

News

Regulatory incubator firm domiciles newest Malta fund

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Sturgeon Ventures is to domicile its newest fund in Malta while another awaits regulatory approval as the London-based regulatory incubator firm continues to demonstrate its faith in the island.

This week, it will launch the Clerkenwell Matterhorn Fund investing in real estate investment trusts and property development companies. It is aimed at high net worth investors, family offices and institutions in the UK and Europe.

The fund joins Sturgeon Ventures' small but diverse collection of funds domiciled in Malta since 2010, predominantly professional investor funds, which managing partner Seonaid Mackenzie hopes will tell their "Malta story" as they grow.

Established in 1998 as an investment management advisory firm to a single family in the UK, Sturgeon Ventures began incubating firms in 2004 and moved into investment management in 2006. As a regulatory incubator, it enables start-up managers to sit under its wing as it shoulders the regulatory responsibility.

Ms Mackenzie has been nurturing her own affinity with Malta over the past 30-odd months. Sturgeon Ventures is marketed as jurisdiction-neutral, but Ms Mackenzie believes the island has much potential for the international community to tap.

Malta had never been more than a fleeting thought – her grandfather spent some time here when he was 18; he is now 104. Ms Mackenzie recalls working in an office in Broadgate in the City some years ago, while a Maltese lawyer occupied the room opposite. It was the late Simon Tortell of Simon Tortell and Associates who passed away last June.

"He knew what I did, and he came to my office and suggested I use Malta as a jurisdiction," Ms Mackenzie told The Times Business. "He introduced me to MFSA chairman Joe Bannister later in the UK. We were looking for jurisdictions for a small private equity fund some months later and we suggested Malta. Dublin was very expensive and matters take some time, and there are language barriers in Luxembourg. Here, everyone speaks English and there are lots of accountants, so everything is



Sturgeon Ventures managing partner Seonaid Mackenzie says Malta could benefit from experienced people like its own team to mentor younger wealth managers and encourage them to stay on the island. Photo: Matthew Mirabelli

neat and tidy. Prof. Bannister is a wonderful marketer and the High Commissioner, Joseph Zammit Tabona, has done a great public relations job for Malta in London."

Ms Mackenzie said Sturgeon Ventures has had no difficulty marketing the island among its own clients in the wake of the Cyprus crisis – questions are answered quickly and clearly.

A self-confessed "compliance junkie", Ms Mackenzie says the accessibility to the Malta regulator has helped no end as the fund community wades through the complexity and cloudiness of the Alternative Investment Fund Managers Directive and the National Private Placement regime. Now, she says, she toys with the idea of

building a wealth management business here, potentially as a branch of Sturgeon.

"Depending on how we get to know the environment here, we could have more clients and family offices in Malta. There is potential in wealth management, rather than just basing the back office on the island. We need to understand the AIFMD better first," Ms Mackenzie explained. "Malta would really benefit from experienced people like us mentoring younger wealth managers to stay here, not fly off to London or New York."

Sturgeon Ventures has its own particular story to tell: named after bottom feeder fish "excellent at due diligence" which produce premium caviar, the company has a staff of

six women, all working mothers, and one man. Most consultants work from home, and, as mothers would have it, some work gets done at night.

Ms Mackenzie, a mother of two young children who started her career as a stockbroker, admits she would love to encourage more women into finance – she has had only three women clients from 40 start-ups.

Her efforts are getting her noticed, however. Ms Mackenzie's acumen, leadership and support of other women in business were recognised earlier this month when she won the International Enterprising Woman of the Year 2013 Award from US-based *Enterprising Women* magazine.

MSE registers pre-tax profit of €1.9 million

The Malta Stock Exchange registered a pre-tax profit of over €1.9 million for the year ending December 31, 2012, an increase of €130,000 over the surplus generated the previous year.

It was the fourth consecutive year that the MSE increased profitability. A collection of new financial instruments were listed on the MSE last year, including one equity with a market capitalisation of €15 million, five corporate bonds with a value of €79 million,

and 27 Government Stock issues with a value of almost €1.4 billion. There were 95 issues of Treasury bills totalling a value of €842 million.

Trading on the Exchange's secondary market achieved a record turnover of over €670 million, an increase of 31 per cent over the trading turnover for 2011. This was due principally to an increase in turnover registered in Government stocks. In July, the Exchange migrated to the new Xetra trading

platform and joined 18 other exchanges on a platform with an extensive investor base – the strategic move helped to raise the profile of the MSE significantly.

At the end of 2012, market capitalisation stood at €8.6 billion while the MSE share index closed at a level of 3212, registering an increase of four per cent over the end of the previous year. This year, as at the end of March, the index reached a level of 3322, up by 3.5 per cent on the close of 2012.

The MSE's financials were presented on Tuesday, the same day Parliamentary Secretary for Competitiveness and Economic Growth Edward Zammit Lewis paid a visit to the Valletta exchange.

Reiterating the Government's support of the MSE and the financial services sector, Dr Zammit Lewis lauded the exchange's success in increasing its business and performance in a year of challenges and in difficult circumstances.