

## Welcome



**Karl McEneff**  
CEO SuMi TRUST Ireland

I want to take this opportunity to introduce you to the first edition of our new SuMi TRUST quarterly newsletter. I believe that these newsletters will keep you updated on all the key developments within our rapidly growing organisation and demonstrate our commitment to being a leading Global Asset Services provider, whilst maintaining our primary focus of delivering the highest service levels by putting our clients needs first.

### **The world of Asset Servicing has changed beyond recognition...**

Much has taken place since the acquisition in November 2012 of Daiwa Global Asset Services ("Daiwa") by Sumitomo Mitsui Trust Bank ("SMTB"), Japan's largest Trust Bank by both market capitalisation and market share to create the business I have the pleasure of managing and growing today.

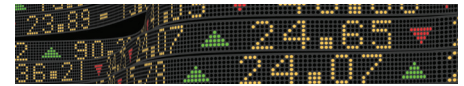
These newsletters will also focus on our successes in terms of our

existing clients' growth, our new clients who have selected us as their Asset Services partner, the growth of our products and expanding service offering, updates on our technology platform, organisational changes in response to client demand and a commentary, the Quarterly Quorum, on what we consider a current key issue.

The world of Asset Servicing has changed beyond recognition from when I first established the Daiwa business with my team in 1990 in Dublin, Ireland. The pace of global regulatory evolution has increased dramatically, and continues to do so. This throws up its own challenges of operating

### **We've boosted our UCITS offering and registered as an AIFM in Ireland.**

within the new frameworks and our aim is to take as much of the burden as possible on behalf of our clients. This has meant an ever increasing reliance on technology to service our global clients across different fund structures, domiciles, investment



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strategies, regulatory regimes and timezones. In addition being an Asset Services partner today requires an understanding of regional regulation, compliance, marketing rules and the optimum structure to achieve the asset raising goals of our clients, particularly given the increasing pressure to bring investment funds into the 'on-shore' environment. The ability to provide this knowledge has been a particular focus for us in the last 12 months as we have boosted our UCITS offering and registered as an AIFM in Ireland.

Finally I want to thank all my colleagues, our clients and commercial partners for their continued support in this increasingly challenging environment. 

## SuMi TRUST Growth

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The last twelve months has seen significant growth for our Asset Servicing model with over fifty new fund launches and transitions from other service providers. Our long term clients' also continue to expand their activities with us, creating their new funds and share structures within existing funds. These have been both off shore structures in jurisdictions such as Cayman, Bermuda, Delaware and Malta and on shore regulated structures in the UK, Ireland and Japan. The products themselves have been hedge funds across a range of strategies, fund of funds, long only and real estate, in the form of Companies, UCITS, Unit Trusts or Limited Partnerships.

***...we see a clear trend for regulated UCITs and AIFM funds domiciled in Ireland.***

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In addition we have new business from within the SMTB organisation with the transfer of in excess of \$5 billion of established fund assets since January 2014. We have also in the last six months been actively structuring specialist funds for distribution by SMTB, managed by a selection of international top tier global investment managers and we see this trend continuing. With the ability to integrate our stakeholder, SMTB, with our growing suite of existing products and services to integrate their banking, treasury and market solutions, has



allowed us to tender and secure new business from large Japanese Insurance Companies for offshore Fund of Funds schemes and others.

With the increasing investor interest for regulated funds we are seeing a clear trend for regulated UCITs and AIFM funds domiciled in Ireland and the UK, where we provide a total servicing solution inclusive of dedicated management companies.



## New Products and Services

SuMi TRUST continues to expand its range of products and services to provide ever more functionality for clients and also to manage the new regulations and directives introduced by the USA and the EU.

- **AIFMD** – Our Trustee team in Ireland has developed a full AIFMD depositary service for those funds domiciled in Ireland and a complete 'Depo-lite' AIFMD model for non EU domiciled funds building on our UCITS expertise developed since 1995;
- **UCITS management company** – Through our Irish activity we can offer a stand alone SuMi TRUST UCITS platform for larger managers and a well established partnership model for smaller managers with an Irish Management Company and Promoter, looking for a highly competitive low cost, 'plug and play' speed to market solution;
- **Our Irish AIFM** has been authorised by the Irish Central Bank;
- **FX Hedging** – In partnership with SMTB and an independent FX manager we are now able to offer FX share class hedging services for multiple currency share classes;
- **UK Authorised Corporate Director ("ACD")** – Our UK investment management company has been authorised since 2011 with approaching US\$1 billion to provide a fully independent ACD management company and administration support for those managers looking to launch UK regulated funds who do not have, or do not want to register for, their own ACD regulated activity, primarily due to capital adequacy requirements.

## Corporate activity

Following the SMTB acquisition in November 2012 there has been an active policy of integrating the Global Asset Services activity into the SMTB mainstream Global Banking, Asset Management, Trust Bank, Global Custody, Proprietary Investment and Fund Distribution activity. To support this the following highly experienced staff have been recruited in our main centres of operation, together with internal transfer of key staff from Japan to London, Dublin and New York:

- **Dublin Management** – Robert Hennessy as Director of Risk and Compliance from KB Associates; Eric O'Rourke as Head of Internal audit from BNY; Michael Stone as Head of Human resources from Depfa Bank and Jonathan Mee as Special Projects Manager from BNY;
- **Makoto Tamino** has been made Head of Global Sales and has moved from Tokyo to London and Shigeki Kato has moved from Tokyo to New York to head up sales in North America
- **London Business Development** – The sales team has been strengthened with the arrival of Guy Mettrick from BNP to head up the European Regulated Fund Sales including our UCITS and ACD operations and Alina Kanygina from Renaissance Capital to head up European Business development;
- **London ACD** – Stephen Chennels arrived from IFDS to Head up the ACD management company and Matthew Chapman from Capita to oversee compliance and operations;
- **London CRM** – Simon Phillips has been made head of CRM globally and joined by Tom Rees from RBC Investor Services.

## Technology and Operating Platform update

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As mentioned by our CEO, Karl McEneff in his opening remarks, technology is a key requisite to actively supporting our clients with accurate real time price information to evaluate performance attribution, risk management, shareholder information, fees and costs. The current focus is on:

- **ADVENT Software, Inc** – Following a detailed review and analysis of available accounting systems, Advent Geneva has been selected and the technology transfer is currently underway with the objective being to initially transition all existing clients and extend to all new clients starting Q1 2015;
- **RiskMetrics** – Our recently signed agreement allows our clients to undertake specific ongoing real time risk analysis on their portfolios;
- **FATCA** – we have implemented a full and transparent solution and this is detailed more in our Quarterly Quorum update at the end of this newsletter;
- **MIG21** – The Trustee team is in the process of implementing this investment compliance module to monitor adherence to prospectus rules such as investment borrowing powers;
- **24 Hour NAV delivery** – we have transferred a section of our NAV reporting team from Dublin to Tokyo to provide real time end of day pricing to support our Japanese, Asian and Global clients;
- **CRM** – we have recently upgraded our complete CRM service onto the Digiterre CRM platform which will enhance all our client reporting and compatibility.

*Our quarterly newsletters will keep you advised of progress with these and all the additional enhancements we continue to develop.*



# The Quarterly Quorum – FATCA and how SuMi TRUST is implementing the regulations

In recognition of the effort required to implement all FATCA related items, SuMi TRUST established a FATCA project team from day one to help navigate the complicated process.

The head of the project team, Fiona McGinley, is a member of the Irish Funds Industry Association's ("IFIA") TA FATCA Sub-Group which forms part of the IFIA Task Force liaising with the Irish Revenue Commissioners on all areas of FATCA. The FATCA rules are wide-ranging and we have and will continue to offer full support and guidance to all our Investment Managers so they can continue to focus on Asset Management. Our dedicated FATCA service includes:

- Regular detailed bulletins advising on all FATCA related items,
- liaising with fund promoters to ensure all their fund documents contain the required FATCA wording and declarations,
- preliminary assessment / pre-classification of existing investors,
- collating the required data from new investors,
- fund promoter reporting,
- board reporting and revenue authority reporting.

We consider our FATCA service as an extension of our well established Transfer Agency services and as such (unlike the majority of service providers) SuMi TRUST does not charge additional fees for this service.



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