

The
2020

HEDGE FUND
ADMINISTRATION
SURVEY

This year's Hedge Fund Administration survey received over 600 completed and validated responses, allowing for full page write ups of nine providers and abbreviated consideration of another two.

There were returns this year for Maples and BNY Mellon, though only the former received enough responses for a full page analysis. Thanks are due to both Hedge Fund Administrators and their clients who engaged with the process in what this year were relatively trying circumstances.

Looking at the aggregate results by category, listed in the table, it seems that either clients were in a generous mood this year or else perception of service received has improved.

Scores were up year-on-year in every category, which is quite an incredible feat. Given the challenges hedge funds and service providers alike faced during the pandemic, to see such plaudits across the board - especially in Client Services - is a testament to how fund administrators responded during the pandemic. They had to support their clients seamlessly during the market turbulence while also rolling out their own business continuity plans and moving their own staff to a remote working environment. Despite the fact that weightings have been adjusted slightly in favour of the larger and more demanding clients, each provider that earned a full write up saw its score improve from 2019.

KYC, AML and Sanctions Screening saw the biggest jump with a rise of 0.50, while On-boarding rose 0.48 and most of

ON THE UP

Despite the pressures they are facing as a result of market conditions, hedge funds seem to be relatively content with the levels of service they are receiving from their administrators.

Category	Average Score	Average Score Previous Year	Difference
Client Service	6.20	5.86	0.34
Fund Accounting	6.21	5.99	0.22
Investor Services	6.09	5.81	0.28
KYC, AML and Sanctions Screening	6.29	5.79	0.50
Middle Office Services	6.19	6.07	0.12
On-boarding	6.20	5.72	0.48
Operations	6.25	6.11	0.14
Price	5.82	5.69	0.13
Reporting to Auditors	6.26	5.96	0.30
Reporting to Investors	6.18	5.82	0.36
Reporting to Regulators	6.05	5.96	0.09
Reporting to the Manager	6.23	5.86	0.37
Reporting to the Tax Authorities	6.17	5.82	0.35
Total	6.17	5.85	0.32

the Reporting categories saw a jump of at least 0.30.

Looking back at previous year's scores, we can also confirm that - despite categories changing occasionally over the years - this is the highest overall

score since at least 2015 in our hedge fund administration survey. Only Price falls below the Very Good category (6.00-6.99) and it is rare in any survey for participants to flag their satisfaction with the fees they are paying.

Methodology

The Hedge Fund Administration Survey asks clients to assess the services that they receive from fund administrators in a number of categories. There is only one question in each category where respondents are asked to provide a rating. This is done through a sliding scale from 'Strongly disagree' to 'Strongly agree'. In some categories there are a number of optional qualifying questions to add colour as well as an optional comment box per category.

The published results use Global Custodian's conventional seven-point scale familiar to readers of the magazine (where

1=unacceptable and 7=excellent).

In the provider write-ups, 10 responses are the minimum sample number required to assess a service provider sufficiently for full category results to be published. Those receiving between five and 10 responses receive an abbreviated write up at the editor's discretion. Individual responses are weighted for the size of the respondent as measured by assets under management. This allows the survey editors a degree of 'common sense' flexibility.

Scores in any individual service area

that attract fewer than three responses are excluded from the calculations as we regard fewer than that to be an insufficient number to assess perceptions with confidence.

Where a provider has recorded three or more responses per category, average scores can be made available to the provider concerned for internal use. More granular analyses than are published may also be available to providers. For more information on bespoke reports, please contact beenish.hussain@globalcustodian.com.

Apex Group

Over the past 18 months, Apex Group has expanded and evolved from a mid-tier fund administrator to a global financial services provider with over \$750 billion in assets. This includes several acquisitions, which over the past year, have been fully integrated into the Group, allowing it to offer a single-source solution to deliver products across fund, financial and corporate solutions.

In this year’s survey, despite the temporary upheaval, that sometimes accompanies post-acquisition integrations, Apex has managed to increase its overall score as well as category scores in 10 service areas. It outperforms the survey average in five of these, most notably Middle Office Services, which, at 6.34, is also Apex’s highest scoring category.

Interestingly, the few critical comments expressed by clients do not put the blame entirely on Apex for the issues they identify. When it comes to Investor Services, for example, one client says, “With the Central Bank adding more and more requirements, it has been increasingly difficult and a slow process to open new accounts. This is not a smooth process and is partly the investors not seeming to be able to supply the correct documents. Apex makes a good effort, but opening new accounts is slow and laborious. It is not entirely clear where the blame lays for this between the administrator, the regulator and the investor.”

When it comes to Price, another client acknowledges, “The pricing structure we have with Apex is fair and well suited to a smaller fund. Unfortunately, as regulatory overhead has increased, so have the extra fees associated with this overhead.”

The only criticism in this regard is that Apex errs on the side of caution. “Our team has generally been very responsive, capable and delivers in a timely way. However, obstacles such as compliance checks and approvals have certainly proved to be a drag,” says one respondent. Another is more direct. “We believe that Apex consistently errs on the side of too much KYC,” it comments.

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.04	6.12	-0.08
On-boarding	6.08	5.86	0.22
Fund Accounting	6.24	6.17	0.07
Investor Services	6.00	5.98	0.02
Reporting to Investors	6.11	6.00	0.11
Reporting to the Manager	6.14	5.89	0.25
Reporting to Regulators	6.06	6.16	-0.10
Reporting to the Tax Authorities	6.19	6.15	0.04
Reporting to Auditors	6.23	6.23	0.00
KYC, AML and Sanctions Screening	6.04	5.98	0.06
Middle Office Services	6.34	6.24	0.10
Operations	6.32	6.31	0.01
Price	5.70	5.96	-0.26
Overall	6.12	6.06	0.06

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	6.04	6.20	-0.16
On-boarding	6.08	6.20	-0.11
Fund Accounting	6.24	6.21	0.02
Investor Services	6.00	6.09	-0.09
Reporting to Investors	6.11	6.18	-0.08
Reporting to the Manager	6.14	6.23	-0.10
Reporting to Regulators	6.06	6.05	0.01
Reporting to the Tax Authorities	6.19	6.17	0.02
Reporting to Auditors	6.23	6.26	-0.04
KYC, AML and Sanctions Screening	6.04	6.29	-0.25
Middle Office Services	6.34	6.19	0.15
Operations	6.32	6.25	0.07
Price	5.70	5.82	-0.12
Overall	6.12	6.17	-0.06

Spread of Opinion (%)



BNP Paribas Securities Services

BNP Paribas Securities Services has this year moved up a notch from Good to Very Good in its overall rating, having recorded score improvements in nine service categories. This is most notable in Client Service, Onboarding and KYC, AML and Sanctions Screening, which all now score above 6.00.

Only Price has suffered a notable drop (-0.54 points), though it remains well within Good territory (5.00-5.99). Reporting to Auditors, KYC, AML and Sanctions Screening, and Investor Services are the bank's highest rated service categories. "The Investor Services team are very helpful. The staff are willing to stay late in order to complete the investor request," notes one client. As for Reporting to Auditors, one respondent says, "The reports required to be provided to the auditors have been provided in a timely manner. The audit request or queries have also been answered promptly and patiently to the auditors."

Perhaps the most enthusiastic praise comes for the bank's Middle Office Services. "The middle office team really excels here, we are very happy with the services. We have had no issues with the MO in the time we have had them which allows us to focus on running the portfolio," comments one respondent. "In the instances where there are issues, we are informed in a timely fashion. There have been some issues, but these were resolved and have not happened since."

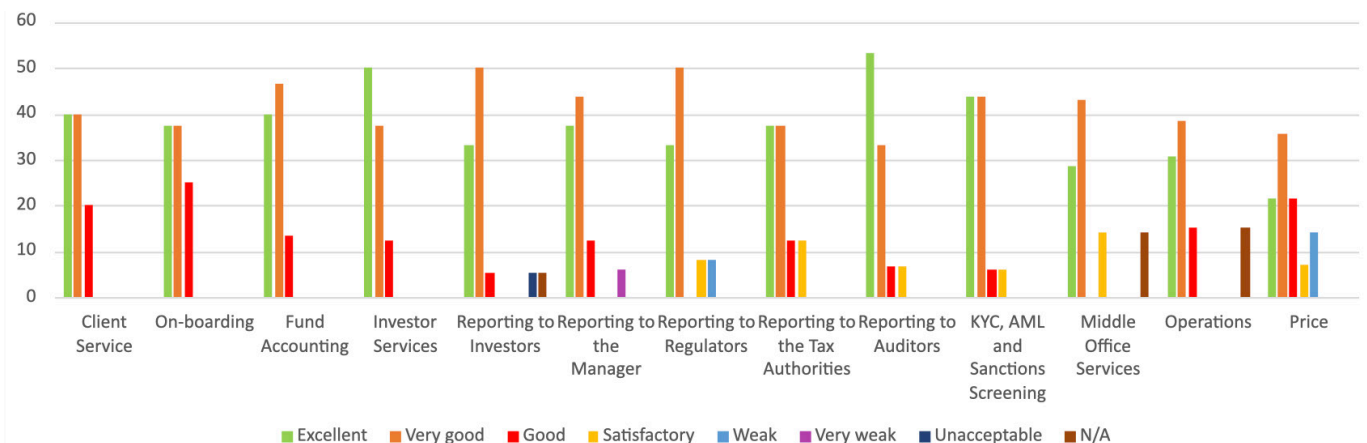
The bank itself points to an increasing focus in the market as a whole on systems that can facilitate end-to-end outsourcing from back and middle office administration through to front office portfolio management platforms for greater operational efficiency and data flow.

To address this, BNP Paribas has launched a front-to-back offering in partnership with Broadridge, providing an integrated end-to-end outsourcing model spanning order, execution and portfolio management, embedded risk and compliance modules, and a suite of deep middle office operational services.

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.23	5.65	0.58
On-boarding	6.17	5.52	0.65
Fund Accounting	6.14	6.29	-0.15
Investor Services	6.25	6.04	0.21
Reporting to Investors	6.08	5.90	0.18
Reporting to the Manager	6.09	6.06	0.03
Reporting to Regulators	5.92	5.83	0.09
Reporting to the Tax Authorities	6.13	6.01	0.12
Reporting to Auditors	6.32	6.04	0.28
KYC, AML and Sanctions Screening	6.29	5.77	0.52
Middle Office Services	6.00	6.04	-0.04
Operations	6.08	6.24	-0.16
Price	5.48	6.02	-0.54
Overall	6.11	5.98	0.13

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	6.23	6.20	0.03
On-boarding	6.17	6.20	-0.02
Fund Accounting	6.14	6.21	-0.07
Investor Services	6.25	6.09	0.16
Reporting to Investors	6.08	6.18	-0.10
Reporting to the Manager	6.09	6.23	-0.15
Reporting to Regulators	5.92	6.05	-0.13
Reporting to the Tax Authorities	6.13	6.17	-0.04
Reporting to Auditors	6.32	6.26	0.06
KYC, AML and Sanctions Screening	6.29	6.29	0.00
Middle Office Services	6.00	6.19	-0.19
Operations	6.08	6.25	-0.17
Price	5.48	5.82	-0.34
Overall	6.11	6.17	-0.06

Spread of Opinion (%)



Citco

Citco describes its near-term goal as continued organic growth. “We have reached over \$1 trillion in Assets under Administration. We plan to continue doing this by investing in innovative proprietary technology, the most sought-after staff in the industry, strategic enhancements to our products and offerings as well as maintaining our approach of partnering with the ‘right’ Alternative Investment Managers.”

The administrator has registered an excellent set of results this year, exceeding all survey category averages bar one (in which it comes close). As a result, its overall score is comfortably above the global average. Year-on-year, the firm has equalled or improved on its results in seven areas. The biggest jump recorded is for KYC, AML and Sanctions Screening, up 0.65 points from 5.80 to 6.45, Citco’s highest category score this year, followed closely by Client Service.

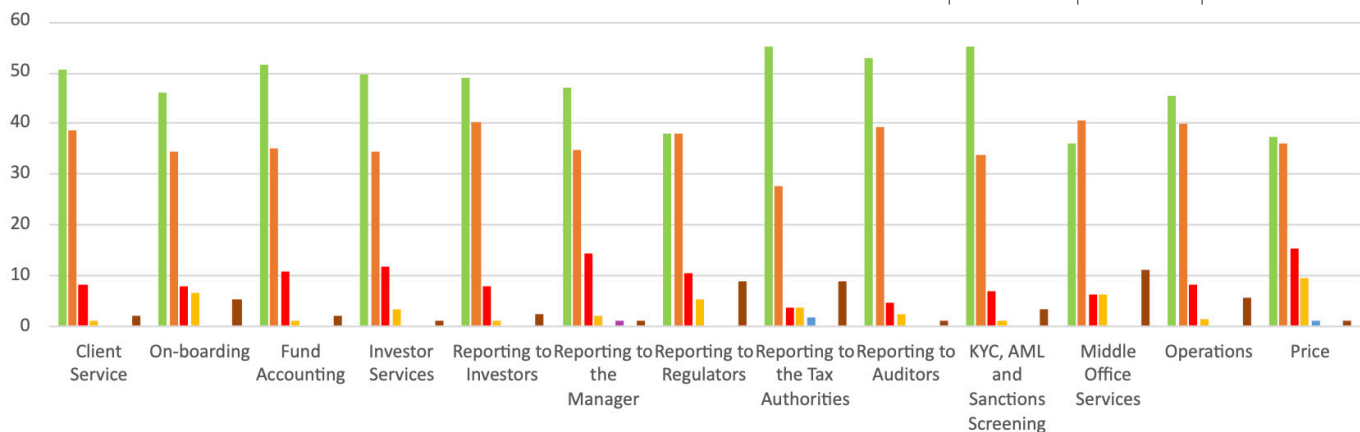
It is the latter that receives the most client comment, all of it positive, with a number of Citco employees individually namechecked. “Very happy with the client experience at Citco and the service given by our relationship managers. The monthly calls and KPIs are incredibly useful and knowing that we can pick up the call to the team to help with any query is something we appreciate,” says one respondent. “Citco does a great job both being proactive and reactive to our needs as a client... very timely and professional in servicing our funds,” says another.

The firm receives praise for more than its soft skills, however. When it comes to the nitty-gritty of fund accounting, one client says their Citco team “does a great job handling the books and records for our funds with very few issues in their work. They do a great job handling the day-to-day needs of our funds and delivering our monthly NAVs timely and with high quality. Citco Accounting is able to adapt with our complex terms in order to incorporate into their systems/processes.”

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.41	6.41	0.00
On-boarding	6.24	6.24	0.00
Fund Accounting	6.37	6.35	0.02
Investor Services	6.31	6.16	0.15
Reporting to Investors	6.36	6.13	0.23
Reporting to the Manager	6.27	6.28	-0.01
Reporting to Regulators	6.17	6.38	-0.21
Reporting to the Tax Authorities	6.41	6.51	-0.10
Reporting to Auditors	6.40	6.41	-0.01
KYC, AML and Sanctions Screening	6.45	5.80	0.65
Middle Office Services	6.15	6.13	0.02
Operations	6.34	6.42	-0.08
Price	6.04	6.20	-0.16
Overall	6.31	6.26	0.05

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	6.41	6.20	0.21
On-boarding	6.24	6.20	0.04
Fund Accounting	6.37	6.21	0.15
Investor Services	6.31	6.09	0.23
Reporting to Investors	6.36	6.18	0.18
Reporting to the Manager	6.27	6.23	0.03
Reporting to Regulators	6.17	6.05	0.12
Reporting to the Tax Authorities	6.41	6.17	0.24
Reporting to Auditors	6.40	6.26	0.14
KYC, AML and Sanctions Screening	6.45	6.29	0.17
Middle Office Services	6.15	6.19	-0.04
Operations	6.34	6.25	0.09
Price	6.04	5.82	0.22
Overall	6.31	6.17	0.14

Spread of Opinion (%)



HSBC

HSBC puts the total value of hedge fund assets it has under administration (AuA) at end-2019 at \$115.44 billion, covering all investment strategies. While the number of hedge fund managers serviced decreased over the year from 146 to 139, the number of hedge funds rose from 256 to 261. The bank also has a number of fund of hedge fund clients.

A more generous assessment from this year’s survey cohort has raised HSBC’s overall average up a grade from Good (5.76) to Very Good (6.04). This reflects increases in scores in eight categories, in particular Onboarding (+0.91) and Reporting to the Manager (+0.58). The bank exceeds the global category average in three areas: Reporting to Regulators, Operations, and Price.

HSBC suggests that the COVID-19 pandemic has accentuated certain industry challenges. Average management fee and performance fee rates, for example, reached new lows in 2020. “Hedge fund administrators are feeling this same pressure as managers look in turn to their fund administrators to reduce costs,” says the bank, suggesting that this industry pressure on costs continues to drive managers towards consolidation in their service provider relationships.

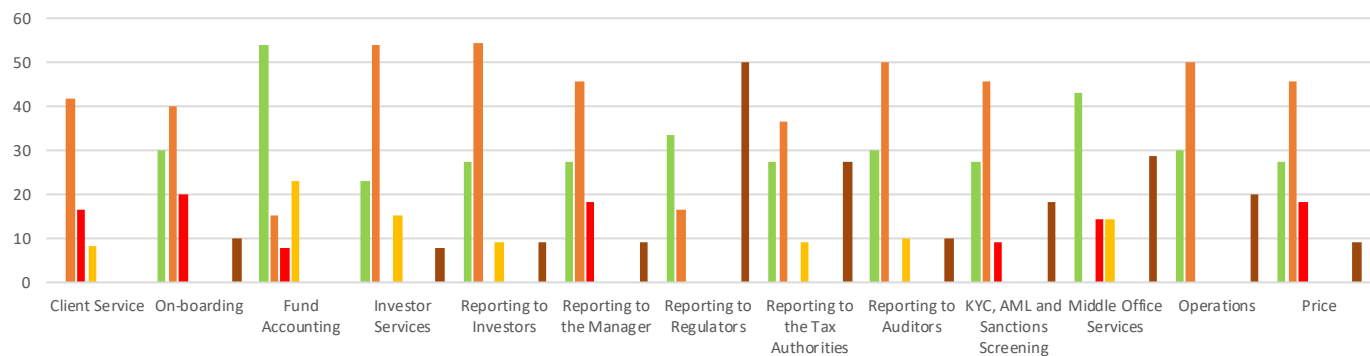
HSBC is in the midst of executing against an ambitious technology roadmap, investing \$2.1 billion in digital transformation. In the past 12 months, this has included the launch of Data Mesh, a self-service platform to consolidate data from over 200 systems into one.

In July 2020, meanwhile, the bank launched an ESG Reporting service designed to help asset owners and managers measure how their investments perform against environmental, social, and corporate governance criteria. The bank points to “a significant regulatory focus on sustainability / ESG investing, with changes to UCITS/ AIFMD and MiFID II directly targeted in this direction.” While these changes will not mandate hedge funds to be ESG-compliant, they will require firms to clarify ESG preferences of investors which, says the bank, “may well drive more demand for proven ESG credentials.”

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	5.96	6.11	-0.15
On-boarding	5.95	5.04	0.91
Fund Accounting	5.93	6.28	-0.35
Investor Services	5.77	6.00	-0.23
Reporting to Investors	6.00	5.89	0.11
Reporting to the Manager	5.95	5.37	0.58
Reporting to Regulators	6.50	5.96	0.54
Reporting to the Tax Authorities	6.12	5.57	0.55
Reporting to Auditors	6.00	6.13	-0.13
KYC, AML and Sanctions Screening	6.15	5.70	0.45
Middle Office Services	5.69	6.19	-0.50
Operations	6.35	6.07	0.28
Price	6.14	5.64	0.50
Overall	6.04	5.76	0.28

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	5.96	6.20	-0.24
On-boarding	5.95	6.20	-0.25
Fund Accounting	5.93	6.21	-0.29
Investor Services	5.77	6.09	-0.32
Reporting to Investors	6.00	6.18	-0.18
Reporting to the Manager	5.95	6.23	-0.28
Reporting to Regulators	6.50	6.05	0.45
Reporting to the Tax Authorities	6.12	6.17	-0.05
Reporting to Auditors	6.00	6.26	-0.26
KYC, AML and Sanctions Screening	6.15	6.29	-0.14
Middle Office Services	5.69	6.19	-0.50
Operations	6.35	6.25	0.10
Price	6.14	5.82	0.32
Overall	6.04	6.17	-0.13

Spread of Opinion (%)



Legend: Excellent (green), Very good (orange), Good (red), Satisfactory (yellow), Weak (blue), Very weak (purple), Unacceptable (dark blue), N/A (brown)

Maples Group

Maples returns to the survey this year after a one-year break. It brings with it a set of category scores mostly at the upper end of the Good range (5.00-5.99). Four categories – Onboarding, Reporting to the Manager, Fund Accounting, and Middle Office Services – are rated Very Good. “Maples takes a proactive approach to client on-boarding including the initial and ongoing AML KYC documentation,” says a respondent. The latter two categories also record scores above the survey average for those categories. “The fund services team has delivered timely accurate NAVs since the beginning of the relationship,” notes one client. As for Middle Office Services, 60% of Maples respondents award it the highest possible rating.

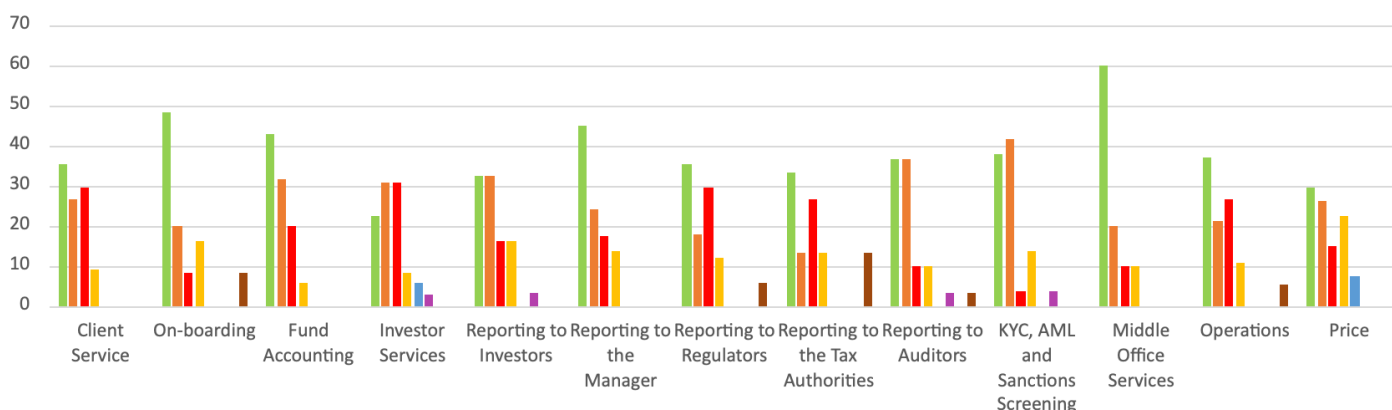
In common with many of its peers participating in the survey, Maples records the most client comments for Client Service, nearly all positive. “Client service team is responsive, experienced and pro-active...Investor services team stays on top of investor documentation and AML KYC responsibilities,” Attractive & professional,” are typical examples.

Maples itself highlights Technology as a key priority in which it has made a number of significant investments to enhance its overall infrastructure. These include the rollout of new standard and customised reporting solutions, introduction of new technology solutions for credit funds, and the continued implementation of new technology for process efficiency and risk mitigation.

“Perhaps most notably we have continued to expand our AML centre of excellence. Intense global regulatory focus and a heightened awareness of the risks associated with money laundering have upped the stakes significantly, as it pertains to regulatory compliance,” says the firm.

While Maples sees a pattern of consolidation across the market, it appears to favour organic growth. An acquisition or merger may allow for synergies or economies of scale, but, says the firm, “one potential consequence may be a drop off in service standards Administrators who prioritise client satisfaction and have a demonstrated track record of long-term stability are typically better positioned to deliver consistent and dedicated servicing.”

Spread of Opinion (%)



Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	5.94	n/a	n/a
On-boarding	6.14	n/a	n/a
Fund Accounting	6.23	n/a	n/a
Investor Services	5.37	n/a	n/a
Reporting to Investors	5.78	n/a	n/a
Reporting to the Manager	6.02	n/a	n/a
Reporting to Regulators	5.74	n/a	n/a
Reporting to the Tax Authorities	5.79	n/a	n/a
Reporting to Auditors	5.65	n/a	n/a
KYC, AML and Sanctions Screening	5.91	n/a	n/a
Middle Office Services	6.41	n/a	n/a
Operations	5.97	n/a	n/a
Price	5.71	n/a	n/a
Overall	5.89	n/a	n/a

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	5.94	6.20	-0.26
On-boarding	6.14	6.20	-0.06
Fund Accounting	6.23	6.21	0.01
Investor Services	5.37	6.09	-0.72
Reporting to Investors	5.78	6.18	-0.40
Reporting to the Manager	6.02	6.23	-0.21
Reporting to Regulators	5.74	6.05	-0.31
Reporting to the Tax Authorities	5.79	6.17	-0.38
Reporting to Auditors	5.65	6.26	-0.61
KYC, AML and Sanctions Screening	5.91	6.29	-0.38
Middle Office Services	6.41	6.19	0.22
Operations	5.97	6.25	-0.28
Price	5.71	5.82	-0.11
Overall	5.89	6.17	-0.28

Northern Trust

With a larger participating response pool, Northern Trust this year receives a full write up along with much improved scores – up 0.78 points from last year to a Very Good 6.15. This is within two basis points of the global survey average. At a category level, the bank has exceeded the global average in eight categories. Were it not for a relatively low score for Reporting to the Tax Authorities – even though up on last year – Northern Trust would have surpassed the overall survey average.

Most notable among its best results are 6.79 for Operations and 6.68 for Middle Office Services, both substantially up on last year and comfortably above the respective category average for all providers.

Client comments are few. “Where there are issues, client service contact is quick and efficient and the firm has a deep and professional team to be relied on,” says one respondent. “Their regional presence and interactions are seamless from helpdesk, to investor relations to product control to financial accounting. The only fail is that changes to the system are not well communicated or documented, causing frustrations.”

One of the most positive comments comes in relation to Reporting to Investors. “Outstanding service, professional and timely communication with investors, super responsive to any requests. Bravo Philippines team --- all in time zone with deep team!”

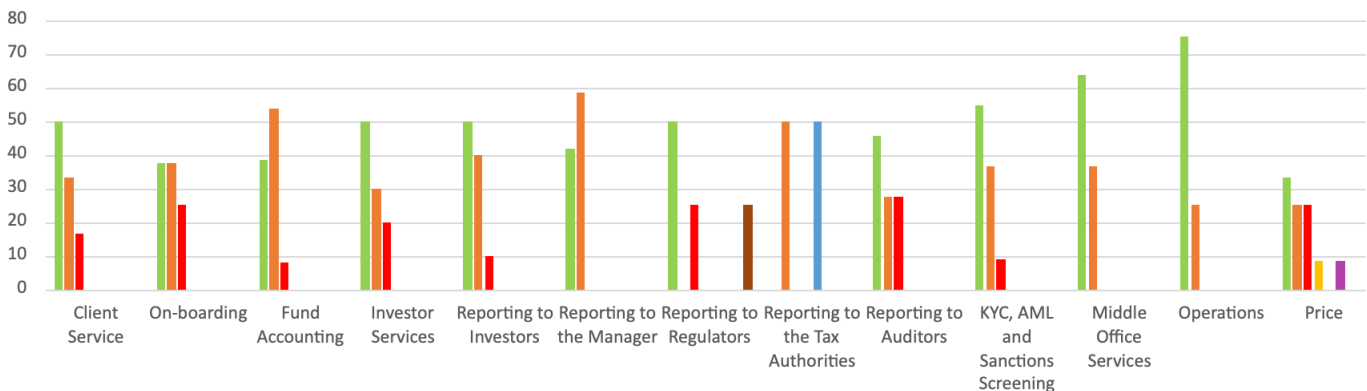
There are one or two gripes, nevertheless. “Reports are generally good and timely, but many times changes in formats make them wonky and we need to go back and have them corrected,” says one otherwise complimentary client.

In terms of enhancements to its service over the past year, Northern Trust highlights the launch of a range of new web-based client dashboards for Omnium, the firm’s middle- and back-office technology platform for alternative fund administration, designed to provide clients with greater transparency into workflows and metrics critical to efficient fund management.

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.35	5.03	1.32
On-boarding	6.13	5.38	0.75
Fund Accounting	6.36	5.53	0.83
Investor Services	6.19	5.22	0.97
Reporting to Investors	6.35	5.74	0.61
Reporting to the Manager	6.45	5.06	1.39
Reporting to Regulators	5.80	5.32	0.48
Reporting to the Tax Authorities	4.20	3.45	0.75
Reporting to Auditors	6.10	5.05	1.05
KYC, AML and Sanctions Screening	6.39	6.28	0.11
Middle Office Services	6.68	5.96	0.72
Operations	6.79	5.69	1.10
Price	5.80	4.33	1.47
Overall	6.15	5.37	0.78

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	6.35	6.20	0.15
On-boarding	6.13	6.20	-0.06
Fund Accounting	6.36	6.21	0.15
Investor Services	6.19	6.09	0.10
Reporting to Investors	6.35	6.18	0.17
Reporting to the Manager	6.45	6.23	0.22
Reporting to Regulators	5.80	6.05	-0.25
Reporting to the Tax Authorities	4.20	6.17	-1.97
Reporting to Auditors	6.10	6.26	-0.16
KYC, AML and Sanctions Screening	6.39	6.29	0.10
Middle Office Services	6.68	6.19	0.50
Operations	6.79	6.25	0.54
Price	5.80	5.82	-0.02
Overall	6.15	6.17	-0.02

Spread of Opinion (%)



Opus Fund Services

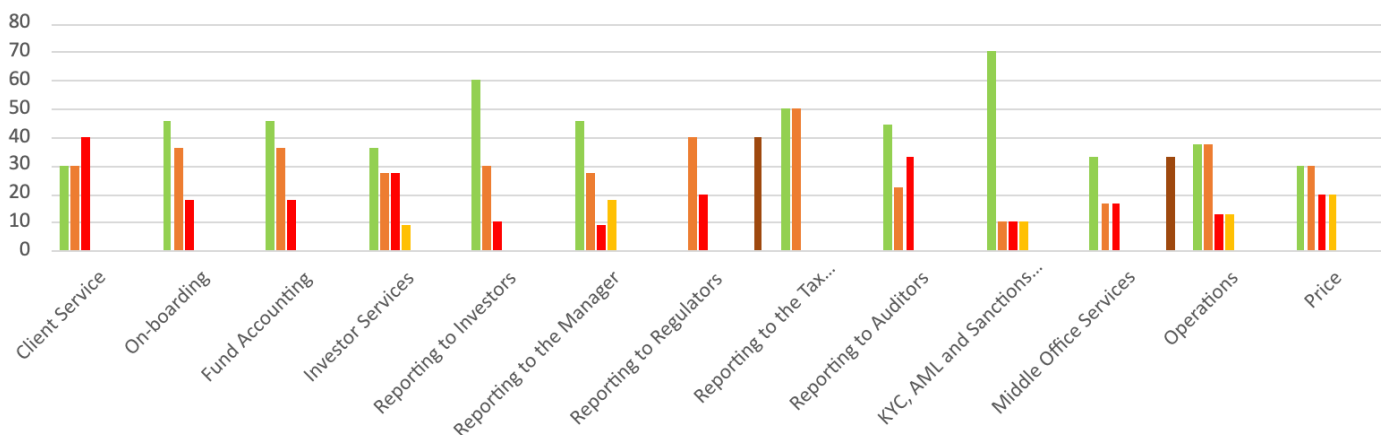
Opus has bounced back from last year’s relatively disappointing set of results, improving its score substantially in two-thirds of categories and beating the global category average in five areas. Reporting to Tax Authorities and Reporting to Investors register the firm’s best results, followed closely by Middle Office Services and KYC, AML and Sanctions Screening. For this last category, 70% of respondents for Opus award it the highest possible rating (7.00). “Opus Fund Services has always provided timely and efficient data regarding any KYC/AML requirements that were not provided with the initial data supplied by prospective investors,” says one client. “I feel that we are in very competent hands regarding these compliance-critical issues.”

With regard to Reporting to Investors, one manager comments: “Opus sends confirmation and NAV statements to investors, and it provides data files via DTCC to certain custodians. Its track record of for these communications is excellent.”

Opus has had a busy time recently in terms of business growth. It has doubled the size of its Client Solutions team through a mix of internal and external recruitment. It has also entered the European Market via an Irish fund administration licence. From a product perspective, it has launched a new Client Symphony Dashboard, offering clients transparency into their day to day operations, has acquired the client base of AFA Fund Administration and implemented a proprietary STP engine for selected NAVs. In terms of broader industry developments, it points to progress towards STP NAVs, increased transparency into real time data for managers and investors, enhanced levels of AML screening and investor verification.

“COVID-19’s long-term impact on the markets is unknown,” says the firm. “Many have managed well through the volatility of Q1/Q2; however, valuation of level 3 securities through unprecedented times remains a major challenge. There is also ever-increasing attention to cyber security from regulators, clients and investors.”

Spread of Opinion (%)



Category	2020	2019	Difference
Client Service	5.83	5.39	0.44
On-boarding	6.23	5.56	0.67
Fund Accounting	6.23	5.87	0.36
Investor Services	5.83	5.34	0.49
Reporting to Investors	6.36	5.31	1.05
Reporting to the Manager	5.83	5.98	-0.15
Reporting to Regulators	5.67	5.30	0.37
Reporting to the Tax Authorities	6.50	6.27	0.23
Reporting to Auditors	6.09	5.40	0.69
KYC, AML and Sanctions Screening	6.25	4.60	1.65
Middle Office Services	6.25	6.30	-0.05
Operations	5.78	6.26	-0.48
Price	5.55	5.76	-0.21
Overall	6.05	5.52	0.53

Category	Average Score	Global Score	Difference vs Global
Client Service	5.83	6.20	-0.36
On-boarding	6.23	6.20	0.03
Fund Accounting	6.23	6.21	0.02
Investor Services	5.83	6.09	-0.25
Reporting to Investors	6.36	6.18	0.18
Reporting to the Manager	5.83	6.23	-0.40
Reporting to Regulators	5.67	6.05	-0.38
Reporting to the Tax Authorities	6.50	6.17	0.33
Reporting to Auditors	6.09	6.26	-0.17
KYC, AML and Sanctions Screening	6.25	6.29	-0.04
Middle Office Services	6.25	6.19	0.06
Operations	5.78	6.25	-0.47
Price	5.55	5.82	-0.27
Overall	6.05	6.17	-0.12

SS&C Technologies

SS&C's response pool in this year's survey has lifted it into the cohort of top performers in terms of overall scores, surpassing the global average by nine basis points beating all global category averages bar that for Price. Compared to its 2019 results, the provider has improved in all but two categories: Price and Reporting to Regulators.

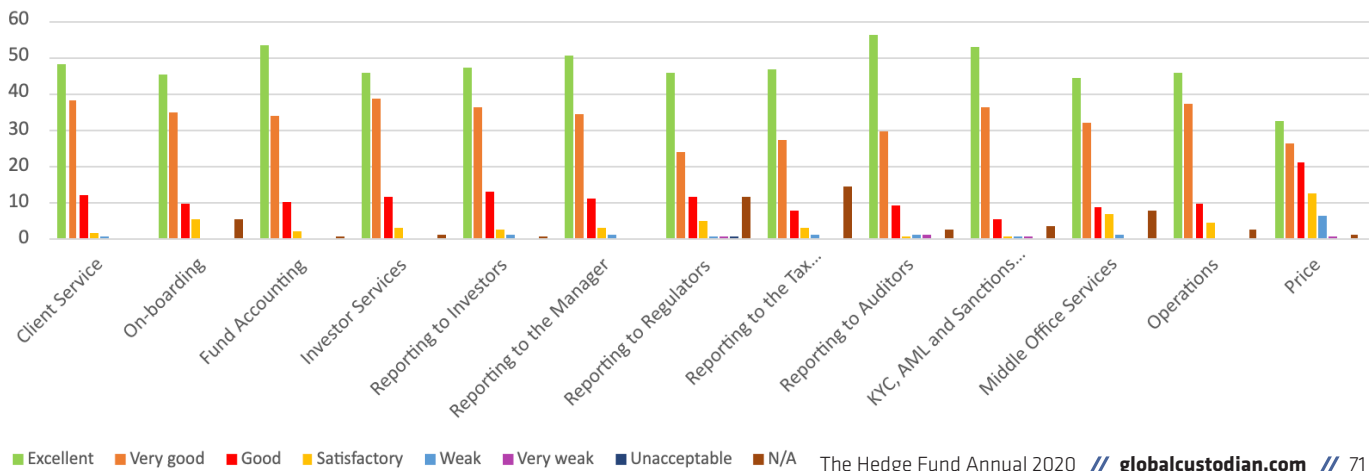
Its most highly regarded services this year are KYC, AML and Sanctions Screening (6.43) and Fund Accounting (6.41). Of the latter, one client notes, "On point and on time every month. No errors, always attentive, efficient and thorough! Spectacular work!" Another points out that, "We have had the same excellent accounting team for the entire eight years of our relationship."

KYC, AML and Sanctions Screening is one area where many participants in the survey as a whole bemoan the degree of intrusion it requires. SS&C appear to have been spared much of that. "They are very clear and adherent to their KYC, AML and similar screenings," says one respondent. "We appreciate their professionalism and dedication to maintaining their practices and requirements!"

Another survey participant is particularly appreciative of SS&C's operational service model: "Having a ring-fenced team that only service our business has proven a good model. It means the individuals covering our business understand our business as well as needs more thoroughly, allowing them to partner with us in process improvement projects. It also means responses are efficient as the individuals are not distracted by requests from other clients."

Surveying the market environment, SS&C suggests the COVID-19 pandemic has stress-tested fund managers' confidence in their service providers. "Firms have universally shifted to a remote, work-from-home model, causing potential regulatory implications sourced in the stress on the manager's operational and strategic activities, key-man risk, infrastructure challenges like internal staff capacity limitations, and the downstream impact of delays in NAV processing," says the firm. "SS&C has experienced a substantial increase in queries about services supporting the specific needs prompted by current events."

Spread of Opinion (%)



Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.32	5.96	0.36
On-boarding	6.29	5.88	0.41
Fund Accounting	6.41	6.19	0.22
Investor Services	6.26	5.88	0.38
Reporting to Investors	6.26	6.17	0.09
Reporting to the Manager	6.31	5.90	0.41
Reporting to Regulators	6.11	6.27	-0.16
Reporting to the Tax Authorities	6.37	5.97	0.40
Reporting to Auditors	6.37	6.22	0.15
KYC, AML and Sanctions Screening	6.43	6.21	0.22
Middle Office Services	6.26	6.14	0.12
Operations	6.27	6.21	0.06
Price	5.70	5.84	-0.14
Overall	6.26	6.09	0.17

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	6.32	6.20	0.13
On-boarding	6.29	6.20	0.10
Fund Accounting	6.41	6.21	0.19
Investor Services	6.26	6.09	0.17
Reporting to Investors	6.26	6.18	0.07
Reporting to the Manager	6.31	6.23	0.08
Reporting to Regulators	6.11	6.05	0.06
Reporting to the Tax Authorities	6.37	6.17	0.20
Reporting to Auditors	6.37	6.26	0.11
KYC, AML and Sanctions Screening	6.43	6.29	0.14
Middle Office Services	6.26	6.19	0.07
Operations	6.27	6.25	0.03
Price	5.70	5.82	-0.12
Overall	6.26	6.17	0.09

Trident Trust

Trident Trust counts some 116 hedge fund and fund of hedge fund managers among its client base. While the bulk of its survey response pool is US-based, it has in recent times made a substantial investment in the build-out of its fund administration business in Asia and has seen its client base grow in that region as a result.

This year's ratings put Trident among the top three providers in terms of client satisfaction with services offered. Scores have risen year-on-year in nine categories – particularly so in the areas of Client Service (+0.91 points), Fund Accounting (+0.75 points), Reporting to Regulators (+0.69 points) and Reporting to the Tax Authorities (+1.58 points). It now boasts 10 service categories in Very Good range (6.00-6.99). It also outperforms the survey average in 10 service categories, most notably in the areas of Reporting to Auditors and Reporting to Managers. Unusually, it also outperforms the survey average for Price by 0.47 – surprising as it is rare for clients to give their providers much credit in this particular category.

As with most providers in this survey, it is the area of Client Service that attracts the most qualitative comment. “All of the staff at Trident are very responsive and knowledgeable,” says one participant. “They handle my requests promptly and accurately in addition to their normal duties as a third-party administrator.” Another lauds “Great attention to detail and timely responses to questions.”

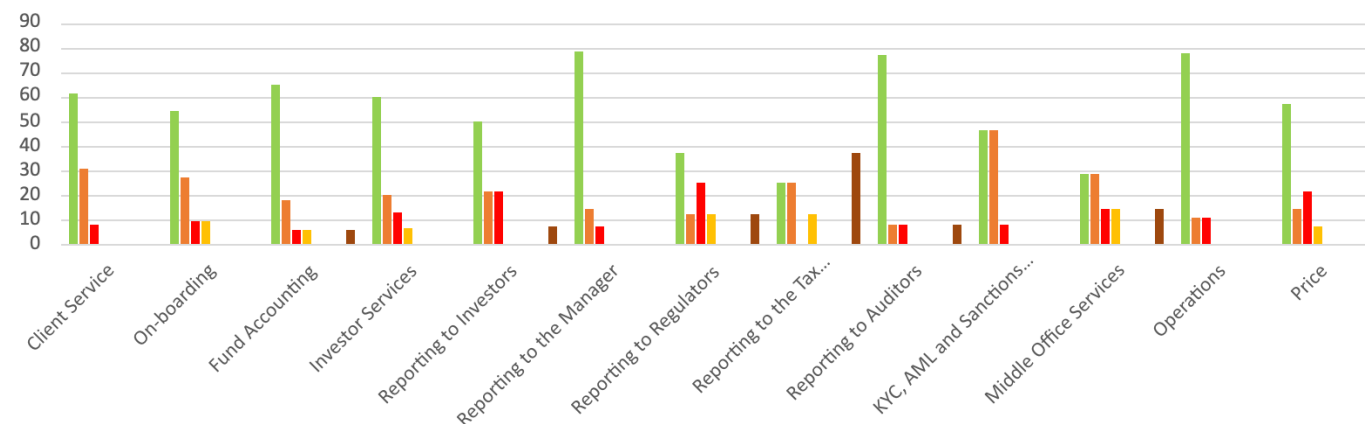
In the less glamorous field of Fund Accounting, one client comments that, “Trident has done a great job keeping up the fund’s books. They will customise templates for us based on the information we need quickly and help sort through any questions we might have.”

With reference to Reporting to Auditors, one client is particularly complimentary: Trident works well with our auditors and is always available to send information in customised formats. Trident will make their entire team available for calls to make sure our auditor understands everything.”

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.50	5.59	0.91
On-boarding	6.21	6.00	0.21
Fund Accounting	6.45	5.70	0.75
Investor Services	6.20	6.42	-0.22
Reporting to Investors	6.25	6.10	0.15
Reporting to the Manager	6.76	5.70	0.06
Reporting to Regulators	5.67	4.98	0.69
Reporting to the Tax Authorities	5.71	4.13	1.58
Reporting to Auditors	6.67	6.16	0.51
KYC, AML and Sanctions Screening	6.29	6.12	0.17
Middle Office Services	5.75	6.09	-0.34
Operations	6.55	6.62	-0.07
Price	6.29	6.45	-0.16
Overall	6.28	6.01	0.27

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	6.50	6.20	0.30
On-boarding	6.21	6.20	0.02
Fund Accounting	6.45	6.21	0.24
Investor Services	6.20	6.09	0.11
Reporting to Investors	6.25	6.18	0.07
Reporting to the Manager	6.76	6.23	0.53
Reporting to Regulators	5.67	6.05	-0.38
Reporting to the Tax Authorities	5.71	6.17	-0.45
Reporting to Auditors	6.67	6.26	0.40
KYC, AML and Sanctions Screening	6.29	6.29	0.01
Middle Office Services	5.75	6.19	-0.44
Operations	6.55	6.25	0.30
Price	6.29	5.82	0.47
Overall	6.28	6.17	0.10

Spread of Opinion (%)



BNY Mellon

After skipping a year, BNY Mellon is back, though with a smaller number of respondents than it traditionally garners. They are a geographically diverse group, however, half being from the US and the remainder from Europe, Asia-Pacific and the Middle East.

The scores recorded for BNY Mellon span a wide range from an impressive 6.45 for Reporting to the Tax Authorities to a just acceptable 4.00 for Reporting to Regulators. However, this may well be a function of the small sample size which allows individual clients more leeway to sway the scores.

The bank outperforms the survey averages in four categories: Investor Services, Reporting to the Manager, Reporting to the Tax Authorities and KYC, AML and Sanctions Screening.

Clients have not provided any qualifying comment to the scores they have awarded, but on their own, this set of results would suggest that on the whole they are happy with the service they are receiving. With the exception of Reporting to Regulators, all other categories are ranked either Good (5.00-5.99) or Very Good (6.00-6.99).

The bank will be pleased that when it comes to the area of Client Service, some 60% of its response pool award BNY Mellon the highest possible score.

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.07	n/a	n/a
On-boarding	5.50	n/a	n/a
Fund Accounting	5.41	n/a	n/a
Investor Services	6.23	n/a	n/a
Reporting to Investors	5.25	n/a	n/a
Reporting to the Manager	6.25	n/a	n/a
Reporting to Regulators	4.00	n/a	n/a
Reporting to the Tax Authorities	6.45	n/a	n/a
Reporting to Auditors	5.80	n/a	n/a
KYC, AML and Sanctions Screening	6.33	n/a	n/a
Middle Office Services	n/a	n/a	n/a
Operations	5.77	n/a	n/a
Price	5.67	n/a	n/a
Overall	5.71	n/a	n/a

State Street

As with last year, State Street does not record sufficient responses for a full analysis, but those that it has received tell a fairly similar story to 2019. Most categories are rated Satisfactory (4.00-4.99). Its best category score (5.00) is for Reporting to Regulators.

Although the result for Client Service has improved noticeably over last year, it is still one of the bank's weaker categories. "State Street continues to make manual errors in NAV valuations. In other areas I expected more from them in guidance with reporting requirements, considering their substantial experience," says one client.

Not all comments are complaints. "State Street does a good job in supplying the auditors with the requested information," says one client of one of the bank's more improved categories. However, given State Street's expertise and reputation across the broad area of asset servicing, it is rather surprising that it seems to languish repeatedly in this particular survey. "I had higher expectations for State Street based upon prior experiences," says one client.

Given the relatively small respondent pool, it is possible that one or two disgruntled clients have influenced the scores in a downward direction. Hopefully, next year the results can be tested against a broader participant base.

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	3.91	3.55	0.36
On-boarding	4.00	5.06	-1.06
Fund Accounting	4.27	5.09	-0.82
Investor Services	4.64	4.29	0.35
Reporting to Investors	4.73	5.29	-0.56
Reporting to the Manager	4.33	5.16	-0.83
Reporting to Regulators	5.00	4.73	0.27
Reporting to the Tax Authorities	4.67	2.26	2.41
Reporting to Auditors	4.55	3.81	0.74
KYC, AML and Sanctions Screening	4.00	3.90	0.10
Middle Office Services	4.71	3.85	0.86
Operations	4.86	3.72	1.14
Price	3.00	4.15	-1.15
Overall	4.30	4.42	-0.12