



**Convincing debut by Circle Partners
in the 2007 Global Custodian
Hedge Fund Administration Survey**

Fund administration
made to measure
by Circle Partners

CIRCLE
PARTNERS



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www.circlepartners.com

🏆 = Top Rated 🥈 = Commended ★ = Best In Class ○ = Unrated ⊕ = Not Rated

Circle Partners

Netherlands-based Circle Partners makes a convincing debut in this survey. Its scores are often excellent, and rarely less than “very good.” They remain well above the Dutch and global averages in every comparable service area. Circle services mainly small and mid-sized offshore funds, whose managers are based almost exclusively in Europe, and competes largely with similar niche providers. Clients enjoy the hands-on approach possible at this scale. “Dedicated staff, always available for timely and responsive input,” writes one client. “Entrepreneurial and can-do spirit. Proactive in helping on mundane administrative tasks.” Others recognize its limitations (one client would like better staff holiday coverage), and the scores and comments suggest some

technological shortcomings, although Circle does offer web-based reporting to fund managers and investors and recently purchased new share registration software from MSTAR. Unusually for a small, non-bank provider, Circle also introduces hedge fund clients to sources of leverage and synthetic finance, and to investors drawn from its relationships with family offices and high net worth individuals.

LOCATIONS RATINGS				
Locations	2005	2006	2007	2007 score
Dublin/Ireland	⊕	⊕	🥈*	6.03

Service Area	Overall	< \$100M	\$100M-\$1B	\$1B +	Single Strategy	Multi-Strategy	Fund of Funds	North America	Europe	Asia
	⊕	🥈	🥈*	⊕	🥈	🥈*	🥈*	⊕	🥈*	⊕
Client Service	6.48	★	★	n/a	★	★	★	n/a	★	n/a
Value	5.90		★	n/a		★	★	n/a	★	n/a
Fund Accounting	6.01		★	n/a		★	★	n/a	★	n/a
Investors Services	6.14		★	n/a	★	★	★	n/a	★	n/a
Reporting to Investors	6.14		★	n/a		★	★	n/a	★	n/a
Reporting to Fund Managers	6.05		★	n/a		★	★	n/a	★	n/a
Compliance and Taxation	6.28	★	★	n/a	★	★	★	n/a	★	n/a
Corporate Administration	6.11		★	n/a		★	★	n/a	★	n/a
Fund Structures	6.26		★	n/a	★	★	★	n/a	★	n/a
Credit/Leverage	5.14	★	n/a	n/a	n/a		n/a	n/a		n/a
Technology	5.85		★	n/a		★	★	n/a	★	n/a
TOTAL	6.03	5.81	6.31	n/a	5.77	6.12	6.27	n/a	6.03	n/a

*Only the longstanding rule preventing a shift of more than two ratings per year denies this provider Top Rated status.

Methodology

The Global Custodian Hedge Fund Administration Survey continues to grow on a yearly basis, with this our 12th annual survey including the largest number of rated providers yet. Information was received on 34 providers, and of those, 20 received enough responses to be rated. A total of 920 responses were received, excluding duplicate and erroneous replies. This year marked the return of Daiwa as a rated provider and the debut of Circle Partners, Equity Fund Services, Fulcrum Fund Services and Trinity Fund Administration as rated providers. Meanwhile DPM Mellon, SEI and Spectrum all fell from rated status.

Providers were rated on 69 questions divided into 11 service areas: client service and relationship management, value, fund accounting and valuation, investor services, reporting to investors, reporting to fund managers, compliance and taxation, corporate administration, fund structures, credit/leverage and technology. Minimal changes were made to the questionnaire this year, including the addition of five scoring questions. “Rate of staff turnover” and “Effectiveness at interacting with third parties (e.g. prime brokers)” were added to the client service and relationship management section of the questionnaire, while “Extent of range of sources pricing used” and “Timeliness of finalization of audited financial statements” was added to the fund accounting and valuation section. “Level of investment in technology” and additional non-scoring questions about outsourcing and disaster recovery were added to the technology section. Several non-scoring questions regarding

pricing policies were also added to the fund accounting and valuation section. Other changes were made to other parts of the questionnaire to establish more accurately assets under management figures and the job function of respondents, and all respondents were asked to list the strengths and weaknesses of their provider.

Respondents graded their administrators on quality of service using a scale of 1 to 7, where 7 is excellent; 6, very good; 5, good; 4, satisfactory; 3, weak; 2, very weak; and 1, unacceptable. Scores were then weighted for the size and sophistication of the respondent and for performance on questions named as important in each service area by all respondents.

We retained the global and location ratings for a third year in a row: 🏆 top rated and 🥈 commended. We again included rating categories based on respondent profile types that were introduced last year. These include three size categories: (Less Than \$100 Million, \$100 Million–\$1 Billion and More Than \$1 Billion), three investment strategy categories (Single Strategy, Multi-Strategy and Fund of Funds) and three regions (North America, Europe and Asia). It is important to note that while location ratings are based on the scores received for a provider’s particular office location, the regional ratings are based on the location where a client is based. In order to be eligible for a global overall rating, a provider must have an adequately high score as well as earn ratings in at least two locations.

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To achieve Top Rated status, a provider must secure a weighted average score that equals or betters the combined weighted average score of all providers in that category. Commended status is assessed more subjectively, but no provider with a weighted average score below “good” can expect to be considered. As in previous years, a provider may not rise or fall more than one category in a year. A provider that received enough responses but an insufficiently high score, is declared ○ Unrated, while a provider that failed to get enough responses is ⊕ Not Rated.

In order to be eligible for a rating, providers must receive a requisite number of responses for a particular category. For the respondent profile categories—Less Than \$100 Million, \$100 Million-\$1Billion, More Than \$1 Billion, Single Strategy, Multi-Strategy, Fund of Funds, North America, Europe and Asia categories—a provider must secure a minimum of five responses per category. To qualify for a location rating, a provider must have received a minimum of four responses for Singapore, five responses for Luxembourg and Toronto; 10 for Amsterdam, Bahamas, Bermuda, Curaçao, Channel Islands, Dublin, San Francisco and Sydney; 12 for US East Coast; and 15 for Cayman Islands, Hong Kong and Isle of Man.

This year’s survey again includes ★ Best in Class awards, which aim to recognize excellence in providing specific services to clients of different sizes, types and locations. Providers are eligible for Best in Class awards in the size, investment strategy and regional categories, as well as the global category. These are considered on a category-by-category basis for each service area and awarded when a provider achieves a weighted average score for a particular service area within a category that is equal to or greater than the weighted average score of all providers in that combination of service and category. In all, providers were eligible for a total of 10 ratings (not including locations ratings) and 110 Best in Class awards.

As always, we are grateful to hedge fund administrators for their support and to the many clients who were gracious enough to take the time and trouble to respond to a detailed questionnaire. We are acutely aware of the value of the information they entrust to us and have taken every precaution, within the constraints of

time and resources, to ensure that this survey is as fair, accurate and useful as possible. It goes without saying that responsibility for mistakes lies with us alone. Please bring to our attention any that you notice.

Lastly, as with all our surveys, we urge users of the 2007 Hedge Fund Administration Survey to treat what is published here not as the end of a process, but as the beginning of a new process by which the mass of information on which these final scores are based can be better understood and put to use. In doing so, we would also like to take this opportunity to remind readers that what appears here is a mere fraction of the information that now sits in our database. Full research reports, including competitor analysis, are available from our director of research, Muzaffar Karabaev, at mkarabaev@globalcustodian.com.

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OVERALL BENCHMARK SCORES BY LOCATION

Amsterdam (or Netherlands)	5.68
Bahamas	5.90
Bermuda	5.61
Cayman Islands	5.75
Curaçao	6.44
Dublin (or Ireland)	5.82
Hong Kong	5.74
Isle of Man	5.56
Luxembourg	5.59
San Francisco	5.81
Singapore	6.26
Sydney	6.17
Toronto (or Canada)	5.77
US East Coast	5.91

TABLE 1: BEST IN CLASS BENCHMARK SCORES

	Overall	< \$100M	\$100M- \$1B	\$1B +	Single Strategy	Multi- Strategy	Fund of Funds	North America	Europe	Asia
Client Service	6.02	6.20	5.98	6.01	6.04	6.02	5.88	6.06	5.94	5.99
Value	5.68	5.81	5.66	5.66	5.62	5.71	5.49	5.75	5.52	5.71
Fund Accounting	5.92	6.07	5.94	5.87	5.95	5.91	5.69	6.00	5.81	5.79
Investors Services	5.93	6.19	5.95	5.85	6.04	5.88	5.74	6.01	5.78	5.94
Reporting to Investors	5.94	6.06	5.97	5.89	5.97	5.93	5.71	6.00	5.84	5.89
Reporting to Fund Managers	5.87	6.01	5.95	5.76	5.93	5.84	5.66	5.93	5.78	5.75
Compliance and Taxation	5.90	6.05	5.92	5.84	5.94	5.88	5.69	5.96	5.85	5.71
Corporate Administration	5.84	5.99	5.93	5.73	5.87	5.83	5.70	5.95	5.73	5.79
Fund Structures	5.93	6.06	5.90	5.91	5.85	5.96	5.78	5.98	5.83	5.87
Credit/Leverage	5.10	4.96	5.16	5.08	4.88	5.22	5.17	4.45	5.49	5.57
Technology	5.64	5.80	5.72	5.55	5.67	5.63	5.30	5.71	5.55	5.44
TOTAL	5.80	5.93	5.83	5.74	5.80	5.80	5.62	5.80	5.74	5.77



TABLE 2: LEAGUE TABLES

GLOBAL OVERALL	
1 Citco Fund Services	6.19
2 IFS – A State Street Company	6.16
3 Goldman Sachs Administration Services	6.15
4 UBS Fund Services Limited	5.98
5 Olympia Capital Associates, L.P.	5.88
6 PFPC Inc.	5.78
7 HSBC’s Alternative Fund Services	5.77
8 Citi Securities and Fund Services	5.54
9 BISYS Alternative Investments Services	5.44
10 10 Fortis Prime Fund Solutions	5.36

UP TO \$100M	
1 AIS Fund Administration	6.93
2 ATC Fund Services	6.54
3 Citco Fund Services	6.48
4 Goldman Sachs Administration Services	6.34
5 CACEIS	6.34
6 Olympia Capital Associates, L.P.	6.09
7 UBS Fund Services Limited	6.08
8 HSBC’s Alternative Fund Services	6.06
9 JPMorgan Hedge Fund Services	6.06
10 PFPC Inc.	6.02
11 Trinity Fund Administration Ltd	5.99
12 CIBC Bank and Trust Company Limited	5.95
13 Fulcrum Fund Services	5.89
14 Circle Partners	5.81
15 Citi Securities and Funds Services	5.66
16 Fortis Prime Fund Solutions	5.50

\$100M-\$1B	
1 AIS Fund Administration	6.50
2 Circle Partners	6.31
3 Goldman Sachs Administration Services	6.25
4 Citco Fund Services	6.22
5 CACEIS	6.17
6 UBS Fund Services Limited	6.08
7 Trinity Fund Administration Ltd	5.98
8 PFPC Inc.	5.97
9 Daiwa Securities Global Asset Services	5.89
10 HSBC’s Alternative Fund Services	5.85
11 IFS – A State Street Company	5.81
12 CIBC Bank and Trust Company Limited	5.79
13 Olympia Capital Associates, L.P.	5.56
14 BISYS Alternative Investment Services	5.53
15 Fortis Prime Fund Solutions	5.46
16 Citi Securities and Funds Services	5.41
17 JPMorgan Hedge Fund Services	5.00

LOCAL OVERALL	
1 ATC Fund Services	6.73
2 AIS Fund Administration	6.33
3 Fulcrum Fund Services	6.09
4 CACEIS	6.06
5 Circle Partners	6.03
6 Trinity Fund Administration Ltd	6.01
7 CIBC Bank and Trust Company Limited	5.81
8 Daiwa Securities Global Asset Services	5.70
9 Equity Fund Services	5.06
10 JPMorgan Hedge Fund Services	4.96

MORE THEN \$1B	
1 IFS – A State Street Company	6.17
2 Citco Fund Services	6.13
3 Olympia Capital Associates, L.P.	6.11
4 Goldman Sachs Administration Services	6.04
5 CACEIS	5.89
6 AIS Fund Administration	5.71
7 UBS Fund Services Limited	5.67
8 PFPC Inc.	5.66
9 Citi Securities and Funds Services	5.64
10 Daiwa Securities Global Asset Services	5.61
11 HSBC’s Alternative Fund Services	5.61
12 BISYS Alternative Investment Services	5.45
13 Fortis Prime Fund Solutions	5.21

SINGLE STRATEGY	
1 AIS Fund Administration	6.68
2 IFS – A State Street Company	6.44
3 Trinity Fund Administration Ltd	6.28
4 Citco Fund Services	6.26
5 Goldman Sachs Administration Services	6.10
6 Olympia Capital Associates, L.P.	5.92
7 Fulcrum Fund Services	5.90
8 BISYS Alternative Investment Services	5.85
9 CACEIS	5.84
10 Circle Partners	5.77
11 UBS Fund Services Limited	5.71
12 PFPC Inc.	5.63
13 HSBC’s Alternative Fund Services	5.54
14 Citi Securities and Funds Services	5.20
15 JPMorgan Hedge Fund Services	5.08
16 Fortis Prime Fund Solutions	4.93

MULTI-STRATEGY	
1 ATC Fund Services	6.69
2 CACEIS	6.23
3 Goldman Sachs Administration Services	6.18
4 Fulcrum Fund Services	6.18
5 Citco Fund Services	6.15
6 AIS Fund Administration	6.13
7 Circle Partners	6.12
8 UBS Fund Services Limited	6.11
9 IFS – A State Street Company	6.03
10 Trinity Fund Administration Ltd	5.93
11 Daiwa Securities Global Asset Services	5.88
12 HSBC’s Alternative Fund Services	5.87
13 Olympia Capital Associates, L.P.	5.87
14 CIBC Bank and Trust Company Limited	5.85
15 PFPC Inc.	5.83
16 Citi Securities and Funds Services	5.61
17 Fortis Prime Fund Solutions	5.60
18 BISYS Alternative Investment Services	5.25
19 Equity Fund Services	4.94
20 JPMorgan Hedge Fund Services	4.84

FUND OF FUNDS	
1 Circle Partners	6.27
2 Trinity Fund Administration Ltd	6.14
3 CACEIS	5.95
4 UBS Fund Services Limited	5.93
5 PFPC Inc.	5.90
6 HSBC’s Alternative Fund Services	5.83
7 IFS – A State Street Company	5.75
8 Citco Fund Services	5.66
9 Citi Securities and Funds Services	5.62
10 Olympia Capital Associates, L.P.	5.53
11 Fortis Prime Fund Solutions	5.40
12 BISYS Alternative Investment Services	5.23

NORTH AMERICA	
1 ATC Fund Services	6.74
2 Citco Fund Services	6.39
3 AIS Fund Administration	6.33
4 Goldman Sachs Administration Services	6.20
5 IFS – A State Street Company	6.14
6 Fulcrum Fund Services	6.09
7 Olympia Capital Associates, L.P.	5.72
8 CIBC Bank and Trust Company Limited	5.70
9 PFPC Inc.	5.67
10 Citi Securities and Funds Services	5.63
11 BISYS Alternative Investment Services	5.56
12 UBS Fund Services Limited	5.56
13 HSBC’s Alternative Fund Services	5.54
14 Fortis Prime Fund Solutions	5.21

EUROPE	
1 UBS Fund Services Limited	6.38
2 IFS – A State Street Company	6.21
3 CIBC Bank and Trust Company Limited	6.19
4 Goldman Sachs Administration Services	6.10
5 Circle Partners	6.03
6 Trinity Fund Administration Ltd	6.01
7 CACEIS	6.00
8 PFPC Inc.	5.88
9 Daiwa Securities Global Asset Services	5.88
10 Citco Fund Services	5.80
11 HSBC’s Alternative Fund Services	5.79
12 Fortis Prime Fund Solutions	5.34
13 Citi Securities and Funds Services	5.29
14 BISYS Alternative Investment Services	5.22
15 JPMorgan Hedge Fund Services	4.92

ASIA	
1 Citco Fund Services	6.14
2 HSBC’s Alternative Fund Services	5.95
3 Goldman Sachs Administration Services	5.74
4 Citi Securities and Funds Services	5.73
5 Fortis Prime Fund Solutions	5.51