

Fact File



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Global Innovation Award for Fund Formation
& Most Cost Effective Fund Administrator – Global

Stonegate Global Fund Services

Stonegate Global Fund Services, winner of two Hedge Fund Awards, offers global fund formation and fund administration, consolidated prime brokerage services and cap intro, coupled with a cost-effective pricing model to hedge funds, venture capital funds, private equity funds, fund of funds, real estate funds, REIT funds, ABL funds and oil and gas funds. We caught up with John McCorvey III, CEO, to find out more about the firm and its recent work

Stonegate Global Fund Services is an offshore and domestic alternative investment fund services business focusing on fund formation, fund administration, prime services and capital introduction. The firm specialises in hedge funds, venture capital funds, private equity funds, oil and gas funds, fund of funds, insurance dedicated funds (IDFs), real estate funds, private REIT funds and ABL funds.

Stonegate Global works with family offices, traders, and other institutional clients who are interested in forming hedge funds and other alternative investment fund products, and the firm also services existing alternative investment funds and fund managers to provide fund administration and other institutional services.

The firm provides full domestic and offshore fund formation and administrative services in numerous offshore jurisdictions across the globe, including Guernsey, Jersey, Cayman Islands, Ireland, Bermuda, BVI, Isle of Man, and Luxembourg.

The current business environment in the alternative investments industry is very exciting, says John McCorvey III, Chief Executive Officer at Stonegate Global Fund Services. "The industry is evolving in many ways as technology advancements continue to have an impact: the prime brokerage business continues to change with price compression, lower commissions, liquidity pool and dark pool access; technology and innovation are assisting service providers such as Stonegate Global in streamlining processes, such as consolidated prime brokerage, fund formation and fund administration, and subsequently passing along significant cost savings to its clients."

Stonegate has changed the way traders, family offices and investment managers create and run hedge funds and other alternative investment vehicles, says McCorvey.

"At Stonegate, we provide an efficient, streamlined and cost effective approach to starting a hedge fund or other investment fund vehicle through our Hedge Fund In A BoxSM product and our Innovative Alternative Fund SolutionsSM," he says.

"Our comprehensive solution allows Stonegate to handle all of the minutiae associated with complex fund formation, as well as quarter-backing the set-up process. This allows the fund manager to focus on other key aspects of their launch, such as raising capital.

"Additionally, our relationship with BlueFlame Global Wealth Management, which runs a multi-strategy, multi-manager platform, allows for a "plug and play" approach to establishing, launching, managing and marketing a hedge fund or other alternative investment fund."

Stonegate Global excels in providing its comprehensive solution to alternative investment fund managers. The firm has invested heavily in world-class technology and possesses some of the industry's most experienced senior management and staff members, he adds.

A truly global firm

Stonegate services a global client base, and sees opportunities across the globe in the alternative investments industry. "We have noted an increased regulatory environment in the United States over the past few years. However, the United States is still one of the most advanced and strongest alternative investment fund markets in the world, and it has a very healthy supply of talented fund managers with innovative ideas," McCorvey says.

As a global firm, which routinely works through challenges and issues in various countries and jurisdictions on behalf of its clients, it's vital that Stonegate stays on top of the latest regulatory changes around the world, says McCorvey. "We have noted a trend in the United States' alternative investment industry becoming more and more regulated. Stonegate remains current on regulatory and tax changes, as our clients often seek us for advice as to how the changes affect fund managers."

A growing industry

The hedge fund industry has often, in recent years, found itself painted in a negative light, particularly by the media. But despite public outrage at the numerous negative stories concerning hedge fund managers, McCorvey says the industry is maturing. "As is in most situ-

ations, the public tends to mainly remember negative news more so than they remember positive news. Given the publicity surrounding major hedge fund fraud cases and large compensation packages for hedge fund managers, the public perception of hedge fund managers is in a fairly negative state. Having said that, the institutionalisation of the hedge fund industry continues. The industry is primarily filled with professionals of great character and integrity and we at Stonegate Global are committed to furthering these values in this burgeoning industry."

Awards success

Stonegate won two awards in the Hedge Fund Awards 2015, being named Most Cost Effective Fund Administrator - Global and winning the Global Innovation Award for Fund Formation.

"We are delighted to have won these two awards," says McCorvey. We pride ourselves in providing institutional quality global fund administration in a cost effective manner. Being named Most Cost Effective Fund Administrator - Global recognises Stonegate as a significant player as a global fund administrator.

"We are also honoured that Stonegate Global has been recognised for its innovative work in global hedge fund formation," he continues. "Our unique, comprehensive approach to fund formation, fund administration and global prime services positions us a significant player in the alternative investments industry."

"The AI Hedge Fund Awards are extremely important to recognise key players that are making an impact in the alternative investments industry," he adds.

Recent successes, and the future

Asked about recent projects that illustrate what is special about Stonegate, McCorvey points to the firm's recent work with a prominent northeast US-based family office that has an extensive history of investing in energy and oil and gas projects on a global basis. "The family office was looking to start an alternative investment fund through a joint venture with a team of geology experts," he says.

"The fund would further allow other wealthy families and large accredited investors to co-invest in the oil, gas and mineral rights opportunities. Stonegate Global created a complex offshore and domestic fund structure that allows both US and foreign investors to participate in the fund. The proprietary structure developed by Stonegate captured various dynamics for the benefit of the private equity fund's investors regarding expense pass-throughs, fee sharing, distribution rights, as well as significant tax advantages. The family office is now well positioned to market and deploy its innovative investment strategy."

As for the future, Stonegate plans to continue to provide world-class services, technology and client assistance through its streamlined and cost-effective solutions, McCorvey says. ■

