

PRESCIENT

PRESCIENT'S COLLECTIVE INVESTMENT SCHEME CONTROL ACT (CISCA) PLATFORM TO HOST AN INITIAL 16 UNDERLYING HEDGE FUND PORTFOLIOS

Prescient Management Company (RF) (Pty) Ltd has received approval from the Financial Services Board (FSB) to host qualified and retail hedge funds on its platform, with 14 underlying portfolios already approved and a further two in initial stages of application and approval.

Prescient's Hayden Reinders, who is driving the hedge fund platform, said the management company received regulatory approval for the new regulated CIS (collective investment schemes) hedge fund environment at the end of April and is aiming to launch its first funds from July onwards.

Co-named managers that will be hosted on the platform include Prescient Wealth, NMRQL, Blue Quadrant, Green Oak, Laurium, Bataleur, Aylett, Southchester (Constellation Capital) and Numus Capital.

Reinders commented: "Since being granted regulatory approval we have seen strong interest from hedge fund managers and are also in further discussions with new managers looking to launch funds.

"Prescient's track record in collective investment schemes administration is proving highly beneficial, given that mancos need the right infrastructure and risk and compliance systems to navigate the newly regulated hedge fund environment.

"By extending our administration offering into the regulated hedge fund arena, we're able to offer the benefits associated with our administration capabilities and systems to alternative fund managers."

As part of the approval application process Prescient has already undertaken extensive due diligence on counterparties. The group will be working with multiple prime brokers across the platform, while Prescient Fund Services is the administrator of choice.

Prescient Fund Services has total assets under administration of R170.3 billion, across different investment product types, both locally in South Africa and in Ireland.

The new hedge fund manco brings additional assets of R5 billion, and is looking forward to growing in this area.

Hayden Reinders joined Prescient in 2014. Since joining Prescient, he has focused on adapting the systems, models and workflows for Alternative Administration (including hedge funds), and began signing the first hedge fund clients in 2014 in the unregulated admin space.

"We realised that a lot of our existing clients also had hedge fund offerings and had to use

other administrators for them. By extending our offering into this area, we can offer seamless solutions across the product range.”

The white-label service fulfils South Africa’s Collective Investment Schemes Control Act (CISCA) requirements that funds have their own management companies, including areas such as risk reporting and compliance.

Prescient uses the award-winning Eagle system for its administration business and has added its hedge fund capability to this system.

“We’ve adopted a fresh, simple and highly automated approach,” says Reinders. “A lot of what our clients need to view from a portfolio administrative perspective can be accessed via their own online portal to access whatever data they require.”

Ends

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