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HEDGE FUND ADMINISTRATION

Prescient Holdings is extending its administration offering into the hedge fund arena via its fund services business, Prescient Fund Services.

The group believes that its existing white-label business also offers benefits for alternative fund managers as the industry moves to a regulated environment.

The new area of the administration business is being driven by Hayden Reinders, who joined the company last year after spending four years with Maitland Fund Services, a global administrator based in Cape Town.

Reinders is a chartered accountant, qualifying 9 years ago before spending four and a half years with KPMG, where he performed audit functions for unit trusts, hedge funds and other financial services audits.

He then joined Deloitte in Dublin, moving there in 2008, where he gained valuable first-hand experience during the shakeout in global markets, which affected many investment funds domiciled in the centre.

He returned to Cape Town and joined Maitland's operations team for its hedge fund business, before running its South African hedge fund administration operations in his last year.

Reinders has had a long association with Prescient COO Craig Mockford dating back to his early auditing days, which led to the move to Prescient. Since joining the company last March, he has focused on building systems, models and workflows, signing its first hedge fund clients late last year.

"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 don't need to send away a part of the business," Reinders said. "We can now offer seamless solutions across the product range."

Reinders has recently been joined by Heinrich Loubser, as of February 1, who spent the past four years at Maitland as the senior team leader focusing on fixed income hedge funds.

Prescient Fund Services had assets under administration of around R120 billion as of September 2014, according to the company's latest results statement. The broader fund services team comprises 25 professionals pricing 300 portfolios daily. These include Prescient's own unit trusts as well as white-label funds and third-party clients, including clients that also use Prescient's life licence. 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.

Of the 20 fund managers that use Prescient's white-label services, around 12 already have hedge fund offerings.

Prescient uses an award-winning US system known as Eagle for its administration business, and has added its hedge fund capability on to this system.

“It’s a fresh, simple approach, a lot of which can be done online, giving fund managers the flexibility to log on to their own online portal to access the data they require,” Reinders says.

Prescient’s broader business also includes a fund of hedge funds offering from Prescient Wealth as well as single-strategy hedge funds from Prescient Investment Management.

Ends

About Prescient Holdings

- Prescient’s subsidiaries include: Prescient Investment Management (SA), Prescient Securities, Prescient Management Company, Prescient Life, Prescient Fund Services, Prescient Wealth Management, Prescient Profile, Prescient Property Investment Management and EMHPrescient Investment Management.
- Prescient Investment Management was named Overall Investments/Asset Manager of the Year at the Imbasa Yegolide Awards 2011 and Absolute Return Manager of the Year in 2013.
- Prescient has a Dublin registered fund management company, Prescient Fund Services (Ireland), and a representative office in Shanghai, China.
- Prescient Investment Management was the first institution in Africa to be granted a Qualified Foreign Institutional Investor (QFII) licence by the China Securities Regulatory Commission (CSRC).
- For more information, visit www.prescient.co.za