

# Technology's

## The role of technology in fund administration is now omnipresent and the position of market-leader in the provision of internet services is hotly contested. Declan Quilligan explains why he believes Citco Funds (Curaçao) is that firm

A term that is bandied about with all-too casual ease, providing 'added value' goes to the very heart of what administrators do. Fund administrators have a specific purpose - to deliver a product far superior to the one that could be alternatively delivered by another party or the investment manager themselves. They need to invest resources and refine that process so that clients can take comfort that the portfolio valuation and pricing information they receive is produced by a respected third-party administrator. "Independence combined with an accurate, timely and professional service is how we can 'add value' to the finished product and to our clients," says Declan Quilligan, managing director of Citco Funds Curaçao.

He sees the administrator acting as a buffer between the investment manager and the funds investors. "The shareholders are our ultimate client," he explains, "and they rely on our experience and time in the industry - which is since the very beginning - and take confidence from our subsequent position as a market leader. Our involvement

means they don't have to entirely rely on the investment manager."

To this end Citco is spending a very significant percentage of its resources on the development of technology. Nonetheless, there are of course other elements equally important in the provision of superior services. Quilligan agrees, admitting that "at the end of the day, we are a service provider - that is our job, technology or not. You need to provide a quality service and I am positive that to do that you have to be an established player." As managing director, he expects his employees to demonstrate an interest and understanding of the business they are in, an understanding of their clients' products and strategies and the ability to evolve with a swiftly changing industry. In order to achieve such understanding training is provided to new worldwide employees at a dedicated training facility away from the office environment in Curaçao. Further internal and external courses are provided to staff of all levels to ensure an understanding of the latest industry trends, internal system development, accounting guidelines etc.

Citco Funds Curaçao provides full administration services to

alternative investment funds, including the provision of core accounting, Net Asset Value (NAV), fund set-up, investor relation and back-office services, plus other ancillary corporate services.

### The Web

The funds industry has obviously experienced massive growth in recent years with assets under

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management of the major firms often doubling every two years. One consequence of this and the overall globalisation of the market is that the business has become internet-focused. Most managers and service providers now have their

own websites. Citco prides itself as a leader in the IT arena and believes that it is leading the charge towards improved technology and internet-orientated services.

"We have put a huge amount of resources into developing our own website which has been available for the past two years," explains Quilligan. Newly rolled-out, the updated Citco web site offers clients full access to a wealth of information - including industry news, reports and customised home pages. Full broker information in an archive facility starting from the inception of the fund is available to investment managers as are financial statements, portfolio reports and various supplemental incidental reports. Investors in Citco-administered funds will shortly be able to securely obtain a consolidated statement of all of their holdings.

# added value



Declan Quilligan - general manager and managing director of Citco Funds Curaçao

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“This means that many of the simple enquiries we often receive can be answered by the clients themselves quickly and efficiently,” says Quilligan, freeing the administrator to concentrate on more complex enquiries and tasks. He continues: “The website will make a radical difference and the outside community has been very positive regarding it.”

## Shareholder Services

According to Quilligan, Citco was one of the first administrators to move towards a real-time shareholder system. “It is a product that we want to deliver same-day or T+1 at the latest,” he says. “We don’t tolerate backlogs and if one does emerge, we allocate suitable resources to get rid of it. Ours is a T+1 atmosphere and service environment.”

Shareholder services in particular is an area in which Citco Funds Curaçao prides itself. Its centralised department with 30 staff can

provide shareholder services to Citco funds whether they are administered in Curaçao, New York or Toronto. Quilligan adds that this service is growing in demand among larger US clients for whom Citco provide daily profit and loss information, risk analysis and full front-to-back services. “Our teams are integrated to allow full synergy between personnel so everyone knows what each is doing and everybody in the organisation can answer clients queries professionally.”

Another area Citco is making a move into is ‘front-to-back’, a holistic service popular among medium-to-larger clients where Citco provides the personnel and experience to take care of all the back-office duties that the investment managers previously performed themselves. Citco perceives this as a direction the industry is moving into and wishes to be able to provide an integrated technology based solution to all clients where they can pick and choose their desired service level. This infrastructure is in place and clients are rapidly availing themselves of the services offered. For the larger service providers with the manpower to deliver ‘front-to-back’ it allows for smoother straight through processing and full reconciliation before transactions enter the administrators own accounting system.

## Brand Power

“We are lucky,” states Quilligan, “as we have the name, experience and know-how - and the investment community is aware of that.” It is also true that Curaçao as a jurisdiction has a very good name in the hedge fund and alternative investment community, a business it has

been in for over 40 years. The very first funds were administered there and some of the best-known still are. It is one of the primary jurisdictions from where fund administration services are rendered although these days Curaçao is not necessarily the domicile of choice for Fund incorporations. Because the location has a good name, is safe and clean and has that long association with US investment managers, its fund industry continues to steadily prosper and grow.

“The next step is to consolidate. This industry is ready to explode and we are ready to explode with it,” says Quilligan, in reference to his company’s truly global presence. Once its San Francisco office goes online its geographic expansion will be complete, with myriad branches in every time zone.

Citco’s aim is to offer a consistent product and service from all of the jurisdictions where it is present, be it Cayman, BVI or Toronto. Nonetheless, Quilligan admits there is something special about the Curaçao office. “It historically has been Citco’s biggest office worldwide and the base from where our global network has grown. The infrastructure is there, the knowledge is there and the people are there and we have been lucky to transfer this expertise from Curaçao to our offices across the globe.”

With a recognised pool of talent and experience, Curaçao has already proven itself to be a trustworthy jurisdiction, an obstacle many others are still crossing. Additionally, innovative firms like Citco are flexible enough to provide administration and specialised services to funds that are located, registered or administered elsewhere. As a result, Quilligan and his colleagues can truly and honestly boast of providing ‘added value’.