



# The Asian connection

*Gerben Oldekamp, of Circle Partners, reflects on the firm's successful expansion into Asia*

**Q** What have been the key reasons for the firm's expansion into Asia?

**A** As a group, we have experienced considerable growth over the past few years within the US and Europe, having organically doubled our assets under administration and expanded our horizon by managing more closed-ended (PE/VC/RE) funds. In this time, however, we had not experienced any significant levels of growth within Asia. We had a number of clients but could never really grow because we lacked the capability to provide same time zone reporting, and neither did we have developed banking relationships nor Mandarin speakers. After having considered multiple locations, we decided to open an office in Singapore in late 2017, and have experienced explosive growth since.

Compared to the US and Europe, we have since experienced a lot of activity in Asia. This has been in relation to more closed-ended funds



**Gerben Oldekamp**  
Circle Partners

After a couple of legal positions at financial institutions, Gerben Oldekamp joined Circle Partners in 2008 to manage the legal team. In 2013 he was appointed co-managing director of the Netherlands office, while at the same time focusing on the worldwide business development of the Circle Partners Group. Early 2018 he moved to Asia to open Circle Partners' Singapore office.

entering the market, with a lot of these coming from the Chinese mainland, but, in general – with in Singapore, Thailand, Indonesia, Hong Kong, China and Taiwan – there have simply been a lot of new ideas and initiatives. What has also played out to our advantage is the turmoil in the fund administration world. The mergers and takeovers have affected teams, service levels are dropping, fees are getting higher and this has led to restless clients. These developments have led us to become one of the very few medium-sized independent administrators left. Emerging and smaller managers recognise this and have found their way to us.

The pipeline remains very healthy

and, based on our experiences in Q3 and Q4, we expect 2019 to be the same or better. One of the reasons to set up in Singapore, aside from the obvious advantages in terms of lower set-up costs in comparison to Hong Kong, has been the intended launch of the Variable Capital Company (VCC), the bill of which has now been passed by the Singapore parliament. We have high expectations for this regime and hope, as it will be required to appoint a Singapore-based further administrator, to further grow on the back of it. That is not to say, however, that we will not look to set up in Hong Kong eventually, too. Given the impressive levels of business activity in China, it is likely that we'll establish an operational office [in Hong Kong] (in addition to the current representative one) in the future.

**Q** What have been the key challenges of expanding into the Asian market?



funds are closed-ended/illiquid. More annual, semi-annual or quarterly funds rather than monthly funds, which changes the dynamics of an office and also requires different people to service these clients.

**Q** What unique requests do you receive from your Asia-based clients?

**A** In general, at least on the open-ended side, funds start smaller and therefore we are often asked to think in terms of growing pricing models. Luckily, we have historically serviced a lot of smaller and medium-sized managers and are therefore well-equipped to guide them. Further, compared to our other offices, there is much more demand for tailor-made solutions in regards to reporting and transfer agency/investor services. This is sometimes challenging, but it is also interesting and very rewarding.

**Q** What are your near- and long-term aims within this marketplace?

**A** Singapore has been our gateway to Asia and Asian clients. Its future is interesting because of S-VCC, but also because of the enormous activity in venture capital. It has also always been a financial centre for South-East Asia. However, we also have China and Hong Kong to thank for our extensive growth in recent times.

Personally, I am often present in Hong Kong and China, and by sponsoring events and other activities, we try to become very visible. I also don't exclude the possibility of us opening a further operational hub in Hong Kong. But that is something for the longer-term and is not really essential with our same time zone availability and in-house Mandarin speakers.

We are thrilled to be here at this time. There is so much activity, there is now a promising market in China but also the rapid development of other Asian Markets like Indonesia and Vietnam. We genuinely believe this office may sooner or later become a very important part of our group that already consists of various offices in the Americas and Europe. **HFM**

**A** As a company with Dutch origin (and quite a few of the administrators have the same origin), we historically adapt and settle in relatively quickly. In Asia, there have nevertheless been cultural challenges in, among others, acquiring staff and in dealing with prospective clients. More so than in Europe, our relationships with our clients are very close. We must always be available to our Asian clients, and offer them solutions which are often even more bespoke. Another difference has been the emphasis on pricing. Although we generally price very competitively, it has become even more important here.

**Q** How does the counsel you provide vary compared with your European clients?

**A** Generally, our role in Asia is more coordinated than in Europe. Most clients have engaged professionally run platforms, very qualified lawyers (both locally on

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or offshore), bank accounts can be opened smoothly and in that sense it is relatively easier compared to the other continents (especially continental Europe and to a lesser extent the US). Launches are thus smoother and quicker. The ongoing services are a different matter. We are more available than on the other continents (throughout the day and even often at night), answers are expected quicker, and NAVs need to be prepared sooner.

Thankfully, we have managed to bring on the right staff, including some people from our other offices. Also the type of funds differ. Whereas in Europe and the US we still predominantly administer open-ended funds, in Asia at least half of our