

NEWSLETTER

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For further information, please contact:

North America:

Mike Marisca, Head of Business Development, U.S.
+646 763 1962

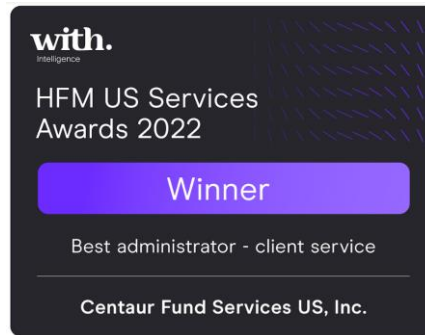
Mike.Marisca@centaurfs.com

Europe:

Gavan McGuire, Head of Business Development, Europe
+44 203 318 2737

Gavan.McGuire@centaurfs.com

BEST IN CLIENT SERVICE FOR FOURTH YEAR RUNNING



Centaur is delighted to have been named 'Best Administrator - Client Services' for the fourth consecutive year at the 2022 HFM US Services Awards. The HFM US Services Awards honors providers of services and solutions to the hedge fund sector that have demonstrated exceptional innovation, customer service and performance in the past 12 months.



Des Johnson, CEO of Centaur US said, "I would like to take this opportunity to thank all our clients for their positive endorsements. Our relationships with our clients are central to our success, so we are thrilled that our client service has been recognized and rewarded at this prestigious awards ceremony."

Centaur is also delighted to congratulate Waystone who scooped the 'Best Outsourced ManCo' award. Subject to regulatory approval, Centaur has reached agreement to become part of the Waystone Group.

Des comments, "It's been a great day for both Centaur and Waystone. Both companies share the same philosophy when it comes to exceptional client service, so it is fantastic to see this commitment acknowledged at this ceremony. As a result of the agreement for the two firms to come together, we will soon be able to offer clients a fully comprehensive suite of services spanning fund administration, fund governance, compliance services and European fund solutions."



WAYSTONE INVESTMENT FUNDS SUMMIT



Centaur is looking forward to attending Waystone's Fifth annual Investment Funds Summit in New York City on Wed 7th December. This event, exclusive to Waystone clients, will spotlight the most stimulating industry issues in collaboration with the candid insights from institutional allocators, fund managers and industry-leading professional advisors. For more information on the summit, please contact Mike Marisca at Centaur US.

NEW OFFICE IN MANILA, PHILIPPINES



Centaur is pleased to announce the opening of a new office in Manila. The new office is a critical milestone in Centaur's global expansion and will support Centaur's expanding operations. This brings Centaur's footprint to eight countries over three continents.

Eric Bertrand, founding partner of Centaur comments, *"We are very excited to be opening a new office in the Philippines which will further strengthen our market position across Asia and extend the coverage we can provide to our clients. The Philippines offers a large pool of talent and we have three extremely experienced and qualified people at the helm."*



Francois Myburgh
Senior Vice President,
Centaur Philippines



Jose Raymond Esquivel
Senior Vice President,
Centaur Philippines



Apple Sebastian
Vice President,
Centaur Philippines

Centaur Philippines address:
Level 40 PBcom Tower.
6795 Ayala Avenue Corner VA. Rufinc
Street, Makati City,
Makati 1226, Philippines.

CENTAUR GROWTH: Q3 2022



Centaur is experiencing impressive growth globally. In the last quarter alone, the global team has grown by 12% to over 280. Centaur is now located in ten locations globally spanning three continents: North America, Europe and Southeast Asia.

CENTAUR NORTH AMERICA:

- **Centaur US:** The US team, which has grown by 11% in the past three months, works tirelessly to ensure Centaur's client first culture remains top of their agenda year-on-year.
- **Centaur Canada:** Specializing in Private Equity and Insurance Linked Securities ("ILS"), the team at Centaur Canada increased by 20% over the last quarter.
- **Centaur Bermuda and Cayman:** The Bermuda and Cayman offices work closely with Centaur's other offices to provide administration services to Centaur's global client base.

CENTAUR EUROPE: With new offices recently launched in Luxembourg and London, and two established locations in Ireland, the Centaur Europe team has grown substantially in the last three months and is firmly established as global experts in fund administration.

CENTAUR SOUTHEAST ASIA: Centaur has ambitious growth plans for The Philippines. Centaur currently has a team of 40 which is projected to double within the next 12 months.

GLOBAL LEADERSHIP FUNDS FORUM



Mike Marisca, US head of business development, recently attended the Global Leadership Forum in Austin, TX, hosted by Ron Geffner and his team at Sadis & Goldberg. The annual event provides an opportunity for senior leadership from various service providers to discuss key issues affecting the Private Funds space. This year's event touched on issues such as private equity and hedge fund trends, regulatory and compliance issues, staffing challenges and strategies, digital assets, administration trends and marketing.



Mike comments, *"This event is one that I look forward to the most every year. Ron does an amazing job at facilitating a great couple days of very informative sessions and it is great to hear perspectives from leading legal, audit and tax, prime broker, and other administration firms. It was fantastic to connect with so many peers that support Centaur and meet new people that touch the funds industry."*

CASE STUDY



In 2021, Centaur was selected by Hudson Structured Capital Management (“HSCM”) to provide fund administration services for its global assets. After a seamless transition, HSCM is enjoying Centaur’s leading administration services backed by its renowned client service.

HSCM chose Centaur for its ability to offer more than its competitors, in both its capabilities and its expertise. For HSCM, the deciding factor in choosing Centaur was its experienced team, proprietary systems flexibility and ability to seamlessly handle HSCM’s global assets.

Working closely with the HSCM team, Centaur applied an enhanced process to ensure the smooth transition of the existing funds and the ability to support the growth plans of HSCM’s funds by integrating the funds’ accounting and investor data with Centaur’s proprietary platform. A structured partnership is now in place and Centaur is available 24x7 to guide HSCM through the administrative process.

“We are delighted with our decision to move the administration of our funds to Centaur. Their attention to detail is phenomenal and we have had a positive experience so far,” said Jeff Sangster, Partner, CFO and Head of Strategy, HSCM. For more information, visit www.hscm.com.

HYBRID ALTERNATIVE INVESTMENT FUNDS: CONSIDERATIONS, CHALLENGES & OPPORTUNITIES



Hybrid funds combine the longer-term features of private equity funds with the flexible trading and hedging strategies associated with hedge funds. Correspondingly, fund managers and their service providers have evolved their infrastructure to be able to service

these hybrid structures. Advantages of hybrid funds are many, including:

- Investors can have access to both hedge fund and private equity classes in a single product.
- Risk can be managed through portfolio diversification.
- Their open or partially open fund structures provide for increased liquidity.
- Hybrid funds allow investors to strike the right balance between risk and return by providing exposure to the predictable liquidity of hedge funds with the potential for earning the higher yields associated with private equity.
- Launching a single fund rather than a series of funds brings cost and labor efficiencies to the fund manager.

To view the full article, see centaurfs.com/press-releases/.

INCREASED REPORTING CHALLENGES: THE VALUE OF A GOOD ADMINISTRATOR



As regulators and investors demand greater transparency, there has been a dramatic rise in the reporting requirements for funds and asset managers. Managing reporting requirements can be both complex and burdensome. Centaur outlines five considerations for asset managers when outsourcing reporting services:

1. Robust Framework: Fund managers want to rely on one single provider with a strong regulatory monitoring framework and multi-disciplinary expertise.
2. Independence: It is critical that reporting is conducted in a way that ensures independence and objectivity, whether required by regulation or not.
3. Resources, Experience and Track Record: With complex and ever-changing regulations, the need for expertise is becoming ever more important.
4. Accuracy and Consistency: With the increasing complexity of regulatory requirements, reporting requires specialist skills and greater expertise to ensure accuracy and consistency in all the reporting processes and procedures.
5. Technology: With technology, fund administrators have the flexibility to adapt their operations while managing unprecedented levels of data and reporting.

To view the full article, see centaurfs.com/press-releases/

UK FOCUS: THE QAHC REGIME - ITS IMPACT ON THE UK FUNDS INDUSTRY AND HOW IT MAY BENEFIT YOUR FIRM



The Qualifying Asset Holding Company (QAHC) regime was formally introduced on 1 April 2022 to enable the UK to position itself as an attractive option for managers seeking to set up asset holding structures and manage tax leakage. Since it came into force Centaur has received a large number of queries from asset managers about the costs, benefits and the eligibility criteria for entrance into the regime.

QAHC EXPLAINED

The QAHC is an unlisted UK tax resident company that is at least 70% owned by 'good' (Category A) investors such as investment funds and various types of institutional investors. The regime can be used for both new and existing structures through establishment or conversion with private equity, venture capital, and private credit managers being the most prevalent to show early interest in the structure.

ELIGIBILITY CRITERIA

Three main conditions must be met by a company in order to be a QAHC are:

- Be UK resident.
- Be at least 70% owned by "Category A" investors.
- The main activity must be the carrying on of an investment business; any other activities are ancillary.

TAX BENEFITS

Most importantly, QAHCs are exempt from tax on profits of any overseas property businesses.

For more details on the QAHC and a full list of tax benefits, visit centaurfs.com/press-releases/.

U.S. FOCUS: SEC COMPLIANCE UPDATE - RECORDKEEPING ENFORCEMENT ACTIONS AND CYBERSECURITY PROPOSAL



1. RECORDKEEPING ENFORCEMENT ACTIONS - "OFF-CHANNEL" COMMUNICATION RETENTION FAILURES

Rule 204-2(a)(7) requires the archival of certain communications such as:

- Any recommendation made or proposed to be made and any advice given or proposed to be given;*
- Any receipt, disbursement or delivery of funds or securities; and*
- The placing or execution of any order to purchase or sell any security;*

2. SEC PROPOSED CYBERSECURITY RISK MANAGEMENT RULES:

On February 9, 2022, the SEC proposed rule 206(4)-9 under the Advisers Act which is intended to institute a requirement that RIAs implement cybersecurity policies and procedures comprising of the following components:

- Risk Assessment
- User Security and Access
- Information Protection
- Threat and Vulnerability Management
- Cybersecurity and Incident Response and Recovery

Along with the required items above, the proposed rules would require RIAs to review their cybersecurity policies and procedures annually, culminating in a written report. Proposed Rule 204-6 also creates Form ADV-C which would require RIAs to report significant cybersecurity incidents. Form ADV-C must be filed within 48 hours.

To view the full article in more detail, visit centaurfs.com/press-releases/