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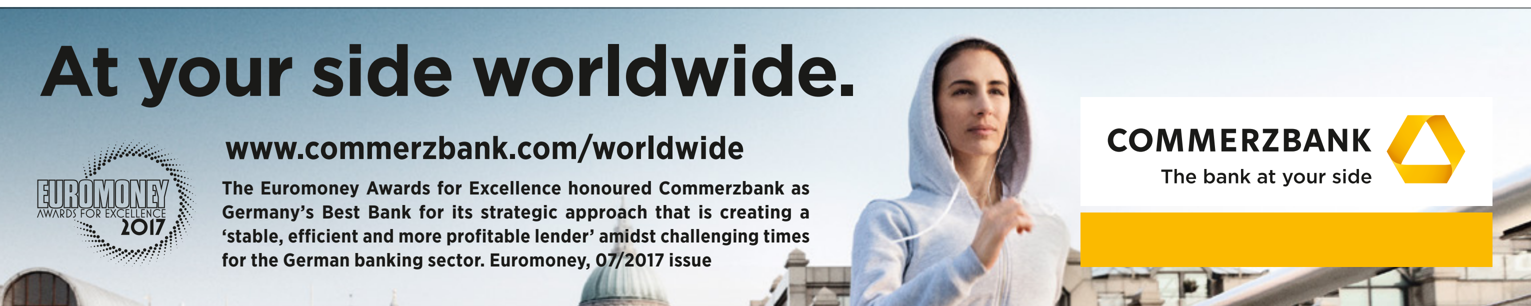
Angelina Pramova of GAM explains why a fund of mandates is an efficient solution

Fund Administration

Ocorian's Richard Hansford says technology is transforming the entire fund life cycle

A sustainable future

Despite the challenges, the ESG evolution is only going to grow from here

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ASX confirms CHESS replacement push back until April 2023

The Australian Securities Exchange has confirmed the new go-live date for the Clearing House Electronic Subregister System (CHESS) replacement system has been pushed back until April 2023, with increased project scope and a 12-month extension to the proposed date consulted on mid-year.

The decision comes after careful consideration of the feedback from the 100 organisations that participated in the extensive industry consultation, engagement with regulatory agencies, detailed discussions with our technology partners, and completion of a comprehensive project review, according to ASX.

The consultation revealed that although most users indicated that they could meet the new proposed go-live date of April 2022, many asked for extra industry testing as well as more time to prepare for the new system and additional functionality that reduces manual processes, such as electronic corporate action elections, to be delivered as soon as possible.

ASX highlighted the ongoing impacts of COVID-19 on the industry, in areas including collaboration and productivity, the importance of digitising processes and the need to further reduce cutover risk to the new CHESS system.

In the consultation, the industry also requested more post-trade processing capacity than what had been contemplated pre-COVID-19.

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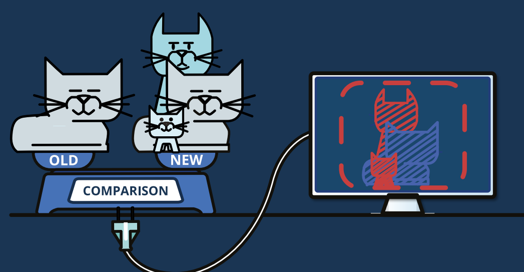

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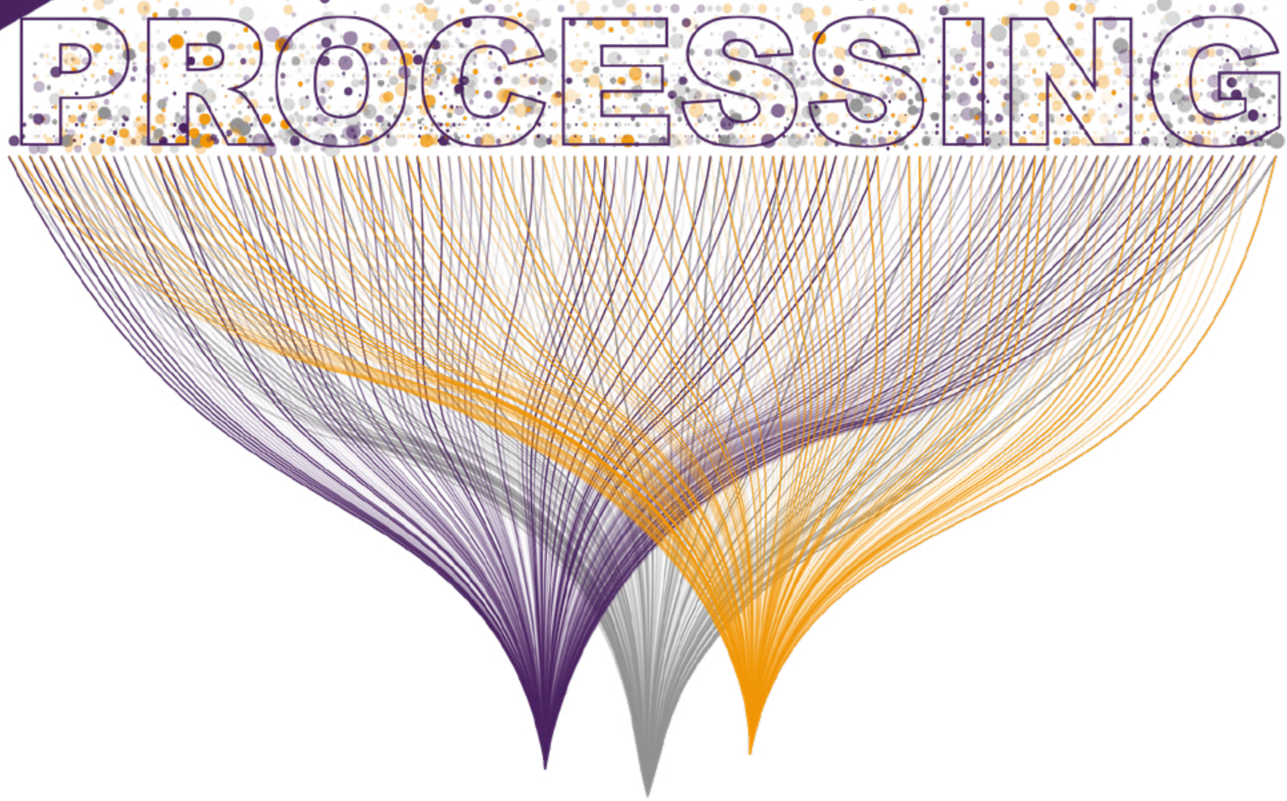

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Canadian defined benefits plans show solid Q3 performance

Canadian defined benefits plans had a solid Q3 performance, gaining 3.2 percent at the median, according to Northern Trust Canada Universe. The Northern Trust Canada Universe tracks the performance of Canadian institutional investment plans that subscribe to performance measurement services as part of Northern Trust's asset service offerings. Data showed that equity markets navigated through pockets of volatility, maintaining resilience and closing the quarter in positive territory.

Northern Trust explained that financial markets appeared to "shrug off fears perpetuated by the coronavirus pandemic and recent sell-off in technology stocks, and focus on progress in vaccine development and hopes for further stimulus relief".

Policymakers around the world continued to deploy the financial tools necessary in an effort to bridge economic gaps as global economies slowly regained strength while transitioning through the reopening phase, according to the bank.

Canadian equities, as measured by the S&P/TSX composite index, generated a return of 4.7 percent for the quarter, with all sectors posting gains with the exception of the healthcare and energy sectors. It was also noted that US equities continued to extend solid gains with the S&P 500 index recording a new all-time high in September and generated a robust 6.8 percent in Canadian Dollar (CAD) for the quarter.

The majority of sectors posted healthy gains, while the real estate sector remained flat and the energy sector retreated as a result of weaker oil prices.

Elsewhere, international developed markets, as measured by the MSCI EAFE index, posted a 2.9 percent return in CAD for the quarter. With the exception of energy and financials, all sectors rose during the quarter.

The MSCI emerging markets index produced a solid result with a 7.6 percent return in CAD during Q3. Consumer discretionary and information technology sectors led the way with attractive double-digit returns, while utilities, energy and financials remained the weakest segments.

Northern Trust explained that the Canadian economy showed signs of progress as witnessed by an improvement in economic data, including monthly GDP growth.

Katie Pries, president and CEO of Northern Trust Canada, said: "The global pandemic has undoubtedly accelerated the pace of change for many defined benefit pension plans over the course of recent months; namely in the form of financial, regulatory as well as technology transformation. As pension plan sponsors embrace this evolution of change and the adaptation to a virtual work environment, they remain vigilant on preserving plan assets while generating investment results supportive of long-term sustainability and growth."

continued from page 3

ASX explained that this is in response to the extreme increases in trading volumes on the ASX platform during the most volatile period of the pandemic in March 2020.

As a result, ASX has adjusted the day one scope and schedule for the CHESS replacement system to target significantly more throughput capacity and scalability, more functionality, more industry testing, and more time for users and ASX to prepare.

Dominic Stevens, ASX CEO, said: "ASX has listened to the industry, regulators and its technology partners throughout this project."

"It is clear that COVID-19 continues to impact the whole industry, including ASX, and this has evolved what our stakeholders want from the CHESS replacement system."

"In parallel, ASX has considered how we can reduce delivery risk, enhance the customer experience and continuously improve project execution. Consequently, we have increased the scope of the project and extended the timeline. The result is a programme that provides a significantly enhanced CHESS replacement solution on day one."

Stevens added: "The functional scope, capacity, scalability and testing of the CHESS replacement system now being developed is greater. It captures the increased requirements of ASX and the industry, and lowers the risk in delivering them."

"It is also consistent with ASX addressing the expectations of the regulatory agencies that CHESS is replaced as soon as it can be achieved safely and that the new system meets the market's needs."

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INDOS Financial selected for AIFMD depositary services

INDOS Financial has been appointed by Triple Point Energy Efficiency Infrastructure Company to provide Alternative Investment Fund Managers Directive (AIFMD) depositary services.

Triple Point Energy Efficiency Infrastructure Company is an investment trust which was admitted to trading on the specialist fund segment of the London Stock Exchange on 19 October.

The company will invest in a diversified portfolio of energy efficiency assets in the UK, which have a positive environmental impact.

Its investments will focus on the core sectors of low carbon heat distribution; social housing retrofit and industrial energy efficiency; and distributed generation.

Commenting on the appointment INDOS Financial CEO, Bill Prew said: "We are delighted to extend our relationship with Triple Point Investment Management by providing depositary services to the company."

The appointment marks a new milestone for INDOS, becoming our fifteenth London Stock Exchange-listed client and taking the value of listed funds under our oversight above £2.5 billion."

Jonathan Parr, partner and head of energy at the company's investment manager, Triple Point Investment Management, added: "The INDOS team have done an excellent job setting up the depositary services to support our new launch, and we look forward to our continued relationship."

In September, INDOS Financial called on the European Securities and Markets Authority (ESMA) to address a number of omissions in the EU's Alternative Investment Fund Managers Directive (AIFMD).

Prew explained that after multiple reviews and industry consultations on the directive, "progress on AIFMD has been scant".

SS&C named fund administrator for LendInvest

LendInvest has selected SS&C Technologies GlobeOp service for fund administration services for its existing open-ended fund.

Alongside fund administration and accounting services, SS&C GlobeOp will support LendInvest with services such as e-Investor, corporate secretary and automatic exchange of information agreements.

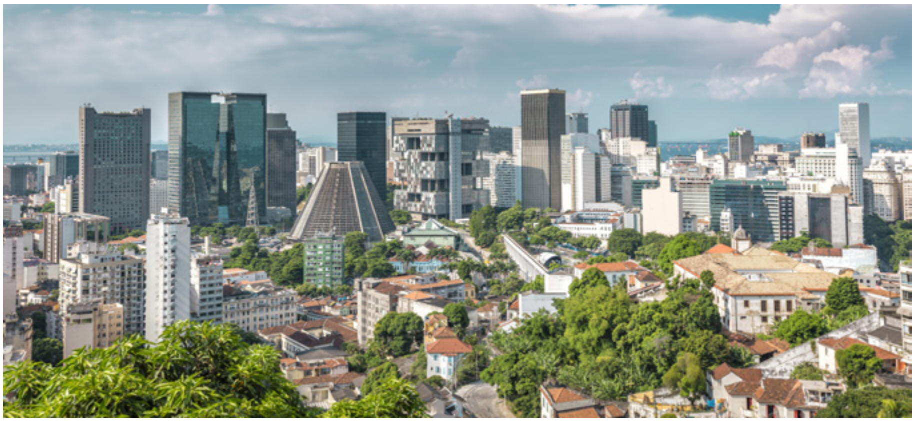
Matthew Kay, director of fund services at LendInvest, said: "Our growth strategy demands a flexible offering that can support a wide range of fund and investment types. Moreover, SS&C's expertise in the credit market ensures we have a strong partner for our expanding business."

Ian Holden, managing director, Europe, Middle East and Africa hedge fund services at SS&C Technologies, added: "We are excited to support LendInvest in its ongoing expansion in the European real estate lending market."

Bankmed utilises Profile Software's AcumenNet for digital transformation

Lebanon-based bank Bankmed has gone live with Profile Software's AcumenNet for its group-wide treasury platform.

Following a request for proposal, the bank decided to upgrade its IT infrastructure deploying new core banking, customer relationship management and treasury management platforms.



Apex expands LatAm presence with acquisition of Banco Modal's fund admin business

Apex Group is set to acquire Banco Modal's alternative fund administration (MAF) business in Brazil.

The MAF business will add around $12 billion in assets under administration and custody, across clients representing institutional funds for both international and Brazilian asset managers.

The acquisition will see MAF add 75 employees to Apex, increasing its overall Americas headcount to over 400 people, and expanding its existing presence in Latin America through offices in Rio de Janeiro and Sao Paulo.

As part of the transaction, Banco Modal and Apex plan to enter into a strategic partnership agreement to further collaborate on the provision of depositary and banking services to Brazilian clients, as well as focus on continued growth in the Latin America market.

The deal marks the second this month after Apex announced the acquisition of FundRock.

Peter Hughes, founder and CEO of Apex Group, commented: "There is a significant opportunity in the Latin America market and we have been looking for the right business in Brazil to complement our global service model. MAF is well established in the Brazil fund administration market and is a strong addition to our business, expanding the reach of our single-source model across the Americas and also giving our existing clients direct access to the Brazil market."

Eduardo Centola, co-CEO of Banco Modal added: "Our clients will now have the opportunity to access the group's international network and extensive range of products, and we are particularly excited about the value Apex's pioneering environmental, social, and corporate governance ratings and advisory service will bring."

Financial terms of the transaction were not disclosed.

Completion of the transaction is subject to the execution by the parties of a definitive agreement containing customary terms and conditions and regulatory approvals, including approval of the Brazilian Central Bank.

This month, Apex also announced it had gained fund administration mandates with Lorax Capital Partners and the Financing Opportunities Fund of SHUAA Capital.

AcumenNet, which has been deployed as front-middle-risk treasury system, was selected to help achieve the digital transformation by increasing efficiency, control and straight-through processing.

The platform was implemented in collaboration with Oracle since it has full integration to FLEXCUBE Universal Banking System (FCUBS).

Fouad Baalbaki, CIO at Bankmed Group, said: "AcumenNet is the ideal treasury management platform for us, as well as the team that supports it since we are able to automate our process, being ready, despite the adverse difficulties in the country and across the world, to deliver a continuous customer service and the bank being compliant to local and international standards, while digitally and remotely."

Bankmed has more than 2,000 employees, 50 local branches, one e-Branch, five overseas offices and four banking subsidiaries.

Earlier in October, Attica Bank picked Profile Software's risk management system for regulatory capital calculation, liquidity risk indices as well as XBRL validation and reporting.

Canadian pensions buoyed by positive performance in equity markets

Canadian defined benefit pensions in the RBC Investor & Treasury Services (RBC I&TS) All Plan Universe weathered the COVID-19 induced slowed and continued momentum from Q2, gaining a median of 3 percent in Q3.

The median year-to-date return for Canadian defined benefits plans stood at 5.2 percent for the period ending 30 September.

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Canadian equities continued to advance in Q3, with the TSX Composite increasing 4.7 percent.

The Q3 results showed that nine of the sectors in the benchmark generated positive returns, which RBC I&TS said was led by industrials, followed by utilities and materials.

Figures showed that healthcare and energy were in negative territory.

The TSX Composite index was down 3.1 percent on a year-to-date basis while the IT sector outperformed the other economic sectors.

Defined benefit pension plans' Canadian equities holdings returned a median of 5.2 percent for Q3, surpassing the TSX Composite by 0.5 percent.

Elsewhere, the defined benefit pension plans' foreign equities holdings returned a median 5.8 percent, with US stocks exceeding their non-North American counterparts.

RBC I&TS said the positive results in the US market were concentrated on select large cap growth stocks.

The MSCI World index returned 5.9 percent, edging out Canadian defined benefit pension foreign equity holdings by a small margin. The Candian fixed income asset class return in the peer universe was "relatively flat" for the quarter, returning 0.7 percent.

Meanwhile, the FTSE Canada Universe bond index returned 0.4 percent during Q3, compared to 5.9 percent in Q2. RBC I&TS said this was due to central banks around the world continuing to signal their commitment to bolstering their respective economies.

Finally, figures showed that year-to-date Canadian fixed income was the best performing asset class in the peer universe, with a median return of 10.3 percent. David Linds, managing director and head of asset servicing, Canada at RBC Investor & Treasury Services, said: "Canadian defined benefit pension plans remained in positive territory through Q3 as global markets continued their liquidity-driven climb from the Q1."

Linds added: "As we head now toward year-end, we are facing potential headwinds such as the resurgence of COVID-19 and uncertainty over the upcoming US presidential election and government support programmes. We can expect an increase in market volatility – as these factors have the potential to discourage global markets and lower investors' appetites for taking on risk."

FundRock named management company for Primus Solutions ICAV

FundRock has been appointed as the management company for the newly launched Primus Solutions Irish collective asset-management vehicle (ICAV), which is being distributed by Deutsche Bank.

As part of the deal, FundRock will provide the legal and regulatory framework for the ICAV and undertake the delegate oversight of the sub-fund, the Primus Fixed Income Smart Beta Fund.

Xavier Parain, CEO of FundRock, said: "We are delighted to be appointed the management company of the Primus Solutions ICAV. Our expertise and resources will allow the investment manager to focus on its core business activity without distraction."

Vadim Totskyy, head of cross product structuring at Deutsche Bank, said: "As the global distributor, Deutsche Bank is pleased to be offering the Primus

Fixed Income Smart Beta Fund to investors. FundRock is a recognised player across Europe and we look forward to helping the Primus Solutions ICAV grow."

Earlier this month, Apex Group announced the planned acquisition of FundRock.

The transaction is subject to customary closing conditions, including regulatory approval and is expected to be completed in Q1 2021.

triReduce completes first benchmark conversion with SONIA risk replacement trades

TriOptima has completed its first triReduce enhanced compression cycle to include sterling overnight index average (SONIA) risk replacement trades.

SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

The cycle took place on 22 October at LCH SwapClear.

The triReduce benchmark compression service allows swap market participants to reduce their gross and net exposure to legacy benchmarks as well as increase the adoption of alternate benchmarks through risk replacement trades.

Philip Junod, senior director, triReduce and triBalance business management, said: "This is the first step of an iterative process for our swap market clients as they convert their swaps exposure from legacy benchmark rates."

"The triReduce benchmark conversion service has the capacity to run conversion alongside compression at scale, helping participants proactively reduce their exposure at the same time as increasing their adoption of the alternative reference rates in currencies impacted by benchmark reform."

AcadiaSoft expands APAC efforts ahead of final phases of UMR

AcadiaSoft, a provider of risk and collateral management services for the non-cleared derivatives community, is making a new effort to make its products and solutions more accessible to the Asia Pacific (APAC) region as phases five and six firms fall into scope for the Uncleared Margin Rules (UMR).

The collateral management services provider will expand functionality for key products in APAC, including the IM Threshold Monitor.

Firms will be able to electronically agree to IM Threshold Monitor terms using an industry-standard side letter as per local regulatory requirements in the region.

It will also provide more ways for APAC firms to access its tools, such as IM Exposure Manager, and add more local-language resources for Japanese and Korean firms.

AcadiaSoft's services are used by more than 60 local firms, including nearly all of the major Australian, Japanese, Singaporean and Hong Kong financial institutions. This includes agreements with the trust banks in Japan.

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It also has engagements with banks and vendors in Korea, Mainland China, New Zealand, Taiwan and Thailand, and recently entered into partnerships with two South Korean vendors.

"Phase five is a crucial threshold for many institutions in the APAC region, and the challenges in this region are unique, with many disparate local regulations and language barriers," said Takashi Nagai, head of business development at AcadiaSoft, APAC.

Elsewhere, AcadiaSoft recently established a Japanese legal entity, AcadiaSoft Japan GK, which will provide sales, marketing and account management functions. In addition, AcadiaSoft has launched a Japanese-language website.

The new website will make it easier for Japanese firms to learn about and engage with AcadiaSoft, including through AcadiaSoft's local working groups in Japan, which focus on UMR and other regulatory and industry requirements that are specific to the region.

Carlyle Group strikes deal for majority stake in Calastone

The Carlyle Group has reached an agreement with Calastone to acquire a majority stake in the business from its current shareholders, including Octopus Ventures and Accel.

As part of the deal, funds affiliated with The Carlyle Group will support Calastone in accelerating its growth, including broadening its product suite as well as the applications of its technology, and international expansion.

Calastone, which was founded in 2007, brings together the entire fund trading process, offering automated order routing, settlement, dividend and transfer services to asset and fund managers.

In May last year, it launched its distributed market infrastructure, enabling the full automation and digitalisation of the fund transaction process via distributed ledger technology.

Calastone's CEO Julien Hammerson said: "Everyone at Calastone has much to be proud of and there is huge potential for growth based on the technology platform and unique service offering we have created. We are delighted to have the full support of The Carlyle Group to capitalise on this opportunity and take the company forward into the next phase of its development and growth."

"I would also like to thank Octopus Ventures and Accel as well as our non-executive directors Chris Wade and chairman Cristóbal Conde, who have all contributed greatly to our success."

Fernando Chueca, a managing director in The Carlyle Group's advisory team, added: "We are delighted to partner with Julien Hammerson and the management team and look forward to leveraging our global platform, network of relationships, and deep expertise in financial services and technology to support Calastone in its next phase of growth."

The transaction is subject to regulatory approval and financial terms of the deal are not disclosed.

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Is your fund administration on the right side of the digital divide?

Richard Hansford of Ocorian explains how advances in technology are transforming the entire fund life cycle and why managers can't afford to get left behind

After 12 years of increasing regulation in the wake of the global financial crisis, fund administration is now at a tipping point. Leading funds have not only digitised their administration platforms, but they're also increasingly weaving seamless and granular data insights into the full length of their value chains. This is leading to a widening gap between the digital 'haves' and 'have nots' – a gap that has been exposed by the pressures of COVID-19.

Richard Hansford discusses the current state of digitisation within fund management and what excellent fund administration looks like in 2020.

What have been the biggest technology advances in fund administration in recent years? And what has been the impact on human teams?

The biggest advance I've seen in the past five years is the administrators' ability to automate data transfer. This enables us to track capital flows from asset level all the way up through a holding structure to the fund manager and investor, and everywhere in between. This is what Ocorian means when we talk about delivering an end-to-end service platform.

Technology and big data have been a key driver in that process. While the concept of big data has been around for a long time, we can now do so much with that data – and that's where the human element adds real value.

Administrators may have the technology to gather data, but they also need the expertise to interrogate it in the right way in order to extract the actionable insights that limited partners (LPs), general partners (GPs) and regulators need.

We're not seeing technology replace practitioners, instead, it is increasingly becoming a key part of the fund administrator's team. Global fund platforms still have human teams — fund administrators, accounting, depositary and so on — but technology plays an increasingly important role supporting them.

Without a doubt, the biggest driver is the increasing demand for more information from both regulators and investors

Ultimately, the end users may not see the technology in operation or the mechanics of the administration process, but they're certainly benefiting from increasingly granular data-driven insights.

What are the biggest drivers of technology adoption among fund administrators today?

Without a doubt, the biggest driver is the increasing demand for more information from both regulators and investors. The industry experienced a transformational shift, which was triggered by the global financial crisis and, for some years now, regulators have been ramping-up fund managers' and investors' reporting requirements to ensure transparency and compliance.

We've also seen a demand for more customised reporting – environmental, social and governance (ESG) funds, for example, will have to increase their reporting next year to comply with new EU regulations.

As for investors, when I started my career in private equity and general fund administration 15 years ago, there was very little data flow going up to the fund managers and investors. The information was very basic. Investors now want information more frequently and in an accessible manner.

Is the demand for technology adoption accelerating? And if so, why?

Yes, it's most definitely been accelerating and that's due to the need to protect client information. If we look at legacy systems, they are pretty much Microsoft-based, relying heavily on software like Excel.

However, there are lots of concerns with legacy systems – there's a desperately limited ability to track errors and monitor data flow; there's a lack of a clear audit trail and no real control authorisation processes in place. These kinds of shortcomings are a real concern for everyone in the fund management industry, especially LPs. They want systems and controls set in place. They want to see authorisation levels within the business and segregated access to data.

It's no longer enough for administrators to show how they administer a fund, LPs also want to know who can see their data and that kind of granular information can only be achieved with greater levels of digitisation and technology.

What other fund administration shortcomings are making technology adoption more critical?

We've had a lot of potential clients approach us because they need a more efficient technology solution. But successful fund administration in 2020 isn't just about investing in the right technology, it's also about having a team with the right skills and experience to operate it.

We've spoken to a lot of firms this year who have been unable to carry out key activities, such as fund launches and closings because COVID-19 has prevented them from taking place. And fund managers have been missing deadlines – reporting deadlines in particular.

The pandemic has provided the ultimate stress test, and these delays have exposed a real lack of flexibility and agility in their fund administration systems. This is one of the main reasons prospective clients have been speaking to Ocorian, to see if we have a better solution.

These fund managers are looking for administrators that can move quickly, and a big part of the answer is having technology, such as robotic process automation (RPA), that can dramatically streamline and speed up processes.

Having the right technology isn't enough though. It's critical that fund managers work with administrators who can skilfully deploy and optimise new technology that adds exceptional value from the outset and every hour of the day.

What technology trends should we look out for in the months and years ahead?

There are lots of exciting tech developments adding real value to fund management right now and they're only going to get better in the near future.

RPA is a great example as it enables fund administrators to automate labour-intensive and repeatable tasks so they can be executed in a fraction of the time and with a far higher degree of accuracy.

These tasks typically include making accounting entries, automating billing cycle runs and cash reconciliations.

The drive towards RPA is happening right now and has been in train for the past 12 to 18 months.

Application programming interfaces (API) are another exciting technology with lots to offer.

APIs are software integrations that allow a third-party administrator to transfer data between platforms, straight into the GP or LP's technology system.

The usual way of transferring data would be to share an Excel document or make the information available on an online portal, but APIs are totally integrated and seamless.

Is the evolution of fund administration technology causing more GPs to outsource?

This depends a great deal on where fund managers are in their life cycle. Start-up managers without the infrastructure to administer their own funds will generally outsource. Some start-up managers do initially administer in-house but when they get to funds two and three, they often look for an outsource model rather than recruiting a bigger team and investing in technology.

The advantage is that they can simply transfer to a platform that already has size and scale that they can leverage.

Many larger private equity houses are also looking at outsourcing partnerships, but for different reasons. They may have developed relationships with multiple administrators, but now they are interested in consolidation.

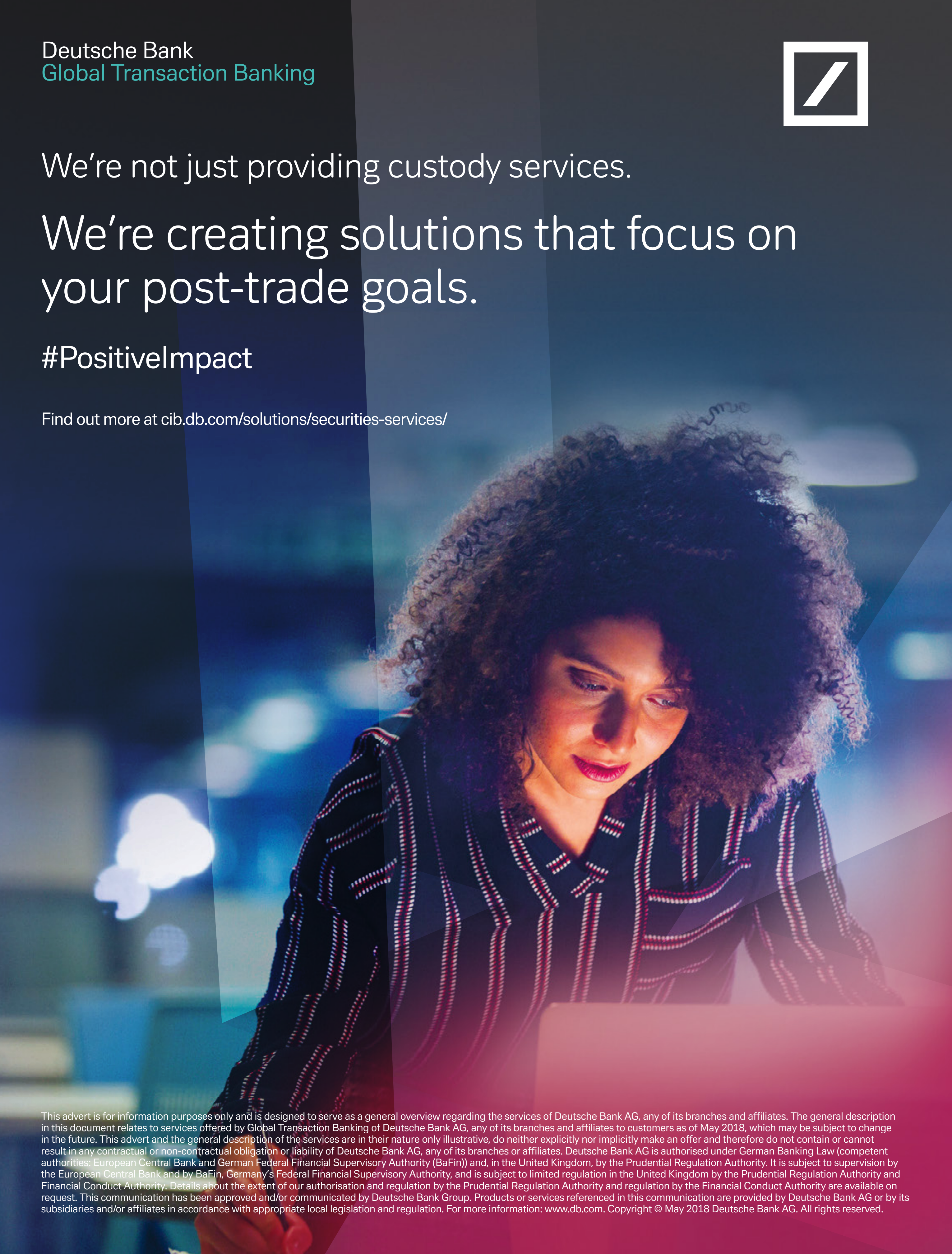
Some GPs, for example, may have eight or nine administrators working for them, which isn't necessarily the most efficient operating model. These managers may be looking to create efficiencies internally, so they're reviewing their model to identify duplications and sources of delay.

Technology adoption usually plays a key role in this restructuring and rationalisation process.

Would you like to streamline your critical processes and weave granular digital insights into an end-to-end fund administration platform? If so, contact Ocorian at ocorian.com.

> *There are lots of exciting tech developments adding real value to fund management right now and they're only going to get better in the near future*

Richard Hansford
Director of funds
Ocorian



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The future of fintech

Goal Group's Vicky Dean explains that scrutiny on environmental, social and corporate governance is increasing, with companies urgently turning to technology to boost – and demonstrate – their sustainability credentials

The world is changing rapidly. Now more than ever, we are conscious of our surroundings and the challenges that our environment is facing. 2020 has not only brought a global pandemic but a heightened awareness of other global issues including sustainability and the role that we in our professional lives should play in protecting the future of the planet. Scrutiny on environmental, social and corporate governance (ESG) is also increasing, with companies urgently turning to technology to boost – and demonstrate – their sustainability credentials. At Goal Group, we can share first-hand experience of embracing a new way of working based on sustainable, cloud-based technologies and practices. As the global leader in withholding tax reclamation and securities class actions recoveries and an early pioneer in fintech, we pride ourselves on being able to deliver end-to-end claims recovery and reporting solutions that combine legal and procedural expertise with proprietary, market-proven software.

Since our inception, we have developed a suite of products that automate our services in both withholding tax reclaims and securities class actions. Initially developed internally and maintained in-house, we took the decision in 2014 to outsource our IT function to UK-based BJSS, a world-class business technology consultancy. While the original motivation was to improve business agility and have greater control over our applications and infrastructure, it quickly became evident that we had also become a far more efficient and streamlined organisation with a lower carbon footprint. Now, in 2020, our business strategy has evolved to using only sustainable, cloud-based applications and technologies, with the final phase due to complete by January 2021.

So, why are sustainability and sustainable technologies so important? Simply put, in the corporate world, they promote environmental, social and corporate awareness and responsibility coupled with longevity.

Traditionally, when looking for any sort of service provider the main considerations were price and service offering, but today's buyer must pay equal attention to ESG. From the service provider's perspective, it's clear that sustainability needs to be a key element of any new product, expansion or redevelopment

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> *The pandemic has changed so much in the business world and in some ways, it has accelerated the take-up of sustainable technologies and business practices*

– and that embedding a sustainable ethos into the fabric of your operations is not only good for the environment but also good for business.

Heads in the cloud?

Green IT, which incorporates cloud computing, is a prime example of how the financial industry can demonstrate awareness and commitment to ESG and stakeholders alike. Fortunately, cloud computing has evolved immensely since its beginnings in the 1990s and has addressed the historical issues around reliability, security and flexibility. Interestingly, we began discussions with clients in 2014 to assess interest in web-based applications, which we knew would provide a platform for us to deliver more modern and innovative services. It became apparent that the industry was still wary of anything that wasn't based on a physical server due to security concerns and privacy laws.

Attitudes have changed dramatically over a short period of time. Now, web-based applications are mainstream, trusted and gaining recognition as the ideal business platform for today's sustainability-conscious business world. Providers are heavily regulated and their solutions are highly secure, cost-effective and convenient for all aspects of business. As an ISO 27001-accredited company that receives and processes a high volume of sensitive data, security is of utmost importance to us – and we find that web-based solutions are even preferable, not least because they have already been vetted and approved by large financial institutions.

As part of our digital journey, we have now adopted cloud-based applications to manage every aspect of our day to day operations, and we can testify to a multitude of commercial and sustainability gains.

Good for the planet, good for business

Commercially, the move has enabled us to increase efficiency and productivity; reduce the strain on internal resources; drive down costs; respond better to client needs; enhance security; and create a springboard for modernising and innovating existing systems and working practices.

These benefits have been delivered by optimising all areas of operations, including:

- Synchronisation: permission-based sharing of files, documentation and data
- Innovation: redeveloping applications that we use to automate our core services
- Scalability: standardised, inclusive costs, easily scaled to client needs
- Business resilience and reliability: seamless remote working, cloud back up and storage

The COVID-19 pandemic put all companies' business continuity procedures to the test, especially in financial services where working from home was often not typical. In March 2020, when most of the world entered lockdown, we were forced to react and adapt quickly in order to maintain productivity and service levels. With cloud computing already deployed, and robust business continuity procedures in place, we were able to minimise disruption and provide a seamless transition to working from home.

From the sustainability point of view, even pre-pandemic we were decommissioning servers, facilitating remote working, minimising staff commutes and reducing our need for fixed office space – all contributing to reducing carbon emissions.

COVID-19 – a catalyst for change?

The pandemic has changed so much in the business world and in some ways, it has accelerated the take-up of sustainable technologies and business practices. Cloud-based technologies that support remote working and a distributed workforce naturally rose sharply up the corporate agenda. Face to face meetings, server-based applications, large internal IT departments to maintain infrastructure and software — much of our traditional physical environment and culture immediately seemed out of kilter with the new demands of our day-to-day working life. Companies including us here at Goal realised that offices could be downsized, video calls could indeed replace meetings — and the result is a smarter, lower cost, greener way of operating.

It is hardly surprising that 95 percent of organisations are now looking to incorporate cloud-based, sustainable technologies into their business processes. They are no longer an innovative and modern way of working – they are vital to business continuity and the very survival of many firms.

Collaborate or compete?

An important lesson from the world's response to the pandemic is that working together is critical for the greater good. Businesses must take heed of this; strategic partnerships and collaborations between two or more companies with complementary strengths and values are a highly effective way to pool resources and expertise, strengthen commercial offerings and promote sustainability.

Leveraging this approach has certainly allowed us to reduce our carbon footprint as well as enhance the range and quality of services we provide to our client base.

Industry-wide there are many examples of competitors, who previously were unlikely partners, learning how to work together effectively to better meet the needs of their evolving market. It is essential that companies remain connected to the communities they serve and seek collaborative, sustainable solutions where ever possible.

In summary

With the future of our environment on the line, companies must set positive trends for others to follow and incorporate ESG into their business models to expand, develop and operate in more responsible ways. Web-based technologies are market-proven, ideally suited to the financial services sector and meet modern client expectations from both a commercial and sustainability point of view.

At Goal, we have witnessed the truly transformative power of cloud technology that has freed us from the constraints of a legacy infrastructure, fixed offices and high costs. Shifting to a smarter, more agile, scalable and sustainable model has not only allowed us to adapt seamlessly during the pandemic but has boosted our competitiveness and opened up the throttle to an exciting new phase of growth.

With record-high revenues, we are set to enter 2021 as a leading fintech at the forefront of our industry, eager to embrace further change as technology, best practices, expectations and understanding of sustainability all continue to evolve in the digital age.

It is essential that companies remain connected to the communities they serve and seek collaborative, sustainable solutions where ever possible

Vicky Dean
COO and vice president of sales and relationship management, Americas
Goal Group

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Navigating the regulatory road

Maddie Saghir reports

With the COVID-19 pandemic putting the brakes on various preparations for regulatory go-live dates, industry experts are still working hard to remain in the driver's seat

Regulation in financial services has become more complex and more stringent in the years gone by since the financial crisis in 2008, and if history teaches us anything it is that regulation only becomes tighter.

This year has seen a number of regulations in the financial services industry either pushed back or experience additional delays as participants have shifted their focus on the immediate challenges associated with COVID-19, pushing new regulatory deadlines down the priority list.

While many financial institutions are still working at home, they are still striving towards being prepared for upcoming regulations. But the pandemic is having a significant impact on this and is causing increased cost pressures, a heightened focus on resiliency, and addressing digital acceleration has become a top priority — all of which are impacting the ability to address regulatory change.

Experts say this is forcing banks and financial institutions to fundamentally reappraise how they can adapt, mitigate risk and plan for change.

"For many, adopting a mutualised, shared services approach is the answer, enabling firms to capitalise on a best-in-class market solution, scale economies and a deep knowledge and resource pool, instead of approaching each regulation as a stand-alone in-house exercise," says Broadridge's Mike Thrower, vice president of international account management.

Meanwhile, some experts believe the impact of market participants working remotely could mean increased regulatory scrutiny.

"Don't be surprised to see more financial institutions introducing new systems which ensure the accuracy of all counterparty data across all locations at any one time. When people are more dispersed it's essential that they work with

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> *The need for additional portfolio valuation, more detailed credit risk checks, increased reconciliation capabilities and detailed insights into exposures have never been greater*

centrally managed data, to avoid breakdowns in control and governance," warns Volker Lainer, vice president of product management and regulatory affairs at GoldenSource.

The main concerns

One regulation to have been delayed this year is the Securities Financing Transactions Regulation (SFTR), which was delayed from April to 13 July.

When it went live in July, it created a comprehensive new transaction reporting framework for investment firms, credit institutions, central counterparties and central securities depositories. The third phase went live on 12 October.

The Uncleared Margin Rules (UMR) and Central Securities Depository Regulation (CSDR) are still yet to be implemented. The second Shareholders Rights Directive (SRD II) also went live this year but experienced no delays, despite efforts from the industry to push the date back.

Some of the main concerns are around preparing for upcoming regulations while working from home and continuing to ensure compliance. Additionally, there is a worry about a lack of powerful technology in place to deal with the regulations; making cost another concern.

Many firms still have legacy systems that don't allow browser-based interaction, running any type of regulatory reporting that requires contributions, reviews and sign-offs from multiple systems and people is a near impossibility.

According to experts, this means that some firms will fall foul of regulation even if they're doing no wrong in terms of their investment or distribution activity.

"The industry is dealing with navigating a financial market impacted by a global pandemic and increasing geopolitical tensions. The need for additional portfolio valuation, more detailed credit risk checks, increased reconciliation capabilities and detailed insights into exposures have never been greater," says Lainer.

Ticking clocks

The added time for an extension on regulatory go-live dates is allowing the industry to tackle some of these concerns and challenges, and so they are not taking their foot off the gas, experts say. As an example, the extra time for SFTR allowed for a smooth implementation date.

"The SFTR pushback was appreciated within the industry and the additional time well used by participants in their preparation for the new regulation. Even in areas such as Singapore where the Monetary Authority of Singapore provided much longer delays in implementation of new phases of reporting regulation we are seeing firms remain engaged with their preparation," says Ron Finberg, regulatory reporting product specialist, Cappitech.

Meanwhile, delays on the CSDR regulation would have been welcomed by the industry even without COVID-19.

"There are too many uncertainties in its implementation and it's important to achieve a better understanding across the industry. I do not believe this will make anyone relax, but rather it gives us more time to prepare," affirms Ann Magnusson, head of investor services, SEB.

After already being delayed from September this year until February 2021, the CSDR settlement discipline regime (SDR) has now been pushed back to 1 February 2022.

The drive for an additional delay followed persistent lobbying efforts by industry groups that have repeatedly voiced concerns that the mandatory buy-in regime, which comes as part of the regime's framework, would significantly damage market liquidity as well as the participants it is meant to protect.

The spotlight further intensified on the flaws within the regime in June when the UK confirmed it would not on-shore CSDR after the Brexit transition period, which ends on 31 December.

Brexit could also potentially disrupt other regulations too, according to Clement Miglietti, chief product officer, NeoXam, who explains that while there is still time for a deal to be struck, it is looking possible that no agreement on equivalence will be reached.

This means that reporting requirements to UK and EU regulatory authorities could begin to diverge from January 2021.

"Financial institutions have to accelerate their planning now to get ahead of any changes and maximise their reporting efficiency," Miglietti comments.

"I take the view that there is work still to be done in order for the regulators to reach a firm commitment on equivalence, while still creating the autonomy that was promised during the Brexit vote," says Broadridge's Thrower.

Thrower cautions that there will need to be a careful balance between the potential loosening of regulations and the underlying long-term goal of remaining equivalent, and therein lies the challenge.

Weighing in on this, Cappitech's Finberg adds: "All signs point to the Financial Conduct Authority (FCA) aiming to apply general equivalence between what exists under the European Securities and Markets Authority (ESMA) and the UK version that will exist under Brexit. Nonetheless, where we expect challenges are firms keeping up with both the initial small differences between the regulation and the ongoing changes that will take place in the future."

The regulatory evolution

Despite the current climate and challenges, the show must go on. Irrespective of market conditions, regulation will continue to be a priority for firms all over the globe. The regulatory space will evolve differently depending on the different parts of the world that financial institutions operate in.

Thrower highlights the regulations and mandatory market changes taking effect over the next 12 months are largely known, and firms cannot afford to lessen their focus on being ready.

From a European perspective, it will be a busy year ahead with CSDR looming. As well as this there is still progress to be made on SRD II, MiFID, anti-money laundering and European Banking Authority (EBA) guidelines.

Experts also predict the regulatory landscape will evolve based on what the outcome of the Brexit trade talks ultimately means for financial markets.

"In a situation where an agreement on equivalence is not reached, no new UK-related trade or transaction data would be received by ESMA, while the FCA would stop sending data to ESMA," Miglietti outlines.

Regulatory divergence is "likely to follow as while there are areas in which the FCA and ESMA agree on, differences between the two regulatory bodies have been very high profile, such as the FCA's criticism of ESMA's fund rules last year," says Migletti.

Also in this part of the world, the European Union's new Sustainable Finance Disclosure Regulation (SFDR) – also known as the disclosure regulation – is set to come into effect in March 2021.

SFDR imposes new transparency obligations and periodic reporting requirements on investment management firms at both a product and manager level.

Lainer suggests that while SFDR and the Taxonomy Regulation feel as if they are the start, they are by no means the end of sustainable finance regulations. He says: "We should expect further ambitions to be voiced and shaped during the coming year."

As for the US, Lainer predicts banks and credit institutions will need to continue adding credit loss standards to regulatory reports under Current Expected Credit Losses, and smaller funds will need to be fully up to speed with N-PORT reporting demands.

"We might even see the US Qualified Financial Contract (QFC) Stay Rules used in earnest by the Federal Deposit Insurance Corporation in the event of the impending failure of a large institution," he adds.

Looking Eastwards, the regulatory environment becomes even more complex. There are no central regulating bodies in Asia and, as such, Asian countries are still catching up with equivalent standards and regulations.

"If you think it's tricky to cope with the US and EU regulations, there are over 40 regulatory schemes in Asia Pacific that internationally operating firms have to take into account," Lainer outlines.

"Ultimately, I'm a firm believer that firms will benefit by taking a strategic approach to their operations and technology through the deployment of mutualised services and adaptable multi-jurisdiction solutions," Thrower concludes.


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Bottomline

Fund of mandates

Angelina Pramova of GAM Private Labelling explains why a fund of mandates is an efficient and scalable fund solution for private banks and other wealth managers

There are times of structural and disruptive changes which an industry undergoes, sometimes initiated by one strong trigger and having a rather short duration. And then there are times that bring a shift of tectonic plates that occurs gradually, triggered by multiple factors and lasting for long.

The current shift that the fund industry is experiencing from a fund of funds to fund of mandates structures is fundamental and is here to stay for good. The reasons why we believe that this trend will persist are multiple. Funds of mandates are not only applicable to traditional plain vanilla UCITS, but also to liquid alternatives and illiquid strategies. They are significantly more cost-efficient than funds of funds and have higher transparency while providing access to investment expertise that might not be available to the end investors otherwise.

Nowadays, private banks are facing a number of challenges: wealth management clients and ultra-high-net-worth individuals (UHNWI) are increasingly looking for innovative and more efficient alternatives in the management of their wealth. Against the backdrop of industry trends like negative interest rates and constant pressure on fees, banks are challenged to protect their profitability, while opening new horizons for their clients. Private banks often struggle to gain access and manage exposure to liquid alternative strategies in the most efficient way.

In light of the above, GAM Private Labelling has developed a customised and regulated multi-manager investment vehicle providing a scalable solution to both banks and wealth managers, allowing them to get direct access also to this asset class: The fund of mandates.

A fund of mandates' portfolio management is typically delegated to several external investment managers aiming to deliver a broadly diversified portfolio in terms of styles, managers and underlying securities.

There are several fundamental differences between a Fund of Funds and a Fund of Mandates. I would like to highlight the three most important ones:

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GAM's innovative platform and its collaboration with the largest players in the market ensure high quality, a global network and sustainability of the delivered product

- A fund of funds is a fund that invests in other funds, in other words, invests indirectly. A fund of mandates, on the contrary is a directly investing fund itself

- A fund of funds has an expensive commercial profile with a double layer of fees – one is the fee for the fund of funds itself and then the fee applicable at the level of the underlying target funds. By contrast, a fund of mandates has a single layer of fees, equal to every directly investing fund

- There are differences in regulatory burdens: A fund of funds is allowed to invest only in target funds that have an equal regulatory status. Unlike a fund of funds, a fund of mandates can implement the underlying strategy directly without having to match the regulatory regime of another vehicle

In addition, costs are a crucial topic for banks and wealth managers and funds of mandates are poised to become the new way of setting up cost-efficient portfolios going forward.

But it is not only about the lower cost. Funds of mandates also allow banks and wealth managers to implement a best of breed multi-manager strategy, as well as to see the actual holdings without a time lag. Eligible for both (traditional and alternative) liquid and illiquid investment strategies, a fund of mandates provides easy handling, broad accessibility and low costs. A fund of mandates can be established under Luxembourgish law as a UCITS or specialised investment fund/reserved alternative investment fund. It can be structured either as a stand-alone vehicle or a sub-fund under an existing umbrella. And: once set up in Luxembourg, the vehicle can be distributed all across the EU and beyond.

Given the increasing demand for illiquid alternatives, gaining access to the best investment expertise worldwide becomes essential for banks and wealth managers. In times like the current extraordinary pandemic, the possibilities to travel abroad to perform onsite due diligence on an investment manager are very limited. Hence it is of essential importance that one can partner with a platform that already has direct access to a variety of investment managers, has already performed the due diligence on them and hence can provide a 'plug-and-play' solution.

GAM Private Labelling has long-standing expertise in dealing with the largest players in the market. For example, currently, we host over 80 external investment managers on our platform. We are specialised in managing static and dynamic allocations for institutional investors.

GAM's innovative platform and its collaboration with the largest players in the market ensure high quality, a global network and sustainability of the delivered product.

Our independent management company in Luxembourg takes care of designing, building and running the funds of mandates for our clients on their behalf. With a proven track record of nearly 30 years as a management company of third-party funds, we understand how important it is to be independent when preserving our clients' interests. We are neither a distributor nor part of a bank, but an intermediate player building the bridge between the needs of investors and the capabilities of asset managers across the globe. This is why we are free of conflicts of interest with either side of the market.

Our clients focus on their core competences as asset allocators and manager selectors and have full freedom in selecting the investment managers they would like to partner with. Together with our clients, we define the features, investment focus and regulatory/tax setup of their fund.

Our clients can pick and choose out of the 80 plus external investment managers on our platform or select any others. We then build, manage and re-allocate the fund and its exposure to different investment managers in accordance with the instructions of the client.

The client can also easily exchange an investment manager by appointing another one.

The process is usually divided into four stages:

Structuring: Definition of the features, investment focus and regulatory/tax setup of the fund

Manager selection: Our clients can pick and choose out of the 80 plus external asset managers on our platform or select others

Implementation : We establish the fund legally and operationally and establish a connection to the selected managers in accordance with the instructions of the client

Dynamic modification: The client is free to re-allocate the fund and its exposure to the selected investment managers while we take care of day-to-day operations and any changes to the fund

Your client director: the key to easy handling

In addition, GAM Private Labelling offers a unique client experience as we provide our clients with a single point of contact throughout the entire lifecycle of our partnership. From engaging in talks at the early beginning of our relationship to their role as a project manager during the setup of the solution to ongoing relationship management — the dedicated client director remains at the client's side for all requests and concerns that may arise.

Key advantages of our solution

In summary, a fund of mandates:

- Combines the expertise of external managers, not always accessible through direct mandates or not always accessible for wealthy private investors directly
- Typically spreads the portfolio management between several external managers and products delivering a broadly diversified set of styles, managers and underlying assets
- Enables banks and wealth managers to focus on the asset allocation and manager selection
- Can be applied to both liquid and illiquid investments and hence represent a powerful instrument in private banking and the UHNWI segment
- It allows the bank or wealth manager to protect its profitability in an environment full of regulatory and market challenges such as MiFID, negative interest rates and the likes
- It also presents a very efficient and scalable solution in terms of providing easy handling, transparent consolidation and low costs for managing segregated mandates

"Funds of mandates also allow banks and wealth managers to implement a best of breed multi-manager strategy, as well as to see the actual holdings without a time lag"

Angelina Pramova
Head of business development
GAM Private Labelling

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A sustainable future

Maddie Saghir reports

Looking to the future, industry participants can expect to see a systemic approach in including sustainability in financial products, and despite the challenges, the ESG evolution is only going to grow from here

Particularly popular and important to the younger generation, sustainability is a trend that is becoming increasingly mainstream and it is showing no signs of slowing. In fact, it is only going to become more prominent.

It has become embedded in many people's daily lives with an increasingly high demand for materials to be 'green' and sustainable. But what does this mean in finance?

A term that is often used is 'environmental, social and governance' (ESG): an umbrella term for investments that seek positive returns and long-term impact on society, environment and the performance of the business.

Experts also say sustainable finance includes a strong green finance component that aims to support economic growth while reducing pressures on the environment, addressing greenhouse gas emissions, tackling pollution, minimising waste and improving efficiency in the use of natural resources.

In light of the growing political and social focus on issues associated with climate change more broadly, investors are increasingly looking to align their investment strategies with these greener credentials, according to experts.

However is it time for the industry to become more comfortable about being uncomfortable in terms of an exact definition?

One question often asked relating to ESG is how the process works when it comes to interacting with different companies. Questions are being raised around how you test ESG, how you measure it, and how that is then integrated into global asset integration models.

Currently, there is no standardised framework on ESG, and it encompasses social issues as well as factors relating to climate-change-related issues. The lack of standardisation means that while one company may see investing in tobacco as unethical, for example, another company might not agree, making it a matter of opinion.

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While the industry is keen for a more standardised framework, there is some way to go in this space. For example, an investor may see the green bond label but will still have no idea if it is following the guidelines as this 'green label' encompasses lots of different things.

Experts predict that regulation is going to help to make those labels more meaningful for investors, and investors would like to see regulation around disclosure.

Although there is nothing wrong with different shades of green, there has to be transparency. It gets murky when you define what is green and what is not green, whether it is more on the social side or more on the environment. One expert has warned that the industry is still young in the grander scheme of things, and innovation is only going to grow even further, so trying to codify that now in this early stage is going to be a huge mistake.

Integrating sustainability

Despite the confusion of different shades of green and the matter of opinion, the industry is working towards integrating sustainability considerations and encouraging the availability of ESG products to European investors.

"Although the optionality of having ESG has vanished over the past few years, it remains quite an individual and subjective matter for the moment," says Claude-Joseph Pech, equity partner, head of business development and client relationship management at Pictet Asset Services.

Pech explains that some actors in the asset servicing industry have established ESG reporting tools to include scoring possibilities so clients can screen according to ESG-factors of their own needs and preferences.

"The importance and availability of such an offer for European investors can be further encouraged through education and transparency," he adds.

Education is particularly important from both an asset manager perspective as well as an investor perspective. As such the European Commission has created an action plan which aims to regulate certain practices but Pech highlights "this is not an easy space to navigate and I think asset servicing providers can play a role in assisting both managers and investors in this regard".

Data and reporting frameworks also come into play here and they have been a hurdle in the way of integrating sustainability considerations.

Industry participants have seen a surge in corporate activity in ESG in 2020 with many of the large market data and index providers acquiring or partnering with ESG rating providers to improve the quality of data.

During September this year, five global reporting framework institutions namely, the CDP, the Climate Disclosure Standards Board, the Global Reporting Initiative, the International Integrated Reporting Council and the Sustainability Accounting Standards Board, published a shared vision for a comprehensive, globally accepted, corporate reporting system that includes both financial accounting and sustainability disclosure.

Additionally, the EU ESG Disclosure and Taxonomy Regulations are due to come into force during 2021 making data and reporting much more consistent and transparent.

"All of these industry developments will make ESG products more transparent and easier to analyse and compare which will attract more investors," says Karlien de Bruin, director, product development ESG at SANNE.

The European Fund and Asset Management Association has said the European Commission's work on integrating sustainability considerations is an "essential milestone" that will further encourage the availability of ESG products to European investors.

This came in response to the EC's consultations on delegated acts that seek to integrate sustainability risks and sustainability factors into UCITS, Alternative Investment Fund Managers Directive (AIFMD) and the Markets in Financial Instruments Directive (MiFID).

The new EU Disclosure Regulation will require AIFMs, UCITS and portfolio managers and investment advisers authorised under MiFID, to make certain disclosures with regards to sustainability risks and sustainability factors.

"These regulations require disclosures such as integration of sustainability risks into decision-making processes, due diligence policies, remuneration policies, a description of the environmental or social characteristics and objectives, how these objectives will be met, methodologies used to measure and monitor these objectives," explains Bruin.

The disclosures need to be made before the investor enters the product as well as periodically once invested. Bruin notes that the new regulations make it "very hard to hide any non-compliance and is intended to weed out 'greenwashing'".

Challenges

In addition to the challenges around interpretation and how regulatory requirements will apply to each fund, and portfolio managers, investment advisers individually, some industry participants observe a trend in clients demanding high levels of "ESG quality".

Regulators are facing the challenge of creating trustworthy ESG standards and with these new regulations emerging, the challenge could be to restore trust in investors and asset managers.

Another setback, which is often addressed, is the inflation that is happening in the space of ESG products.

"We are already seeing this to some extent, where these products are witnessing such a high level of demand, that the primary purpose behind it, which is impact and shaping sustainability, no longer is not the driver because of the speculative aspect," says Pech.

He adds: "I think that one final challenge to consider is that a lot of emphasis is put on the 'E' of ESG. Indeed, green investment is revolutionising the fund industry, and the on-going climate crisis will keep this trend going. The social aspect of ESG is underrepresented for now, so there is room for improvement in that space, especially with the last year we've had."

Increased appetite and more mainstream

Despite the challenges, the industry's work towards a more sustainable future is paying off. ESG was once considered a niche but it is now more mainstream with increased appetite from investors.

Sova Capital's head of international sales, Kirill Yankovskiy, observes sustainable investing is on the rise as more funds follow criteria integration, ESG theme indexes are formed, and passive money (ETFs) starts to get an allocation from larger, long term pension funds.

"UHNWI globally are demonstrating a growing interest in ESG topics, which increases the future likelihood that the trend will endure momentum that is bolstered by further industry development of rating agencies, experts, and infrastructure," comments Yankovskiy.

Most importantly, there is a recognition that investing with a focus on ESG brings real, calculable financial benefits such as lower cost of borrowing for "green debt," access to a wider investor base, and higher allocation for better ESG ranking, Yankovskiy affirms.

There is an increasingly strong demand from asset managers as well as end-clients to get more ESG dimensions added into their oversight and more monitoring from their investment managers, according to Pech.

Additionally, there is a strong interest in ESG related matters, which will only grow stronger with the new generation of clients, who grew up with an understanding of ESG concepts and concerns.

The future

Looking to the future, industry participants can expect to see a systemic approach in including sustainability in financial products, especially given the regulatory framework set up by the EC.

European policymakers are faced with the conundrum of whether to create a standardised tick-the-box system — putting sustainability in a niche — or to opt for a flexible approach promoting dynamic developments in sustainable investing.

Earlier this year, Tanguy van de Werve, EFAMA director general, indicated they would advise for the latter as a flexible approach will foster a sustainable European economy.

Pech predicts there will be a minimum threshold that will be standardised. "Typically, in a MiFID context, there will be no choice when it comes to reporting and we could see a standardised approach to determining ESG preferences in the investment objectives when considering both suitability and appropriateness for investment," he says.

Weighing in on how the future will look in this space, Yankovskiy suggests that industry standards are still being developed, and the main rating analytical houses have indicated an ongoing interest in the topic.

"Further, the majority of large investment firms have built or are building internal analytical expertise for ESG ranking, which will make sustainable investing more common in the market. It's worth noting that building this expertise can be a difficult and expensive practice for smaller investment firms. Still, as pension funds and super-national funds continue to implement ESG restrictions or requirements, sustainability will become the industry wide norm," he concludes.

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Bob Stewart has been appointed executive director of institutional trade processing (ITP) at DTCC, based in Boston, Massachusetts.

In his new role, Stewart will be responsible for leading industry initiatives that drive further automation in the institutional post-trade process.

He will partner with the industry to drive an integrated post-trade lifecycle through settlement finality, develop solutions to help clients prepare and manage the Central Securities Depositories Regulation (CSDR) requirements, as well as focus on the continued adoption of Alert, DTCC's standing settlement instruction database.

Stewart joins DTCC from Brown Brothers Harriman (BBH) where started working in 1995.

Most recently, he served as head of custody product at BBH, after taking on the role in November 2018.

Matt Stauffer, managing director, head of ITP at DTCC, said: "Bob Stewart brings a wealth of experience and expertise in delivering

BNY Mellon has appointed Fangfang Chen as Asia Pacific (APAC) head of asset servicing and digital and APAC chair, with effect from 4 January.

In this position, Chen will be responsible for overseeing the execution of the company's strategic growth agenda in APAC and will work towards driving the success of the asset servicing and digital business in the region.

Additionally, Chen will provide oversight of BNY Mellon's regional structure, including regulatory and legal compliance.

Based in Hong Kong, Chen will report to Hani Kablawi, chairman of International, BNY Mellon and to James Slater, head of asset servicing client coverage and front office solutions, BNY Mellon.

During her career in financial services and consulting, Chen spent 12 years at State Street, where she held numerous leadership roles in the US, China and in Hong Kong.

Her last role at State Street was chief operating officer (COO) for APAC, where she oversaw operations across multiple businesses in the region.

Most recently, she worked at Algorand Foundation, a financial technology start-up involved in the development of an innovative, enterprise-scale public blockchain technology that enables frictionless finance.

As the COO and a founding member of Algorand, Chen oversaw strategy, ecosystem partnerships, business incubation, and global community development.

Chen succeeds David Cruikshank, who announced his retirement from the company as APAC chairman earlier this year.

Rohan Singh, who has served as APAC head of asset servicing since 2017, has taken on a new global role as head of asset owners at BNY Mellon.

Roman Regelman, CEO of asset servicing and head of digital, BNY Mellon, commented: "We are incredibly excited to welcome Fangfang Chen to BNY Mellon. She will lead us in ensuring we are delivering a consistent, high-quality experience to our clients in the region while expanding and enhancing the local custody and fund services capabilities we offer to leading asset managers and asset owners across Asia Pacific, building on our reputation for quality client service and innovative digital- and data-driven solutions."

products and services for the buy side and custodians, and we are excited to have him join the ITP team with a focus on settlement and lifecycle management."

"We look forward to his future contributions as we continue to enhance our ITP suite of services to meet evolving client and industry needs."

Commenting on his appointment, Stewart added: "I am delighted to be a part of the DTCC team, and look forward to working with my colleagues and the industry community to deliver an even more streamlined, no touch post-trade process."

"As clients continue to face increasing regulatory obligations, cost pressures and the need to mitigate risk throughout the trade lifecycle, I look forward to advancing solutions that further transform the post-trade process for the benefit of the industry."

Hazeltree has appointed Jonathan Spirgel as managing director and global head of cash and liquidity management, based in New York.

Spirgel, who joins with more than 30 years of experience, has experience in building liquidity, collateral and segregation solutions for institutional clients.

In his new role, Sprigel will help clients with operational efficiencies, risk mitigation, and yield optimisation related to their aggregated cash and liquidity needs. He joins from BNY Mellon where he was a member of the senior management team.

Sameer Shalaby, president and CEO of Hazeltree, commented: "Jonathan Spirgel's

TMF Group has appointed Sabrina Li to lead its fund administration business unit for the China and Taiwan market, based in Shanghai.

Li joins from State Street where she served as head of hedge fund net asset value services in China.

She has also served in multinational organisations such as Citco Fund Services and HSBC, as well as in Chinese domestic firms such as Sycamore investment and Homaer Financial, focusing on hedge fund accounting and operations.

Andrew O'Shea, TMF Group's global head of fund services, explained: "Sabrina Li's experience will be central to helping us grow our fund services in the China and Taiwan market – which is one of the fastest-growing territories in our industry."

Thun Lee, TMF Group's head of China and Taiwan Market, added: "The fund sector is growing very quickly within the Greater China region, and there is a huge opportunity out there for our clients. I am very glad that Sabrina Li will be leading the charge for us in this regard and is exactly the type of senior hire we need to take our business – and our clients' businesses – forwards."

Li said she is excited to bring her experience to TMF Group's fund administration business. "It's a rapidly-growing company and an exciting place to be. I'm looking forward to helping their growing list of clients," she added.

At the start of October, TMF recruited Kwame Lewis to the newly created role of head of fund services for the North America region.

Lewis joined from ACON Investments, a middle-market buyout private equity manager, where he worked as chief financial officer.

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proven track record building businesses and solutions will be crucial to help our clients address the many challenges they are facing, from turbulent market conditions to uncleared margin rules compliance requirements, to the low-interest-rate environment."

Torsten Ries has been appointed CEO of VP Fund Solutions (Luxembourg) at VP Bank Group.

The new appointment follows the announcement that Eduard von Kymmel, the current head of VP Fund Solutions of VP Bank Group and CEO of VP Fund Solutions, will step down from his position at the end of 2020.

Kymmel, who will be available to VP Fund Solutions until the end of March 2021 to train his successor Ries, explained he is stepping down in order to become an independent member of the board of directors with his own fund governance consultancy.

Ries joined VP Fund Solutions in 2013 and has been a member of the executive board of VP Fund Solutions in Luxembourg since 2019.

In 2016, he also took on the responsibility for the private equity and real estate division at VP Fund Solutions.

Meanwhile, Ralf Konrad, who has been chair of executive management VP Fund Solutions (Liechtenstein) AG since 2016, will remain in his role.

However, Konrad will now report to head of client solutions Thomas von Hohenhau member of the group executive management instead of Kymmel.

Ultimus Fund Solutions co-founder Bob Dorsey has revealed he will be retiring on 31 March 2021.

Dorsey, who founded Ultimus in August 1999, has served as managing director, president, CEO and co-CEO for over 19 years and his current role as vice chairman since February last year.

During his time at Ultimus, he oversaw the business development and growth opportunities for the company, with a particular focus on client service.

Commenting on his retirement, Dorsey said: "When we started the firm, our goal was not to be the biggest mutual fund administrator in the industry but simply the best in the industry. One of our objectives was to elevate the status of fund administration to the level of other professional services, such as investment advisory, legal and audit services, and to always focus on delivering the highest level of client services."

Gary Tenkman, Ultimus CEO, added: "Bob Dorsey and his partners started this firm with aspiring goals and they accomplished a great deal. Thanks to Dorsey's vision, he helped shape the firm we have today. Many clients that started with Dorsey and his partners in the early years of Ultimus are still clients today because of the co-founders' client-centric philosophy."

Headquartered in Cincinnati, Ohio with offices in other cities such as Chicago, New York and Boston, Ultimus is a provider of full-service fund administration, account and investor solutions to support the launching and servicing of registered funds, private funds, and public plans.

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