BNP Paribas sets up Asia's first hedge fund research centre

SINGAPORE: French bank BNP Paribas is to set up Asia's first hedge fund research centre in Singapore in collaboration with the London Business School.

The Hedge Fund Centre, to be located at the Singapore Management University (SMU), will be granted 1.4 million Singapore dollars (903 million US) to start research into the industry.

"The new centre is established at SMU with the objective to become the leading authority in Asia for hedge fund education and research," said Jean-Pierre Bernard, regional chief executive officer at BNP Paribas.

Ong Chong Tee, the deputy managing director of the Monetary Authority of Singapore, said the setting up of the research facility will complement ongoing efforts to expand the hedge fund industry in the city-state.

"With this expansion of the hedge fund industry in Singapore, it is important to continuously build the pipeline of expertise and the upgrading of skills," Ong said.

Asia accounts for under 10 percent of the global hedge fund assets under management or less than 100 billion US dollars but the figure is expected to rise as the region works towards broadening the depth of its financial markets, Ong said.

"Asian finance and central bank officials are working together on joint initiatives targeting at creating deeper and broader financial markets," Ong said.

"So the extent of hedge fund activities in Asian markets will increase, which mean research and thinking related to hedge funds using developed market data may have to be modified."

Hedge funds are lightly regulated private investment partnerships that adopt an array of trading strategies.

- AFP /ls