

Deutsche Bank registers multiple wins in prime broker and platform categories in *Hedge Funds Review's* rankings of firms most favoured by asset managers, while Malta shows strong growth as a preferred domicile, writes **Luke Smolinski**.

Deutsche tops service provider rankings

This year's service provider rankings come amid the backdrop of intense competition for hedge fund clients, as providers attempt to keep up with changing regulations and capricious regulators.

A continuing trend observed was the growing importance of Malta as a European domicile while Deutsche Bank dominated rankings for prime broker and platform categories and EY lost its spot as top global accounting/auditing firm.

Deutsche Bank beat its rivals to be the top provider of prime brokerage services in Europe and globally. JP Morgan rose from fourth position last year to first for prime brokerage services in the US, displacing Goldman Sachs.

EY slumped down the rankings to fourth place for global accounting and auditing, having been chosen as top accountant and auditor last year. Its fall from grace may be attributed to its unfavourable reception by respondents in



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Europe: just 11% of nominated it best on that continent, lowering it from second place last year to fifth this year. Nevertheless, EY's vote held up in the US where it was chosen as top accountant/auditor, an improvement on second place in 2013.

KPMG meanwhile saw more steady voting for its services on both continents. KPMG was voted second best accountant and auditor in the US, improving on fourth last year, and although it fell from first to third place in Europe, the firm came top overall in the global category.

Citco was voted best fund administrator for single managers by a clear margin for the third year running. It was a tighter race for top fund administrator for funds of

Prime services/broker

Prime services/broker – global

2014	2013	Company	Percentage
1	1	Deutsche Bank	13.2%
2	2	Goldman Sachs	11.4%
3	3	Morgan Stanley	11.3%
4	4	Credit Suisse	9.8%
5		Newedge	8.5%

Prime services/broker – US

2014	2013	Company	Percentage
1	4	JP Morgan	16.2%
2	1	Goldman Sachs	14.3%
3		UBS	13.0%
4		Citi	11.7%
5	2	Deutsche Bank	7.8%

Prime services/broker – Europe

2014	2013	Company	Percentage
1	1	Deutsche Bank	14.2%
2	3=	Newedge	10.8%
3	5	Credit Suisse	10.3%
4	2	Morgan Stanley	9.5%
5	3=	Goldman Sachs	9.8%

Fund administrator

Fund administrator (single managers)

2014	2013	Company	Percentage
1	1	Citco	25.6%
2	2	Apex Fund Services	19.1%
3	3	JP Fund Administration	9.9%
4		Northern Trust	6.8%
5	4	SS&C GlobeOp	5.8%

Fund administrator (FoHFs)

2014	2013	Company	Percentage
1	2	Apex Fund Services	19.9%
2	1	Citco	19.8%
3	3	JP Fund Administration	9.6%
4		State Street Global Services	7.4%
5	5	BNP Paribas Securities Services	6.8%

SERVICE PROVIDER RANKINGS

hedge funds, however, with Apex Fund Services pipping Citco to the post.

There was much flux in the technology services rankings, as new challengers pushed out the previous year's victors. Most respondents chose PFS-Paxus as top technology provider for accounting and reporting. Another new entry, AlternativeSoft, was selected as the top technology provider for risk management.

Deutsche Bank was chosen as the best managed account platform and the best Ucits platform from hedge fund viewpoints – by a clear margin in each case. The bank has won both categories for three years on the trot.

Hedge Funds Research was the clear victor for the category of hedge fund index provider, gathering 25% of the vote, repeating its success in 2013.

The Cayman Islands was once again chosen as the most

What is your job title?

Analyst: 5.4%
CEO: 11.3%
CFO: 5.2%
Chairman: 1.6%
CIO: 4.0%
COO: 8.0%
CRO: 0.2%
CTO: 0.2%
Director: 12.2%
Founding partner: 6.1%
In-house counsel: 1.2%
Investor relations: 2.8%
Managing director: 5.6%
Managing partner/partner: 3.1%
Portfolio/fund manager: 8.7%
President: 1.2%
Risk manager: 0.9%
Vice-president: 2.3%
Other: 20.0%

Source: Hedge Funds Review.

favoured US domicile, but its exalted status is looking less secure; 26% chose the jurisdiction this year, compared with 39% last year and 47% the year before.

Malta by contrast has risen up the rankings: 36% chose the island as the most favoured European domicile, compared with 22% last year and 14.5% the year before.

The New York Stock Exchange was again the most favoured North American trading venue. Nasdaq overtook CME to take second place. The London Stock Exchange (LSE) was the most favoured European trading venue for another year, although it lost votes to European exchanges: last year 39% of respondents nominated the LSE, while this year 28% did.

Hong Kong Exchanges and Clearing was the most favoured Asia-Pacific trading venue by some margin. BM&F Bovespa, located in São Paulo, Brazil, was the most favoured emerging markets trading venue for the second year running.

The National Stock Exchange (NSE) of India rose from fifth to second place this year for the same category. Nearly 10% of those asked favoured India's NSE last year, while 21% nominated the stock exchange this year, not far from first place. India's popularity as a stock exchange destination has surged in a year when its equity markets rallied and it elected an avowedly reformist president, Narendra Modi.

In a very crowded sector, DLA Piper was selected as the top global onshore law firm, but its rivals were close behind. Simmons & Simmons was nominated as the top onshore European law firm. Sidley Austin was nominated the top onshore US law firm in another tight vote.

Walkers was chosen as the top global offshore law firm

Most favoured trading venue

Most favoured North American trading venue

2014	2013	Company	Percentage
1	1	New York Stock Exchange (NYSE)	29.3%
2	3	Nasdaq	24.9%
3	2	CME	17.9%

Most favoured European trading venue

2014	2013	Company	Percentage
1	1	London Stock Exchange (LSE)	28.1%
2	2	Euronext	23.9%
3	3	Eurex	16.8%

Most favoured Asia-Pacific trading venue

2014	2013	Company	Percentage
1	1	Hong Kong Exchanges and Clearing (HKEx)	31.9%
2	3	Singapore Exchange (SGX)	18.9%
3	2	Tokyo Stock Exchange (TSE)	13.9%

Most favoured emerging markets trading venue

2014	2013	Company	Percentage
1	1	BM&F Bovespa (Brazil)	23.5%
2	5	National Stock Exchange of India (NSE)	20.7%
3	4	Bombay Stock Exchange (BSE)	19.8%

What type of institution are you from?

Asset manager: 75.1%
Consultant: 9.6%
Institutional investor: 2.8%
Investment bank: 4.7%
Private investor: 7.8%

Source: Hedge Funds Review.

Platforms

Managed account platform from hedge fund viewpoint

2014	2013	Company	Percentage
1	1	Deutsche Bank	23.4%
2	2	Lyxor Asset Management	16.9%
3		Goldman Sachs	14.3%
4	3	Morgan Stanley	10.2%
3		Amundi Alternative Investments	8.4%

Ucits platform from hedge fund viewpoint

2014	2013	Company	Percentage
1	1	Deutsche Bank	24.1%
2	4	Morgan Stanley	14.8%
3	3	Lyxor Asset Management	11.5%
4		Bank of America Merrill Lynch	10.6%
5	5	Credit Suisse	9.0%

Legal**Onshore – global**

2014	2013	Company	Percentage
1		DLA Piper	13.6%
2	4	Simmons & Simmons	12.6%
3	5	Dechert	12.5%

Onshore – US

2014	2013	Company	Percentage
1	2	Sidley Austin	17.1%
2		Sadis & Goldberg	16.3%
3	1	Seward & Kissel	12.4%

Onshore – Europe

2014	2013	Company	Percentage
1	1	Simmons & Simmons	14.1%
2	4	Dechert	10.5%
3		DLA Piper	9.5%

Offshore – global

2014	2013	Company	Percentage
1	2	Walkers	16.3%
2	1	Maples and Calder	15.9%
3	3	Ogier	15.7%

Offshore – US

2014	2013	Company	Percentage
1		Mourant Ozannes	43.3%
2	2	Walkers	27.8%
3=	3	Maples and Calder	8.9%

Offshore – Europe

2014	2013	Company	Percentage
1	3	Ogier	16.5%
2	2	Walkers	13.0%
3	1	Maples and Calder	12.1%

Technology**Technology provider for accounting and reporting**

2014	2013	Company	Percentage
1		PFS-Paxus	13.10%
2		Linedata	12.60%
3		Paladyne	10.40%
4		Bloomberg	10.20%
5	1	Advent	9.80%

Technology provider for risk management

2014	2013	Company	Percentage
1	1	AlternativeSoft	18.30%
2		MSCI	15.10%
3		StatPro	14.20%
4		Bloomberg	10.90%
5		RiskCap	7.80%

with 16% of the vote. Mourant Ozannes was the clear victor for the title of top US offshore law firm, with 43% of the vote. Ogier was chosen as the top European offshore law firm in another tight vote.

The *Hedge Funds Review* Service Provider Rankings 2014 were based on an editorial survey. Voting was open from October 6 to October 24. Three-quarters of respondents work in asset management, while less than a tenth said they were consultants, with 8% private investors.

Eligible to vote were individuals from single-manager hedge funds and funds of hedge funds, and investors such as family offices, insurance companies, pension funds and sovereign wealth funds.

A total of 11% of those polled were chief executives, 12% were directors and 9% were portfolio managers. More than half worked in institutions with assets under management below \$100 million. Just over 16% of respondents worked in institutions with assets under management of more than \$1 billion. ■

Index, data and research**Hedge fund index provider**

2014	2013	Company	Percentage
1	1	Hedge Funds Research	25.1%
2	3	Barclay Hedge	18.4%
3		Credit Suisse	13.8%
4	2	Eurekahedge	8.4%
5		MSCI	7.9%

Domicile**Most favoured domicile – US**

2014	2013	Company	Percentage
1	1	Cayman Islands	25.6%
2		Bermuda	15.9%
3	3	British Virgin Islands	12.4%

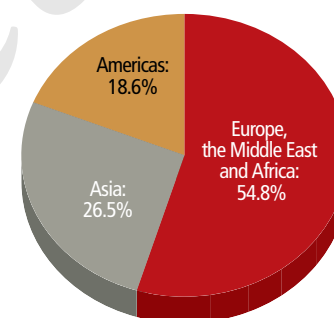
Most favoured domicile – Europe

2014	2013	Company	Percentage
1	1	Malta	35.7%
2	2	Luxembourg	23.6%
3	3	Ireland	10.5%

What is the AUM of the institution at which you work?

Under \$100 million	55.3%
\$100 million–250 million	15.8%
\$250 million–500 million	6.4%
\$500 million–1 billion	6.4%
\$1 billion–5 billion	9.9%
\$5 billion+	6.4%

Source: Hedge Funds Review.

Where are you based?

All figures rounded. Source: Hedge Funds Review.

Accounting/auditing**Accounting/auditing – global**

2014	2013	Company	Percentage
1	2	KPMG	16.80%
2	3	PWC	16.30%
3	4	Deloitte	15.80%
4	1	EY	15.30%
5		BDO	11.20%

Accounting/auditing – US

2014	2013	Company	Percentage
1	2	EY	19.40%
2	4	KPMG	16.10%
3		BDO	11.30%
4	5	PWC	10.00%
5	3	Deloitte	9.50%

Accounting/auditing – Europe

2014	2013	Company	Percentage
1	3	PWC	21.90%
2	4	Deloitte	20.40%
3	1	KPMG	17.40%
4	5	BDO	13.10%
5	2	EY	11.20%