

Herculis Partners

Creating opportunities for investors

Herculis Partners has become recognised as an industry leader for wealth owners looking to preserve their assets and generate a sustainable return on capital. It's a reputation hard won

Herculis Partners SA is a wealth management and investment boutique, established in 2009 by Russian and Swiss partners looking to bring added value to wealth owners, such as high-net-worth individuals, family offices, charities and endowments. Herculis Partners operates a responsible business approach across the wealth and asset management and the investment banking industries taking into account principles of ethics, transparency and performance.

The firm provides wealth owners with easy access to a unique set of alternative investments such as hedge funds, private equity funds, wine and precious stone investments in order to preserve and multiply their capital. "Our approach is to make alternative investments accessible, liquid and as cost effective as possible," says Nikolay Karpenko, board

member at Herculis Partners. "On top of that, we invest our own capital at the beginning and only then propose to our clients to join us. We call this approach an alignment of interests."

The strongest part of Herculis' business is creating tailor-made reverse convertible structured notes with high coupon and a 50% barrier for its proprietary position. "Our products are completely different from what other players are pushing on the market. The key advantage is that investors join us in our investments and share with us all risks and rewards. The prospective area of our business development is Sharia-compliant products with elements of socially responsible investments," says Mr Karpenko.

Meeting challenges

Industry trends, along with regulatory environment changes, are bringing challenges

for all industry players. Mr Karpenko observes: "In these circumstances, Herculis Partners sees its main task in helping the wealth owners to increase wealth through VC & PE investments and M&A deals, to preserve and multiply wealth through passive and active operations on global securities markets, to protect wealth from states, creditors and raiders and pass it on successors, to distribute wealth on environmental and society needs according to the customers' altruistic ideals and values."

Alternative investments is a class of assets which includes hedge funds, private equity funds, venture capital funds, commodities, derivatives, property, wine, art, antiques, coins, diamonds, stamps and other non-conventional investment instruments. They're attractive to investors, mainly because of their low or negative correlation with standard class of assets like stocks and bonds. According to Mr Karpenko: "Alternative investments may be relatively illiquid and sometimes it may be difficult to determine their current market value," he says. "Also, there may be limited data about historical



risk and return as well as relative high costs of purchase and sale."

Today, investors are more familiar with alternative investments than they were 20 years ago: "Hedge fund and PE & VC fund industries are growing fast and absorbing huge amounts of money. Clients are looking for low volatility instruments but with attractive returns in conditions of low interest rates when all securities markets are overvalued. The allocation of alternative investments in their portfolios is

achieving 15-20%. It gives a big opportunity to strengthen relationships with the clients as they are becoming keen on alternative investments. Investors are generally fairly cautious about alternative investments," adds Mr Karpenko.

"But, when you talk to them about precise and concrete subjects, they are ready to be committed and involved. Now investors want to have in their hands real things with substantial intrinsic value as real estate, artwork, wine, coins or precious stones." Switzerland, due to its mature economy,

has a limited number of alternative investment opportunities; a point which Mr Karpenko acknowledges: "Nevertheless, we are looking for them not only inside the country but also abroad, namely, in the Netherlands, Germany, France, Austria, Russia, Monaco and Dubai."

Herculis Partners is currently finishing building its own safe vaults with duty-free status in order to keep in custody precious stones, wine and artworks on a low profile basis. As Mr Karpenko points out, this is important for a number of reasons: "A client can save 8% on custom duty tax payment by placing physical assets under duty-free regime. He can keep his assets and goods under this regime as long as he wants. On top of that, he has a strong custody which meets security and resistance level as a top banking vault."

The firm is now looking to expand in the coming years: "Currently Herculis Partners SA has three offices in Switzerland: Porrentruy, Geneva and Zurich. Its strategy is to have a strong presence in Dubai in the coming years with focus on investment and business opportunities not only in GCC region but also on the African continent where we see a big potential for private equity investments," concludes Mr Karpenko. ■

Further information

info@herculispartners.ch
www.herculispartners.ch
+ 41 32 552 0 227 / + 41 32 446 5 018

"Herculis Partners provides wealth owners with easy access to unique set of alternative investments like hedge funds, private equity funds, wine and precious stone investments in order to preserve and multiply their capital."

Nikolay Karpenko, Board Member



Wealth & Investment
Boutique

Swiss Experience

*Alternative Investments &
Family Office Services*