

Invest in
CANADA

Goldman Sachs opens fund-administration office in Toronto

The Goldman Sachs Group, Inc., one of the world's leading investment-banking, asset-management and securities firms has chosen Toronto to grow and diversify its hedge-fund administration business. Goldman Sachs has opened its newest Goldman Sachs Administration Services (GSAS) office in Toronto with Fund Accounting and Investor Servicing areas of its hedge fund administration operations.

"We are pleased to establish our hedge fund administration presence in Toronto to supplement our global platform and expand the Goldman Sachs footprint in Canada," says Cory Thackeray, Global Head of GSAS. "We believe the talent pool in this region will enhance our efforts to provide the best service possible to the global hedge fund community."

Considered the hub of Canada's financial sector for several decades, Toronto is home to the headquarters of Canada's five largest banks and to approximately 80 per cent of the headquarters of foreign banks operating in Canada. The Toronto Stock Exchange is the largest exchange in Canada; the financial-services sector is a leading employer in the city, accounting for approximately 10 percent of all jobs.

"We believe that Toronto offers an ideal mix of attributes for us," says Mr. Thackeray. "The business culture and time zone are favorable, there's a large pool of talented workers and the

communications infrastructure is first-rate."

Like most financial companies, Goldman Sachs relies increasingly on e-commerce technologies. Canadian banks have an international reputation as leaders in e-commerce applications; in fact, Canada and Sweden have the highest per-capita rates for online banking in the world. In Toronto, the financial-services sector continues to invest heavily in the research, development and implementation of information technologies and digital communications. The government of Canada supports this growth through a number of incentive programs and tax credits.

The rise of hedge funds

Hedge funds have grown increasingly popular in recent years; as the name implies, these funds seek to offset potential losses by hedging their investments using a variety of methods, such as short selling. Each hedge fund follows a distinct strategy that determines the types and methods of investments. As a class, hedge funds typically invest in a broad range of instruments such as shares, debt and commodities. The first hedge fund was created in 1949; by 2008, the estimated global value of hedge-fund investments stood at US\$2.8 trillion.

With nearly 28,000 employees worldwide, Goldman Sachs is a leading global investment

banking, securities and investment-management firm. Founded in 1869, the company opened its first Canadian office in Toronto in 1987 to provide investment banking, institutional trading and sales, and asset management services to Canadian clients. Goldman Sachs' decision to open a hedge-fund administration follows the on the heels of a similar move in 2006 by UBS, another major player in hedge-fund administration.

A global company

Worldwide, GSAS employs more than 175 professionals to administer approximately \$150 billion worth of hedge funds. Toronto will be GSAS' fourth office, joining locations in the Cayman Islands, Dublin and Jersey City, New Jersey. GSAS has hired approximately 25 people to staff its Toronto office—a number expected to rise as the company attracts additional clients. GSAS' premium service includes a front-to-back platform and outsourced business solutions. It is run separately from, yet with appropriate connectivity to, its global Prime Brokerage service. The company's business model aims to provide a value-added service to both large and small hedge funds.

"Our approach to fund administration is to provide a selective and top-tier service offering, reserving capacity solely for our hedge-fund clients," says Mr. Thackeray. "This benefits both



the investment manager and their investors. Our ability to service a wide range of investment strategies is supported by our deep experience in the field and recognition as an industry leader."

In Toronto, GSAS will provide a full complement of services, including multi-currency fund accounting, principal books and records maintenance, net asset value calculation, as well as investor services, subscriptions, redemption processing and trade confirmation. In addition, the company will provide customer-account statement and performance-report distribution, registered office and corporate secretarial services, as well as assistance in tax reporting for US partnerships and taxable investors.

Ranked in the top five worldwide among hedge fund administrators for single manager hedge funds, GSAS' assets under administration total approximately \$150 billion. GSAS won Institutional Investor's prestigious Alpha Award in 2006, 2007 and 2008 as the world's top fund administrator among institutional investors.

To learn more about investment opportunities in Canada, consult: www.investincanada.com