

GUERNSEY PIF IS A 'GREAT FIT' FOR 'NON-TRADITIONAL' SOUTH AFRICAN FUND

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The launch of a new Private Investment Fund in Guernsey from a South African manager is the latest of what is hoped could become a pipeline of fund launches from the country.

Guernsey Finance and industry practitioners were in Cape Town this spring promoting the island's funds offering, including the popular Private Investment Fund, introduced in late 2016.

Two of the firms involved in the trip, law firm Collas Crill and administrator JTC, have teamed up to advise on the establishment of ACM Limited (ACM), an open-ended investment fund, and its registration as a Private Investment Fund with the Guernsey Financial Services Commission.

"It is fantastic to see another fund with strong African and South African links being set up in Guernsey under the PIF regime," said Collas Crill senior associate Gareth Morgan.

Collas Crill has had a focus on South Africa for the past 18 months and hope to assist more managers like ACM to bring their business, and innovative thinking, to Guernsey in the future.

Guernsey Finance is planning to return to South Africa, this time to meet managers in Johannesburg, with another roadshow before the end of the year.

"We have seen very good levels of interest in Guernsey funds from South African managers, particularly as a cost-effective alternative to a UCITS fund," said Chief Executive Dominic Wheatley.

"We already have a number of business links with South African banks and trust companies, and with interest too in South Africa on our international pensions solutions, I can continue to see strong relationships developing between us."

ACM, an open-ended fund, is looking to invest in listed stocks with high liquidity and commodities, with an expected investor base from the UK, South Africa and the wider African continent.

"African Capital Managers limited is an investment manager focusing on truly alternative investment strategies. We are non-traditional in our thinking and challenge the traditional norms. As such, we considered Guernsey as a jurisdiction, and the PIF as a fund structure, was a great fit for us and our future strategies," said Christo Wiesner, director of ACM's investment manager, African Capital Managers Limited.

The PIF regime was launched in Guernsey in towards the end of 2016. It recognises that certain investment funds are characterised by a relationship between management and investors that is closer than that of a typical agent. Where such a relationship exists, the PIF regime provides fund managers with greater flexibility and simplicity.

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Certain regulatory constraints are relaxed under the PIF, which is limited to a pool of 50 investors in each fund, but places no limit on the number of people the fund may be marketed to.

It has been used to launch a number of private equity funds, building on the island's expertise in alternative investments, and interest in the PIF continues to grow.

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Dominic Wheatley, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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