and notify the sender. In no circumstances will CME be liable for any indirect or direct loss, or consequential loss or damages including without limitation, loss of business or profits arising from the use of, any inability to use, or any inaccuracy in the Information. CME and the CME logo are trademarks of the CME Group. TriOptima AB is regulated by the Swedish Financial Supervisory Authority for the reception and transmission of orders in relation to one or more financial instruments. TriOptima AB is registered with the US National Futures Association as an introducing broker. For further regulatory information, please see www.nex.com and www.cmegroup.com

The UK

In the UK, State Street retained first place with an increase in score to keep them ahead of HSBC, who saw a 0.57 increase from last year's score.

UK

UK	2019	2018	Change 18/19
1 State Street (1)	6.39	6.11	0.28
2 HSBC Securities Services (2)	6.24	5.67	0.57
3 BNP Paribas (3)	5.73	5.62	0.11
4 Northern Trust (4)	5.97	5.48	0.49
5 JP Morgan (6)	5.10	5.07	0.03
Overall Average	5.96	5.63	0.33

One UK-based manager said: "State Street always meet deadlines for delivery and give great assistance across the fund accounting they provide to us."

All UK providers saw their scores increase pushing the average up by 0.33.

However, J.P. Morgan received the smallest increase of 0.03, with one respondent commenting: "We have had some experience of slow responses and resolution of errors."

BNP Paribas and Northern Trust kept their places at third and fourth, respectively.

Commenting on BNP Paribas, one manager stated: "All teams are highly responsive and helpful and go out of their way to deliver or resolve problems, working late if needed and responding outside usual office hours."

Meanwhile, a client of Northern Trust noted: "Relationship managers are always on hand to make sure that things go smoothly and will take forward any queries on your behalf. They always make sure that if they have planned leave that whoever is covering is fully briefed as to any current issues."

Competence is our global language – through comprehensive **fund solutions**.

You have an eye out for innovative investment fund solutions.
VP Fund Solutions offers a panoply of services relating to private label funds and opens up new perspectives. As your reliable, far-sighted fund partner.

VP Fund Solutions (Luxembourg) SA · 2, rue Edward Steichen · L-2540 Luxembourg
T +352 404 770-297 · fundclients-lux@vpbank.com · www.vpfundsolutions.com
VP Fund Solutions is a subsidiary of VP Bank and is based in Luxembourg and Vaduz.

ImageFlow/shutterstock

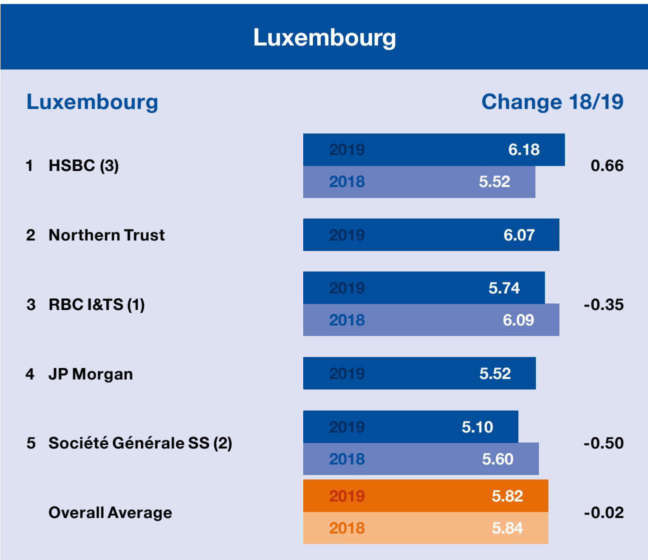
Luxembourg

In Luxembourg, HSBC gained where all the others lost ground, jumping from third to first.

Northern Trust, receiving enough Luxembourg responses to qualify this year, performed strongly and gained second place scoring 6.07.

RBC I&TS dropped to third, while J.P. Morgan took the fourth spot.

After coming in second place last year, Societe Generale saw a decline of 0.50 this year, sliding into fifth place. One client said: "There is a necessity to improve coordination among locations especially on projects management."



Luxembourg

Luxembourg	2019	2018	Change 18/19
1 HSBC (3)	6.18	5.52	0.66
2 Northern Trust	6.07		
3 RBC I&TS (1)	5.74	6.09	-0.35
4 JP Morgan	5.52		
5 Société Générale SS (2)	5.10	5.60	-0.50
Overall Average	5.82	5.84	-0.02

Ireland

In Ireland, although HSBC's score dropped by 0.20 it still managed to knock RBC I&TS off the top spot. RBC I&TS saw the biggest drop of 0.48, taking its score to 6.22.

Commenting on RBC I&TS, one respondent said: "Reliant on third parties for regulatory reporting, they need to ensure they retain responsibility, and could also be more pro-active in identifying solutions to meet new regulatory requirements."

However, others suggested: "High-quality staff offset shortcomings in systems," while another said: "This is where RBC always shines—the best people in the industry in Ireland."

The third bank to qualify was Northern Trust scoring 5.88. Commenting on Northern Trust, one manager said: "Overall a very good service is provided. Service provided is flexible to meet our requirements. A good relationship with all areas."

Ireland

Ireland	2019	2018	Change 18/19
1 HSBC Securities Services (2)	6.33	6.53	-0.20
2 RBC I&TS (1)	6.22	6.70	-0.48
3 Northern Trust (3)	5.88	5.82	0.06
Overall Average	6.14	6.35	-0.21

The survey was conducted between June and August 2019. 95 fund managers responded on a total of eight service providers. Respondents came from the UK, the US, Canada, Ireland, mainland Europe (France, Spain, Switzerland, The Netherlands, Germany, Luxembourg, Italy, Finland), Saudi Arabia, Australia, South Korea.

DELIVERING THE WORLD TO OUR CLIENTS

Luxembourg is an essential location for Alter Domus.
After 15 years of specializing in alternatives and focusing on our clients, we're proud to be one of the country's largest fund administrators.

With offices in 20 countries around the world, we can also support your international growth ambitions. Our network of 2,200 employees globally and 800 in Luxembourg apply their knowledge and expertise daily to keep you focused on your core activities.

As many top asset managers, lenders and family offices around the world have done, discover how we could be your ideal partner for growth.

15 Boulevard F.W. Raiffeisen
L-2411 Luxembourg
BP 2501, L-1025 Luxembourg
+352 48 18 28 1

www.alterDomus.com

A fast track alternative

Rebecca Xuereb of BOV Fund Services provides an insight into the Notified Alternative Investment Fund

Choosing a fund domicile is a key strategic decision for fund managers and promoters worldwide wishing to set up a fund. However, such a decision is no easy task, in fact, it can be considered as one of the greatest initial challenges facing industry players. There is no one single factor underpinning the choice of domicile, but rather a variety of features that when put together create the right environment, even though legal framework, cost efficiency and time-to-market considerations often emerge as key influences of the decision.

In fact, time-to-market considerations; the speed with which one is able to go from fund conception to effectively launching, is key within the fund industry, especially when one may have a particular idea for a specific strategy which they wish to develop, or perhaps one may have investors already lined up to invest. Thus, timing is an imperative consideration which can sometimes be lengthened due to regulatory processes; within the alternative space, obtaining the respective regulator's authorisation for a full-scope alternative investment fund (AIF) can take months. There are, however, solutions that reduce the time-to-market and enable the product to come onto the market within a maximum of two weeks, therefore much faster, while still benefitting from the EU passport. This is the solution of the Notified AIF.

What is a Notified AIF?

A Notified Alternative Investment Fund is a regime introduced in Malta by the local regulator, the Malta Financial Services Authority (MFSA), in 2016, providing a fast-track solution to set up an AIF in the EU. The Notified AIF regime is rather distinct from other current regimes that are in place since this only requires a mere notification to the MFSA, rather than a fully-fledged authorisation process, which process generally takes a minimum number of months. The Notified AIF regime is much more efficient as the regulator only need to be notified two weeks before launch. Once a complete notification pack is submitted, the MFSA will, within a maximum of 10 days, include the fund in the list of Notified AIFs, at which point the fund can be up and running and begin its offering to prospective investors.

What are the benefits of a Notified AIF?

The principal benefit of the Notified AIF is, of course, the quick time-to-market with a maximum 10-day timeline, however, although a major advantage, timing is not the only positive consideration of this fund type.

One of the requirements for Notified AIFs is that the notification is submitted by a full-scope alternative investment fund manager (AIFM) within the EU. This renders the Notified AIF regime fully-compliant with the AIFM Directive (AIFMD), making it passportable across the EU, thereby gaining access for promotion throughout the whole European market.

Despite the quick time-to-market, from an investor perspective, the Notified AIF is a fully-harmonised product and therefore all the necessary disclosures insofar as dealing with investors and the concept of marketing, are regulated within the context of the AIFMD.

The Notified AIF offers a reduced time-to-market, access to the EU and a fully-harmonised product. These are the main features rendering the fund type attractive to EU managers, and which have contributed to the increased popularity of the regime.

Furthermore, the Notified AIF regime was recently updated to be able to host most alternative strategies including private equity and real estate, offering further flexibility.

What type of investors qualify to invest in a Notified AIF?

Notified AIFs may accept subscriptions from qualifying investors and/or professional clients as defined in the Markets in Financial Instruments Directive (MiFID). It is important, however, to make a distinction between the persons/entities eligible to invest in the fund and those to which the fund may be promoted.

While subscriptions may be accepted from both investors falling under the definition of qualifying investors or professional clients, the promotion and passporting of the fund, on the other hand, is only possible for professional clients.

How does it all work?

The EU-based AIFM submits a full and complete notification request to the MFSA, from which point the regulator is committed to including the Notified AIF in the list of Notified AIFs within a maximum of 10 days. Once the fund is included in said list, it can effectively be launched and benefit from the EU passport under AIFMD.

As far as the regulator is concerned, the MFSA does not undertake any due diligence on the persons connected to the structure. The Notified AIF is essentially an unlicensed product of the AIFM and is not subject to ongoing supervision by the regulator. Rather, the MFSA places full reliance on the AIFM to conduct the due diligence as well as to ensure the necessary appointments such as the depositary.

Notified AIFs - Malta's fast track solution for Alternative Investment Funds

MFSA

AIFM

- Submits notification request to MFSA with full pack of documation
- Responsible for due diligence
- Responsible for all appontments of the Fund (e.g. Depositary, Fund Administrator etc.)

- Includes AIF in the List of Notified AIFs within 10 working days from the date of filing of a duly completed notification pack
- Places full reliance on AIFM

NAIF

Investors

Assets

- Unlicensed product of the AIFM
- Not subject to ongoing supervision by MFSA

Why Malta?

The Notified AIF is unique to Malta and is only one of the innovative fund types available on the island. There are various reasons as to why Malta is increasingly featuring as the alternative European fund domicile of choice including, among others, the strategic geographic location of the island, which has multiple positive ramifications on various business aspects, the economic stability of the jurisdiction, and the cost efficiencies available throughout the local industry.

Malta also boasts a highly developed and operational service framework, as well as a highly-skilled and competent workforce. These, along with other positive key considerations enable Malta to tick all the boxes as an alternative European fund domicile of choice. With no less than 600 investment funds currently based on the island, Malta has firmly established itself as the ideal alternative an ideal EU fund domicile, particularly with the innovative solutions available in the alternative space.

Within this context, BOV Fund Services, Malta's leading fund administrator and a fully-owned subsidiary of the country's largest banking group, Bank of Valletta, is well-positioned to provide its suite of services to fund managers seeking to set up and/or redomicile their funds or fund management companies in/to Malta.

With no less than 600 investment funds currently based on the island, Malta has firmly established itself as the ideal alternative an ideal EU fund domicile

Rebecca Xuereb
Manager, business development
BOV Fund Services

Waiting for talk to turn to action

Dominic Wheatley of Guernsey Finance attended the recent BVCA Summit and reflects on the interest of the private equity industry in green finance—and the pace of change

Over the past five years more money has been raised, invested and distributed back to investors through private equity than in any other period in the history of the industry.

Total fundraising in 2018 was more than £34 billion, as nearly 100 funds raised new capital, deal values increased, and the industry benefited from unprecedented investor interest. More than £30 billion was invested—a rise of 21 percent—across more than 1,300 companies.

A new report, co-authored by the British Business Bank, says that defined contribution pension savers should be encouraged to invest into alternative assets, including venture capital and growth equity funds, for the opportunity for enhanced returns. They estimate that an appropriate asset allocation to private equity (PE) within such funds could lower the typical required funding level for a 22-year-old pension saver from 9.7 percent to 7.2 percent of earnings. Over a career, this is certainly a saving worth having.

The report also highlighted a Guernsey investment company with pension fund investors which has a strategy to invest directly into pre-IPO portfolio companies.

In Guernsey, a leading centre for private equity funds, private equity assets under administration now accounts for more than £112 billion, that is 40 percent of the entire Guernsey funds market, and 60 percent of the Guernsey closed-ended sector. Another trend being evidenced in the sector is increased interest in green, sustainable and environmental, social and corporate governance (ESG)—a discussion which dominated the annual BVCA Summit in London.

The topic is not particularly new, but it is a subject certainly engaging private equity managers and their advisers at this time.

Some of the leading figures in the industry—many of whom use Guernsey for structuring their funds—told the BVCA of the role which ESG now plays in their businesses.

The majority say now that every investment they look at is subject to some level of ESG analysis, both for the purposes of risk mitigation and also the business opportunities which might lie within. ESG, they said, is a lever for "good" impact, but also, crucially, for the bottom line.

It is now argued that managers can achieve better returns. If they take ESG really seriously, they can build better businesses, more longevity and better profits.

It appears that the opportunity for the private equity sector is the speed with which good ESG governance principles can be more rapidly adopted across the portfolio and the influence which PE ownership can bring to bear on underlying managers.

The driver for taking up of ESG is coming both from inside and outside the PE structures. Institutional investors are starting to focus on responsible investing, while the new generations in the workplace are feeling much more engaged on this topic.

"We're seeing increasing expectations from stakeholders about transparency and accountability, which is part of the drivers for action," said one manager. "There's a long way to go with ESG but it will become part and parcel about how everyone thinks about investment."

Guernsey-based managers and service providers for the PE sector said that while ESG is a big talking point at present, moving towards green and sustainable finance should be the next step.

Pixelci/shutterstock

"Managers want to 'have it all'," said one, "good governance, sustainability and long-term performance. But changing investor patterns and consumer habits are significantly shifting the focus. Green is a real talking point and we believe it is investors who are driving that change."

The evidence of conversations around the BVCA Summit also reflects research recently carried out by Guernsey Finance into enthusiasm for green and sustainable investment from the family office and private capital sectors.

That research indicated that while the enthusiasm for green and sustainable investment is rising, the reality is that there is still clearly insufficient capital finding its way into climate change mitigation projects and the commitment to green and sustainable finance is partial at best.

Greater confidence in returns and greater confidence in the "greenness" of the underlying investment are still both required to catalyse a potential modal shift in the deployment of private capital to climate finance. This is likely to be replicated among the 22-year-old pension savers featured in the British Business Bank report.

Gen Z savers and consumers place a very high premium on ESG, as was highlighted by speakers at the summit. Despite the populist rhetoric—be it saving the planet, the ice caps or polar bears—our evidence shows that when it comes to investment, the number one concern for HNWI and their advisers is preservation and growth of capital. I am sure this is also a concern of Generation Z, but perhaps not their number one.

Guernsey is, however, well-positioned to deliver on this surge of interest in green and sustainable investment in private equity funds. Our experience and expertise in both means that Guernsey will be a natural home for those looking for the enhanced returns of private equity, focused on green and sustainable objectives.

"While the enthusiasm for green and sustainable investment is rising, the reality is that there is still clearly insufficient capital finding its way into climate change mitigation projects"

Dominic Wheatley
CEO
Guernsey Finance

An AIFMD World

Maximilien Dambax and Antonis Anastasiou of Alter Domus discuss how alternative investment funds are being structured and the challenges in operating a global fund platform in an AIFMD world that is about to see significant changes

To support large capital-raising exercises involving a wide range of institutional investors, US managers are increasingly establishing global fund platforms either through parallel fund structures or with feeder fund structures that may include US, offshore and European sleeves.

European sleeves and parallel funds are often designed to be compliant with the EU's Alternative Investment Fund Managers Directive (AIFMD), frequently in association with a combination of Delaware and Cayman vehicles to complement the fund platform.

These structures cover a diverse range of institutional investors by catering to their particular legal, tax and operational requirements.

What options are available for attracting European institutional investors?

The alternative fund distribution and marketing landscape has changed dramatically in recent years, particularly in Europe with the implementation of the AIFMD in 2013, and further evolution lies ahead in the form of EU legislation amending the alternative fund framework. The AIFMD seeks to regulate the management of Alternative Investment Funds (AIFs), with alternative investment fund managers (AIFMs) required to meet key conditions regarding authorisation, general business conduct and marketing of the fund.

Accessing the European investor community is typically done via one of two marketing routes: national private placement regimes (NPPR) in certain jurisdictions where they are still in place, and the AIFMD compliant route. With NPPRs the manager must register with each national regulator to offer its funds in that market, but each market entails different levels of complexity, access to and availability of the regulator, as well as costs.

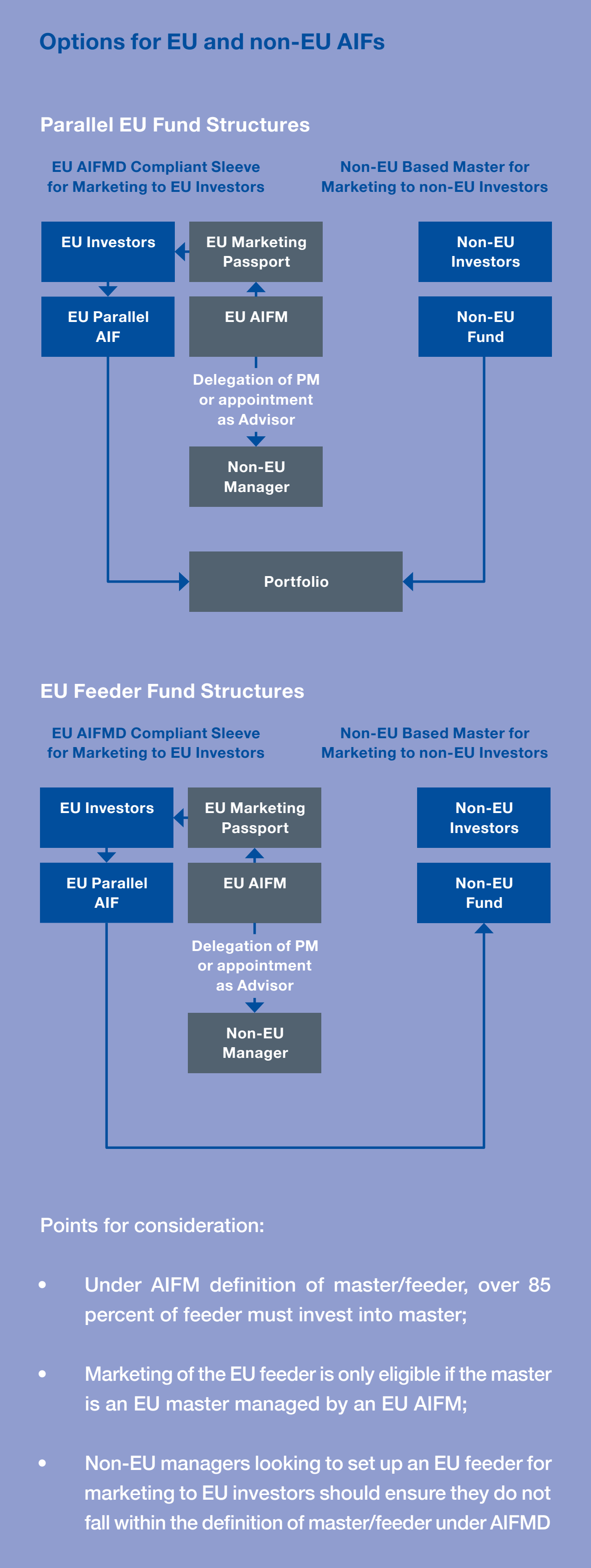
AIFMD—by adhering to a single set of rules—enables alternative asset managers to passport their fund to all countries within the European Economic Area. It is also ideal if seeking access to institutional investors such as insurance companies that are often required to invest through fully AIFMD-compliant vehicles or fund structures.

How are alternative funds marketed to EU investors?

AIFMD-compliant alternative investment funds are marketed within the EU via the single market passport. A manager that is an authorised AIFM or has appointed a third-party AIFM can market its AIF in all EU states using a simpler regulator-to-regulator notification mechanism. In July, legislation was finalised covering the pre-marketing of alternative investment funds within the European Economic Area, which is widely used by non-EU managers to exchange information about AIFs with investors. The new rules introduce a notification requirement for pre-marketing to professional investors in the EU and will have implications for reverse solicitation.

EU AIFMs that have taken advantage of pre-marketing will no longer be able to accept investments from any institutional investors through reverse solicitation for 18 months from the start of pre-marketing activity, and no investors contacted during the pre-marketing phase can invest via reverse solicitation. Instead, they can only invest once the AIF is authorised for marketing in the relevant EU member state under the full AIFMD requirements. The legislation came into force in August and the new rules will be fully enforced from August 2021.

Under the new regime, only investment firms, banks, UCITS management companies or AIFMs will be authorised to conduct pre-marketing and marketing activities. This provision underlines the need for the appointment of an EU-domiciled AIFM for alternative investment funds raising capital within the EU by a non-EU based manager.



Are there any special considerations regarding global fund structures?

When setting up and operating a global fund platform, either involving a parallel fund or a feeder format, various operational factors should be considered.

Income and expenses: The deduction of costs cannot be conducted pro-rata from the overall structure, as AIFMD-related costs should be borne solely by the EU vehicle. The same is true for currency variants and hedging strategies through feeders or special purpose vehicles, as foreign exchange and hedging costs are attributed to and impact only the entities and investments they relate to.

Rebalancing: Rebalancing mechanisms may be required to rebalance pools of assets across the different funds, due to varying progress of fundraising, operational constraints or capital availability. External bridge financing is one way to remedy this, but it entails additional direct costs. Master-feeder structures do not require a balancing mechanism for holdings, but they involve analytics requirements and capabilities to extract investment performance on an investment-by-investment basis.

Portfolio and risk management: The core functions of an AIFM are portfolio management and risk management of the AIF. One of these activities, but not both, can be delegated to a third-party AIFM if the delegate is an authorised and regulated asset manager in their country where they are established, and if a memorandum of understanding is in place between the domicile country of the AIF and that of the asset manager.

Control: Where the manager of the vehicle is not considered a regulated asset manager in their country of domicile, the AIFM retains the role of the portfolio manager and, in theory, has full control of investment in and divestment of assets by the AIF.

Solid procedures should be followed in the onboarding phase to provide the necessary assurance to the asset manager that there should be no concern regarding the approval of the assets they recommend.

What pitfalls or challenges may arise in implementing and running a global platform?

While these structures offer flexibility for both investors and managers, they require a great deal more coordination and collaboration between the parts of the fund structure or parallel vehicles. This makes a vertically integrated approach across structures from fund to asset-level critical.

Partnering with a fund administrator with management company capabilities helps ensure that compliance, internal controls, regulator and investor reporting and performance evaluation are streamlined across the board.

Vertical integration also simplifies the generation of data required for investment and risk management. End-users often require access to more than just live portfolio data and may expect data and analytics at the fund, intermediate holding and portfolio company levels.

This is best achieved through interactive portals that provide access to all pertinent data through drill-down and slice-and-dice functionality.

When conducting fundraising rounds, asset managers must identify robust partners that can provide a full suite of services across multiple jurisdictions with a high level of expertise along with specialist local insight. Running an EU parallel fund or an EU-specific entity represents an additional cost for the US and other non-EU asset managers, and the efforts undertaken by some groups to develop these capabilities in-house or use multiple service providers to lower costs are often unsuccessful—managing multiple service providers across various jurisdictions can add to asset managers' administrative burdens.

Selecting a single provider that can not only service AIFs and special purpose vehicles in all jurisdictions required but deliver management company services with interactive access to the structure's data leaves asset managers better equipped to manage complex inter-connected fund structures—and frees them to focus on fundraising and investment strategy for their EU institutional investor base.

Maximilien Dambax
Head of fund services North America
Alter Domus

Antonis Anastasiou
Managing director
Alter Domus Management Company

Your independent
Management Company
in Luxembourg and Ireland
MDO
the management company
AIFM Services
/ Risk management
/ Portfolio management
/ Valuation
/ Investment compliance
/ Marketing notifications
/ Reporting
UCITS Management Company Services
/ Risk management
/ Investment compliance
/ KIIDs
/ Fund registration
/ Reporting
mdo-manco.com
h2a.lu

A Canadian innovation

Ronald Landry of CIBC Mellon discusses Canada's innovation in lower-cost investment fund distribution

Canada is known globally for many things, including its stable financial services sector, wealth of natural resources, highly-educated and skilled workforce, and status as one of the few remaining triple-A rated nations.

Canada is also a hotbed of innovation—not only in the technology space, where it continues to attract global talent but also in the area of financial services. Canada was, in fact, the birthplace of the global exchange-traded fund (ETF) industry, with the world's first ETF created in Canada in 1990—three years before the US followed suit.

The Canadian market is driving forward with another innovation: platform traded funds or PTFs. PTFs are another Canadian first: a fund distribution channel that trades at end-of-day net asset values, simplifying fund transaction and administrative processes and enabling cost and efficiency benefits to asset managers, dealers and investors. As investors scrutinise and contrast multiple investment opportunities with a close eye on transaction and management costs, PTFs can offer new opportunities for fund sponsors to drive efficiency and compete more effectively for inflows. The first Canadian PTF sponsor was Invesco Canada, now joined by others including Stone Asset Management and Ninepoint Partners.

As in many other markets, and particularly in the persistent low-rate environment, investors in Canada have focused much more closely on the expense and cost side of their holdings—a trend encompassing the spectrum from sophisticated institutional investors to cost-conscious millennials. Many individual investors continue to open fee-based accounts, paying per transaction rather than having costs included in a higher expense ratio within their fund management fee. Further compounding the fee and expense demands, fund sponsors are under increasing pressure from their own boards and owners to deliver a return. Investment fund sponsors and their suppliers continue to work

hard to keep pace, introducing new technologies, processes and instruments to deliver results and capture inflows.

Canadian investors are taking notice, with one key beneficiary being ETFs. While the Canadian market remains small relative to global behemoths, ETFs continue to gain ground in Canada. Canada's 729 ETFs saw inflows of approximately $437 million in September—a slowdown after an even stronger August—bringing total assets to approximately $188 billion. ETFs offer efficiency and cost benefits, as well as intraday pricing and liquidity, and continue to represent a popular and powerful tool for investors. Notably, Canada has also seen a proliferation in actively-managed ETFs, further reinforcing the role ETFs can play in helping investors access their desired investment vehicles. According to a recent survey by PwC, Canadian ETF industry assets are expected to surpass approximately $400 billion by 2023.

For many investors, particularly those focused on long-term investment goals such as saving for retirement, intraday pricing and intraday liquidity may not be a driving factor—particularly relative to factors such as consistent, transparent pricing and, of course, a focus on transaction and management fees.

Enter PTFs, which are designed to enable efficient and lower-cost transactions. PTFs are typically a class or series of an existing investment fund that investors can buy or sell at an end-of-day net asset value (NAV) per share/unit. CIBC Mellon collaborated with NEO, a Canadian exchange, and other industry players to create the first platform-traded fund process, using NEO Connect, a Canadian platform that streamlines the distribution of financial assets to investors.

PTFs share attributes of both exchange-traded funds and traditional mutual funds. Like exchange-traded funds, the trade execution for a PTF occurs at an exchange, however, ETFs can be purchased or sold at market value throughout the day. PTFs are similar to the traditional mutual fund transaction process as they are applied a NAV at the end of each business day, however, in Canada, mutual funds are not traded on an exchange but rather through third-party trading vehicles.

"We are pleased to collaborate with CIBC Mellon and a number of its investment fund clients in providing an innovative and efficient solution that enables investors to access an array of management strategies. With our recent expansion into The Mutual Fund Dealers Association of Canada community, PTFs continue to grow in popularity with advisors and investors"

Erik Sloane
Head of funds and trading
NEO Exchange

Structuring a platform-traded fund

PTFs trade at the net asset value (NAV) per share/unit through a market and are designed for investors with fee-based accounts who are seeking low-cost, managed portfolios. In the PTF structure, the asset servicing provider acts as a clearing and settlement agent, leveraging connectivity with the exchange to enable investment fund providers to create platform-traded classes of their funds.

Typical fund managers tapping into PTFs in Canada include mutual fund providers, ETF sponsors, and "liquid alternative" fund sponsors Liquid alternative funds provide investors with exposure to alternative strategies without a large minimum commitment, enabling retail and institutional investors to diversify their portfolios and access new investment opportunities which have not been available outside traditional hedge fund structures.

The PTF structure depends on the participation of a number of stakeholders, including fund sponsors and managers, a central depository, clearing agent, settlement agent, transfer agent, custodian, valuation agent, financial information providers and others.

Key innovation and value-add from CIBC Mellon was building direct connectivity with Canadian exchanges as well as being able to act across multiple roles, including custodian, clearing agent, settlement agent and valuation agent—enabling further streamlining of the process for fund managers looking to launch a PTF.

Dealer and advisor benefits

Trading at NAV brings a number of benefits for PTF providers and investors—not only eliminating the administration associated with delivering unique pricing for each transaction, but also eliminating bid-ask spreads which have the potential to impact returns for investors, particularly among lower-volume instruments.

The streamlined solution also means reduced administration, as there is no intra-day liquidity and no in-kind subscriptions or redemptions. Reducing these administrative requirements and implementing a more efficient trade settlement process can lead to the lower managed expense ratio (MER) compared to other fund classes and transaction types.

For dealers of investment funds and for investment advisors—a crucial audience for any fund manufacturer—the PTF structure also offers other upsides. Dealers and their advisors are able to trade in bulk, which allows them to place PTF purchase and redemption orders across multiple client-accounts simultaneously using their existing trading platform.

Dealers have fewer accounts and fewer trades to manage and are able to simply allocate fund units from a single end-of-day trade across their client base. This reduces the administration efforts for dealers and advisors—potentially freeing them up to focus on client services. Dealers and their advisors can be well-positioned with investors, not only pointing to efficiency and cost advantages but also delivering transparency around pricing. The simplified PTF process can help eliminate risks as well—not only the administration risks associated with greater complexity but also risks related to potential communication errors between counterparties. PTFs also enable funds, dealers and advisors with consistent and transparent pricing, as the same fees are applied to all transactions, regardless of size.

PTF growth continues

The Canadian market continues to see appetite for an array of new instruments in the hunt for compelling offerings that generate inflows from investors. PTFs have gained ground, and today, Canada has more than 70 PTF tickers on offer from nine providers and has raised nearly approximately $1 billion. As the hunt for efficiency continues, PTFs represent one more tool in the arsenal of fund sponsors and dealers looking to connect with ever-more-demanding investors. For asset servicing providers like CIBC Mellon, the rise of PTFs is only the latest in a long road to drive efficiency and enable clients as they move their businesses forward.

For Canada, this is just one more positive step forward for our innovative financial services industry.

The Canadian market continues to see appetite for an array of new instruments in the hunt for compelling offerings that generate inflows from investors

Ronald C Landry
Head of product and Canadian ETF services
CIBC Mellon

THINK INDIA. THINK STOCKHOLDING.

For all your Custody & Sub-Custody Needs - Onshore and at IFSC#

- Deepest Local Expertise
- Highest AUC* & Volumes
- Longest track record (3 decades of experience)
- Servicing multiple asset classes & Customer Segments
- Open Architecture, Flexibility & Tailor-made Solutions
- Following highest compliance & Best Practices

CONSISTENT AWARD-WINNING PERFORMANCE & RECOGNITIONS

2016, 2017 & 2018

2016, 2017 & 2018

#International Financial Services Centre, GIFT City - India

*AUC USD 539 Billion (as on 30th November' 2018)

For enquiries contact: Email : FPI.custody@stockholding.com Telephone : +91 022 61779074 / 9038 / +91 9987776171, + 91 9004691682 For more information, please visit https:// custody.stockholding.com

Reducing the liquidity buffer

Nadeem Shamim discusses what SmartStream is working on in the cash and liquidity management space and the opportunities AI and machine learning are providing

What is SmartStream working on in the cash and liquidity management space?

Cash and liquidity management is integral for a bank as they need to be able to manage their cash effectively. It is important for banks to know the requirements from the internal business, but also to match it with what is happening on their bank statements. That is to have a view of matched position in real time.

For example, knowing what is a projected payment or receipt, and knowing what actually happened on the statement. We can take all the flows from the internal systems that the bank has and project a cash flow—this is the projection over the next few days as well as what has happened on that specific day—and then match it against what is happening on the actual account and provide the metrics and analytics with real-time data.

Similarly, on an intraday basis, once banks receive all their internal flows, the treasurer and cash manager will then need to know how to fund the particular demand. They will then be given the metrics around this and make the decision.

What challenges are you seeing around cash and liquidity management?

Banks are finding various challenges, not only in terms of being able to consolidate the information in a more efficient way and display it but also to meet the regulatory demands. On the back of Basel III, after the post-2008 financial crisis, regulators created a framework called BCBS 248.

Under the regulation, the expectation is for banks to manage this cash and liquidity on a more real-time basis. There is a regulatory requirement in terms of reporting as well. At SmartStream, we provide those reports as the information needed to produce these reports are based on the cashflows already stored within the solution.

Until a year ago, conversations were focused on how a bank can manage its position for that day, however, now it has moved to intraday. Banks want to know up to minute movement and that's where our product comes into it.

We have just developed a new product looking at how machine learning and artificial intelligence (AI) can help with the management of cash and liquidity. SmartStream is looking at how the technologies can be used to deliver value to the treasurer on an intraday basis, however, the challenge is to know when the receipts are settled during that day. For example, if you're expected to receive £100 million and your payment requirements are £75 million, then on a net basis, you're okay. However, if the £100 million comes in after 3pm but you don't know exactly at what time, you still have to pay the £75 million—how will you make that payment? SmartStream's new product gives the treasurer the visibility to get that information. In addition, it allows firms to predict when that credit is going to arrive, giving the treasurer more control overflows.

Although our new product has just launched, clients have been responding very positively. We have had discussions with our existing clients on this and they had found it very useful especially when regulators are questioning what position the bank is in and how it is going to manage its outstanding positions.

Clients will now get an intraday projected position providing them with visibility on how short they will be and question, for example, whether some payments should be held back, in other words actively manage payment flows. Not only having a framework or strategy to address liquidity needs but also how to deliver the strategy.

Regionales/shutterstock

How do AI and machine learning work with the product? And what opportunities are you seeing with these technologies?

Using various models to work out predictions, we take the historical data of the settlements that have happened in the past and any other elements that can impact the cash flow. Machine learning uses the data elements to predict the forecasted settlement time. Artifical intelligence and machine learning provide banks with the opportunity to look at reducing the liquidity buffer. There are two ways of managing excessive demand, the first is to leave large amounts of balance on the account, which is wasted if not used, or secondly to ask for an intraday line which could be very large—to secure the intraday line banks often have to pledge collateral or use repos to fund the account, both are costly.

What trends are you seeing in the intraday liquidity management space?

Intraday liquidity management for banks has become much more of a high priority. This is down to liquidity not being readily available and the cost of having intraday lines becoming more visible. So much so, that a lot of banks are talking about charging their customers for the intraday lines, as soon as the cost element comes notable, the focus increases.

At Sibos this year, I looked at various elements of discussions that took place and intraday liquidity is at the top of the priority list right now. The focus is on how banks get their intraday liquidity position, what tools are available, what metrics are available, and then how the new technologies such as machine learning are coming in to help predict liquidity demand.

How do you see the landscape changing over the next 12 months? And what will SmartStream be working on?

I think it is going to get even tighter in terms of managing liquidity. Collateral is expensive, capital is expensive, and there is currently a massive focus on reducing the excessive use of capital—every bank is looking at their tier-one capital.

“At Sibos this year, I looked at various elements of discussions that took place and intraday liquidity is at the top of the priority list right now”

Nadeem Shamim
Head of cash and liquidity management
SmartStream

Risk management and sustainability

Eduard von Kymmel of VP Bank suggests that when it comes to financial investments, the concept of sustainability is increasingly on the agenda

Although the assessment of risk and opportunity has always been at the core of investing, the complexity and significance of risk management for investment success have increased considerably. Viewing investment purely from a financial perspective is often no longer sufficient. When it comes to financial investments, the concept of sustainability is increasingly on the agenda. Standards are defined by means of regulation, which is why it is advisable to always adapt to regulatory developments at an early stage. In the area of risk management and sustainability, the EU is currently using the Sustainable Finance Action Plan to examine how sustainability considerations can be integrated into the fiscal framework in order to mobilise investments for sustainable growth. Following the adoption of the 2016 Paris agreement on climate change and the United Nations 2030 Agenda for Sustainable Development, the commission has expressed in the Action Plan: financing sustainable growth, the intention to clarify so-called fiduciary duties and increase transparency in the field of sustainability risks and sustainable investment opportunities with the aim to:

- Reorient capital flows towards sustainable investment in order to achieve sustainable and integrative growth
- Assess and manage relevant financial risks stemming from climate change, resource depletion, environmental degradation and social issues; and foster transparency and in financial and economic activity

In this regulation, sustainable investments cover the areas of environment (E), social (S) and governance (G), both individually and in combination (ESG). It is foreseeable that this will cause investors, as well as asset managers, to invest serious amounts of time, efforts and money to comply with these regulations going forward.

Requirements

On 7 March 2019, the European Parliament and the EU Member States agreed on the so-called Disclosure Regulation—a set of rules that affects all providers on the financial market.

Its intention is to reduce information gaps with regard to sustainability issues.

According to this ordinance, all funds will be obliged to provide information on how they take sustainability risks into account in their investment process—even if no sustainable strategies are pursued in the future.

These new disclosure requirements will complement the existing supervisory reporting requirements of UCITS and the Directive on Alternative Investment Fund Managers (AIFMD).

The EU Action Plan will require amendments through delegated acts to the Markets in Financial Instruments II Directive (MiFID II) and the Insurance Marketing Directive (IDD). Under the Disclosure Regulation, funds are expected to be required to adapt their website, prospectus and annual report in addition to providing additional reporting in accordance with standards to be redefined. In addition, a directive on due diligence with regard to ESG criteria must also be developed.

UCITS and AIFMD

Currently, the European Securities and Markets Authority (ESMA) is discussing the integration of sustainability risks and factors into the UCITS Directive and AIFMD.

WhiteMocca/shutterstock

Fund managers, including insurance and pension funds, would have to take into account the following points according to this consultation paper:

- Include sustainability risks, for example, the risks of fluctuations in the value of individual positions in the portfolio of a fund due to ESG factors—in their decision-making processes
- Disclose how they integrate ESG risks into investment decisions
- Disclose methods for measuring the ESG impact of an investment or product, but they would not have to disclose all the details of their investment strategy.

Consequently, ESMA is proposing changes in the following areas of the UCITS and AIFMD framework:

- General organisational requirements: incorporation of sustainability risks within organisational procedures, systems and controls to ensure that they are properly taken into account in the investment and risk management processes
- Resources: consideration of the required resources and expertise for the integration of sustainability risks
- Senior management responsibilities: clarification that the integration of sustainability risks is part of the responsibilities of senior management
- Conflicts of interest: consideration of the types of conflicts of interest arising in relation to the integration of sustainability risks and factors
- Due diligence requirements: consideration of sustainability risks when selecting and monitoring investments, designing written policies and procedures on due diligence and implementing effective arrangements
- Risk management: explicit inclusion of sustainability risks when establishing, implementing and maintaining an adequate and documented risk management policy.

However, the proposed changes still need to overcome certain hindrances, given the fact that the existing UCITS and AIFMD frameworks do not even include a legal definition of “sustainability risks”.

That being said, ESMA currently understands sustainability risks like the risk of fluctuation in the value of positions in the fund’s portfolio due to ESG factors.

Challenges

On 20 September 2018, ESMA’s Securities and Markets Stakeholder Group (SMSG) advised to ESMA on delegated acts under MiFID II and provided, inter alia, the following recommendations:

- The key challenge with the action plan and the proposed regulations package will be to find the right balance in implementation, and not create regulatory complexity or legal uncertainty, as the ultimate goal is to encourage innovation, increase investment and finance for sustainable projects
- In particular, key qualitative challenges, for example, the risk of greenwashing which may undermine the reputation of green markets and impede progress

- At the same time, there is a duty of care to avoid being inflexible or overly prescriptive on such a forward-looking topic, as the market has not yet reached maturity and therefore to avoid the risk to put Europe at a global competitive disadvantage. Certain proposals may need adjustment to avoid creating such unintended barriers to market development. Rather a principles-based framework should be favoured

- The critical prerequisite for an orderly development is a clear and harmonised taxonomy of green assets, project categories and sectors

- The global nature and interconnectedness of sustainability markets calls for international co-operation to avoid regulatory fragmentation, curb incentives for regulatory arbitrage, and spread best practice. Globally consistent taxonomies and standards should be thus sought to achieve such above objectives, in particular with the global bodies

Taxonomy

In order to create the corresponding comparability, the step-by-step development of a classification system is aimed at, to be able to guarantee complete taxonomy on what can be considered an environmentally sustainable economic activity in consequence. Further legislative initiatives will be developed on the basis of this classification system. The EU taxonomy is therefore of far-reaching importance for the financial sector. By identifying activities that, in the commission's view, qualify as sustainable, businesses and investors will be provided with a common language to identify to what degree economic activities can be considered environmentally sustainable.

It has to be mentioned that the finalisation of this taxonomy is to be expected in the upcoming years and that, at least initially, will not cover social and governance issues.

The deadline for comments by the industry associations was September 2019. The next steps should be implemented by the EU Commission in December.

Outlook

In order to prepare for the upcoming changes in the future, it will be essential to avoid fixed costs and to be able to take variable costs into account as far as possible.

In the case of funds, the management company will thus become the central element in fulfilling the corresponding requirements described above. This can cover the entire spectrum, from advice on structures to support in day-to-day business. Therefore, a management company is the all-rounder which is able to provide an action plan for all contingencies in a reasonable amount of time, thereby enabling future growth, an increase in returns and more efficient operations. In both alternative and traditional investment strategies, the management company's expertise can thus represent significant added value. Therefore, choosing a suitable partner with the necessary affinity and flexibility and proactively searching for the best solutions for each issue will be more vital to be successful in the future than ever before.

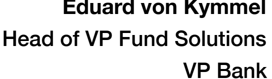
Sustainability: a reliable partner

Sustainable action at all levels is an essential component of VP Bank Group's corporate culture: Respectful treatment of people and the environment is just as important as the responsible management of the funds entrusted to VP Bank Group's care.

Assessing and implementing changes where required to a governance and business strategy has become a de facto priority. Since this potentially constitutes a shift of paradigm, it will be indispensable to take into account potential solutions to these new challenges. For any such decision, the need for discretion, professionalism, a profound understanding of business models, independence, expertise and the necessary access is needed. VP Fund Solutions as a member of VP Bank Group will be happy to serve as a single point of contact for all relevant needs.

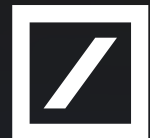
VP Bank Group is a reliable partner for adapting to future changes in a timely manner and able to take advantage of the disruptive elements of regulation.

"Respectful treatment of people and the environment is just as important as the responsible management of the funds"



Eduard von Kymmel
Head of VP Fund Solutions
VP Bank

Deutsche Bank
Global Transaction Banking



We're not just providing custody services.

We're creating solutions that focus on your post-trade goals.

#PositiveImpact

Find out more at cib.db.com/solutions/securities-services/

This advert is for information purposes only and is designed to serve as a general overview regarding the services of Deutsche Bank AG, any of its branches and affiliates. The general description in this document relates to services offered by Global Transaction Banking of Deutsche Bank AG, any of its branches and affiliates to customers as of May 2018, which may be subject to change in the future. This advert and the general description of the services are in their nature only illustrative, do neither explicitly nor implicitly make an offer and therefore do not contain or cannot result in any contractual or non-contractual obligation or liability of Deutsche Bank AG, any of its branches or affiliates. Deutsche Bank AG is authorised under German Banking Law (competent authorities: European Central Bank and German Federal Financial Supervisory Authority (BaFin)) and, in the United Kingdom, by the Prudential Regulation Authority. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority and regulation by the Financial Conduct Authority are available on request. This communication has been approved and/or communicated by Deutsche Bank Group. Products or services referenced in this communication are provided by Deutsche Bank AG or by its subsidiaries and/or affiliates in accordance with appropriate local legislation and regulation. For more information: www.db.com. Copyright © May 2018 Deutsche Bank AG. All rights reserved.

Coming together

Dominic Wheatley of Guernsey Finance highlights new research on a specialist development for Guernsey

Guernsey's funds sector is not alone in clearly seeing the merging of private equity and private capital space. Private capital has become a normalised source of financing, while the investment management sector is increasingly seen as a gateway to a direct investment opportunity.

A survey carried out by Guernsey Finance earlier this year at the SuperReturn conference in Berlin showed that jurisdictional choice would be increasingly dominated by specialists whose substance can support the convergence and the rise of private capital and the desire for bespoke structuring.

Guernsey is well-placed to service the growing trend for attracting and securing private capital investment, whether that money is drawn from family offices, high-net-worth individuals, private client customers of banks, and other non-institutional money.

Private wealth is estimated to exceed $170 trillion worldwide in the next 12 months, against total institutional assets under management of $100 trillion. That growth has driven more investment into alternatives.

In the past decade, since the global financial crisis, returns to private capital investors have just not been there. Liquidity has been generated by central bank policies and high-net worth individuals have been the beneficiaries. Liquidity is an obvious challenge for private capital looking at private equity or infrastructure long-life funds, and so there is a growing focus in the market on building structures to offer a degree of liquidity.

Private wealth is a very different market to dealing with institutional money. New structures and different distribution methods are coming into play as institutional clients are interested in democratising traditional institutional private fund illiquid products to secure greater access to the private capital community.

With the increasingly sophisticated demands of clients, the Guernsey funds industry has developed, with its renowned flexibility able to provide different solutions for different people in different circumstances.

It is yet another stage of Guernsey's 50-year funds journey, from primarily a retail fund domicile to an alternative assets specialist, using our key attributes of being agile and responsive to the market.

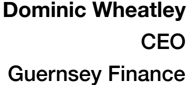
Guernsey certainly retains the flexibility to satisfy the requirements of a sophisticated investor.

An example is the introduction of the Guernsey Private Investment Fund (PIF), which has proved popular both for new managers looking to launch a first fund, and existing promoters wanting to offer a simple product to investors quickly.

A PIF can be open- or closed-ended, is flexible in its formation, and is restricted to a maximum of 50 investors. Our SuperReturn survey also showed that private capital and family offices are looking for bespoke structures to address specific commercial, legal, regulatory, taxation or operational concerns over their investment. The PIF is an ideal vehicle for private capital to invest in private equity.

Guernsey certainly offers distinctive solutions in the funds world—private capital, green funds, and bespoke, tailored product, in a world-leading business environment—for those looking for a more sophisticated approach to private equity.

With the increasingly sophisticated demands of clients, the Guernsey funds industry has developed, with its renowned flexibility able to provide different solutions for different people in different circumstances



Dominic Wheatley
CEO
Guernsey Finance

... and climbing.

A global player in asset servicing...

Offering leading value in investor services demands constant evolution. At CACEIS, our strategy of sustained growth is helping customers meet competitive challenges on a global scale. Find out how our highly adapted investor services can keep you a leap ahead.

CACEIS, your comprehensive asset servicing partner.

www.munier-bbn.com

www.caceis.com

Comings and goings at Vistra, Calastone, Ultimus and more

Apex Group has appointed Renaud Oury as group chief data officer and as a member of the executive committee.

Based in Luxembourg, Oury will be responsible for developing and managing an analytics strategy for the group and to leverage data and information to improve efficiencies, enhance client service and support the group's future growth plans.

Prior to joining Apex, Oury was a member of IQ-EQ's executive committee where he was responsible for sales and marketing. Oury is also a member of the environmental, social and corporate governance committee of the Luxembourg Private Equity Association.

Peter Hughes, founder and CEO of Apex, commented: "We are thrilled to welcome Renaud Oury to the executive committee and look forward to working with him to ensure Apex leverages technology to stay innovative, agile and forward thinking. Oury will focus on integrating Apex's data flows and enhancing data quality while exploring opportunities to leverage the wealth of data we have as an asset that both delivers insights to benefit our clients and predicts the needs of the market."

Commenting on his new role, Oury, said: "I am delighted to have been appointed group chief data officer, it is an incredibly exciting role with a clear opportunity to deliver insight to clients and the business. Apex has experienced transformational growth over the past 18 months and therefore my immediate priority will be coordinating the integration of data across the different entities."

Vistra has appointed William Douglas as chief commercial officer and Derek Kemp as a regional managing director.

Douglas, who has international experience in creating and leading commercial teams and building client-focused programmes, will be responsible for the commercial management and development of Vistra's business globally. Prior to joining Vistra, Douglas was chief marketing officer at JLL, overseeing the global marketing function as well as that of Europe, the Middle East and Africa (EMEA) region.

Kemp will be responsible for the leadership and development of Vistra's businesses in the UK, Ireland, Channel Islands, and the Middle East, supporting the broader growth ambition of the organisation globally.

Kemp joins Vistra from Capgemini where he served as executive vice president of EMEA/Asia-Pacific business services and as global sales officer.

Based in London, both Douglas and Kemp have also been appointed as members of Vistra's executive committee and will directly report to Alan Brown, CEO of Vistra.

Commenting on the new appointments, Brown said: "We are excited to welcome William Douglas to our team. Douglas joins Vistra at a critical stage of our growth journey and I am confident that his experience in driving strategic commercial growth will help us achieve our ambitious goals and deliver stronger service to our clients—helping them maximise their business opportunities."

"The combination of Kemp's proven leadership skills and results-driven approach will be instrumental in building on Vistra's outstanding reputation in the industry."

Calastone has appointed Dan Kramer as its new vice chairman.

Based in New York, Kramer will be responsible for directing strategy for the Americas region.

Kramer has more than 30 years' experience in the asset management and asset servicing industries.

He joins Calastone from BNY Mellon, where he held the position of executive vice president and chief client experience officer.

During this time, he was also a member of the CIBC Mellon board. Prior to BNY Mellon, Kramer spent eight years at JPMorgan Chase as head of fund services.

Kramer was also executive vice president of institutional equities at Thomson Reuters (previously Thomson Financial), global COO of DWS Investments, a managing director at Merrill Lynch and an executive director at Morgan Stanley.

Julien Hammerson, Calastone's CEO, commented: "I am delighted to welcome Dan Kramer to Calastone's senior leadership team at a time when our business continues to grow from strength to strength. Kramer's appointment is hugely additive, bringing significant expertise of the American funds sector."

A WORLD FIRST

You will find the world's first regulated green fund in Guernsey.

It's part of what makes us a specialist global financial centre at the forefront of green finance.

WEAREGUERNSEY.COM

INSURANCE | INVESTMENT FUNDS | TRUST & COMPANY | PENSIONS | INVESTMENT MANAGEMENT | BANKING

E: info@weareguernsey.com
T: +44 (0)1481 720071

Industry Appointments

Ultimus Fund Solutions has appointed Brian Privor as president of the firm's compliance division, following the retirement of Mike Wagner.

In his new role, Privor will help ensure that both Ultimus and its fund clients' operations are equipped to comply with rules set by the US Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority and the National Futures Association.

Privor will lead due diligence and compliance reviews for new and existing funds and fund service providers and advise fund boards and management on regulatory, risk management, and compliance matters.

In addition, he will be responsible for reviewing existing compliance programmes and making recommendations for best practice enhancements as well as developing fund compliance programmes.

Privor served as senior counsel in the SEC's division of enforcement, asset management unit for seven years. While at the SEC, he led a range of investigations on federal securities laws violations and assisted in litigating enforcement matters in federal court and during administrative proceedings.

David James, executive vice president and chief legal and risk officer for Ultimus, commented: "Having Brian Privor oversee our compliance division is a tremendous asset to our clients and our organisation."

Privor said: "I am thrilled to be taking over this role and look forward to shaping how Ultimus provides guidance and counselling to our clients in an ever-evolving regulatory environment."

The International Securities Services Association (ISSA) has appointed Philip Taliaferro as Broadridge's representative in the association's operating committee.

Philip Taliaferro is currently head of strategy, Europe, the Middle East and Africa and Asia Pacific at Broadridge.

Taliaferro's appointment comes after ISSA elected Samir Pandiri, also of Broadridge International, to its board of directors.

ISSA is an association designed to disseminate information on the developments in the securities markets and to offer securities operations professionals a forum to exchange ideas and issues of interest.

The association has more than 110 member institutions, such as custodian banks, clearing organisations, central depositories, stock exchanges, brokers and asset managers across the world.

Exceptional Growth for Malta's Fund Industry

For two consecutive years, Malta has been coveted with Europe's 'Best Domicile' award at the Hedge Funds Review 13th European Fund of Hedge Funds Awards 2014.

This success was made possible by Malta's highly favourable business environment. This includes the role played by the island's Single Regulator, renowned throughout the industry for its flexibility coupled with meticulous attention to detail. The island's highly competitive, cost-effective business environment and the presence of all the Big Four accounting firms adds even further advantage.

An onshore EU jurisdiction allowing passporting and redomiciliation of funds, with an efficient fiscal regime, a balmy Mediterranean climate and a multilingual, ethical and professional workforce, Malta offers a winning combination of advantages specifically designed to foster further growth and maximise success.

more information on:
www.financemalta.org

Find us on: FinanceMalta @FinanceMalta FinanceMaltaYT FinanceMalta

FinanceMalta - Garrison Chapel, Castille Place, Valletta VLT1063 - Malta info@financemalta.org | tel. +356 2122 4525 | fax. +356 2144 9212

FinanceMalta is the public-private initiative set up to promote Malta's International Financial Centre

The only true Nordic custodian

-Practice makes perfect

Jonas Modigh
Telefon: +46 (0)87011236
jomo04@handelsbanken.se
www.handelsbanken.se

Handelsbanken

Leverage our worldwide presence to increase your corporate success.

www.commerzbank.com/worldwide

Despite the challenges facing the German banking industry, there are bright spots, notably in serving the local and international needs of Mittelstand clients, and in the ability to provide more efficient and better service to retail and corporate clients through online channels. Germany's best bank, Commerzbank, is focusing on both these opportunities.

COMMERZBANK
The bank at your side