



Complexity Made Simple

Augentius specialises in Private Equity Fund Administration. *That's all we do.* Our technology and people ensure our clients don't duplicate the work they pay us to do.



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Fund administrator of the year

It is geographical diversification that has driven Augentius Fund Administration to a second record-breaking year, with the firm that bought itself out of Ansbacher Fund Services in August 2006 already one of the most successful European private equity fund administrators.

With a focus solely on private equity and real estate fund administration, Augentius has steered clear of the difficulties in the hedge funds sector and has seen little impact from the credit crunch on its business so far. In the past 12 months the firm has expanded to more than 100 staff, and has doubled its client base for the second year running such that it now administers over \$65bn (£48bn) for more than 50 clients.

Augentius has offices in London and Guernsey, will open a US office in December and has begun to set up offices in Singapore and Hong Kong. Luxembourg and Jersey are next on the agenda.

Managing partner David Bailey said: "We did our buyout two years ago, and the first 12 months were phenomenally busy. In the first year we grew by 100%, and in the second year we achieved that same growth, and started to put in place a strategic global expansion strategy for taking the business to the next level."

Ansbacher Fund Services launched its private equity fund administration business in 2003, under the leadership of Barry Carroll, now senior partner of Augentius. Partners David Bailey, Gavin Davies and JP Harrop joined as founder members of Ansbacher's private equity team. Since 2006, the team has grown from 25 to 100 staff, and from \$15bn to \$65bn assets under administration.

Activity levels have shown no let-up. Bailey said: "The activity has been driven by new groups. We are expecting to see that slow down in Europe but not in other parts of the world."

Augentius is witnessing its client base expanding rapidly in the Middle East, with demand also growing in Russia, Hong Kong and the Nordic region.

Bailey said: "The slowing in Europe and the US means people are finding it harder to raise funds. But by geographically diversifying we are benefiting because there is still a lot going on in Asia, India and China."

Growth in China, for example, will decrease but is likely to remain at 6% to 7% of GDP a year, said Bailey – a level that is still a very attractive proposition for private equity investors.

The other great driver to the Augentius business is the move towards the use of independent administrators.

Globally it is estimated that as few as 5% to 10% of funds employ external administrators to handle their back-office functions, and Bailey said there are clear signs of a shift towards the outsourcing model.

"What's now beginning to happen," he said, "is that GPs who have done their own fund administration are finding they have to work harder on their existing investments and on their portfolios, so handling back-office functions is not the most economic use of their

Augentius adopts a global approach



There might be a slowdown in Europe and the US but other markets are enjoying significant growth, writes Claire Smith

time. What's more, when they do it themselves they are paying those administration costs out of management fees, whereas if they outsource to us it gets paid by the fund."

Demand for independent administrators is also increasing in the emerging markets. Bailey said: "In certain parts of the world, the investors find it comforting to have an independent third party looking over the fund, and they don't want the general partners distracted by doing back-office accounting; they want them focused on making the investments."

Augentius seeks to differentiate itself in an

increasingly crowded fund administration market by a focus on four main concepts: its specialism in just private equity and property; the fact that all its clients are serviced by qualified accountants; its use of the best technology available; and its transparent and open pricing structure, it said.

Now that the business has also focused on its international footprint and client base, the partners hope the company can continue to grow at the same pace. "I think the geographical spread we now have is really going to help us that over the next two or three years," said Bailey.