The 2018 GC McLagan Private Equity Fund Administration Survey

A deeper dive

The 2018 Private Equity Fund Administration Survey has adopted a more granular approach to the assessment of client perception.

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The 2018 Private Equity Fund Administration Survey is a continuation in a series of surveys produced jointly by AON McLagan Investment Services (McLagan) and Global Custodian (GC), following signature of their agreement to co-operate in the management of client experience surveys in the securities services industry from March 2018. A Survey FAQ, published online, explains how the relationship works and who to contact in the event of specific queries.

The Private Equity Fund Administration Survey, which was open for submissions between May and July 2018, asked clients to assess the services that they receive from fund administrators. Comparison between years was very limited, as this year's questionnaire was extensively modified from 2017. Last year's questionnaire covered 41 questions across 11 service areas. This year's survey was expanded to 53 questions across 12 service areas (See Methodology). Respondents were, however, able to give an overall assessment of a service area, limiting the time required for completion.

Clients were asked to rate services by stating how much they agreed or disagreed with a statement regarding a service based on a scale of 20 points. For publication, however, results were converted to the seven-point scale (where 1=unacceptable and 7=excellent) familiar to Global Custodian readers.

In the provider write-ups that follow, respondent profiles by size and location are published along with category scores and their variation from the global average. Table 1 provides aggregate scores by category as well as by the respondent segments covered in the provider profiles.

TABLE 1: AGGREGATE SCORES BY RESPONDENT PROFILE

		Firm Size			Location		
	Global Weighted Average Scores	Large	Medium	Small	Americas	EMEA	APAC
TOTAL	**5.92**	**6.12**	**5.91**	**5.93**	**6.05**	**5.65**	**5.79**
Client Service	6.15	6.36	5.98	6.31	6.17	6.14	6.04
On-boarding	5.79	5.64	5.90	5.94	5.99	5.44	5.49
Geographical Coverage	5.95	5.81	6.04	6.05	6.14	5.38	6.03
Reporting to Limited Partners	6.15	6.33	6.13	6.10	6.21	5.96	6.09
Reporting to General Partners	5.97	6.13	5.74	6.16	6.12	5.47	6.00
Reporting to Regulators	5.69	5.95	5.67	5.65	5.93	5.46	5.41
KYC, AML and Sanctions Screening	5.90	5.65	6.09	5.92	6.09	5.48	5.85
Depositary Services	6.29	6.38	6.57	5.94	6.60	5.74	6.01
Corporate Secretarial Services	5.64	6.74	6.16	4.59	5.87	5.39	5.79
Capital Drawdowns and Distributions	5.89	6.22	5.81	5.85	6.04	5.39	5.69
Technology	5.49	5.84	5.49	5.37	5.56	5.45	5.25

Read in conjunction with the assessments that follow, this may add further colour to individual provider results.

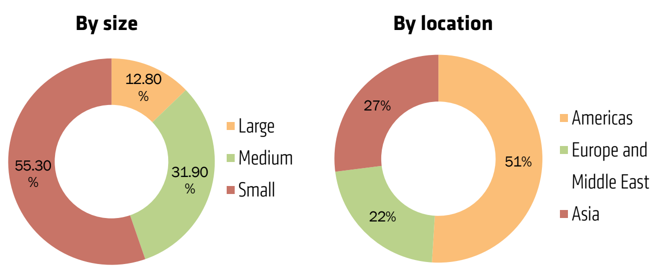
We are most grateful to all fund managers who took the time and trouble to complete a respondent questionnaire, as well as to the private equity fund administrators who encouraged their clients to do so and who completed a provider questionnaire of their own. As a thank you, private equity fund managers who participated in this survey are entitled to a free benchmark report from McLagan, comparing their assessments to those of their peers who use the same service providers.

See page 9 for Methodology

Apex Fund Services

"Excellent service," writes a client. "Very reliable professionals and management. I feel my company is in good hands with Apex." Apex certainly wins plaudits for service. Individuals are name-checked for doing an "amazing job" and being "a pleasure to work with." There is praise for "technical skills and prompt attention to all details," for being "readily available, efficient and accommodating to our requests" and for going "beyond the call of duty in complying with deadlines, including occasional unsociable hours." Inevitably, there are clients who want more, but even they sense rising standards. "Managing multiple workflows and achieving deadlines has improved a great deal over the last year, but there is still room for improvement," says a respondent. As it happens – although comparisons are inexact, due to changes in the questionnaire and methodology – Apex ends up with an overall weighted average score that is uncannily close to the end-result a year ago. What matters is that the firm, augmented by acquisitions that now include Equinoxe Alternative Fund Services, Ipes and Deutsche Bank Alternative Fund Services, attracts one of the highest levels of response in the survey and secures a handsome set of scores to match. Importantly, the firm clears the survey averages in every service area, which is a doubly impressive feat so soon after the Deutsche Bank acquisition. Better still (although the pattern is not perfect), the larger the fund, the more Apex impresses its client. Geographical coverage, which was part of the personality of Apex from the foundation of the firm, is eclipsed only by depositary banking services – and the exceptional score in that area is based on a limited rate of response. Capital drawdowns, another strength evident in 2017 remains one this year. "Very smooth capital call process!" writes a client, though a second respondent does note that "more accuracy [is] required as some capital notices have gone out to investors before they were checked. The investor has come back to us informing us that the capital notice did not balance!" The core services of reporting to both general and limited partners attract impressive scores that are soundly based on a high rate of response. "No issue here," writes one respondent of reporting to limited partners. "Everything is done well." However, it is noticeable that the scoring of reports to regulators is less flattering. "I think more 'best practice' procedures here would be useful," writes a client. Another says that "automation is required." This is paralleled by another compliance issue, where the score falls short of excellence. "Apex needs to fine-tune its KYC on our LPs," writes a client. "This should be less regimented and follow-by-the-book approach," though another client "appreciated the level of scrutiny that they have shown during review. They know what they are talking about and are steadfast in their commitment to diligence." Technology was a weakness in 2017 and has not improved much in 2018. "Lack of cap ex over the years," is the explanation offered by one respondent. But the detail suggests clients would value greater flexibility in reporting technology, especially in terms of integration with their own systems, and in the application of technology to generate cost savings. "We use our own GL and Apex use their own GL – this is highly inefficient," writes a client. "I would like to see Apex using our system so we can reduce duplication of services." A second agrees that "I would like to see a more integrated system implemented, which relies less on Excel-based spreadsheets and manual reconciliations to reduce the NAV lead times and risk of human error." Integrating systems or migrating clients on to a single platform will not be easy for such an acquisitive provider, but the clients clearly understand that the Apex strategy is in tune with a globalising private equity marketplace. "Given the level of growth both in the size of the funds under administration and the global expansion of the company, it is key to have an administrator who can grow with us," concludes a thoughtful client.

PROFILE OF RESPONDENTS



Weighted average scores	
2017	**2018**
6.05	6.09

Weighted average scores by service area

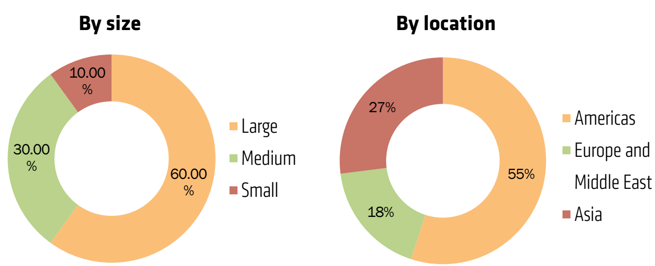
Service area	Weighted average score	+/- the global average
Client service	6.27	2.10%
On-boarding	5.95	2.80%
Geographical coverage	6.39	7.40%
Reporting to limited partners	6.31	2.50%
Reporting to general partners	6.17	3.30%
Reporting to regulators	5.73	0.70%
KYC, AML and sanctions screening	6.00	1.60%
Depositary services	6.56	4.40%
Corporate secretarial services	5.67	0.50%
Capital drawdowns and distributions	6.15	4.40%
Technology	5.66	3.00%
Total	6.09	2.90%

BNY Mellon Alternative Investment Services

"BNY Mellon has been servicing our funds for quite some time now," writes a happy client. "They have been doing a great job and always remain professional. We would recommend them to anyone that asks." The overall scores are up on a year ago too. The bank earns these accolades despite a period of strikingly rapid growth. The management of BNY Mellon has accorded a high priority to growth in the last few years and succeeded triumphantly in that aim. The value of private equity assets under administration has increased more than four-fold in the last five years, to $80 billion in 2018. It helps that BNY Mellon works with firms at the larger end of the scale and with private equity investors – to whom it supplies investors not just with valuations, reporting and performance analytics but with cash management services – as well as private equity managers, further fuelling growth in assets. Naturally, supporting 13% annual compound growth in assets under administration demands resources, and the bank is recruiting not just in sales but also in product management and especially technology. NEXEN – the new technology platform in which the bank has invested heavily over the last two years – is already enabling clients to consume data on any device via a library of APIs designed to meet the needs of private equity managers.

It is not surprising that BNY Mellon top-scores for reporting to general partners. Reporting to investors is not far behind, and the score for technology beats the benchmark. Indeed, there is a discernible appetite among clients for BNY Mellon to extend its reporting prowess to an area where the bank has so far chosen not to get involved: regulatory submissions. Another strength, in depositary services, is more predictable, though the challenge of complying with the obligations laid on depositary banks by the European Alternative Investment Fund Managers Directive should not be under-estimated, particularly in a private equity industry characterised by complex methods of holding assets. Being a bank-owned administrator in an industry undergoing another wave of consolidation at the hands of non-bank providers imposes a further burden that makes it harder to remain competitive on price: capital allocations. A banking licence has less visible effects too, not least on the ability to respond flexibly to client demands. "The administrator has a very rigorous internal control programme in place, which is usually a good thing, but it needs to be weighed against client needs and desires also," writes a respondent. "More flexibility would be appreciated." A second client says that BNY Mellon should work on "their responsiveness. They are lacking compared to their competitors. If I send BNY Mellon an email, sometimes it doesn't get answered until I send a follow-up email (which I usually send one week or more later). If I don't send a follow-up email, there are times when I get no response at all or I get a response up to two weeks later." But service quality is harder to maintain in a fast-growing, global business. It is noticeable that the shortcomings identified by clients in geographical reach – the bank offers services in Germany, Ireland, London, Luxembourg, Singapore and the United States - are more about consistency than coverage. In fact, one client singles out the follow-the-sun capability a global presence creates as a specific strength: "I like having the international offices complete the manual requests (i.e. audit confirms, LP requests for information) and have it available when I get in the next morning." Capital drawdowns and distributions, which were a strength in 2017, remain one this year, and the gripe of one respondent ("BNY Mellon messed up one of my distributions") serves principally as a reminder that one mistake is more visible than a thousand error-free transactions. The same is true of on-boarding ("Re-registering the fund in the name of the custodian was costly and a pain") and KYC, AML and sanctions screening services (where an unhappy minority influence the outcome).

PROFILE OF RESPONDENTS



Weighted average scores	
2017	**2018**
5.42	5.72

Weighted average scores by service area

Service area	Weighted average score	+/- the global average
Client service	5.89	-4.20%
On-boarding	5.19	-10.30%
Geographical coverage	5.35	-10.00%
Reporting to limited partners	5.90	-4.10%
Reporting to general partners	6.09	2.00%
Reporting to regulators	N/A	N/A
KYC, AML and sanctions screening	4.96	-16.00%
Depositary services	6.03	-4.20%
Corporate secretarial services	N/A	N/A
Capital drawdowns and distributions	6.03	2.40%
Technology	5.63	2.50%
Total	5.72	-3.40%

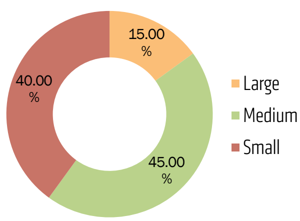
Citco

This is a curious performance by an independent provider for whom fund administration is the core business. It also happens to be one of the largest administrators in the industry. Citco ended last year with $950 billion in assets under administration, without making a single acquisition. Yet the robust averages of a year ago have dissipated, and there is volatility in the scoring of the firm by a sizeable group of private equity managers. Reassuringly, Citco continues to score heavily on the human side of the business. “Very responsive to queries,” writes a respondent. But the benchmark set by survey respondents for client service indicates that responsive, knowledgeable people are merely the price of entry to this business. As one relatively new Citco client puts it, “in general, client service is dependent upon the people you interact with and this administrator’s senior personnel (director and above) are very strong.” The detailed scores do suggest that it is easier to access the senior management of Citco than it is to find a domain expert at the firm, but that is an important aspect of the corporate culture. So too is the maintenance of capable staff at the local level across 45 separate operations scattered across the United States, Canada, the Caribbean and Latin America, Europe and the Channel Islands, the Middle East and Africa, Asia, Australia and New Zealand.

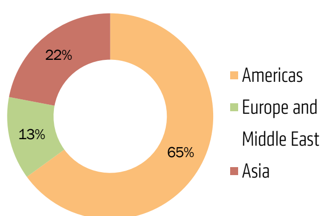
The score for geographical coverage is not unimpressive but dented by concerns about inconsistency in service quality and a lack of conviction about the global nature of the services. “Excellent service in Singapore, but room to improve in BVI,” as a client of both operations puts it. Where Citco does impress is in its management of the always awkward KYC, AML and sanctions screening routines, but the same is not true of the equally testing process of on-boarding a new client. “On-boarding is a tedious exercise, which is currently taking much longer than anticipated or even reasonably expected,” grumbles a client. “That said, the personnel assigned are capable and strong.” A second client, recently on-boarded, acknowledges that “providing a list of all requirements upfront to the client is useful.” And there are respondents whose scoring of Citco is unequivocally enthusiastic. “Very strong partner, provides excellent insight, offers suggestions to help streamline operational workflow,” writes one of them. “Strength is its people. Also appreciate their investments in technology.” As that last comment hints, technology remains an issue for Citco. There are no complaints about the technology that supports the core accounting function, but clients are clearly looking for improvements in reporting capabilities. This is especially true of reporting to general partners, though one respondent does say that the “technology for [the] investor portal needs to be updated.” The scores suggest managers have difficulty accessing data conveniently online. “I am not sure if they do not know how to use the technology properly, or they have primitive technology, but our reporting format is very poor and we have regularly received feedback that this is the way the system does it,” write one. “It also seems to take very long to get information that should be able to quickly be disseminated from the system.” In fact, since 2013, Citco has invested in a new web portal as part of a sustained effort to reduce the dependence of the firm and its clients on emails, static reports and Excel spreadsheets, by consolidating in one place data scattered across multiple platforms and information exchanges with clients. Though clients were introduced to Citco One in mid-2016, the scores for technology suggest it has yet to prove itself with general partners. “[The] Citco One client portal is not competitive with the top global private equity fund administrators and fund managers,” is the ingenuous assessment of one respondent. A second is reserving judgment. “The Citco One portal is delayed and needs to prove it can work,” he writes. “We are optimistic but cannot be sure.”

PROFILE OF RESPONDENTS

By size



By location



Weighted average scores	
2017	2018
6.01	5.74

Weighted average scores by service area		
Service area	Weighted average score	+/- the global average
Client service	6.01	-2.20%
On-boarding	5.17	-10.60%
Geographical coverage	5.48	-7.90%
Reporting to limited partners	6.25	1.60%
Reporting to general partners	5.73	-4.10%
Reporting to regulators	5.45	-4.10%
KYC, AML and sanctions screening	5.87	-0.50%
Depositary services	5.77	-8.20%
Corporate secretarial services	5.61	-0.50%
Capital drawdowns and distributions	5.67	-3.70%
Technology	5.52	0.50%
Total	5.74	-3.10%

SEI

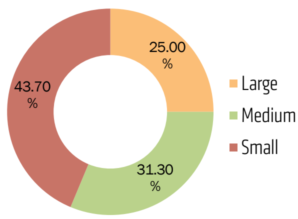
"SEI's teams are very responsive to our needs," writes a satisfied client. "We have dedicated teams that handle our accounting, investor relations, compliance reporting and financial statement process. They work well to integrate within their own company and present a unified approach to our accounts. Well done SEI." The private equity fund teams based at the Pennsylvania-headquartered investment management, processing and operations group are clearly getting a lot right, if the average score for client service is anything to go by. "They have been a pleasure to work with," says one respondent. With accolades such as that, it is not surprising to find the SEI private equity business has grown to a substantial size, and it now looks after 775 funds on behalf of 80 managers. This owes something to the independence of the firm. In fact, the investment administration business as a whole is growing healthily. By the end of the first quarter of this year, client assets under administration had cleared $500 billion, up by a tenth on the year earlier, thanks in part to the acquisition in July last year of the wealth management software and services company Archway Technology Partners. Assets under administration have grown further since. To accommodate the growth, plans are in hand at SEI to add further locations to the existing operations in the Cayman Islands, Guernsey, Ireland and United States. In private equity fund administration, the growth stems not from acquisitions, it comes from new rather than existing clients. The momentum can be sensed in both scores and comments. The private equity teams in particular seem to have reached that point at which calls for service improvements – as in, for example, reporting to limited partners, where some respondents are clearly looking for enhancements to the SEI Investor Dashboard – are more in the nature of rising expectations than discontent with existing services. Calls for greater accuracy, higher levels of automation and lower fees are all offset by a clear presumption that SEI will be doing more rather than less work for the firm in the future. Likewise, the occasional gripe in a specific area ("Process for tailoring capital call and distribution notices is inefficient") is not matched by a noticeable decline in the accompanying score. Even in KYC, AML and sanctions screening, a familiar source of friction between managers and administrators in which there is strictly limited upside for both parties, a client singles out the due diligence process for praise: "SEI has a strong business focus and excellent understanding of client sensitivities with regard to screening, so [they] are able to have an investor-friendly approach and allow for some flexibility to streamline the process where possible, while continuing to comply with internal and regulatory guidelines."

Less surprising is the role played by technology. A large part of the appeal of SEI is its promise to tailor integrated technology and operational platforms to the needs of private equity managers, across fund accounting, capital calls and distributions, reporting to managers, investors and regulators, investor servicing, tax support, treasury services, back and middle office functions, risk management, cyber-security and data (one SEI reporting module incorporates proprietary financial reporting data of portfolio companies from the Burgiss Group). So SEI will be reassured to learn that the detailed scores indicate that technology is a major factor in the decision of managers to appoint and retain the firm as administrator. Of course, less happy clients can be found within the averages, but they tend to congregate at the lower end of the scale in terms of assets under management.

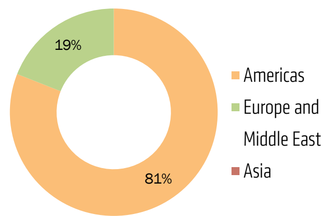
At SEI, the larger respondents are demonstrably more satisfied than the smaller. The less flattering average scores also tend to be concentrated in a limited range of areas, notably reporting to investors and KYC, AML and sanctions screening. "Overall," concludes a client, "we are pleased with SEI as our administrator."

PROFILE OF RESPONDENTS

By size



By location



Weighted average scores	
2017	**2018**
n/a	5.93

Service area	Weighted average score	+/- the global average
Client service	6.22	1.20%
On-boarding	6.24	7.80%
Geographical coverage	5.92	-0.60%
Reporting to limited partners	5.96	-3.20%
Reporting to general partners	5.49	-8.00%
Reporting to regulators	5.55	-2.30%
KYC, AML and sanctions screening	5.50	-6.80%
Depositary services	6.19	-1.50%
Corporate secretarial services	N/A	N/A
Capital drawdowns and distributions	5.98	1.60%
Technology	5.83	6.10%
Total	5.93	0.20`%

Weighted average scores by service area

SS&C Technologies, Inc.

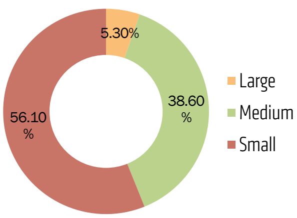
As in 2017, no administrator attracted more responses than SS&C. This is a tribute not only to the size and reach of the firm within the industry – SS&C is currently looking after 1,500 private equity funds on behalf of 260 managers – but to the enthusiasm of its clients. Most of the growth in assets under administration at SS&C comes from existing clients. The average scores, which clear the survey benchmarks in all but two service areas, explain why clients are happy to give the firm more business. "We are thrilled with SS&C and look forward to continuing our successful relationship with them," writes one respondent. "We frequently recommend SS&C to our peers when asked for a recommendation." A second client has experienced "very good client service" and adds that the SS&C people are "easy and pleasant to work with." A third attests, "Our team has been consistent for several years. Having the same group of people on our account has saved time and effort in our process. We value the team and its expertise greatly. They are always up-to-date and responsive even to ad hoc and last-minute requests."

Of course, not everyone is happy about everything. One client, who notes, "Our day-to-day contacts and the next level of management at SS&C are responsive to our requests and have improved their client service over the past several years" is disappointed that "any members of management above those levels is hard to reach and not particularly responsive, nor do they seem interested in our special requests (of which there have been very few)." But looking for vulnerabilities in a set of scores this good does seem gratuitous. Clients are not averse to blaming themselves. "Any delays in reporting have been caused by our own internal issues," writes one. "The SS&C team remains patient and supportive throughout our process. They make us feel as though we are a valued, high-priority client." Another says "We rely on the accuracy of the reports and expect the SS&C team to 'push back' when they feel as though we have provided inaccurate or incomplete information for them to complete their work."

The numbers tell the same story. Every score is excellent except reporting to investors (where a manager counters that "SS&C's LP portal is very good and well liked by our limited partners"), capital drawdowns and distributions (where clients want a higher level of automation) and technology (which was also in issue in 2017). If a weakness in technology seems counter-intuitive at a firm that specialises in alternative investments technology as well as services, the conundrum is resolved by two clients who address it directly. "Our decision to retain SS&C has less to do with the technology than it has to do with the particular members of the team," writes the first. "We expect that the technology is helping them be more efficient but realise that we value the people more so than the technology in this relationship. However, having access to quality technology and the client portal have been helpful in managing the operations of our funds." The second says plainly that "we did not choose SS&C because of their technology, we chose them because of their excellent service and integrity – however, their seamless technology platforms are a huge benefit of the overall platform." A third respondent adds that the "service quality and relationship [have] been excellent: looking forward to the technology improvements being rolled out later this year." But the last word belongs to a client who has seen enough to convince him of the benefits of outsourcing more work to SS&C. "We may come to rely on SS&C going forward," he writes. "Because we may be downsizing our team, we may need day-to-day accounting services for both the funds' manager(s). I will look into whether SS&C will provide such a service. Key factors will be the team member and the cost of the service."

PROFILE OF RESPONDENTS

By size



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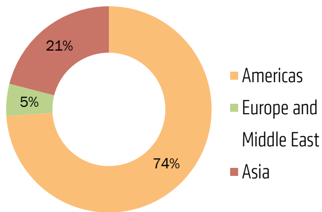


Weighted average scores	
2017	2018
6.37	6.05

Weighted average scores by service area		
Service area	Weighted average score	+/- the global average
Client service	6.27	2.10%
On-boarding	6.01	3.90%
Geographical coverage	6.36	6.80%
Reporting to limited partners	6.21	1.00%
Reporting to general partners	6.07	1.60%
Reporting to regulators	6.33	11.40%
KYC, AML and sanctions screening	6.21	5.20%
Depositary services	6.66	5.90%
Corporate secretarial services	6.07	7.50%
Capital drawdowns and distributions	5.86	-0.40%
Technology	5.43	-1.10%
Total	6.05	2.10%

Trident Trust

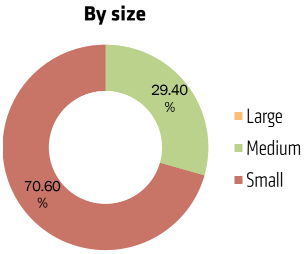
Clients of Trident Trust have between them delivered an outstanding set of scores, for a second year in succession. The flattering numbers are accompanied by ample praise for client service, where the average score is one of the best in the survey. "Trident does excellent work for us," writes one respondent. "They are very responsive and a pleasure to work with." A second confirms that "Trident Trust is extremely responsive, and they do an excellent job helping us manage a large volume of complex transactions." A third declares itself "a happy client who has worked with Trident for over a decade. Our day-to-day contact has not changed. We are impressed with their responsiveness and client service." Another customer of longstanding says that Trident "has been a great partner to us as we have grown from a start-up fund to a much larger institution."

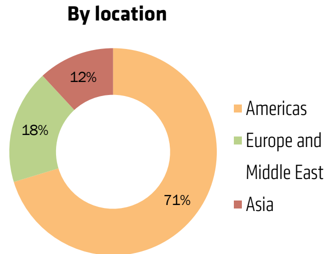
The respondents are drawn from the lower end of the assets-under-management spectrum, but they represent a meaningful sample of the 100 or so managers that Trident looks after from its various locations around the world. For a relatively small provider, the geographical reach of the firm is certainly extensive. In fact, Trident has since last year added Dubai to its existing operations in the British Virgin Islands, Cayman Islands, Cyprus, Guernsey, Hong Kong, India, Jersey, Luxembourg, Malta, Mauritius, United States and Singapore. "We have global operations in multiple currencies," writes one client grateful for the extensive coverage. "Trident is very helpful in all areas." The score for geographical coverage is also one of the best in the survey. But the firm impresses even in trickier areas such as on-boarding ("We have worked with them since launching our first fund. They are extremely efficient at on-boarding and helping us launch new funds"), KYC, AML and sanctions screening ("We are very pleased with the KYC/AML services that Trident provides to us. They are very thorough and work well under time pressure") and the Alternative Investment Fund Managers Directive (AIFMD)-compliant depositary services Trident provides to European managers from its Luxembourg operation ("Satisfactory").

Technology remains a vulnerability. Last year, Trident completed the implementation of the LineData Mshare transfer agency platform (tax compliance and KYC, AML and sanctions screening tools) and the Linedata Reporting platform, which included new dashboards and web portals for managers and their investors. But the score for technology has not improved. "Trident has made significant developments and progress in technology but is not quite at the same level as other fund administrators that we use for our business," explains one respondent. That said, and as for other providers, the weakness is more apparent than real, in the sense that the detailed scores indicate clients value the people at Trident more than the machines. "Trident is a wonderful partner," says a client. "We would like to ensure that they invest in new technologies to further streamline processes – such as electronic document[ation] of subscription agreements, etc., which keep up with the rapidly changing environment and our busy LPs." Trident is promising new services and, judging by the average scores, the perceived technological shortcomings have not affected day-to-day assessments of the quality of the reporting to managers or investors. "The administrator has proven to be flexible with reporting to LPs and works with our schedule to try to accommodate our requests," writes one client. A second says that "reporting is timely and consistently accurate."

Clients would like higher levels of automation in regulatory reporting and capital drawdowns but even in this area, the human touch is what counts. "Trident is accommodating of time-sensitive requests for distributions to LPs," writes a client. As another happy client concludes, "Trident has always been responsive and professional in all correspondence. We depend highly on their competence and are comfortable continuing to use their services in the future."

PROFILE OF RESPONDENTS





Weighted average scores	
2017	**2018**
6.34	6.15

Weighted average scores by service area

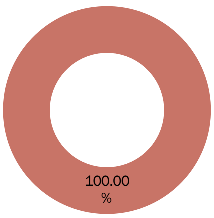
Service area	Weighted average score	+/- the global average
Client service	6.37	3.70%
On-boarding	6.28	8.50%
Geographical coverage	6.26	5.20%
Reporting to limited partners	6.52	6.00%
Reporting to general partners	6.36	6.50%
Reporting to regulators	5.80	2.00%
KYC, AML and sanctions screening	6.48	9.90%
Depositary services	6.65	5.80%
Corporate secretarial services	5.37	-4.90%
Capital drawdowns and distributions	5.98	1.60%
Technology	5.27	-4.00%
Total	6.15	3.90%

Maples Fund Services

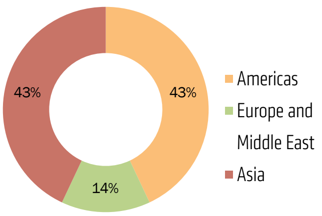
"We are satisfied with the level of client service Maples Fund Services provides," writes a client. The scores suggest this is something of an understatement. The averages clear the survey benchmarks in all but one service area, and the overall outcome is little changed from the stellar performance of 2017. The exception is depositary services, where Maples provides a "depositary-lite" service only to private equity funds regulated under the Alternative Investment Fund Managers Directive (AIFMD), and the score is by any standards impressive. On client service, the firm gets close to perfection. "Very courteous and excellent team," says a respondent. All of that said, the average scores are based on a limited number of responses, amounting to a sample of perhaps one in 20 of the total clientele, all of which are relatively small in size. That client base is, nevertheless, growing rapidly, with assets under administration climbing at an annual compound rate of 15-20% over the last five years. If there are vulnerabilities to be found, they lie in the linked areas of technology and reporting, where the scores are less flattering than their equivalents of a year ago. But Maples prides itself on integrating its knowledge of the business with technology, and two years ago shifted to Investran, a portfolio and partnership accounting system supplied by FIS, which the firm adopted mainly to cope with the increasing complexity of private equity partnership accounting. The reporting technology, branded as MaplesFS Connect, remains proprietary. Though Maples works hard to customise its technology to the specific needs of individual managers, its technological capabilities do not yet command the same level of respect as the people employed by the firm. "Automation is required," is the verdict of one respondent on regulatory reporting, and there is a score to match. It would be hyper-critical to see those for reporting to general and limited partners, on the other hand, as anything but robust. Importantly, the high staff turnover noticed by respondents a year ago is not evident this year.

PROFILE OF RESPONDENTS

By size



By location



Weighted average scores	
2017	2018
6.33	6.20

Methodology

The 2018 Private Equity Fund Administration Survey asked respondents to address 59 questions across 12 service areas: Client Service, On-boarding, Geographical Coverage, Reporting to Limited Partners, Reporting to General Partners, Reporting to Regulators, KYC, AML and Sanctions Screening, Depositary Services, Corporate Secretarial Services, Capital Drawdowns and Distributions, Technology and Future Relationship. Scores for Future Relationship were not, however, included in the total calculations presented here. For the majority of questions, respondents were asked to assess their administrators by determining how much they agreed or disagreed with a series of statements about services. Respondents were also given the option provide one overall assessment of a service area rather than answering individual questions. For each service area, respondents were also invited to provide commentary. A total of 219 completed questionnaires were received on behalf of 16 fund administrators. After clean-up and validation, 204 responses remained. In order to receive a full write up in the survey, an administrator needed to receive at least 10 responses. Five responses is the minimum sample number required to assess a service provider adequately enough to publish their average scores, both in absolute terms and relative to the average scores in each service area. As a result, we were able to provide full write ups for six separate administrators and shorter commentary on an additional administrator. The analysis published in this report is based on average scores given by respondents. They are weighted for the size (measured by assets under management, or AuM) and complexity (measured by the number of asset classes and investment strategies pursued) of the respondent. Scores in any question or service area which attracted less than four responses are excluded from the calculations. The suppression of scores for this reason does not mean the provider does not supply the service in question; it means only that an insufficient number of respondents scored the service to assess its quality with confidence.