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**AUGENTIUS**

**A CHANGING  
WORLD**

**THROUGH OUR  
CLIENTS' EYES**

USA CAYMAN BVI UK GUERNSEY JERSEY LUXEMBOURG THE NETHERLANDS CYPRUS HONG KONG SINGAPORE MAURITIUS

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THE WORLD OF PRIVATE EQUITY AND REAL ESTATE HAS CHANGED MORE IN THE LAST TWO TO THREE YEARS THAN IT DID IN THE PREVIOUS DECADE. AUGENTIUS HAS ALWAYS STAYED CLOSE TO ITS CLIENTS AND TO THE INDUSTRY AS A WHOLE, MONITORING MARKET DEVELOPMENTS AND CREATING NEW SOLUTIONS TO MEET EVER-CHANGING REQUIREMENTS. THIS YEAR WE WANTED TO SHARE SOME OF OUR FINDINGS FROM OUR ANNUAL INDUSTRY SURVEY, SHEDDING LIGHT ON THE CHALLENGES — AND OPPORTUNITIES — OF THE YEAR AHEAD.

## A STRENGTHENING MARKET CLIMATE

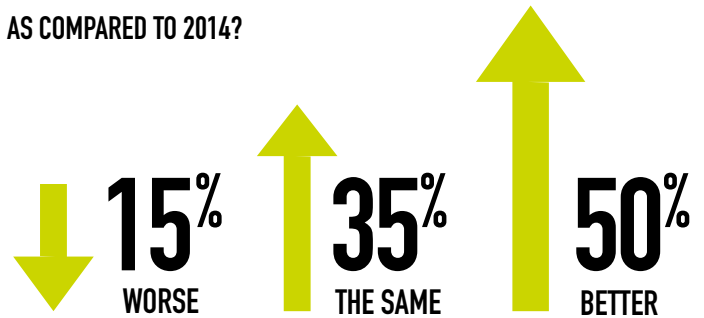
Our survey responses paint a picture of a broadly improving market climate. More managers feel that conditions have improved over the last year, significantly outnumbering those saying they have got worse. It should be noted, however, that the consensus is less than overwhelming — the rising tide may not be lifting all boats equally.

This feeling was most pronounced among US and EMEA-based managers, a slight majority of whom felt the climate improved in 2015. Sentiment was distinctly cooler among our Asia-based respondents, half of which said the climate had remained the same, with only slightly more than a third feeling it had improved. But in both cases only a small minority felt the climate had deteriorated.

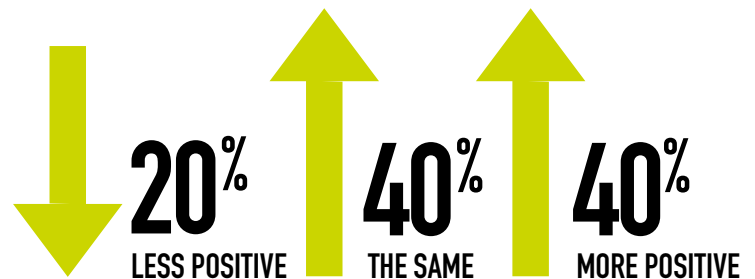
Taken together, the figures point to a steadily improving market climate for Private Equity and Real Estate globally, with the more mature Western markets leading the charge, and Asia lagging slightly behind. This is further evidenced by our respondents' outlooks for the year ahead.

Among our US and EMEA managers, only a third feel the climate will improve in 2016, with nearly half expecting it to remain on a level with 2015. This suggests that many believe the improvement has already taken place. On the other hand, a significant majority of our Asia-based managers are optimistic about 2016, anticipating an improvement in conditions in the coming year.

HOW WOULD YOU CATEGORIZE THE GENERAL MARKET CLIMATE IN 2015, AS COMPARED TO 2014?



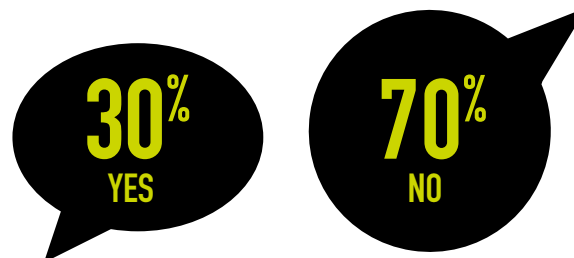
WHAT DO YOU PREDICT WILL BE THE GENERAL MARKET CLIMATE IN 2016, AS COMPARED TO 2015?



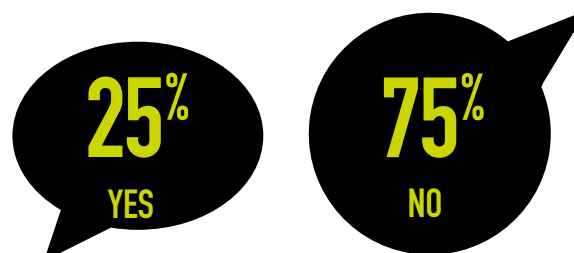
## SPEAKING OF THE AIFMD...

Despite (or maybe because of) it being such a major day-to-day headache for many of our respondents, our survey revealed a pretty dim view of the AIFMD. A large majority of respondents feel the Directive fails to fulfil its primary-stated objective of protecting investors, and an even larger majority disagree with the assertion that it has strengthened the Private Equity and Real Estate market. Only time will tell whether this sentiment changes, as the new regime continues to bed in and become part of the furniture.

DO YOU BELIEVE THE AIFMD HAS DELIVERED ON ITS PROMISE REGARDING INVESTOR PROTECTION?



DO YOU BELIEVE THE AIFMD HAS STRENGTHENED THE PRIVATE EQUITY MARKET?



# CHALLENGES

Drilling down into specifics, we asked our managers what their biggest challenges had been in 2015, and what they expect to cause them headaches in the year to come. As you might expect, finding the right deal opportunities ranked highly across all regions, for this year and the last. Fundraising, however, is far more a

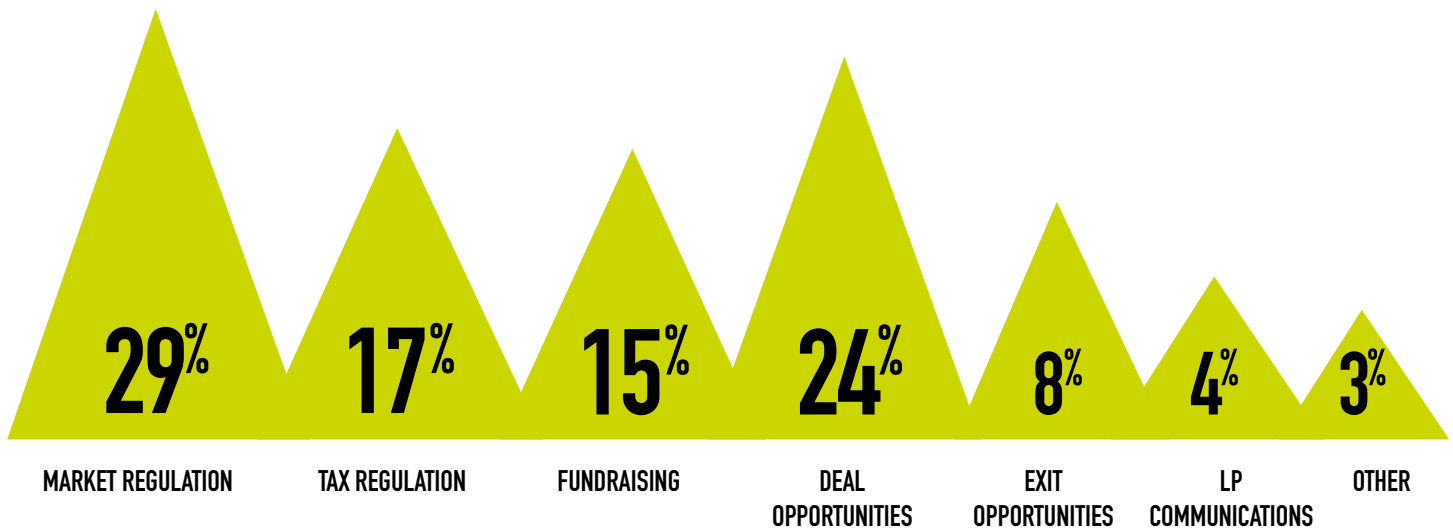
concern for our US and EMEA respondents than those based in Asia, perhaps reflecting the high level of investor demand in the latter region.

Ongoing upheaval regarding tax regulation (such as FATCA and the OECD's BEPS initiative) also remains an area of concern. Interestingly, however, there

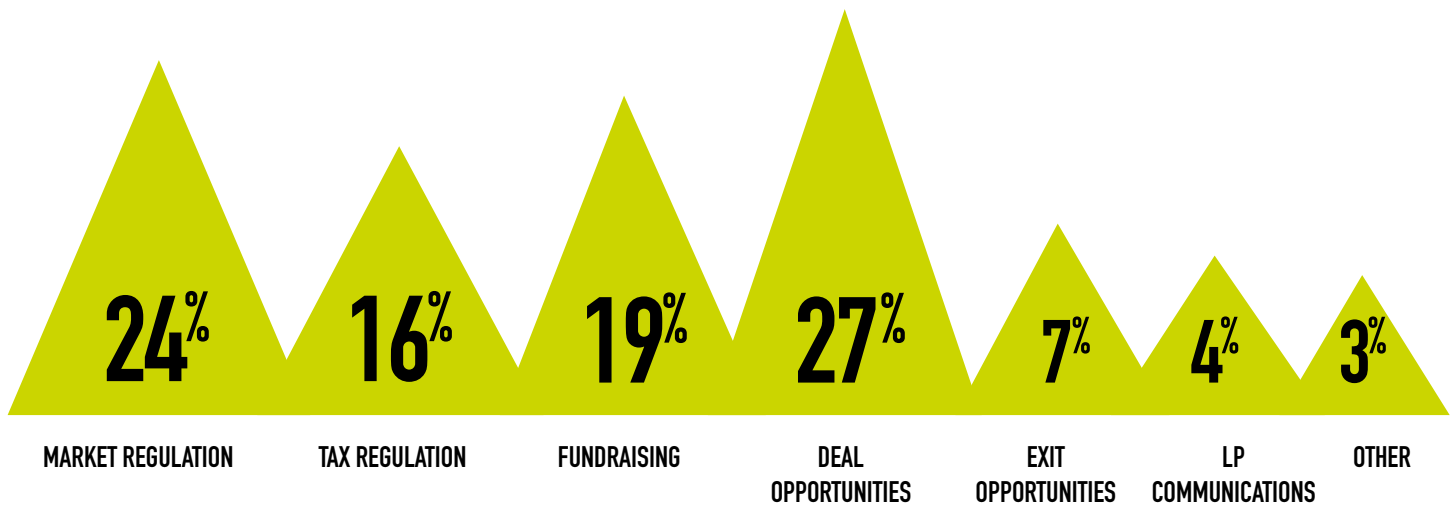
was a small but significant drop in the number of US and EMEA respondents marking this as a major challenge for 2016, suggesting that some managers in these regions feel the bulk of the work is behind them. By contrast, for our Asia-based respondents the picture is reversed, with tax regulation emerging as the primary challenge for 2016.

Across all of our regions, market regulation continues to pose a major challenge, reflecting the sheer complexity and upheaval associated with directives such as the AIFMD.

## WHAT HAS PROVED THE MOST CHALLENGING TO YOUR DAY-TO-DAY ACTIVITIES IN 2015?



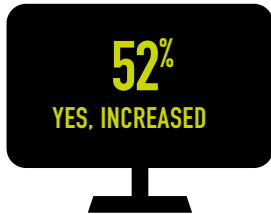
## WHAT DO YOU PREDICT WILL BE MOST CHALLENGING TO YOUR DAY-TO-DAY ACTIVITIES IN 2016?



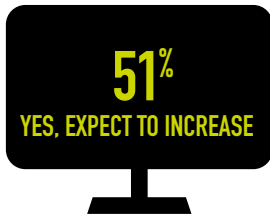
# TECHNOLOGY AND OUTSOURCING

Of course, it isn't just regulatory upheaval causing disruption across the world of Private Equity and Real Estate. As the results below show, many managers are continuing to increase spend on technology as well as outsource peripheral activities, so as to better focus the time and resource of their top teams on the core business. This trend is particularly pronounced among our respondents based in less mature Asian markets, where the process perhaps still has further to go.

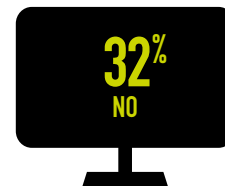
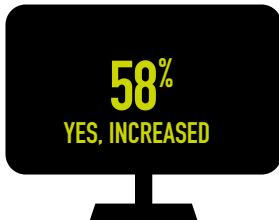
HAVE YOU ADJUSTED YOUR TECHNOLOGY SPEND IN 2015?



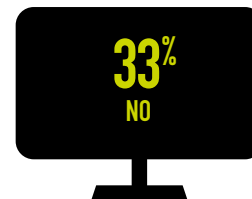
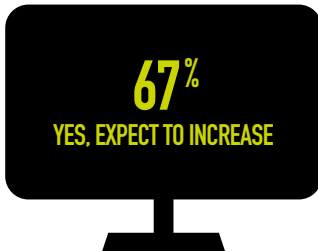
DO YOU EXPECT TO ADJUST YOUR TECHNOLOGY SPEND IN 2016?



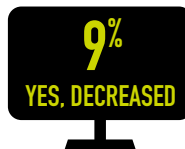
HAVE YOU ADJUSTED THE SCOPE OF YOUR OUTSOURCING IN 2015? ASIA ONLY



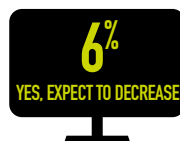
DO YOU EXPECT TO ADJUST THE SCOPE OF YOUR OUTSOURCING IN 2016? ASIA ONLY



HAVE YOU ADJUSTED THE SCOPE OF YOUR OUTSOURCING IN 2015?



DO YOU EXPECT TO ADJUST THE SCOPE OF YOUR OUTSOURCING IN 2016?



# THE CHANGING ROLE OF THE FUND ADMINISTRATOR

It's not just that managers are looking to outsource more. Our role as a third party provider is changing just as much as the industry we serve, as we continue our evolution from a pure fund administrator to a general solutions provider. Thanks to increased complexity and investor scrutiny, managers are juggling a heavier and more diverse set of tasks than ever before. And thanks

to our trusted partner status - and investment in our technology and people - we are able to help.

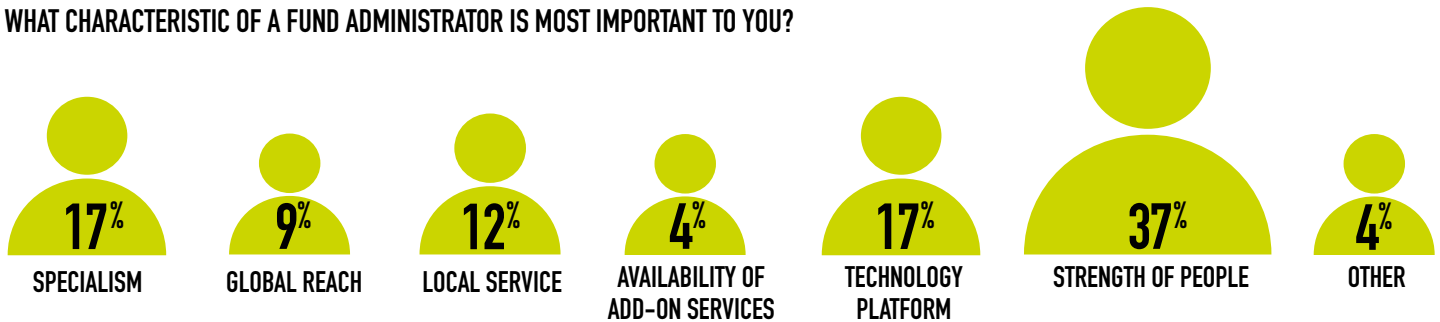
Our survey showed interest in a number of our additional solutions, including compliance consultancy, tax services, and regulatory reporting. Our US and EMEA respondents expressed most interest in our enhanced investor relations

offering, reflecting the fact that this is an increasingly important differentiator for funds in these markets. In our Asia survey, training services topped the list.

A similar pattern can be seen in the responses to what managers value most from their administrator, with specialism and strength of technology platform scoring highly.

Quality service, however, is impossible to deliver without quality people – and this emerged as a key value for almost all of our respondents. This is why we've invested so heavily in our people, and created one of the best teams around in terms of talent and expertise.

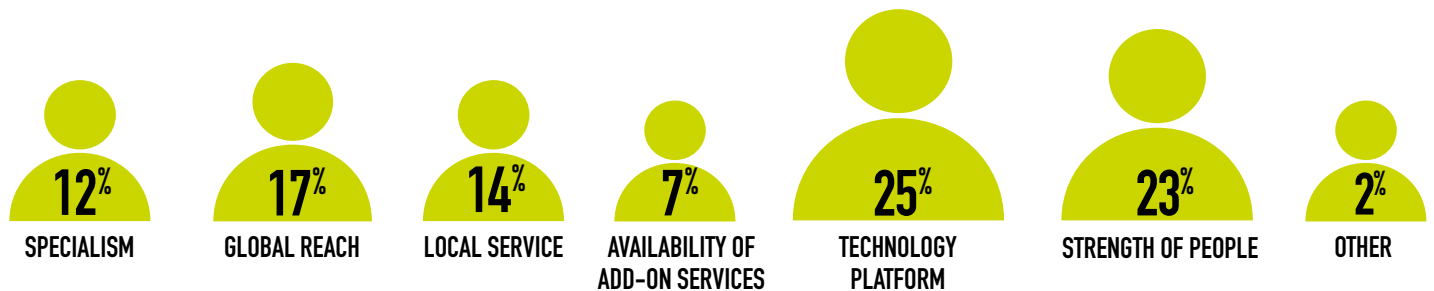
## WHAT CHARACTERISTIC OF A FUND ADMINISTRATOR IS MOST IMPORTANT TO YOU?



## WHAT, IF ANY, ADDITIONAL SERVICES WOULD YOU BE MOST LIKELY TO TAKE ON FROM YOUR FUND ADMINISTRATOR?



## WHAT CHARACTERISTIC OF A FUND ADMINISTRATOR IS MOST IMPORTANT TO YOU? ASIA ONLY.



## WHAT, IF ANY, ADDITIONAL SERVICES WOULD YOU BE MOST LIKELY TO TAKE ON FROM YOUR FUND ADMINISTRATOR? ASIA ONLY.







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