

June 2011

# Hong Kong Hedge Fund Services 2011

**Vibrant city sees  
billion dollar  
hedge funds double**

**Growth in start-ups  
spinning out of  
prop desks**

**Significant growth  
in size and quality  
of managers**

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# Vibrant city sees billion dollar hedge funds double

By James Williams

Hong Kong might be a tiny island but it's a financial colossus. Long regarded as a global financial hub, its dynamism, unique geographic location and stable socio-economic climate has helped it become Asia's leading hedge fund centre over the last ten years.

Recent industry figures show that, as of end-2010, approximately USD38 billion in hedge fund assets were being managed out of the city, corresponding to a 25 per cent market share. Even more revealing is the growing number of billion dollar funds, which have doubled to eleven year-on-year: still a way off New York (128) and London (63) but winning market share nonetheless.

According to the Hong Kong's regulatory body, the Securities and Futures Commission (SFC), as of end-September 2010 the number of funds had increased to 538, or seven times that of 2004. Between March 2006 and March 2011, the total number of SFC-licensed hedge fund firms and staff had grown by almost 180 per cent from 1,100 to 3,100.

"Since the global financial crisis we continue to see global managers coming to

Hong Kong as well as start-ups," explains SFC CEO, Martin Wheatley. "Today, a sizeable number of the largest global managers in the world have established a presence here. Also, many of the Hong Kong managers have demonstrated their ability to weather the storm and are poised for growth."

There are several reasons why Hong Kong is viewed as a favourable jurisdiction according to Phil Tye, AIMA Hong Kong Exco. "Firstly, Hong Kong has the capital market flow. It's a gateway to China for capital going into that country and for Chinese foreign investment. Secondly, there's a broader depth of talent here. Start-ups and global players are basing their Asian market teams here because strategies managed in the markets they trade often perform better. Thirdly, Hong Kong has a certain regulatory environment. It's a very open and transparent process."

Whilst many global regulators reacted to the financial crisis in a knee-jerk manner, the SFC remained on an even keel and refrained from over-reacting. It brought confidence



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# Hong Kong: integral to Linedata's plans

## Interview with Sally Crane

Some USD3.6billion in new assets flowed into Asia in Q1, representing 10 per cent of the USD32billion in net global assets. Great news then, for service providers such as Linedata, that are investing heavily in the region; in particular Hong Kong. The software firm has been a leading global solutions provider to the investment management community since 1998.

It has been operating in Hong Kong since 2005 and recently underlined its long-term commitment to Asia by hiring Sally Crane as Managing Director. Crane's 14 years of financial markets experience in Hong Kong will stand Linedata in good stead as it looks to grow its regional business.

Service is a central tenet of Linedata's business. The firm's evolving product suite provides hedge funds of all sizes with a complete front-to-back solution, supporting everything from trade order management, pre- and post-trade compliance, portfolio management to reporting. Linedata Beauchamp is the firm's flagship product. As a portfolio management tool, it enables managers to control everything from order placement through to settlement and custody.

As Crane explains, Linedata's commitment to re-investment in its products has seen the launch this week of a new version of Linedata Beauchamp. "We're calling it Linedata Beauchamp Sigma. It delivers a completely new front end. Emphasis has been placed on an ergonomic design to create a fast, flexible and intuitive work interface. We believe our clients will be able to gain a real advantage through fast access to data delivered in meaningful formats."

This latest development also shares technology with the recently launched Linedata Trader+ solution. Developed with pure broker neutrality at its core, this new trading platform incorporates advanced trading tools with execution management



Sally Crane, Managing Director, Linedata, Hong Kong

features, full trade history, intra- and post-day TCA as well as offering global connectivity to over 400 brokers. The value-add of Linedata Trader+ is that portfolio managers can be fully positioned to take advantage of market activity whilst reducing cost.

With respect to client support, Linedata recently invested in access to a Singapore-based data centre run by Savvis. "This means our hosted clients can enjoy local hosting and expertise as well as knowing that Business Continuity and Disaster Recovery are taken care of," explains Crane.

Linedata has positioned itself to capitalise on the growing number of start-up hedge funds coming out of Hong Kong and the region at large. The firm's Alpha Approach offers the portfolio management tools of Linedata Beauchamp or the front-office trade order management of Linedata Longview in a package that includes implementation and connectivity to increase operational efficiency and manage costs.

Start-ups choose which solution best suits their operational needs. Given that Asian investors place great emphasis on due diligence, having a robust, cost-effective infrastructure is key. Six new hedge funds have already chosen to use Linedata Longview this year, with another five selecting Linedata Beauchamp.

Regulatory changes and investor demands are driving fund managers towards simplifying their third party vendor requirements and Linedata is keen to remain at the forefront of meeting these front-to-back operational needs, for both its Hong Kong-based and global clients.

As for Linedata's mid-term plans for Hong Kong, Crane says: "We are keen to capitalise on the investments we have made in the Asian market and to engage with our existing and new clients in building partnerships which meet their present and future needs." ■

- 4 ► and reassurance to market participants, and Tye thinks they came out of it looking stronger as a global regulator: "They resisted pressure to ban short selling activity. They already had a good framework around such activity." He notes, however, that the SFC are implementing enhanced short selling disclosures, though they've yet to be bedded down: "We see them as inherently sensible."

Many then, welcome Hong Kong's stable regulatory regime, but it would be folly to think of it as light touch in any way. Compared to Singapore it is more rigid. Any hedge fund manager providing asset management services is generally required to be licensed and as Wheatley explains: "All SFC-licensed hedge fund managers are subject to conduct and operational requirements such as internal controls over investment process, risk management and client disclosure." Wheatley believes having a transparent and balanced regulatory framework is critical to maintain Hong Kong's position as a world-class financial centre.

Singapore grants Exempt Fund Manager status, and could be perceived as having a competitive edge, particularly with respect to start-ups, but Hong Kong's SFC has simplified the licensing process. Various initiatives have been introduced since 2007 including: clarification on the type of office premises that can be used by licensed hedge fund managers; and, granting exemption from passing regulatory examination to seasoned investment professionals.

Hong Kong has long been overly concentrated in equity long/short strategies but Paul Smith, Chairman and CEO of Triple A Partners, a Hong Kong-based hedge fund advisory firm, sees a greater breadth to strategy selection today: "There's more variety now in liquid fixed income, distressed debt. I think there are more CTAs now than there ever have been, more RV managers and probably more volatility managers." Tye agrees that there's a wider base but adds: "More than 65 per cent of managers are running equity long/short and multi-strategy portfolios."

Strategy diversification and a deepening talent pool are drawing investors back to Hong Kong. Smith says that in the last three months "there's been a huge improvement to the tone of the market" with respect to



*"Today, a sizeable number of the largest global managers in the world have established a presence here. Also, many of the Hong Kong managers have demonstrated their ability to weather the storm and are poised for growth."*

**SFC CEO, Martin Wheatley**

capital raising. People are looking seriously at how they can get invested. Smith's Triple A Partners advises European family offices looking to allocate USD50million upwards. "Anyone with more than USD150million to USD200million invested is likely to have their own person on the ground or at least be a regular visitor. I'd say our sweet spot is USD50million to USD200million," explains Smith.

Nevertheless, a strange paradox still exists in Hong Kong. The fund industry, indisputably, is vibrant. But whereas investing into smaller hedge funds was previously the preserve of FoFs, the paradigm has shifted. Now, large institutional investors like US pension funds are coming into play. Many of Hong Kong's numerous "boutique" funds, however, are unsuitable.

"You can find good managers with good investment theses in Asia, but what you can't find is very good businesses," says Smith. "A lot struggle to raise capital."

"US institutional investors tend to need the capacity that large hedge funds offer but Asian funds tend to be smaller in size and therefore less attractive to some extent," observes Tye. "We're bouncing back (with respect to industry AUM) but it's taking us a bit longer in Asia than expected because of the size issue. Furthermore, European HNW individuals are tending to invest more in UCITS and that's taken away some of our investor pool."

"The problem is you've got institutions looking to allocate capital here but Asia, of all the global markets, is a place where fund size really is the enemy of performance," explains Smith. Asia capital markets are not that deep, or liquid. Seasoned Asia investors,



according to Smith, find it difficult to have confidence in strategies with more than USD500million. "The more money you have to place in Asia, the harder it is to generate returns. Whilst not impossible, it's not an easy thing to get USD1billion invested in Asia," adds Smith.

For fund managers wanting to establish themselves in the city, AIMA's Tye says that the SFC are "very open" to discussion and have helped create a welcome framework in which to set up a hedge fund business: "I've been here 15 years and I've seen the SFC spend a lot of time since early 2000 getting to understand the hedge fund space. They are transparent as to the timelines for dealing with applications and they stick to them." The SFC's Wheatley confirms: "The average time for approving a hedge fund firm's license application has been reduced from 15 weeks to less than 10 weeks."

Another obvious benefit to Hong Kong is its favourable tax regime. Top rate corporate taxation is 16.5 per cent: a far cry from taxation levels elsewhere. It's legal framework is modelled on British law, which is another huge advantage. And, its proximity to the booming markets of mainland China gives it an undeniable edge when it comes to location. "Thanks to its location Hong Kong has unrivalled investment banking, broking, legal, administration and custodial services," notes Smith.

"With tax rates lower than most of its regional competitors, Hong Kong is an attractive location for fund managers," says Thomas Granger, a partner with law firm Walkers Hong Kong.

As a jurisdiction, however, Hong Kong is not without its challenges. The key concern facing its fund managers presently is the impact Dodd-Frank will have. Given that more US assets, as a percentage of total assets, are beginning to flood into the region, the likelihood is that many managers, will, as a matter of right, be required to register with the SEC. Meaning they'll be subject to additional regulation. "For Asian fund managers there will be costs of compliance, that's the concern. It's an increased burden on what is a relatively small asset base," says Tye. AIMA is paying close attention to the situation with Tye confirming that a network of lawyers and consultants would



*"There's more variety now in liquid fixed income, distressed debt. I think there are more CTAs now than there ever have been, more RV managers and probably more volatility managers."*

**Paul Smith, Triple A Partners**

help them through the final guidelines when they're published.

The SFC is also doing its bit and is keeping tabs on the issues surrounding the EU's AIFMD. "We will work with the EU authorities to put in place in the necessary cooperation arrangements," says Wheatley. Welcome reassurance, no doubt, to Hong Kong's hedge fund managers that rely on European assets.

This illustrates the SFC's active role in international policy developments. Wheatley himself chairs the task force which focuses on regulatory reforms to short selling. The SFC also provided important input to discussions with major regulators focusing on developing the IOSCO template for collecting data from hedge funds on systemic risk. Having a regulator that sits at the global table is a reassuring factor for fund managers thinking of setting up in the city.

The one bugbear that Smith has with Hong Kong, for all its myriad positives, is that Hong Kong thinks too parochially. Rather than think of it as Asia's financial centre, he thinks people should be thinking about how to make it Asia's global financial centre.

Central to achieving this is China and helping it globalise. "I believe passionately that Hong Kong should change its corporate and taxation laws to become the domicile of choice for everything China does both inward and outward. We should be making sure that as Chinese asset management companies and regulators think about how to introduce international product into China, we present Hong Kong as the onshore domicile for that product." If it can, says Smith, Hong Kong will become Asia's global financial centre because "in 20 years China will dominate the region". ■

**Phil Tye, AIMA Hong Kong Exco**





# Growth in start-ups out of prop desks

Interview with Thomas Granger

Product planning continues to be of significant importance to hedge funds according to Thomas Granger, a partner with law firm Walkers, Hong Kong, and, along with strategic support, has been in high demand recently.

"Leading managers are being creative with structures and terms in order to differentiate themselves from their competitors. With Walkers acting for many of the world's largest and most successful managers, we are able to advise on these trends as they emerge," says Granger, who has extensive experience of the hedge funds and private equity markets in Japan.

Walkers' Hong Kong office has been running since 2003 and is headed up by Managing Partner, Guy Locke. It is able to provide legal counsel to BVI/Cayman funds during Asian business hours and prides itself on its accessibility and responsiveness, in addition to being on the cutting-edge of market developments. Its Hong Kong general funds team advises clients running mutuals, joint ventures, unit trusts and private equity funds as well as hedge funds. Twenty lawyers work out of its Hong Kong office.

"We have a large team of hedge fund specialists operating from Hong Kong and also have significant litigation and restructuring capabilities on the ground here. This enables us to react and deal with urgent contentious issues which are relevant on a time-sensitive basis to fund managers based in Asia without having to refer back to our Cayman office," explains Granger.

Hong Kong's robust regulatory framework is globally recognised and supports the regulatory environment in the Cayman Islands, says Granger. Moreover, the turnaround times for licensing activity have significantly improved. "The general perception is that Hong Kong is overtaking other regional



Thomas Granger, a partner with law firm Walkers, Hong Kong

centres as the jurisdiction of choice for Asia-based investment managers," he adds.

This perhaps explains the increased start-up numbers in Hong Kong. Currently the city owns approximately 25 per cent market share of Asian hedge fund assets and with the size and quality of start-ups improving, that percentage is likely to grow in 2011. Granger notes that managers spinning out of proprietary trading desks has meant that Walkers has experienced a "noticeable uptick in start-up fund activity" from such managers. He expects the trend to continue throughout 2011.

"The wave of high profile moves to Hong Kong in recent months by international fund managers and other well known names clearly demonstrates the importance of having a local presence here," comments Granger, citing the recent trading licenses granted to Soros Fund Management and Paulson & Co.

Nevertheless, Hong Kong has room to improve. Although traditionally a base for managers with an Asian focus, the city hasn't had a significant number of managers trading on a global basis in Granger's view. This, he says, has made Hong Kong's hedge fund market susceptible to swings in regional economies and markets.

"In order to better compete with New York and London, Hong Kong needs to ensure that it is an attractive location for hedge fund managers to base their global operations, perhaps through a combination of regulatory and tax incentives," opines Granger.

As to what the rest of 2011 holds, Granger says that with most of the restructuring work that arose out of the financial crisis complete it's been a busy start to the year, particularly regarding fund formation. "We expect the rest of 2011 to continue on the same track," he concludes. ■



# Significant growth in size and quality of managers

By James Williams

As the gateway to China, Hong Kong is perfectly located to capitalise on the growing alternatives industry, which earlier this year surpassed its previous high-water mark to reach USD2.02trillion in global assets. One of the great things about Hong Kong is how convenient and efficient everything is. In what amounts to probably little more than two square miles, the city's financial district, Central, contains the majority of hedge fund managers and service providers. If ever the term "community" was relevant, it's here. This has helped generate a vibrant, dynamic and fresh investment industry.

Post '08 the number of Hong Kong start-ups rose to around 70 in 2009, reaching a similar number in 2010, but things have slowed down slightly this year. "Asia is on pace to see at least 50 start-ups again this year," says Sukru Kesebi, Deutsche Bank's Head of Hedge Fund Consulting, Asia Pacific. "There's been a huge influx of talent into Asia. Over 20 large US and European fund managers have opened offices in Asia in the last two years with some launching Asian-dedicated products. We expect this trend to continue over the next several quarters."

Samena Capital is a Hong Kong-based

hedge fund adviser, established in 2008 to focus on investment opportunities in the Subcontinent, Asia, Middle East and North Africa. Julius Wang heads up Samena Asia Managers, the firm's seeding arm. He notes that right now Hong Kong is less competitive in terms of the number of managers available for seeding, but more competitive in terms of capturing new assets. "I would differentiate between the two when talking about competition here," says Wang.

Five years ago, Hong Kong had one of the more tightly regulated regimes. Having never operated a funds business anywhere else, Wang is quick to stress that comparisons with Singapore or the US cannot be made, but admits: "There's a lot of reporting requirements and ordinances that the SFC imposes on the industry. It's quite burdensome. However, investors find this heightened regulatory regime to be a plus point so we're glad it weeds out certain groups."

A point that Andrew Gordon, head of BNY Mellon's alternative and broker-dealer services, APAC, agrees with: "Fund managers know what they need to do to raise institutional assets. There are a number of funds that are focused on HNW individuals in HK but it's generally recognised

that institutional investors globally are playing a more important role in the industry, including Hong Kong so that's where the larger managers are focusing."

Like Kesebi, Gordon is seeing slightly lower numbers of start-ups "but the overall quality is much better". This is because the overall talent pool is improving, with Kesebi noting a wave of second generation fund managers coming from prop desks and funds that have since been shuttered. "Although the average launch size for start-ups is lower in Asia than in other regions, we nevertheless expect to see four or five launches this year with greater than USD500million day 1 AUM," says Kesebi.

"The pool of managers has deepened. We have a business where we seed hedge fund strategies and managers and we've seen the talent increase substantially," adds Wang.

Oracle Capital launched its Caymans-domiciled fund last May. The firm chose to set up the business in Hong Kong because all the major service providers and intermediaries were based there. "Personally, as both my business partners and I were already based in Hong Kong prior to setting up the fund it was natural to set up here and maintain our existing network," explains Oracle Partner, Fredric Teng.

As mentioned, Hong Kong's location gives a critical advantage to managers focused on trading Asia's capital markets. Although Samena also has an office in London, they chose to be in Hong Kong because of its proximity to China and its accessibility. "Many investors come through here on the way to China and vice-versa, so I think Hong Kong is a great nexus point. The number of meetings and impromptu get-togethers is conducive to working here," says Wang.

When setting up the business, Oracle's Teng found the SFC efficient and business-friendly. He attributes this to their "open attitude" to taking onboard advice and ideas from the fund management community. "Licensing requirements balance the need for investor safeguards whilst not making it too cumbersome for qualified individuals to operate a business," comments Teng.

Oracle used Compliance Asia as its licensing and compliance counsel. The process was, in Teng's opinion, extremely smooth. The fact that they had all the



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#### **Julius Wang, head of Samena Asia Managers**

required documentation meant that getting licensed "took just a few weeks" from start to finish. "I would recommend any start-up funds to engage a professional firm to guide them through the process," asserts Teng.

Unlike Singapore, all fund managers need to be SFC licensed: there is no test for exemptions. A clear investment strategy, the right experience and an appropriate infrastructure are pre-requisites: the latter being especially helpful when aiming to capture institutional assets. Additionally, a minimum of two Responsible Officers is needed. "Such quality control enhances the reputation of Hong Kong as a hedge fund centre," opines Teng.

Gordon notes that as more institutions allocate to the region, hedge funds are using more independent services, in particular custodial services such as those provided by BNY Mellon. "We're seeing strong demand on the custody side in response to institutional investors' demands for asset protection," says Gordon. "But it's mainly the bigger fund managers that have the operational capability and infrastructure to make sure their assets are in the right place, and at the same time remain significant customers to their prime broker(s) - they can't spread themselves too thinly."

The problem, currently, is that whilst investor interest is high, it remains just that: interest. Ticket allocations are taking longer, and as Deutsche's Kesebi notes: "Capital is scarce. However, large institutionals are increasing their portfolio exposure to Asia and we believe we're on the cusp of more capital coming into the region."

Wang agrees, noting that historically new assets came from Europe and the US

**Sukru Kesebi, Deutsche Bank's Head of Hedge Fund Consulting, APAC**



# Tax efficiency drives growth of hedge fund industry

## Interview with Effie Vasilopoulos

Having a global presence in the alternative fund space in the US, Asia and London has given US law firm Sidley Austin LLP a unique opportunity to grow with its clients, and Hong Kong is no exception. Sidley has 150 lawyers in its global fund group, 25 of whom are based in Hong Kong including partner Effie Vasilopoulos. "We've been active in the alternative fund space in Hong Kong for 10 years and have a leading market share. We've been here from the beginning and this has enabled us to grow with our clients", explains Vasilopoulos.



Effie Vasilopoulos, Partner,  
Sidley Austin LLP

Vasilopoulos believes Hong Kong's favourable tax regime has helped its hedge fund industry blossom. Top-level corporate tax is just 16.5%, but managers can legitimately structure their arrangements and reduce that significantly. This, she says, makes Hong Kong a highly efficient tax jurisdiction: "There are no local capital gains taxes, withholding taxes or foreign corporation taxes to act as a disincentive."

Hong Kong has more of a balance between a regulatory framework that is robust and protective of investors' interests, whilst also respecting the interests of business and allowing them to succeed commercially.

Vasilopoulos notes that in the last 12 months record numbers of fund managers have returned to Asia. "There's been a strong momentum to get pre-existing plans on track. Our pipeline for the rest of this year is the strongest it's been since pre-crisis."

Vasilopoulos attributes this to both global growth and intra-Asia growth: "Generally we help global clients who choose Hong Kong as their base so there's an entire transaction around setting up in the city and advising on what they can do more broadly in Asia.

But there's also a developing theme around other Asian institutions expanding into Hong Kong such as Japanese, Korean and Mainland institutions."

China and other key markets opening up have acted as a catalyst for start-ups in Hong Kong, not to mention the near-universal belief that Asia is where the action will be for the next five years. But Vasilopoulos thinks the SFC should also be given credit: "The SFC kept a cool head during the financial crisis and didn't intervene in a way that panicked the market. Market participants emerged with a renewed sense of confidence in the regulatory regime here."

As more US institutions funnel assets into Asia, there are concerns over the implications of Dodd-Frank amongst Hong Kong's hedge fund community. The good news, says Vasilopoulos, is that more clarity has emerged in the last six months surrounding SEC adviser registration.

"Many clients here don't manage money from a US office. This means they'll be able, in the vast majority of cases, to continue to manage unfettered amounts of US assets without registering, but they will however be required to file with the SEC as an Exempt Reporting Advisor." There is, however, one potential regulatory hurdle that fund managers need to be more aware of: registering as Commodity Pool Operators and/or CTAs and becoming members of the National Futures Association. Vasilopoulos says uncertainty remains but it could become an additional layer of compliance. "This is perhaps the dark horse in Hong Kong's hedge fund community. We should have more clarity over this issue in the next three to six months." ■



- 11 ► "but that's shifting now with the likes of CIC (China Investment Corporation). Many Asian countries have high savings rates and looking at a successful investing model like Singapore's Temasek."

With execution volumes down, where is the golden egg coming from for Hong Kong's prime brokers? For Deutsche, Kesebi thinks, as in previous years, the lion's share of revenue this year will come from synthetic financing to hedge funds trading restricted markets like India and China A, which often require them to use swaps. "Frontier markets like Pakistan, Sri Lanka, Vietnam and Bangladesh are becoming interesting to hedge funds as well," Kesebi adds.

David Murphy, Deutsche's Co-Head for Global Prime Finance, Asia, points out that whilst investor appetite for small funds was muted last year, "balance growth in Asia came primarily from large global funds increasing their capital allocations to the region. Much of this balance growth took the form of increased synthetic equity positions."

Greater due diligence means that established funds being able to demonstrate to potential investors that they have global institutions with valued reputations supporting them is a big plus. But that doesn't necessarily mean local start-ups are overlooked by the likes of BNY Mellon.

As Gordon explains: "We're focused on high quality Asia-based funds and these have been successful this year. We like to help start-ups as some will go on to become industry leaders." Picking those future leaders though is more art than science. "We look at a manager's background and paint a picture but we haven't got a crystal ball. Sometimes it works, sometimes it doesn't."

With global heavyweights rolling into the region, new or recently established hedge fund businesses like Oracle Capital have to work harder than ever to stand out from the crowd. This is good, as it's pushing Hong Kong's alternatives industry to the next level.

Oracle's is the only fund, for example, dedicated to structured credit opportunities in APAC. YTD it has returned 20 per cent for its investors (70 per cent annualised for 2011). "New emerging funds have fresher ideas and I think having the founders' own skin in the game is a big part of it," says Teng. "Having high quality FoHF operators who are open-



*"Licensing requirements balance the need for investor safeguards whilst not making it too cumbersome for qualified individuals to operate a business."*

**Fredric Teng, Partner, Oracle**

minded to new ideas is critical for the growth of our industry."

As for where overall improvements could be made, Wang feels regulators could do a better job separating retail and professional investors. "I think fund advisors get the regulations a bit mixed up at times and that causes extra paperwork for hedge funds in the city," says Wang.

Office rents are also far from ideal. Teng cites it as one of the hardest aspects of running a hedge fund business. "Hong Kong is shockingly overpriced and not very high quality. However, the easiest aspect is operating the business itself. All the service providers here are competitively priced. We outsource a lot of functions."

"You're just down the street for your service providers here, it's a highly efficient place," adds Wang.

According to Gordon there are over 25 fund administrators in the city. Recently, the prime brokerage space was a duopoly shared between Goldmans and Morgan Stanley but things have changed. Deutsche, along with UBS and Credit Suisse now have comparable market share. "A lot of new heads are being added to all the prime brokerage teams including ours. For us, recruiting five new heads by year-end would be ideal," adds Kesebi.

UBS has revealed its expansion plans for the region. Over the coming months it intends to establish a business development and client service office in Hong Kong along with a full service administration centre in Singapore. Darren Stainrod will head up the APAC Fund Services unit whilst Michael Moore will take charge of the operational setup in Singapore.

"We see good potential and we're delighted to be located here versus other locations. The decision has paid off," concludes Wang. ■

**Darren Stainrod, head of APAC Fund Services unit, UBS Hong Kong**

