

## Ascalon fields wave of proposals after Westpac buy-up

Simon Mumme | 07 October 2009 | 00:00 AM



Westpac's acquisition of boutique incubator Ascalon Capital Managers triggered many business pitches from funds managers worldwide aiming to access the Australian market, and saw two key BT and Westpac executives join the company's board. Andrew Landman, chief executive officer of Ascalon, said the incubator was seen as a more stable business after Westpac bought the remaining 50 per cent of the company from private equity manager Kaplan Equity last month.

"When the announcement was publicised, we received offers from places like Turkey, greater Europe and the US," Landman said.

The incubator, which is currently searching for Asian equity and absolute return managers to partner with, "hasn't had to look for anything yet. They've all come by us".

Compared to their counterparts in other Anglo-Saxon economies, the major Australian banks showed greater resilience during the financial crisis, providing Ascalon with another selling point to emerging managers.

This greater security enabled Ascalon to drive harder bargains with managers, Landman said.

"Do we drive a harder bargain? Yes. We don't want our funds to become independently wealthy on day one."

Further benefits of full Westpac ownership were additional board members from Westpac and BT. John Shuttleworth, general manager of superannuation and investment solutions at BT, and Harvey Carter, head of mergers and acquisitions at Westpac, now sit on the board of Ascalon, which also includes Landman and Rob Coombe, head of BT.

The new board members helped Ascalon "generate ideas for the future," such as which products would suit future investment appetites.

The arrangement was more fitting for a funds management business, particularly since Kaplan's expertise lay in infrastructure, logistics and stevedoring operations.

"Kaplan was a great shareholder, but not the natural owner. This isn't their game."

Despite institutional ownership, Landman said Ascalon remained "extremely nimble," and that its small investment committee – consisting of Landman, Carter and head of investments Nelson Lam – could move quickly to source deals and recommend them to the board.

Ascalon's institutional marketing operations are carried out by The Private Collection, a distribution channel it acquired in 2008, and it draws on Westpac for assistance with retail sales.

After receiving the appropriate ratings, its funds have found places on BT Wrap and BT SuperWrap.

"We look at opportunities to leverage distribution into BT platforms and the private bank," Landman said.