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Guernsey Funds Buck the Trend

New findings from the 29th edition of Monterey Insight's Guernsey Fund Report, the independent fund research company, reveal the market shares of all service providers in Guernsey's fund industry.

The 29th annual Monterey Insight Guernsey Fund Report highlights that fund assets serviced in Guernsey stood at US\$517.5bn at the end of June 2023, down a modest 0.05% in US Dollar compared to US\$517.8bn in June 2022. This represents in Pound Sterling a drop of 2.4% with a total of £407.7 in 2023 compared to £416.9 in 2022. The number of serviced schemes stood at 1,343 and the total number of sub-funds reached 1,564, an increase from last year with 1,280 and 1,520 respectively in 2022.

As was the case in the previous years, Private Equity/Venture Capital funds remain the most popular product of serviced funds topping asset allocations with US\$387.9bn, followed by Alternative Investment with US\$61.2bn.

The same trend applies for Guernsey domiciled funds, Private Equity/Venture Capital funds are once again the most popular by AUM and account for US\$311.7bn, followed in second position by Alternative Investment funds with US\$50.7bn.

Turning to the new business, 80 new groups and sub-funds were launched in Guernsey this year, less than last year. However, the new business accounted for US\$33.4bn, which is twice the assets of last year. This is due to the launch of two large funds with a cumulative asset value of US\$22.6bn.

30 serviced funds and sub-funds migrated to the island, adding US\$1.1bn of assets.

To sum up, the total value of new business, which includes newly launched and newly serviced funds and sub-funds, amounts to \$34.6bn. This figure is associated with over 100 funds and sub-funds.

Green funds saw a 2.1% increase in asset value, bringing their total assets to US\$7.2 billion. In addition to the regulated Green Funds, US\$6.9 billion have been invested in sustainable/ESG funds.

On the asset managers ranking, Apax Partners retain their first position as the largest promoter/initiator of serviced funds with US\$65.1bn and Cinven jumps up one place to the second spot with US\$44.0bn. Permira keeps its third position with US\$32.7bn followed by HgCapital with US\$32.6bn.

As has been the case for several years, Northern Trust continue to lead and maintain the top position for all three rankings as fund administrator, custodian, and transfer agent.

Across both domiciled and non-domiciled funds, Northern Trust lead as the largest administrator by total net assets with US\$101.4bn. They are closely followed by Aztec Group maintaining their second position with US\$100.1bn of assets, and in third position are Apex Group with US\$63.9bn.

Among custodians, the ranking of serviced funds remains the same as last year: Northern Trust are first with US\$41.1bn, BNP Paribas follow in second position with US\$10.5bn, ahead of Butterfield Bank in third place with US\$9.4bn.

For the top positions among transfer agents, Northern Trust preserve their lead position with US\$94.0bn, Aztec Group maintain second position this year with US\$87.9bn ahead of Apax Partners which has climbed up to third position with US\$59.9bn.

Dave Sauvarin, head of Northern Trust, Channel Islands, said:

"This report showcases Guernsey's appeal as a top-tier fund domicile as it continues to attract and retain leading fund managers, especially in the private equity and private debt sectors. They are drawn by a combination of Guernsey's longstanding experience teamed with a pragmatic approach to fund servicing. These attributes are key to supporting managers to meet and respond to the challenges of the rapidly evolving global marketplace. Northern Trust is pleased to have once again retained our triple ranking as the island's largest fund administrator, custodian and transfer agent. This result reflects the dedication and commitment of our local teams who are highly focused on building solutions for our diverse range of asset manager clients to support the full spectrum of their asset servicing needs."

The ranking for auditors was unchanged this year for the top two, as has been the case for several years. PwC maintain their leading position auditing 464 funds and sub-funds, ahead of KPMG with 232 funds and sub-funds. Deloitte and EY are both in third position with 155 funds and sub-funds.

PwC are also in the lead position in the ranking by assets with US\$157.3bn, followed in second place by KPMG with US\$118.1bn and Deloitte in third position.

Evelyn Brady, Partner and Guernsey Office Leader, PwC Channel Islands, commented:

"We're really pleased to have retained our market-leading position in Guernsey, measured by both number of funds and assets under management. These statistics reflect our teams' commitment in Guernsey and across the Channel Islands to our clients and to the local funds industry. We are so proud of the part they continue to play in maintaining these leading positions. We are confident that Guernsey, with its robust regulatory environment, appropriate structures and first-class professional services, will continue to play a really important role in both local and global organisations across all sectors of the financial services industry."

As in previous years, Carey Olsen remain the largest legal adviser by both number of funds advised and by assets with respectively 977 funds and US\$380.5bn. In the ranking table of funds, they are followed in second place by Mourant with 214 funds and Ogier in third position.

Ben Morgan, partner and head of Carey Olsen's corporate, finance and funds group in Guernsey, said: *"We are proud that Carey Olsen has retained its position as the number one legal adviser in Guernsey for funds by both AUM and number of funds. The vastly dominant position of Carey Olsen in Guernsey, a leading funds domicile in a highly competitive market, is a credit to our team's calibre, expertise and the high-quality relationships we hold with clients, both large and small."*

Karine Pacary, Managing Director of Monterey Insight, commented:

“We are delighted to reveal the new results of the Guernsey Fund Industry in our 29th edition of our Monterey Insight Guernsey Fund Report 2023.

Despite the significant range of political and economic uncertainty in 2023, Guernsey has shown resilience compared to other markets that have been hit harder by the current climate.

Keeping the same trend as last year, over 20 promoters chose Guernsey to set up their funds, and private equity funds continue to be a strong performer and contributor to the Guernsey fund industry. The number of private equity funds increased by 6.8% and their asset value increased by 2.1% overall. The increase in assets reached 6.8% if we only look at the Guernsey-based funds. Including domiciled and serviced funds, private debt also shows great performance with an increase in the number of funds of 37.5%, and an increase in asset value of 52.7%.”

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Notes to Editors

Monterey Insight is an independent fund research company that provides comprehensive statistical analysis of the Guernsey, Jersey, Ireland, Luxembourg and UK fund industries: the only complete reference of service providers for all funds serviced in these jurisdictions.

As at 30th June 2023, leading service providers for all funds serviced in Guernsey (i.e. including non-domiciled funds under administration or custody in Guernsey) were as follows:

Source: Monterey Insight, Guernsey Fund Report June 2023.

Rank	Administrators	Total Net Assets US\$bn
1	Northern Trust	101.4
2	Aztec Group	100.1
3	Apex Group	63.9
4	Apax Partners	59.9

Rank	Custodians	Total Net Assets US\$bn
1	Northern Trust	41.1
2	BNP Paribas	10.5
3	Butterfield Bank	9.4
4	RBC Wealth Management	2.1

Rank	Transfer agents	Total Net Assets US\$bn
1	Northern Trust	94.0
2	Aztec Group	87.9
3	Apax Partners	59.9
4	Apex Group	57.4

Rank	Auditors	No.Funds
1	PwC	464
2	KPMG	232
3	Deloitte	155

Rank	Auditors	Total Net Assets US\$bn
1	PwC	157.3
2	KPMG	118.1
3	Deloitte	84.2

Rank	Legal Advisers	No.Funds
1	Carey Olsen	977
2	Mourant	214
3	Ogier	87