



HFM Asia Services Awards 2025

Winners Interview



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BNP Paribas was crowned 'Best administrator - under \$30bn single manager' at HFM's recent Asia Services Awards, held in Hong Kong. HFM spoke to Laure Ly, Head of Securities Services, Hong Kong at BNP Paribas on the back of the team's win and discussed the growing use of Separately Managed Accounts.

Why are Separately Managed Accounts (SMAs) gaining traction? Are there benefits over fund structures? If yes, what are they?

SMAs have seen significant momentum in recent years, and that's largely due to the increased demand for transparency, control, and customisation from investors. Unlike commingled fund structures, SMAs offer investors direct ownership of underlying assets, more control in determining the investment strategies and investment location. This provides enhanced visibility into positions, exposures, and associated risks.

Another key advantage is the ability to tailor investment mandates, whether that's aligning with ESG objectives, excluding certain asset classes, or incorporating liquidity preferences. For many institutional allocators, especially those with specific fiduciary responsibilities, SMAs offer a structure that better aligns with their governance frameworks.

Now, the ecosystem supporting SMAs, including both service and technology providers, has also matured. With the right support and infrastructure in place, managers can more readily set up SMA structures and meet their investor demand.

Which investor sets are leading the push for Separately Managed Accounts (SMAs), and why?

Institutional investors particularly are leading the charge on SMAs, however a recent trend we have noted is an increased use of SMAs from multi-managers as they increase their allocations to external managers.

Many of them are also looking for portfolio-level customisation, meeting specific investment risk profiles, their target of rate of return, their specific investment strategies, flexible liquidity from SMA at their discretion or to integrate ESG and climate-related constraints. Family offices and endowments are also increasingly active, often driven by a desire to mitigate headline or reputational risk through more tailored exposure.

In essence, the more sophisticated the investor, the greater the likelihood they'll push for an SMA structure, particularly when they have the scale to negotiate favourable terms.

How are hedge funds adapting internal workflows, risk systems, and reporting to accommodate bespoke mandates?

Hedge funds are responding in a few meaningful ways. First, we're seeing investments in modular portfolio management systems that allow for strategy replication across multiple accounts, while maintaining individual customisation at the SMA level.

Risk teams are also adapting by building frameworks that can accommodate different guidelines and exposure limits per mandate, often with real-time monitoring capabilities. On the reporting front, managers are adopting more sophisticated client reporting platforms to deliver the transparency that SMA investors expect, including look-through exposure, performance attribution, and ESG metrics.

Operationally, there's been a marked shift toward building institutional-grade infrastructure. Many managers now have dedicated teams to ensure that onboarding, compliance, and client servicing are seamless.



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To what extent can fund managers manage the liquidity risk with SMAs?

Liquidity risk is a central consideration in any SMA structure, and managers need to be disciplined in how they approach it. SMAs inherently offer more flexibility in aligning liquidity terms with the nature of the underlying assets and the investor's needs.

That said, the risk doesn't go away, but it must be managed with a more bespoke approach. Managers are increasingly using liquidity sleeves or holding buffers in highly liquid instruments to ensure they can meet redemptions or rebalancing requirements without disrupting the broader strategy.

At BNP Paribas, we work closely with clients to assess portfolio liquidity across scenarios. Providing transparency on the portfolio to the managers and clients, data for risk analysis, data analysis on the investment exposure, counterparties exposure etc via 24/7 client's portal and monitor the investment restriction per clients' request if needed. It's a collaborative effort to balance customisation with risk discipline.

How are hedge fund partners evolving to support the bespoke needs of SMAs?

Service providers across the ecosystem are all adapting to better support SMA structures. At BNP Paribas, for instance, we've enhanced our multi-asset platform capabilities to support complex portfolio replication, risk aggregation, and investor-specific reporting.

Fund administrators are building customised reporting that allow for investor-level NAVs reporting, customised fee calculations, and audit-ready reporting. We are also able to support across the spectrum of investment strategies, and provide the transparency in the portfolio data for risk analysis. There's also been a convergence between traditional fund administration and managed account platforms, which are now offering more integrated middle and back-office solutions.

Ultimately, the shift is toward greater flexibility, without compromising the control and oversight that institutional investors demand.

What is the future outlook of SMAs?

We believe SMAs are here to stay and not just as a flash in the pan. As investor sophistication grows, government level reforms for family office set up in APAC and regulatory expectations increase, the demand for customisable, transparent structures will only accelerate.

What's particularly interesting is how the evolution of SMAs is intersecting with broader industry trends, from ESG integration and impact investing to the use of data and AI in portfolio analytics. SMAs offer a platform through which these themes can be implemented with precision.

Looking ahead, we expect continued growth in SMA adoption for hedge funds. Managers that can scale their infrastructure to support SMAs efficiently will have a distinct competitive advantage in capturing institutional capital.



Laure Ly

Head of Securities Services, Hong Kong
BNP Paribas

Congratulations to all of this year's winners!

The 2025 full winners list can be found [here](#).

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