Pivotal Investments shuts its doors, international law firm Maples and Calder opens new office in Singapore…

By *mkitchen*
Created *13/09/2012 - 18:05*

International law firm Maples and Calder this week announced the opening of a new office in Singapore. Funds partner Nick Harrold is to manage the operation and will be joined by corporate finance partner, James Burch, and private equity and corporate lawyer, Tom Katsaros. Harrold and Burch will be relocating from Hong Kong.

The Singapore office will offer full execution support providing Cayman Islands and British Virgin Islands advice to clients in its core practice areas including hedge funds, mutual funds, PE funds, corporate law and trusts for HNW individuals. This now becomes Maples and Calder's second office in Asia, having first established a presence in Hong Kong in 1995. Harrold said that the firm anticipated seeing a similar successful growth story in Singapore to that which it has enjoyed in Hong Kong over the years.

"This move affirms our long-term commitment to our Southeast Asia clients. There are relatively few law firms practicing Cayman Islands and British Virgin Islands law in Singapore and our new office will not only provide clients with greater choice but, through being on the ground…will enable us to better service those clients," commented Harrold.

Asian hedge fund managers have long favoured the Cayman Islands to domicile their funds but they might need to re-think their approach to fund governance and how their boards of directors are composed. As reported in *The Asset* this week, research carried out by the Carne Group found that institutional investors, on average, gave a 5/10 rating for the overall standard of governance on the boards of funds being managed from Asia; this compared to 7/10 for European funds.

With institutional investors now accounting for more than 60 per cent of global hedge fund assets, the message is clear: Asian fund managers need to seriously consider who the board directors are that they are using, and whether they are truly providing strong, independent oversight. This is part of the new world order, and is further evidence of the institutionalization of the hedge fund industry; corporate governance is no longer something to be overlooked.

Apparently, 91 per cent of hedge fund allocators surveyed said that they would not invest in a hedge fund with poor corporate governance standards; 63 per cent of investors expressed their dissatisfaction with Cayman fund board governance, compared to just 20 per cent for those based in Luxembourg. The survey found that 87 per cent of investors would like the majority of fund boards to be made up of independent directors, i.e. those with no relationship to the investment manager or to the fund's service providers.

Demonstrating solid corporate governance could become an important differentiator for Asian managers when trying to raise capital.

In other news, **Hong Kong-based hedge fund Pivotal Investments is shutting up shop** and returning capital to its investors reported *Investment & Pensions Asia*. The firm's founders are going their separate ways with Brian Yeh joining Chinarock, part of the Farallon Group, and Michael Sun opting to trade the markets with his own money.
This is somewhat of a surprise given that last year the fund returned 44.5 per cent by employing a range of volatility, event-driven and fundamental strategies across Japan, Greater China and the US. It seems the main catalyst for taking the decision was down to raising capital – or rather lack of it. Total AUM was believed to have peaked at USD70million (having launched with USD50million) but the fund's failure to break into the big league of Asian hedge funds seems to have prompted the founders to wind things up.

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- Weekly Asia News (Friday)

Source URL:
http://www.hedgeweek.com/2012/09/13/173119/pivotal-investments-shuts-its-doors-international-law-firm-maples-and-calder-opens

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