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Northern Trust continues to build LGPS assets

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Northern Trust has grown the part of its custody business servicing Local Government Pension Schemes in the UK with the addition of US$10 billion in new client assets in 2010.

The company now provides custody and related services to 36 per cent of the Local Government Pension Schemes in the UK.

The announcement follows a series of Local Government Pension Scheme wins announced by Northern Trust underpinning its commitment to the Local Government Pension Schemes market, including the US$1.2 billion London Borough of Wandsworth, the US$65 million Shetland Islands Council and the US$2.2 billion West Sussex County Council, as well as most recently the US$5 billion Lothian Pension Scheme.

"Local government pension schemes are faced with a variety of challenges and concerns – such as changes to the state pension age and how to manage their liabilities," said Douglas Gee, UK institutional business development manager for asset servicing at Northern Trust.

"The Local Government Pension Schemes market is a key focus for us at Northern Trust and we understand they, like all our pension scheme clients, are looking for solutions including, and beyond, custody, such as access to expertise and information on pensions, investments and government and regulatory issues, as well as proprietary research into market-related issues such as risk management and fiduciary management – all of which we can provide."

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HSBC launches Islamic securities services

HSBC Securities Services and HSBC Amanah have teamed up to launch HSBC Amanah Securities Services, a new global service for Islamic fund managers.

The Shariah-compliant services are available to both Islamic and traditional investment managers for Islamic funds.

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New guide to UCITS IV for management companies

State Street has launched a new Collateral Tracking service that helps asset managers and owners accurately assess and manage counterparty risk.

Clients can now receive up-to-date reporting on the location and status of all collateral movements regardless of where the assets are held.

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HSBC launches Islamic securities services
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The service will be offered across 17 markets in Asia, the Middle East, Europe and the Americas.

It will offer fund set up and structuring, fund accounting and administration, transfer agency, custody, banking and treasury services.

Lynde & Harry Bradley selects BNY Mellon for global custody

BNY Mellon has been named custodian for $600 million in funds administered by the Lynde & Harry Bradley Foundation. BNY Mellon Asset Servicing will provide global custody and accounting services, private investment accounting, as well as performance and risk analytics. BNY Mellon will also provide support through its Treasury Services business and asset management through its Mellon Capital Management Corporation affiliate.

"Since 1985, the Lynde & Harry Bradley Foundation has made more than $772 million in grant awards to organisations across the US, and we need a company with the breadth of services BNY Mellon offers to help us manage and administer a diversified investment portfolio that supports our substantial grant-making operation," said Cynthia K. Friauf, vice president for finance at the Bradley Foundation.

"We value the opportunity to help the Bradley Foundation fulfill their important mission in so many ways," said Laurin Moore, head of BNY Mellon Asset Servicing's US Corporate, Government & Not-for-Profit business. "Our work with them showcases the 'total company' resources BNY Mellon is able to deliver to institutional clients, from global custody to value-added analytics to enhanced index strategies."

CIBC Mellon selected as Auto Sector custodian

CIBC Mellon Global Securities Services has been selected to provide custody and accounting services to the Auto Sector Retiree Health Care Trust.

"The appointment of our first asset servicing provider was a crucial decision for us," said Gordon Graham, executive director, Auto Sector Retiree Health Care Trust. "CIBC Mellon took the time to understand our needs and develop a flexible and highly-effective solution that will help us deliver exceptional service to our members. We look forward to building a long-term, successful relationship."

"Growing benefit providers rely on an asset servicing provider who can deliver the suite of services they need to meet their investment objectives and the needs of their members," said Thomas S. Monahan, president and chief executive officer, CIBC Mellon. "We look forward to playing a key role in the growth and administration of the Auto Sector Retiree Health Care Trust."

BNP Paribas now largest third-party clearer in Hong Kong

BNP Paribas Securities Services has become the largest General Clearing Participant on the Hong Kong Stock Exchange (HKSE), clearing over five per cent of the value of the HKSE's daily turnover.

Drawing on BNP Paribas Securities Services' commanding position as global clearer across more than 19 markets in Asia and Europe, this development is the result of a joint effort by the Bank and local regulators, helping to continually shape and refine the framework for clearing in Hong Kong over the last 12 months.

The Bank's latest third party clearing (TPC) achievement is a project launched in cooperation with BNP Paribas Global Equities and Commodity Derivatives (GECD) team in Asia, where GECD's clients can immediately benefit from increased operational efficiencies across all sizes of operation.

"By launching the largest TPC project to date in the region, we are delighted to have this opportunity to further demonstrate our role as natural innovators in Hong Kong," commented Bruno Campenon, head of BNP Paribas Securities Services in Hong Kong. "This project is clear evidence that the significant benefits of TPC can now be enjoyed by large, top-tier brokers, helping them to manage their risk and their workforces more effectively."

Pierre Rousseau, global head of global equities and commodity derivatives, BNP Paribas Asia Pacific, welcomed the developments. "Our clients will benefit from one of the most sophisticated technical platforms and comprehensive trading and clearing solutions available in the market in Asia. This will reduce clients' risk along the entire clearing and settlement process, and achieve greater efficiencies in their equity trading operations."

State Street announces collateral tracking service
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The Collateral Tracking service expands the traditional core custody function of acting on direction from the asset manager to move collateral, including cash or securities, in and out of an account. The enhanced service automates a previously manual process, which required asset owners to contact each broker or investment manager individually to determine the outstanding collateral at any point in time. With the new service, clients can send their collateral instructions to State Street's proprietary collateral tracking hub, which automatically initiates the process of tracking the status and location of all outstanding collateral. Additionally, the service's fully customizable reporting allows clients to schedule reports to run systematically or upon request, using any combination of date range, adviser, client, counterparty, fund, or product type.

"At State Street, we are constantly developing new products to help monitor and manage risk for our clients," said Patrick Centanni, executive vice president and head of Global Product Management at State Street. "The Collateral Tracking service provides clients with settlement status updates and event monitoring information to increase transparency and mitigate counterparty risk exposure."

"State Street's new collateral tracking capabilities are a core component of our derivatives strategy, which is designed to address the unique challenges our clients face in the derivatives market today," said Jeff Conway, executive vice president and head of Investment Manager Operations Servicing at State Street. "State Street's derivative servicing suite now includes end-to-end OTC and exchange traded derivatives processing, collateral management, and independent valuations."

Northern Trust wins Stenham custody mandate

Northern Trust has been appointed by Stenham Asset Management, a leading global fund of hedge funds manager with US$3.5 billion in hedge fund assets under management to provide custody, fund administration, credit and foreign exchange services.

Stenham Asset Management will be using Hedge Fund Monitor, Northern Trust's integrated online portfolio management tool, to provide information and analytics to its hedge fund of fund portfolios. The tool will provide high levels of transparency into the performance and liquidity of Stenham Asset Management's portfolios of hedge fund investments and is updated through an online reporting system on a daily basis.

"We appointed Northern Trust based on the experience and expertise of their personnel, as well as their ability to provide innovative and market-leading technology within the fund of hedge funds arena. We expect to make considerable productivity gains over many years through this association with Northern Trust," said Jeremy Alun-Jones, group managing director of Stenham Asset Management.

Stenham Asset Management has been active in fund management for over 25 years and provides market leading solutions for pension funds, charities, family offices and high net worth individuals, including both discretionary portfolios and funds of hedge funds. Stenham has clients across the globe – in the UK, Channel Islands, the Caribbean, Europe, South Africa, Latin America, Japan, Asia-Pacific and the Middle East.

"We are delighted to have been appointed by Stenham Asset Management," says Toby Glaysher, head of Global Fund Services for UK, Ireland and Luxembourg. "Increasingly we are seeing fund managers looking to Northern Trust for solutions to support requirements from their investors to respond to demands for better transparency, greater control and more robust governance frameworks for their alternative investments. Our Hedge Fund Monitor product has been developed in response to client demands and designed to respond to these requirements."

Northern Trust supports leading global hedge fund and fund of hedge funds managers through an extensive range of middle-office, fund administration, custody, banking, online data management and trade execution tools, risk analysis and reporting solutions, all supported by a global technology platform. As of 31 December 2010 Northern Trust's hedge fund and fund of hedge funds servicing business had assets under administration of approximately US$97 billion.

FBR exits prime brokerage

Investment bank FBR Capital Markets has announced that it is quitting the prime brokerage business. FBR started the service two years ago and says the decision to close it is the result of a turn in market conditions. "The market environment that prompted our entry into that business in the fall of 2009 changed materially, and our ability to successfully start up this business in a reasonable time frame changed with it," explained Richard J. Hendrix, president and chief executive of FBR Capital, during a recent earnings call.

Mizuho buys up Eurekahedge

Mizuho Corporate Bank has agreed to acquire 95 per cent of the shares of Eurekahedge.

Upon the closing of the proposed transaction, Eurekahedge will become a subsidiary of MHCB. The founder of Eurekahedge and the current chief executive officer will together retain the remaining five per cent of the ordinary shares of Eurekahedge and will continue to participate in its management.

By maintaining management continuity, MHCB intends for Eurekahedge to continue to offer its existing services to its current customers.

Eurekahedge was established in 2001 as an independent data provider and research house and maintains and develops a database on alternative investment funds such as hedge funds and private equity funds. With a database containing information on over 20,000 funds, Eurekahedge is one of the industry's leading companies, whose strength is in coverage of global alternative funds. In addition, Eurekahedge has developed and provides information through its "Eurekahedge Fund Indices", which has gained global recognition as a benchmark index in the hedge fund industry.

In October 2010, MHCB established Mizuho Global Alternative Investments ("MGAI") as a wholly owned subsidiary, to select and provide alternative investment hedge fund products for mainly Japanese institutional clients including corporate pension funds and financial institutions. MGAI and Eurekahedge previously entered into a business alliance agreement and are strengthening their collaborative efforts through joint projects such as the launch of the Japanese version MGAI-EH Newsletter, an analytical report on the hedge fund industry that MGAI issues in collaboration with Eurekahedge.

Guggenheim Global Trading launched

Guggenheim Partners, a global diversified financial services firm, has launched Guggenheim Global Trading LLC (GGT) which will invest capital on behalf of the firm, its shareholders, its affiliates and a small group of institutional investors. GGT will be based in Purchase, NY, and will be headed by Loren Katzovitz and Patrick Hughes, both managing partners of Guggenheim Partners.

"The current environment affords the firm a unique opportunity to hire seasoned talent out of what is a reshaped Wall Street landscape," said Katzovitz. "As a private firm, we believe there are attractive opportunities to invest capital supporting trading strategies with high probabilities of success, particularly as banks are required to divest or significantly reduce their proprietary trading activities and smaller hedge funds find it uneconomical to continue."

"Legislative and regulatory changes globally have created a unique timing opportunity with regard to the availability of high-quality traders and trading groups," said Hughes.

"The launch of GGT however, is not simply about access to talent; we further believe that the reduction in proprietary trading globally, as a result of the new regulatory regime, should ultimately result in wider investment spreads in arbitrage and other strategies."

Guggenheim is launching GGT with an initial target allocation of approximately US$500 million, with a longer-term goal of US$2 billion over several years. The team will consider raising capital on a limited basis from third-party investors, but only to the extent that such third parties would be interested in being an equity partner with Guggenheim. GGT plans to hire approximately 20-25 trading groups within the next 12 months. While GGT may enter into strategic relationships with existing trading groups that have unique trading styles and strategies, its general preference will be to build its strategies outright.

"We look forward to growing this new business," said Mark Walter, chief executive officer of Guggenheim Partners. "GGT's innovative approach is consistent with Guggenheim's philosophy of offering our clients and equity owners exceptional investment opportunities."

"We believe GGT has significant potential to produce many compelling investment strategies that will benefit the various needs of our clients," said Scott Minerd, chief investment officer of Guggenheim Partners.

Newedge Goes Live on SMX

Newedge is now fully-operational as a general clearing member (GCM) of SMX.

The SMX membership allows Newedge to transact, clear and settle trades for customers, including any other broker member or trade member of the exchange. Newedge is one of the leading commodity brokers on agricultural products, energy, emissions and metals, but also offers global multi-asset brokerage services for a range of listed and OTC derivatives and securities.

Mike Gilbert, Newedge global head of professional trading group & head of clearing Asia Pacific, said: "Newedge SMX membership adds to our presence in Singapore where we already have a significant position. We are pleased to offer SMX access to our clients and take part in the development of commodities and derivatives markets in Asia."

Thomas J. McMahon, chief executive officer of SMX, said: "We are very pleased to have Newedge go live as a General Clearing Member from an early stage in the Exchange's development. Its place among our pioneering clearers affirms the compelling nature of our trans- Asian multi-product range and serves as valuable insight for cross-border liquidity. We look forward to a shared emphasis on balancing international clientele with regional experience to list multi-asset solutions for marketplace demands. We see Newedge clients maximising the benefits from SMX products, while simultaneously adding to the Exchange's participant and liquidity pool."

Launched on August 31, 2010, SMX provides multi-currency, multi-asset trading and clearing for products with guaranteed settlement and delivery. It enables members to engage in futures trading for WTI Crude and Brent Crude (denominated in Euros). It also has the distinction of launching Singapore's first gold futures contract (with physical delivery-based settlement) and Euro-US Dollar currency futures.

ZAN Partners implements Paladyne FastStart

ZAN Partners Ltd, an independent investment management firm based in London, has successfully implemented Paladyne FastStart as its fully-hosted front- to back-office solution.

ZAN Partners elected to replace its existing in-house portfolio accounting and general ledger system with FastStart, a unique combination of order management and portfolio management functionality delivered as a fully hosted, ASP solution. Paladyne FastStart provides ZAN Partners with order management, pre-and post-trade compliance, real-time P&L and exposure monitoring, portfolio management, NAV reporting and automated 3rd-party reconciliation. Paladyne's hosted platform, known as Paladyne ASP, provides ZAN Partners with a fully managed IT service, 24×7 technical and product support, hardware, product upgrades and mirrored disaster recovery.

"Once we decided to make the switch to Paladyne's all-in-one solution we gave their services team a very aggressive migration timeline," explained Zain Naqi, CEO of ZAN Partners.

"We were really impressed by the speed and thoroughness of the entire Paladyne FastStart implementation, and look forward to a close partnership with Paladyne in the coming years."

"We are thrilled that we were able to transition ZAN Partners to our platform in a very short period of time," commented Sameer Shalaby, CEO of Paladyne. "ZAN Partners is yet another example of a firm making the decision to move away from heavier, less integrated in-house solutions, to Paladyne's fully-hosted front-to-back solution, which has the ability to shadow all of a firm's counterparties including the fund administrator."

Northern Trust wins £1.2 billion Dyfed mandate

Northern Trust has been appointed by the Dyfed Pension Fund, administered by Carmarthenshire County Council, to provide global custody and investment accounting services for GP£1.2 billion (approximately US$2 billion) in pension fund assets.

This is the latest appointment in a series of Local Government Pension Scheme wins announced by Northern Trust.

The council, which appointed Northern Trust following a competitive tender, was looking to extend the services it received from its custodian.

"We selected Northern Trust as they demonstrated expertise in core asset servicing for UK pension funds, including investment accounting, which will be a new service for the Fund," said Anthony Parnell, treasury & pension investments manager at Carmarthenshire County Council.

"Furthermore, Northern Trust has a comprehensive understanding of the Local Government Pension Schemes market in the UK and we were impressed by its proprietary online reporting portal, Passport. Alongside a competitive fee schedule, these were key criteria in this appointment."

"We are delighted to have been appointed by Carmarthenshire County Council," said Penelope Biggs, head of the Institutional Investor Group at Northern Trust. "Northern Trust services over one third of all Local Government Pension Schemes in the UK and this latest appointment underpins our continued commitment to this market. We understand our Local Government Pension Schemes clients have specific requirements and our Retirement Solutions Practice has been specifically designed to provide all our UK pension fund clients with insight into regulatory issues and trends affecting them, in addition to delivering innovative asset servicing solutions that meet their specific requirements."

Northern Trust recently announced it grew the part of its custody business servicing local government pension schemes in the UK with the addition of US$10 billion in new client assets in 2010. The company now provides custody and related services to 36 per cent of the Local Government Pension Scheme market in the UK.

SEC approves DTCC and NYSE project

The Securities and Exchange Commission (SEC) has approved the "one-pot" cross-margining arrangement between fixed income positions cleared by DTCC's Fixed Income Clearing Corporation (FICC) subsidiary.

The SEC approval permits FICC, for the first time ever, to participate in a cross-margining arrangement that brings together fixed income cash and derivatives positions in a single margin calculation. The "one-pot" model will produce significant capital efficiencies by margining the actual economic risk of combined portfolios of cash and derivatives positions. By offering a single combined view of risk across asset classes, "one-pot" margining also enhances market and regulatory transparency with respect to the clearing of fixed income portfolios, which can be used to identify and moderate systemic market risks, facilitating more orderly risk mitigation and reduction in settlement risks.

"Since the financial crisis, we've been intensely focused at DTCC on mitigating risk and increasing market transparency for regulatory authorities while introducing new efficiencies into the clearing system," said Murray Pozmanter, DTCC managing director, Fixed Income Clearing and Settlement. "In fixed income markets, where firms routinely use futures to provide a natural offset or hedge to cash market trades, we're confident that 'one-pot' margining will help achieve these goals, and we're grateful that the SEC has approved this expeditiously." In 2010, FICC cleared and settled transactions valued at average of about $4.6 trillion daily.

The SEC rule filing also enhances risk mitigation procedures for FICC member firms that trade government securities by implementing twice-a-day margin calls instead of the single margin call currently in place.

Europe

Still recovering from the credit crisis that took hold of both countries and their financial institutions, Europe remains one of the most important markets for most providers

BEN WILKIE REPORTS

The credit crisis hit Europe harder than any other continent. Both Greece and Ireland required bail-outs from the European Union, while Spain and Portugal still have significant problems to overcome. In the UK, huge deficits need to be paid back, and Italy, France and the Benelux countries have also seen their economies struggle.

In the banking sector, government intervention to the tune of tens of billions of euros has propped up ailing institutions. There has been no Lehman-style collapse of a European bank, although some German regional providers have fallen - but it was a close run thing. With many of the continent's largest banks now partly or wholly state-owned, the focus has been on tightening controls while aiming to repay the huge debts they have run up.

For asset managers, however, the downturn has not been as tough as they may originally have expected. True, asset values in most European stocks fell, but in most cases, levels have pretty much returned to pre-crisis figures. The increased transparency required across all publicly traded businesses also means that managers now have more information available to them about a European firm's balance sheet and prospects.

Providers

While there is some cross-border activity - most Dutch custodians will also work in Belgium, for example, with the same across Spain and

Portugal and the Baltics and Nordic countries are often thought of as a single market, there is wide differentiation in the infrastructure of most countries and providers need to have a significant footprint in each country to be able to call themselves a European provider.

The financial crisis, however, has brought countries closer together when it comes to agreeing on a regulatory infrastructure

Some of the bigger players - BNP Paribas, Deutsche Bank and Northern Trust for example - are pretty close to offering a pan-European service although in most cases they will still require the services of sub-custodians in some of the smaller markets. But will new regulation change this?

There has long been a move within the European Union to harmonise financial regulation across the continent. But there have always been obstacles in the way - the UK, for example, has never been keen on anything that may harm its status as the dominant financial centre in the region.

The financial crisis, however, has brought countries closer together when it comes to agreeing on a regulatory infrastructure. While Dodd Frank and other legislation from outside the continent is going to have an impact, and Basel III is already being prepared for, moves are afoot to bring the EU countries closer in line. This isn't going to happen overnight, and it won't affect everyone - Norway and Switzerland, for example, are not in the European Union, but it seems that for the first time the political will is there for a harmonised regime.

Not everyone is so sure it will happen, however. "There is a possibility it will happen with the eurozone countries," says one custodian, "but I can't see it happening across the board. And I can also see that right now while the credit crisis is so fresh in people's minds that there is an impetus to do something. But memories fade, and other priorities will come up over the years. I personally don't think a harmonised regime will help European markets and I'm not losing any sleep over whether or not it will happen."

Prospects

Europe is a mature market, and investors will continue to look for opportunities. But most agree that it's not the environment in which large returns are going to consistently be made and the fast growing economies of Asia and Latin America are proving more attractive to asset managers.

But growth will continue, and the infrastructure of the markets keeps the countries as attractive propositions. There is still money to be made from the back office, although many experts predict that consolidation is going to continue.

State Street's chief executive Jay Hooley is looking for further acquisitions in Europe after already snapping up the businesses of Bank of Ireland and Intesa Sanpaolo in Italy. With its European headquarters in London, and having recently won the custody and fund administration mandate from the government-run National Employment Savings Trust -a fund expected to be worth £100 billion within 30 years - Hooley says that there is plenty of opportunity.

"Most growth is tied to GDP growth and economic growth," explains Hooley. "We'd like that, but we are also interested in the evolution of asset pools. As asset pools move from government to company sponsored pension plans... there are more things we can do."

Hooley added that although the financial picture at the moment isn't great, State Street is focusing on the long term, where increasing funds will see more opportunities for custodians. Margins here are slightly higher than in the US, making it a "more exciting" opportunity.

The UK

It's the most advanced market in Europe, and probably the most competitive. But the travails of the financial markets have left parts of the UK's financial services industry battered and bruised. With funds having to work harder to get returns, and less money in the market, the UK's custody providers have had to up their games to gain value and remain established within the market.

Pretty much every global custodian is represented in the UK, with the largest players - the BNY Mellons, State Streets and Northern Trusts - all having large market share. There's not a lot of room for the minnows.

Clients now have far greater focus on risk management and this is filtering down into the due diligence they place on firms. Although the downfall of Lehman wasn't related to its custodial business, the collapse sent a shockwave through the industry and firms want to ensure their provider is financially secure and has the ability to invest in its systems and infrastructure.

But there is one potential spanner in the works. The UK's position as the leading financial services centre in Europe - if not the world - is unlikely to be under threat in the near future, but there is an issue that has some bankers concerned. There are mutterings about a cap on bonuses in the banking sector, and already an added 'banker's tax' on bonuses, which have already led to some firms complaining that they are unable to attract the highest calibre of staff.

Nordics

The separate markets of Norway, Finland, Sweden and Denmark have seen major changes since the crisis, chief amongst them being the introduction of a CCP, implemented in 2009 by EMCF and OMX Nasdaq Nordic.

"[This] has made the market more attractive from a cross border cost perspective," Noren continues. "It might also have contributed to a safer and more predictable market even if all current European clearing models leaves a few things to be desired on that account. A related effect of CCP is that banks have developed more sophisticated and advanced risk management models, partly in response to the nature of a clearing environment but equally so in response to market supervisory powers requirements and own managements ditto for counterparty risk control. A surprising effect of the CCP introduction (even if apples not necessarily are compared with apples here)is the lowered settlement rates - an issue that is addressed by an informal CSD/Bank consultation process at this very moment."

Although the downfall of Lehman wasn't related to its custodial business, the collapse sent a shockwave through the industry and firms want to ensure their provider is financially secure and has the ability to invest in its systems and infrastructure.

Nordic custodians are also having to deal with the introduction of the Target 2 Securities regulation, which aims to centralise the settlement of euro denominated securities on a single European platform by 2013. This could mean that competition for custody business will move from an inter-custodian battle to include CSDs as well - again reducing margins. **AST**

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Industry Appointments

Kinetic Partners has announced two new hires to strengthen its insolvency and forensic services practice.

Jess Shakespeare joins Kinetic as a director and is a Cayman qualified insolvency practitioner with extensive experience gained working with investment funds and in the insurance and banking industries in the Cayman Islands. Previously, he acted as a director to numerous investment funds and structured finance vehicles, provided administration services to unit trusts, and acted as a liquidator in hundreds of voluntary liquidations of such entities.

James Plowright joins Kinetic Partners from Worrells Solvency and Forensic Accountants in Australia, where he gained comprehensive experience in negotiation of the sales of assets and businesses, voluntary administrations and liquidations, corporate and non-corporate receiverships and litigation support. He is CPA and IPA qualified.

Shakespeare commented: "I am very pleased to be joining Kinetic Partners' Grand Cayman office at a time when the team and the firm is growing and moving in an exciting direction. After five years of great success, I relish the prospect of strengthening the firm's achievements and capabilities in liquidation and forensic services."

Julian Korek, founding member of Kinetic Partners, commented: "We are delighted to celebrate our fifth anniversary in Grand Cayman by welcoming two valuable new members to Kinetic Partners' liquidation and forensic services contingent. Jess and James will work closely with their counterparts in our other locations as ongoing reform in financial services will continue the need for expertise in this area."

Geoff Varga, who leads Kinetic Partners' corporate recovery service offering in Cayman and New York, also noted that "these additions are just further examples of our continued growth and focus in the distressed funds arena. Furthermore, by utilising our firm's global team approach to formal and informal liquidation mandates, involving both onshore and offshore entities and structures, we have been able to continue to propel ourselves as a key provider of solutions in the space."

Stuart Hendel will join Bank of America Merrill Lynch as managing director and head of global prime brokerage.

In this role, Hendel will be responsible for leading the continued expansion of the company's prime brokerage businesses on a global basis.

Hendel, who is expected to join the company in June, will be based in New York and report to Tom Patrick and Mike Stewart, co-heads of Global Equities. Additionally, the Global Futures and Derivatives Clearing Services group will report to Hendel and Denis Manelski. Manelski will also continue as head of Global Short Rates Trading.

"Financing and prime brokerage services are an integral part of our client offering, and we have made substantial progress adding clients and balances in the last several years," said Mike Stewart. "Under Stu's leadership, we look to aggressively build on that success and establish the industry's leading prime brokerage platform."

"A well-respected industry veteran with outstanding client relationships, Stu has a proven track record of managing and expanding global prime brokerage businesses," said Tom Patrick. "We are very pleased to welcome him as a member of our leadership team."

Hendel began his financial career at Morgan Stanley, where he held a number of leadership roles before moving to multi-strategy hedge fund Eton Park in 2004, where he was a founding partner. In 2007, he returned to Morgan Stanley as global head of Prime Brokerage, and since 2009, he has been head of Global Prime Services at UBS.

The California Public Employees' Retirement System recently announced the appointment of CalPERS executive Larry Jensen as chief risk officer, a new position created to improve the pension fund's overall risk management programme.

Jensen has been interim chief risk officer since October 1, 2010, when he was appointed to head the new Office of Enterprise Risk Management and to independently assess risk for CalPERS. He oversees four primary functions: Enterprise Risk Management, Enterprise Compliance, Enterprise Privacy and Security, and Business Continuity/Disaster Recovery.

"Larry Jensen has done an excellent job in his interim role," said CalPERS chief executive officer Anne Stausboll. "He's very familiar with CalPERS operations and has extensive experience in evaluating administrative and fiscal operations, pension, health and investment programmes."

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Jensen reports to Steve Kessler, deputy executive officer for operations; Chief Executive Officer Anne Stausboll; and the CalPERS Board.

Prior to his interim appointment last year, Jensen served as the assistant executive officer for the Administrative Services Branch since January 2010. He joined the CalPERS Office of Audit Services in June 1995 and became chief auditor in 2002.

As chief risk officer, Jensen will serve as an independent adviser and consultant to the Board's Ad Hoc Risk Committee. He will oversee risk intelligence gathering to support decision-making and help evaluate executives' risk management performance.