



Asset managers criticise custody service levels in new report

NEW YORK 26.08.2011

As investment markets continue to become more complex, asset managers are emphasising accurate processing and relationship management as key services expected from custodians, according to the fourth annual Finadium survey on securities lending, collateral management and custody.

"In prior years we have heard commentary on custodian performance, but this is the first year we heard many strong adjectives used to describe services, from excellent and outstanding to poor and awful," writes Josh Galper, managing principal at Finadium and author of the report.

This and other industry trends were drawn from interviews with 36 asset management professionals across 30 firms which cover \$16.5 trillion in assets. Galper expects the strong feelings to continue as as-

set managers raise expectations for custodians to provide complex valuations and process an increasingly diverse set of financial instruments.

"The burden of keeping financial markets running smoothly continues to fall heavily on custodians, and this is at times no easy task," he wrote.

So what does a custodian need to do to be perceived as good at its job?

While basic accuracy in automation and processing was the most popular response, asset managers were also concerned about the quality of people and the ability of those people to both communicate and solve problems.

As testament to this trend, while Asia Pacific continues to dominate headlines as the next hot market, global custodians such as HSBC Securities Services have been announ-

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Broadridge launches Canadian proxy mobile app

Broadridge Financial Solutions has launched its mobile proxy voting platform for Canadian shareholders, available for smart phones and tablets such as iPhone, BlackBerry, Google Android and Microsoft. Until now, registered shareholders were only able to cast electronic votes via their personal computers.

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Oslo Suburb selects Northern Trust

Baerum Kommune has selected Northern Trust for a NOK 600 million (€76.4 m) asset servicing mandate to provide global custody, securities lending, transition management and foreign exchange services.

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Ten markets, ten cultures, one bank.

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Asset managers criticise custody service levels in new report

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ing a deluge of new hires in the region to expand their services, particularly in client and sales management roles.

But survey responses indicated that asset managers are looking for experienced advocates within the custodian firm to discuss major and minor issues of industry importance.

An operations manager for a European asset manager commented: "The biggest issue we have with our custodian is the ability to keep up with the rate of change."

Among other stated concerns was the need for more automation around corporate actions with some asset managers noting that they expected custodians to take on more of the work currently being performed in-house.

Still, based on the diversity of responses, Galper writes that the business of providing custody seems to remain a "moving target" and depends highly on the skills and attitudes of each party at any given time.



Broadridge launches Canadian proxy mobile-app

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Twenty million proxy votes were recorded through ProxyVote.com for the 12 months ended June 30, 2010. ProxyVote offers beneficial and registered shareholders, as well as Employee Stock Ownership Plan and Employee Stock Purchase Plan participants, the convenience of voting their shares on the internet. With the introduction of Mobile ProxyVote the service will now be available on compatible mobile devices.

According to Broadridge data, e-mail delivery of proxy materials is growing exponentially in North America, nearly tripling to almost 78 million deliveries for the annualised period ended June 30, 2010, up from 27 million deliveries for the annualised period ended June 30, 2006.

Oslo Suburb selects Northern Trust

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"Northern Trust combines the scale and expertise of a global organisation with the focus and experience of a local provider, and this was very

attractive to us," said Astrid Auran Nesbo, director of finance at Baerum Kommune.

"As a municipal investment fund, our selection must stand up to public scrutiny. Northern Trust's robust securities lending programme and processes were amongst a number of key factors in our decision making, together with its long track record in, and commitment to, the Nordic region."

HedgeServ opens London office

HedgeServ has expanded its international platform with the opening of its office in London.

The office, located at 21 Upper Brook Street, W1, will focus on business development with hedge funds, funds of hedge funds, private equity funds, and institutional investment managers.

"Our entry into London reflects our commitment to answering the global demand for HedgeServ's innovative, high-quality fund administration services," said Justin Nadler, president of HedgeServ. "We are well-positioned to deliver local expertise to clients through our growing

London presence and our established Dublin office, with 250 experienced fund accounting, middle-office operations, and investor services professionals. As part of our strategic focus, we continue to add highly experienced professionals to the team, and are pleased to have Tim Jones join our London office as director of business development. We look forward to working with Tim as we build new partnerships with investment managers and investors in London and Europe."

Jones, who joined HedgeServ in August, brings proven experience in developing full service fund administration and technology solutions for alternative investment managers. Prior to joining HedgeServ, Jones was a vice president at the Bank of New York Mellon Alternative Investment Services and also previously held senior sales roles at both Linedata and Tradar.

Brazilian broker picks Sungard platform

Prosper Corretora has selected SunGard's Valdi for complete trade lifecycle management. It will use a variety of SunGard's Valdi components for pre-trade risk management, execution

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Moving Forward



management and for direct market access.

This will provide the brokerage with a multi-asset trading platform for order management, order sending and monitoring and real time P&L calculation, helping it increase operational efficiencies for its traders.

“SunGard will help Prosper Corretora increase automation and trade multiple asset classes,” said Raj Mahajan, president of SunGard’s global trading business. “SunGard’s servers and infrastructure will help provide Prosper with greater stability. SunGard’s Valdi will also help Prosper increase the performance of its executions and strategy adjustments with real-time calculations and a streamlined workflow through an integrated trading system.”

Initially available on 30 screens at Prosper Corretora, the platform will provide a multi-asset trading solution for equities and derivatives, including the ability to have BM&F Bovespa on the same screen to help streamline trading. Prosper will be able to generate and send orders to the stock market with real-time connectivity, helping it expand its business and offer its solution to institutional clients. In addition, Valdi will help the broker, which already has a presence in 20 cities in Brazil, make the solution available to its partners, independent agents, distributors and affiliates.

SS&C to acquire Irish FA

SS&C Technologies has announced an agreement to acquire the fund administration arm of Ireland-based accountancy firm BDO.

The change of ownership was approved by the Central Bank of Ireland on the 12th of August 2011. The new division of the US head-quartered financial services software provider will be known as SS&C Fund Services Ireland. The transaction is expected to close before the end of August 2011.

“The BDO business is highly complementary to our existing business. We have been evaluating the Dublin market for over a year and we found a quality organisation with excellent clients,” said David Reid, senior vice-president and managing director, SS&C International. “We will be bringing our advanced portal and mobile technologies and believe we will create the most technologically advanced administrator in Ireland.”

The addition of the regulated, fully staffed and operational office in Dublin provides SS&C entry into the strategically important European regulated funds market, providing support for additional fund structures, including UCITS and QIF funds.

GlobeOp launches reporting service ahead of SEC requirements

GlobeOp has launched a service six months ahead of the first SEC deadline for private fund (Form PF) reporting.



Many funds with more than \$1 billion in assets under management potentially face their first reporting deadline on 15 January, 2012, said Tony Glickman, global head of analytics at GlobeOp.

If a firm is registered with the SEC or is required to be registered, even if based outside the US, and if the firm advises or manages a hedge fund, liquidity fund or private equity fund, it will need to make a filing. Glickman noted that the specific portfolio data required depends on fund type and size, and typically includes a combination of fund manager, fund and investor information. It can also include asset and/or derivatives exposures, financing transactions, collateral arrangements, counterparty exposures and indications of liquidity. Data will be required both on a fund-by-fund basis as well as on an aggregated investment manager-wide basis. In many cases, funds will need to provide risk data such as sensitivities, value-at-risk (VAR) and scenario analysis.

“The complex reporting forms are compounded by the fact that larger funds and managed account platforms often involve complicated portfolio, risk and performance data,” said Glickman, adding that one report element requires 449 data points across 14 categories.

In hedge fund news, the GlobeOp Forward Redemption Indicator for August 2011 measured 2.71 per cent, up from 2.08 per cent in July.

“The Forward Redemption Indicator is encouragingly low given recent market volatility,” said

Hans Hufschmid, chief executive officer, GlobeOp Financial Services. “In fact, it is the lowest August number since readings began in 2008. At this time, we see no sign of investors moving out of hedge funds.”

The indicator presents a view of the redemption pipeline for investors in hedge funds on the GlobeOp administration platform.

M&A uptick to drive demand for asset servicing and securities lending

Mergers and Acquisitions (M&A) activity had solid growth in the second quarter of 2011, with EMEA in the double-digits, according to IntraLinks deal flow indicator.

Global activity was up 24 per cent year-on-year, which was consistent with key drivers such as an uncertain future over the state of sovereign debt. That has prompted companies to sell in fear of a less favourable economic climate or missing out on a fast rebound.

“The increase in M&A activity should help drive the demand for securities borrowing as arbitrage funds and investors look to exploit the imbalance in full-entity public company sales,” said Matt Porzio, vice president of product marketing at IntraLinks.

“However, this effect may be tempered as we saw a larger rise in private and divesti-

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ture deals as overall activity increased from two previous quarters of essentially flat sequential performance.”

Latin America had the greatest increase at 43 per cent quarter-on-quarter and 88 per cent year-on-year, large driven by growth in Brazil. There were also significant increases in manufacturing, energy and life sciences sectors compared to the previous quarter.

“As regions like Latin America and sectors like Energy and Life Sciences and Pharma showed significant growth in M&A activity in our Q2 Deal Flow Indicator, that will likely present opportunity for additional merger arbitrage and the associated securities lending as some of these deals become publicly announced in the next couple of months,” Porzio adds.

“Like stock lending, asset servicing should see demand for services grow in a market where corporate actions, proxy voting and custody changes will rise as M&A deal flow demonstrated a strong second quarter but tempered by a larger rise in private sales and divestiture deals as overall activity increased,” he said.

HSS Securities Services implements new FA model in Asia

HSBC Securities Services (HSS) has implemented a new fund administration model in Asia. The new platform allows HSS to extend its capabilities to pension and sovereign wealth funds and is in response to regional demands for transparency in the face of increasing market volatility as well as regulatory scrutiny.

“Fund managers are under pressure to grow and our clients want to be assured that we can continue to meet their requirements through this global expansion,” said Drew Douglas, co-head of HSS. “While at the same time maintaining consistent service levels and an efficient global operating model.”

The new model is being deployed across Hong Kong, Singapore, Malaysia, India, Indonesia, Thailand, Vietnam and Philippines in the first phase. Apart from functionality provided by fund accounting platform, Multifonds, the infrastructure includes Cadis for trade processing, Mig-21 for compliance monitoring, Actuate for report writing with a data warehouse, Transaction Lifecycle Management for reconciliation and AWD for workflow management

China opens HK economy to allow more two-way investment

Chinese vice premier Li Keqiang unveiled a significant package of measures supporting Hong Kong's economy, allowing more two-way investment in shares and sparking a rally in brokerage stocks on the island, wrote Jorge Vrljicak, macroeconomic analyst at Equity Research Desk.

Keqiang, the front-runner to replace Wen Jiabao as premier, said at a forum in Hong Kong that China will start an exchange-traded fund based on Hong Kong equities. He also pledged a RMB 20 billion (\$3.1 billion) quota for quali-

fied companies to invest in domestic Chinese securities and said sales of yuan bonds in the city will be expanded.

The plans relax restrictions on investment flows, bolstering the city's role as a financial hub and are widely believed to be a further step in the internationalisation of the renminbi.

Credit Suisse Securities first to FIX Russian exchange

Credit Suisse Securities (Moscow) has completed a project to connect to trading on the Micex stock exchange using the protocol FIX. It is the first client of the exchange using this technology in commercial operations.

“We are very pleased that Credit Suisse Securities, one of the largest and oldest market players, has opted for this modern technology,” wrote Micex.

FIX is widely used as a single integration protocol in the exchange of financial data and execution of transactions. The Russian exchange's bespoke product ensures the reception of clients' trading applications “Enter order” and “Withdraw order” and their delivery to the MICEX trading system, as well as the provision of information to clients about their earlier transactions and the current status of their orders.

FHLB Chicago selects J.P. Morgan for custody services

J.P. Morgan Securities Services has announced that it will provide custody services for the Federal Home Loan Bank of Chicago (FHLB Chicago), one of 12 regional banks in a system established by the US Congress in 1932 to promote housing finance.

“We are confident that J.P. Morgan's expertise in delivering custody and safekeeping services will allow us to better serve the member financial institutions with which we work,” said John Stocchetti, executive vice president of operations and technology at FHLB Chicago.

European DC pension market to grow – Cerulli

European asset managers should be taking a long look at the corporate direct contribution (DC) market, wrote Cerulli analysts, predicting 11.5 per cent annual growth to 2014.

A great deal of recent attention has focused on default funds, where the vast majority (80 per cent) of savers will end up. Key developments in this area include life-styling, dynamic asset allocation, absolute return strategies, target-date funds, and a certain move away from passive investment.

The development of dynamic asset allocation strategies goes hand-in-hand with another trend: the inclusion of a wider range of assets in corporate DC funds. It is significant that DC funds are beginning to incorporate asset classes previously only seen in defined benefit (DB) plans, such as real estate and hedge funds. This, clearly, facilitates a move toward absolute return as

opposed to relative return strategies, notes Cerulli.

“Although the move toward more complex and better planned DC schemes has largely been confined to more mature markets, such as the Netherlands and the UK, the future must surely lie in this direction,” said Barbara Wall, editor of Cerulli Edge: European Monthly Product Trends. “In the meantime, asset managers must ready themselves in both mature and less mature markets to make the most of business opportunities as they arise,” continued Wall.

In the UK, regulations starting in late 2012 will require automatic enrolment of eligible staff and minimum contributions into pension schemes. Some 750,000 employers currently offer no workplace pension provision, according to the National Employment Savings Trust (NEST), one of the pension schemes employers can use to meet the upcoming obligations.

Other markets highlighted by Cerulli analysts include Germany and Italy.

Although Germany's DC market is still developing, its steady growth in assets and sophistication is offering new business opportunities for companies able to combine a track record with a wide range of risk-mitigation options. Managing the impact of interest rate and inflation changes on their liabilities is very much at the forefront of German investor concerns, presenting an opportunity for fund managers with expertise in the field, say Cerulli analysts.

In the Italian market, despite discontent over its development and the fact that it is still dwarfed by the rival insurance industry, the pensions industry is also showing signs of resilience and change. At the end of the first quarter of this year, the fund management industry as a whole attracted €1.4 billion inflows with pension flows accounting for €538 million, according to the Italian funds trade body Assogestioni, wrote Cerulli.

An Italian fund manager working for a foreign company said that large fund managers with a strong brand would do well with investors disenchanted with their local providers, it adds.

In European macroeconomic news, equities have been reeling from the summer's volatility, while governments and the ECB implement various measures to stop markets bleeding and stabilise bond yield spreads.

The ECB spent €22 billion on government bonds in the second week of August, adding Spain and Italy to the list of countries requiring intervention after Greece and Portugal, bringing the total amount of eurozone bonds on its books to €96 billion.

“Some people in Europe criticise the ECB for purchasing bonds in the secondary market but there shouldn't be any problem if issued money is properly sterilised,” wrote Jorge Vrljicak, macroeconomic analyst at Equity Research desk.

“Apart from that, the amount of bonds in ECB's books is about the size of Facebook's market capitalisation... critics cannot argue that Europe is not worth at least what people pay for the social network,” he added.



Caribbean

The fund administration domiciles of Bermuda and the Cayman Islands continue to take the lion's share of the business

BEN WILKIE REPORTS

While the North American funds industry may have taken some hits in recent years, the two leading offshore centres set up to serve them are continuing to innovate and build business.

When comparing Bermuda to other jurisdictions, there is one mistake overseas visitors make and that's to mix the jurisdiction in with the likes of the Cayman Islands and its neighbours. One thing needs to be made clear: Bermuda is not part of the Caribbean. However, it's often compared to the islands close by when it comes to looking for a domicile by fund managers and more often than not, Bermuda is the one that's chosen.

And it's not hard to see why. Bermuda has been offering fund services for decades and in that time it has built up a loyal and educated workforce, a strong technical infrastructure - even if communications costs are comparatively high - and a regulatory and tax infrastructure that can attract most investors. When it comes to the North American timezone, Bermuda is at the top of the hill.

In the current market environment, reputation is everything. And with funds seeking the safest

possible domicile for their investments, Bermuda has done reasonably well during the downturn with as investors fly to quality. "When we're pitching to clients, we don't have to sell Bermuda as a domicile," says one administrator. "That's a given. All we have to do is pitch ourselves."

In addition to the huge investment funds market, Bermuda is also home to an enormous reinsurance and captive insurance industry, and the servicing of these markets is often inextricably linked to fund management. The past decade has seen a number of high profile moves to the island - Invesco, with \$500 billion AUM moved in 2007, thanks to the Bermuda's reputation and the number of similar types of firms already domiciled there.

While the US and, to a lesser extent, Canada have long been the focus of the Bermudan fund administration, these are mature markets. So while there will always be large amounts of business to be done, there is unlikely to be high growth. And as investors' eyes have turned towards the hot Asian economies there has been the fear that Bermuda's geography will make it

too difficult to effectively service that region.

However, some forward-looking providers are casting their eyes towards newer markets. The Latin American funds sector is growing at a rapid rate, particularly in Brazil and Mexico, and Bermuda has set itself up to be in a prime position to capture more of the business. "Latin America is a growth area and this may be an alternative market that managers could tap into," says Peter Hughes, managing director at Apex Fund Administration Services.

Regulation

The country recently introduced amendments to the Investment Funds Act 2006. The Investment Funds Amendment Act 2010 received assent at the end of 2010 and has the aim of aligning "the regulatory framework for funds and fund administrators more closely with the requirements that exist in other regulatory legislation in Bermuda, while ensuring that the framework overall remains risk-based and recognises the unique nature of the funds industry [in Bermuda]."



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Under the Act, the definition of service provider has been expanded to include auditors appointed to a fund - previously it only applied to custodians, fund administrators, investment managers and registrars, as well as people and businesses that those providers outsourced their services. This means that auditors now have to comply with the jurisdictions rules on fit and proper persons.

In addition, section 9 of the Act sets out the criteria for exemption of a fund and includes the requirement to have a recognised fund administrator, an auditor and a Bermuda resident officer or trustee or resident representative who has access to the books and records of the investment fund. To bring exempted funds into line with authorised funds, the Amendment Act introduces the additional requirements for exempted funds to appoint an investment manager, registrar, custodian and/or prime broker. All such additional service providers will be included in the vetting process per section 7(1) of the Act in the same way as authorised funds.

The Amendment Act also establishes that fund administrators are now required to notify the Bermuda Monetary Authority (the "Authority") in advance when there is a prospective change of control. The Authority now has power under sections 45 of the Act to object to a change in control to prevent it happening or to object to existing controllers where, in the opinion of the Authority, they are no longer fit and proper to be controllers. These amendments mirror the provisions which already exist in Bermuda for other licensed entities such as banks and investment businesses.

Section 55 of the Act has been amended to provide a right of appeal in circumstances where the Authority has exercised its power to object under section 45. The person who is the subject of the Authority's objection may appeal to a Tribunal constituted under section 56. This right of appeal provides that proper judicial review of the authority's exercise of its powers in accordance with section 45 is provided for under the Act.

Cayman Islands

With more registered companies than people, the Cayman Islands has for decades been a sought-after destination for firms looking for a low tax business environment in close proximity to the US and with an educated and motivated workforce.

The British Overseas Territory has the highest standard of living in the Caribbean, and one of the highest in the world. It has a stable currency, pegged to the US dollar, and no income tax, capital gains tax or insurance tax (although if you want to buy a car on the islands, you'll essentially be paying the salary of at least one teacher for a year in tax).

One legend explaining the lack of direct taxation on the island involves a shipwreck in 1794, where nine British merchant ships and their naval escort ran aground on reefs off Grand Cayman. Plucky islanders raced out in their canoes to help, and managed to save all but eight of the seamen on board. Known as the Wreck of

the Ten Sails, the story goes that such was the gratitude of the British that it removed taxation from the inhabitants. It's a nice story, but unfortunately the British Government has never been quite so generous about tax, and records indicate that tax-free status didn't come into being until some time later.

The focus on financial services began in the 1950s when the islands were considered relatively isolated and not particularly developed. The Government, in the form of the Cayman Island Investment Bureau made huge investments in transport and communications to take the place of traditional industries, such as fishing, agriculture and shipbuilding. Combined with efforts to attract tourists, the islands boomed.

With over 400 banks holding assets of over \$500 billion, the aim of becoming a major financial centre certainly worked - an effort capped with the opening of the Cayman Islands Stock Exchange in 1997. Today, there are over 6,000 Cayman Islands-registered hedge funds, over half of the global total.

Regulation

As part of its remit to be one of the most innovative centres for funds and fund administration, the Cayman Islands regulator has a reputation that's second to none. It's a major player on the international stage when it comes to creating and implementing rules that affect financial services, particularly when related to the funds sector, and although it retains the ability to restrict knowledge of ownership, is widely regarded as one of the best run 'offshore' domiciles.

As the Alternative Investment Fund Managers Directive (AIFMD) moves closer to coming into force in Europe, the Cayman Islands Monetary Authority (CIMA) recently joined 51 European and international organisations in responding to the European Securities and Markets Authority's (ESMA) request for input on strategies for implementing the directive. ESMA, which succeeds the former Committee of European Securities Regulators' (CESR), has been mandated by the European Commission to draft measures, guidelines and technical standards to facilitate the implementation of certain parts of the Directive. ESMA received responses to the Call for Evidence that the CESR issued in December seeking stakeholders' input on the AIFMD to help in its drafting of technical advice on the content of the implementing measures. ESMA intends to publish this draft technical advice for formal consultation during this year.

CIMA's response paper, which it submitted on January 14, focused on key aspects of the Call for Evidence, namely general questions relating to the scope of the AIFMD, choice of legislative instrument and impact assessment, as well as the specific issues relating to depositories, co-operation arrangements and the authorisation of non-EU managers.

CIMA's managing director, Cindy Scotland, said it was important for Cayman to have a voice in the development of AIFMD implementation strat-

egies, "not only because of the importance of the funds industry to this jurisdiction but because of the valuable insights that we have gained, and can offer, from having such a large pool of funds domiciled here for most of the last 20 years

Other organisations responding to the Call for Evidence included banking associations, regulatory bodies, investment services, and insurance, pension and asset management associations, as well as individual firms. They represented jurisdictions including Jersey, Sweden, Germany, and Ireland. The European Parliament formally accepted the AIFMD on 11 November 2010, mandating implementation by early 2013.

The Cayman government is planning to amend legislation to create a new Mutual Fund Administrators (MFA) licence category to attract small to medium or niche service companies. W. McKeever Bush, the leader of Government Business on the Islands, said the change was part of the goal to develop greater substance in the area of mutual fund administration.

"Currently, many of our licensees conduct only one component of mutual fund business, for example, registration and transfer agency services," he said. "However, there is no provision in the Mutual Funds Law to allow an applicant to apply for a Mutual Fund Administrators license in order to conduct partial business. The new MFA License will cater to those entities looking to provide registrar and transfer agency services in the Islands. It will require a nominal net worth, professional indemnity insurance, and an obligation to have a principal office on island."

But the authorities are preparing to get more flak over the coming years. Back when the financial industry - and hedge funds in particular - was at the eye of the financial storm, the islands - along with many other domiciles - came under increasing criticism about the activities of the firms registered there. While most now realise the criticism was mostly unwarranted, there are concerns that politicians looking to deflect the blame for failings within their own countries will once again come after the industry.

In fact, this has been seen only in the past couple of weeks, as the Greek government hit out at 'speculators' for increasing its borrowing costs, regardless of the fact that it has effectively failed to control spending.

"All you need is for a few politicians to need a scapegoat and then a whole load of new regulation comes down the line that damages our business," says one fund administrator. "Compared to the major financial centres like London and New York, the Cayman Island - and many of the other domiciles in the Caribbean - have a much better standard of regulation. And that can almost be proved - it wasn't the banks based here that got into difficulties because they didn't know the extent of their liabilities; it was the likes of Lehmans and that was regulated. **AST**

Next issue:
Fund administration in the Caribbean

Training and Education

22-23 Sep	London	Corporate Actions	Investment Education PLC
<p>This course gives a good detailed understand of international corporate actions: what each one is, why it arises, what choices if any for the investor, and any dangerous or significant accounting points. Examples are taken from around the world with numerous exercises.</p>			
22 Sep	London	Risks & Controls in Securities Operations	Investment Education PLC
<p>This course provides a good risk and controls awareness for operations. It helps the early identification of risks, an application of appropriate and timely controls, and helps reduce the possible escalation of dangerous situations within normal day-to-day activity.</p>			
13 Oct	London	UCITS Funds	Eureka Financial
<p>This practical one day course is designed to provide an insight into the area of UCITS, showing how funds may select eligible assets and demonstrate how these instruments may be employed to achieve different investment objectives.</p>			
16-17 Nov	London	Collateral Management	Investment Education PLC
<p>This course looks at Collateral Management in OTC Derivatives in particular as well as Repos and Securities Lending and Borrowing. Risk identification, control, documentation, types of collateral, gross and net exposure and other practical aspects are covered as well as the conceptual framework and practical problems e.g. the treatment of corporate actions on a borrowed/lent position.</p>			

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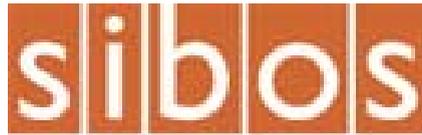
12th Annual Collateral Management



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

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

Sibos 2011



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

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

The Finadium 2011 Conference



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

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

Collateral Management & Securities Financing Asia



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

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

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Date: 26-27 September 2011
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Date: 5-6 October 2011
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Date: 10-13 October
 Location: Naples, FL
 Website: www.rmahq.org

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

Data Explorers Securities Financing Forum



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

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

NeMa Asia 2011



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

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

Industry Appointments

Citigroup has appointed Steward Aldcroft in the role of managing director and senior adviser for its Investor Services business. As a senior adviser, Aldcroft will help to develop new initiatives and grow Citi's client base and reach across the Asia Pacific region.

Stewart joins Citi from Enhanced Investment Products (EIP) where he was head of business development for beta products since May 2010. He will be based in Hong Kong, where he has over 25 years of experience in various fund management houses such as Schroders, HSBC, Franklin Templeton, Investec and Horizon21.

Aldcroft will report to David Russell, Asia Pacific head of securities and funds services.

Aldcroft has also been actively involved with traditional mutual funds, hedge and alternative investment funds, structured products and recently with Exchange Traded Funds (ETF).

Redkite Financial Markets has appointed Matthew Coupe in the role of sales director. He joins the specialist financial markets surveillance firm at a time when global regulatory initiatives are driving market demand.

Coupe joins Redkite from FTEN and has previously worked for Turquoise Execution Services, Ullink and Thomson Financial.

The appointment follows Redkite's recent investment from leading European VC firm DFJ Esprit.

HSBC Securities Services (HSS) has announced three appointments in Asia Pacific in its Client Management Group.

Hazel Lai, Khalid Salim, and Sue Shim have been appointed senior vice president, sales and relationship management for the Asia Pacific region and will be based in Hong Kong. Lai and Salim are responsible for providing services to global custodian banks and broker-dealer clients.

"We are delighted to welcome Khalid, Hazel and Sue to the team. These appointments further strengthen our Client Management Group in the Asia Pacific region drawing on both internal and external talent to provide service excellence to our clients," said Dan Massey, regional head of Client Management Group in Asia Pacific.

State Street has appointed John Sin to head of sales for North Asia. In this Hong Kong-based role, he will lead strategy in this region as well as in South Korea and Taiwan.

He began his career at State Street in Hong Kong, working for more than 13 years in sales and client services roles within the Investment Manager Services team.

Citi Global Transaction Services has announced the appointment of Marcia Rothschild as head of Latin America securities and fund services client and sales management.

Rothschild brings over 18 years of global industry and product experience, including senior positions in Brazil, Luxembourg and the United States.

Mercer has announced the appointment of senior partner Tom Murphy to head of its investment management business for the US region.

He will start the new position on 1 September and report to Rich Nuzum, president and global business leader.

Citi's global transaction services has hired Sam Ahmed as head of collateral management sales for Asia Pacific.

Ahmed will be joining Karim Chabane, hired earlier this year as product head of collateral services, and report to Pierre Mengal, regional head of collateral services for Citi in Asia Pacific.

"The growth in OTC derivatives globally has resulted in institutional investors and broker dealers looking to effectively mitigate credit risk...I am

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extremely excited by the opportunity that these appointments present in helping Citi grow its collateral management business," said David Russell, regional head for Asia Pacific at Citi Securities and Fund Services.

Deutsche Bank has hired Paul Winter as the new UK head of collateral management and valuations.

Winter has twenty-three years of experience in financial services, specialising in financial derivatives and collateral management.



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