



The
2021

PRIVATE
EQUITY FUND
ADMINISTRATION
SURVEY

After a period of unavoidable “workflow adjustments”, private equity fund administrators have fulfilled their role of providing operational support to a client base in flux. While scores at a category level have fallen since last year’s survey, they remain in the Good range (5.00-5.99).

Technology, which records the lowest average score of any category has, understandably, been particularly tested over the past 18 months. While many service providers cite their recent investments in technology enhancement, the shock of having to cope with short-notice restructuring of communication and data flows has, it seems, given this year’s respondents a more immediate focus in judging their providers’ technological performance. In addition, the impact of technology investment on client perception is often not visible in the ratings for a year or two. We would therefore expect scores in this area to show a marked improvement in 2022.

Despite the service challenges brought on by the operating environment, many providers are optimistic about growth prospects in private equity fund administration. Several report increased queries about the possibility of expanding the scope of outsourcing arrangements as managers confront the likely cost of retaining in-house control of functions that do not relate directly to their core investment expertise. Regulators’ demands for more information are likely to exacerbate this trend. Finally, a heightened degree of merger and acquisition activity will inevitably spur at

TRIAL BALANCE

The COVID-19 pandemic has tested administrators and clients alike without, however, derailing expansion plans.

Category	Average Score	Average Score Previous Year	Difference
Capital Drawdowns and Distributions	5.92	6.12	-0.20
Client Service	5.76	5.89	-0.13
Depository Services	5.48	5.87	-0.39
Geographical coverage	5.73	6.19	-0.46
KYC, AML and Sanctions Screening	5.83	5.76	0.07
On-boarding	5.76	5.84	-0.08
Reporting to General Partners	5.61	5.90	-0.28
Reporting to Limited Partners	5.84	5.88	-0.04
Reporting to Regulators	5.63	6.03	-0.40
Technology	5.37	5.50	-0.13
Overall Average	5.70	5.90	-0.21

least some clients to explore alternative providers. For those who have invested

in the requisite enhancements, the future does indeed look promising.

Methodology

As in last year’s PEFA questionnaire, there was only one ratings question in each service category. Respondents were offered a sliding scale in each case from *Unacceptable* to *Excellent*. Some categories included a number of *optional* qualifying questions to add colour. There was also an optional comment box per category, allowing us to gather a richer and more nuanced view of client experiences.

The published results use Global Custodian’s conventional seven-point scale familiar to readers of the magazine (where 7.00 equals *Excellent* and 1.00 equals *Unacceptable*).

Five responses were the minimum sample number required to assess a service provider. This year, eight providers have passed that threshold.

In the pages that follow, scores for each provider are provided in four new tables and charts:

1. A year-on-year comparison by category with the previous year’s results and the difference between them.
2. A ‘spread of opinion’ pie chart showing the proportion of votes in each rating segment from *Unacceptable* to *Excellent* aggregated across all categories.
3. A line graph giving an at-a-glance indication of how a provider’s category-level results compare to the global average, and
4. A table amplifying the results of the previous graph by indicating the percentage outperformance and underperformance of a provider in its top three and bottom three categories

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

Alter Domus

With 36 offices around the world, Alter Domus has over \$1 trillion in assets under administration of which, over \$500 billion are within the private equity segment.

It provides services to investors as well as fund managers, offering a full range of transfer agency services, including investor onboarding, capital calls, distributions, subscriptions and redemptions.

With more managers embracing different aspects of the outsourcing model, the overall market for private equity fund administration continues to grow. According to Alter Domus, drivers include cost concerns, need for technology, and demands by Limited Partners for timely and transparent reporting. It describes the last 12 months as a period of exponential growth at Alter Domus. “Most notably, our acquisitions of IPS Fund Services and Strata Fund Solutions allowed us to build a presence on the West Coast and in Boston, while our acquisitions of UK-based Credit-Vision and New York-based Investors Economic Assurance (IEA) added further technology and platforms to our offering,” says the firm. In addition to acquisitions, the firm has recently launched both third-party AIFM and specialised depositary services in Ireland.

The firm’s clients rate it above the survey average for Client Service and Technology in particular. Client comments suggest other areas of satisfaction, notably geographical coverage, where one client notes that, “AD have grown alongside the changing geographical reach of our own funds, which has enabled us to maintain the relationship and help mitigate risks like Brexit.”

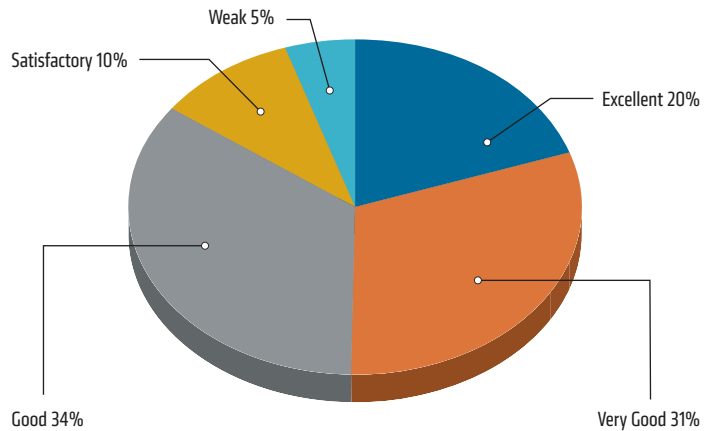
Another notes that, “Despite their fast growth and global expansion with larger clients over the last decade (relative to our own growth), they continue to treat us an important client.”

Although Alter Domus fell short of the threshold for a full presentation in 2020, its scores have improved in most category areas (2020 scores are included for comparative purposes only).

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	5.79	5.00	0.79
Client Service	6.00	4.67	1.33
Depositary Services	4.20	6.00	-1.80
Geographical Coverage	5.50	6.00	-0.50
KYC, AML and Sanctions Screening	5.63	6.00	-0.37
On-boarding	5.73	5.60	0.13
Reporting to General Partners	5.38	3.00	2.38
Reporting to Limited Partners	5.86	4.50	1.36
Reporting to Regulators	4.63	6.00	-1.37
Technology	5.71	5.00	0.71
Overall Average	5.44	5.18	0.27

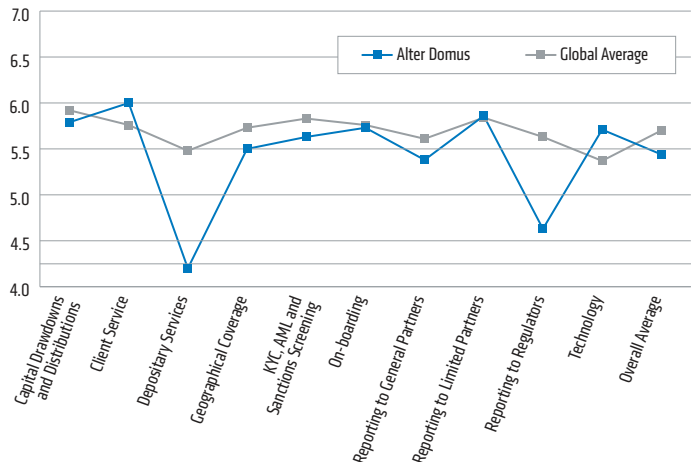
*Rounding to two decimal places may result in minor discrepancies in the Difference column of up to 0.01.

Spread of Opinion (%)



Percentage +/- Global Average (Top/Bottom 3)	
Category	Vs Global (%)
Technology	6.3
Client Service	4.1
Reporting to Limited Partners	0.4
Reporting to General Partners	-4.1
Reporting to Regulators	-17.7
Depositary Services	-23.4

Provider Scores Versus Global Average



Apex Group

With AuA of \$360 billion in private equity assets, Apex has been growing rapidly. It has received more responses than any other provider in the survey and it is therefore not surprising that its category scores tack close to the overall survey average, which its respondents have helped to establish. There has been some drop in scores across a number of categories, though overall it remains comfortably in the upper realms of Good range (5.00-5.99).

The firm itself identifies a number of changes to both the market environment and client demands over the past year. These include an increased focus on ESG reporting and aligning ESG goals to investment performance, increasingly sophisticated reporting requirements driven by investor demand around access to aggregated performance reporting and real-time reporting, and advances in technology with the advent of distributed ledger technology (DLT).

In terms of its own operations, Apex highlights several acquisitions over the past 12 months, including: two in Brazil – BRL Trust Investimentos and the fund administration business of Banco Modal – adding a LATAM footprint for the firm; Tzur Management, a fund admin provider with offices in Israel and New York; and mola-administration GmbH (“mola”), one of Germany’s leading fund administrators.

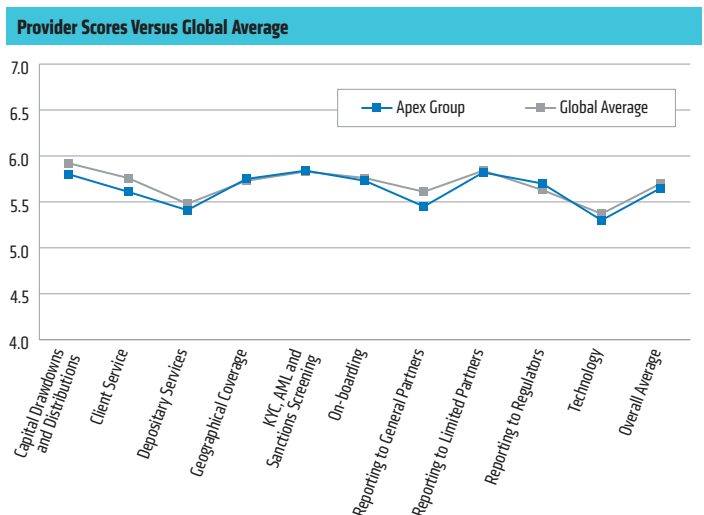
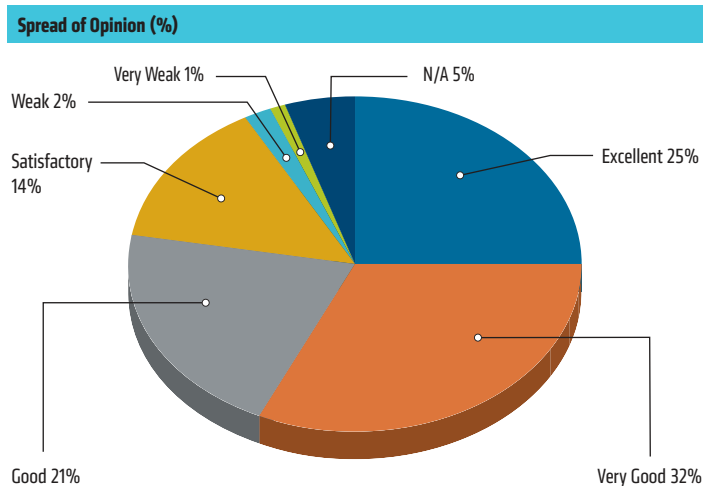
This growth is, however, causing some grumbles among respondents: Although there are a number of plaudits for the hard work put in by firm employees, one EU-based client suggests that, “Client service is deteriorating as Apex is growing.” Another notes that, “At the start we had really great team members and that has slipped, which is disappointing and has decreased my satisfaction with client service.”

By contrast, reporting to both investors and regulators receives praise. “Apex Group has state of art technology for investor reporting which is cost and process efficient,” says one client, while another compliments the “very professional compliance team who provide guidance on each regulatory requirement and assist in the regulatory reporting.”

Percentage +/- Global Average (Top/Bottom 3)	
Category	Vs Global (%)
Reporting to Regulators	1.3
Geographical Coverage	0.4
KYC, AML and Sanctions Screening	0.2
Capital Drawdowns and Distributions	-2.1
Client Service	-2.6
Reporting to General Partners	-2.8

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	5.80	6.00	-0.20
Client Service	5.61	6.05	-0.44
Depository Services	5.41	6.00	-0.59
Geographical Coverage	5.75	6.07	-0.32
KYC, AML and Sanctions Screening	5.84	5.83	0.02
On-boarding	5.73	5.87	-0.14
Reporting to General Partners	5.45	6.00	-0.55
Reporting to Limited Partners	5.82	5.95	-0.13
Reporting to Regulators	5.70	5.85	-0.15
Technology	5.30	5.72	-0.42
Overall Average	5.65	5.95	-0.29

*Rounding to two decimal places may result in minor discrepancies in the Difference column of up to 0.01.



Intertrust Group

Though an established presence in the Hedge Fund Administration survey, Intertrust Group receives a rating for the first time this year for its Private Equity Fund Administration services, with 46% rating its individual category services as either Excellent or Very Good.

In 2021, the firm launched its Prime SPV solution, enabling private capital firms to see all their SPV-related data in one place, not only from Intertrust Group, but also from the clients' in-house systems and other third-party administrators. The solution includes base components covering the day-to-day operations of an SPV portfolio, managing multiple service providers and aggregating data to provide one global view of all a client's legal entities. It also offers full visibility of workflow tasks and access to a multi-jurisdictional compliance and regulatory calendar, as well as custom add-ons including accounting data, feeds and bank reconciliations.

Global Custodian's experience is that technological innovation in services usually takes a couple of years to feed through into survey results and this is the case with Intertrust Group.

"The staff is great," says one client, adding that, "The firm seems to need some revision of standards and procedures." Another describes the technology used for fund administration as "very underdeveloped".

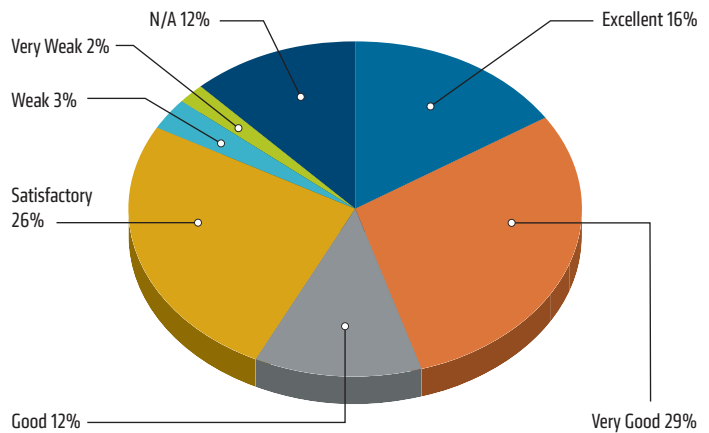
This leads to the comments such as the following from one client on Capital Drawdowns: "No problems to report so far, capital calls have been sent out correctly and timely. However, the confirmation process of moneys wired to the fund's account has been slow because Intertrust has to manually match clients SWIFT messages to the wires register."

The firm is clearly aware of the need to meet growing industry demands for automation. In addition to LP demands for more frequent information updates, the administrator notes that GPs have their own growing requirements, "including data needs, automation of workflows, management of fund accounting and reporting and access to robust due diligence."

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	5.88	n/a	n/a
Client Service	4.94	n/a	n/a
Depository Services	6.50	n/a	n/a
Geographical Coverage	5.39	n/a	n/a
KYC, AML and Sanctions Screening	5.00	n/a	n/a
On-boarding	5.44	n/a	n/a
Reporting to General Partners	5.38	n/a	n/a
Reporting to Limited Partners	5.33	n/a	n/a
Reporting to Regulators	5.57	n/a	n/a
Technology	5.00	n/a	n/a
Overall Average	5.44	n/a	n/a

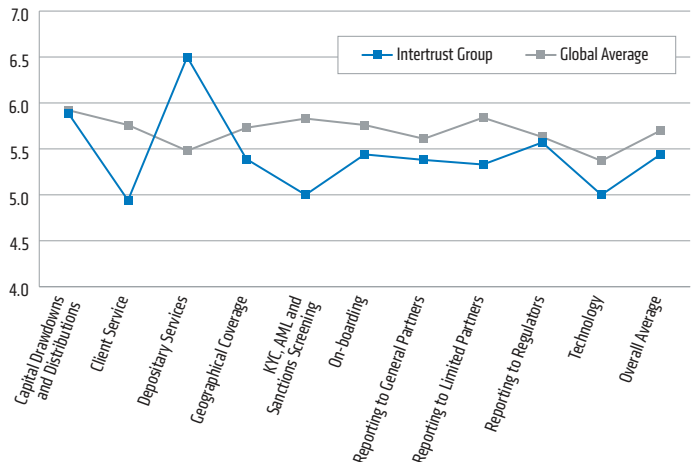
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Spread of Opinion (%)



Percentage +/- Global Average (Top/Bottom 3)	
Category	Vs Global (%)
Depository Services	18.6
Capital Drawdowns and Distributions	-0.7
Reporting to Regulators	-1.0
Reporting to Limited Partners	-8.7
KYC, AML and Sanctions Screening	-14.2
Client Service	-14.3

Provider Scores Versus Global Average



Maples Group

Maples Group has close to \$50 billion of private equity related funds, the bulk of which are for clients with up to \$1 billion in committed capital under management.

“While this has been a challenging year in many ways, we have seen private asset managers increasingly realise the benefit of aligning themselves with service providers that can help them navigate this environment,” says Maples. “This has resulted in steady growth of our global business in a market that has otherwise been very difficult for most fund administrators and we are confident that we are building strong long-lasting partnerships with the clients we service.”

The firm describes 2020 as unique in terms of client requirements, specifically the need for more real-time information and requests for more ad-hoc and custom analytics, adding, “We also saw a shift amongst private asset clients who increasingly sought to outsource more elements of their operations including regulatory reporting and AML duties.”

Maples has introduced a number of new solutions and enhancements to its existing platform. These include, inter alia, Alpha, its proprietary investor-services platform capable of creating, maintaining and storing investor records that feed into its automated AML/KYC workflow, and AQMetrics, which has streamlined the creation and submission of clients’ regulatory filings.

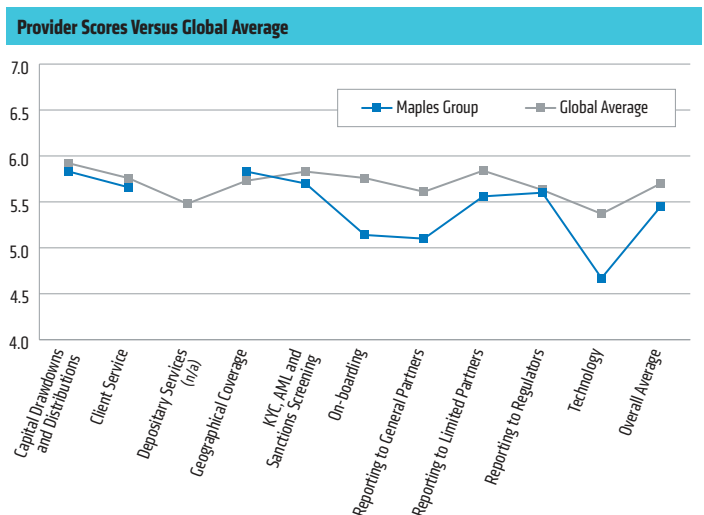
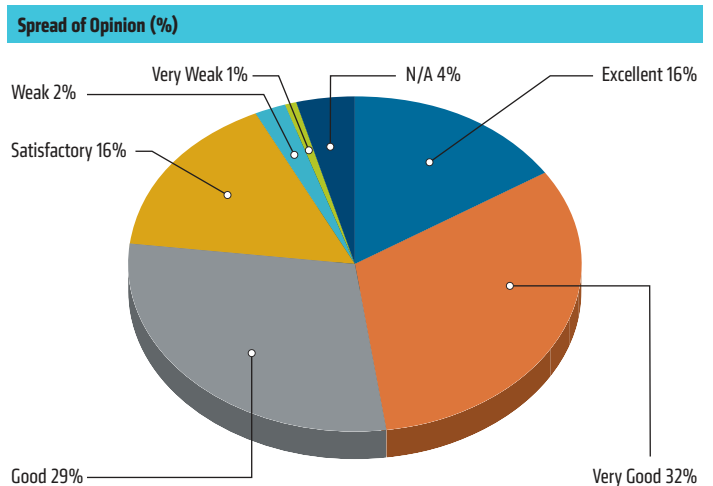
In the meantime, customer perceptions of the firm’s technology will take a while to feed through to higher ratings, the score for Technology perhaps confirming the need for enhancements recently undertaken. “The accounting system is good; however, seems like it is not being used in its full capacity,” says one respondent.

Another is complimentary about current team members, but is looking for improvements in other areas: “We would like to work with Maples on additional business or projects, provided that Maples’ technology platforms are enhanced and further services could be provided at a lower cost.”

Percentage +/- Global Average (Top/Bottom 3)	
Category	Vs Global (%)
Geographical Coverage	1.8
Reporting to Regulators	-0.5
Capital Drawdowns and Distributions	-1.6
Reporting to General Partners	-9.1
On-boarding	-10.7
Technology	-13.0

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	5.83	5.87	-0.04
Client Service	5.66	5.50	0.16
Depository Services	n/a	n/a	n/a
Geographical Coverage	5.83	6.21	-0.38
KYC, AML and Sanctions Screening	5.70	5.95	-0.25
On-boarding	5.14	6.14	-1.00
Reporting to General Partners	5.10	5.86	-0.76
Reporting to Limited Partners	5.56	5.83	-0.27
Reporting to Regulators	5.60	6.50	-0.90
Technology	4.67	6.29	-1.62
Overall Average	5.45	6.02	-0.57

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PEF Services

Entering the survey for the first time, PEF Services has produced a largely pleasing set of results which surpass the global average in many categories, notably Technology and Client Service. According to one client, “PEF upgraded their technology last year and it went from good to great; we are very happy with the software and how it works for GPs and LPs.”

Over the past 12 months, says PEF, “the impact of market conditions has underscored the need for achieving alignment between the front-office and back-office operations of the General Partner (GP) firm and between the GP’s firm and investors. As one example, unless investors and GPs can both understand, easily explain and disclose information about management fees, there will be a constant source of pain for the industry and could dampen our industry’s ability to foster the next generation of firms.”

It describes the industry as having long been plagued by repeated reconciliation efforts due to lack of access by all parties to data sourced from the official books and records of the fund. PEF Services’ portal has, says the firm, addressed this issue for investors and clients. “In 2020, we took it one step further with our Accounting Portal,” it explains. “With it, accounting professionals at our clients gain direct access to the books and records for their funds, as if they were running the accounting system.”

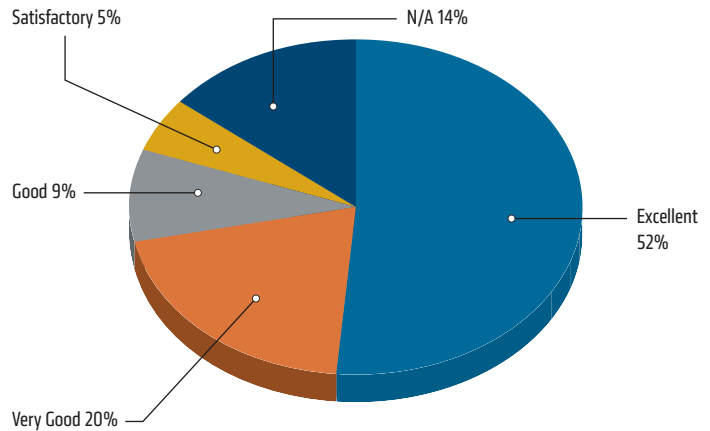
As regards Client Service, one respondent notes, “We began using PEF Services in 2020. Transition was a little bumpy, but access to senior and middle management was always excellent.”

Another suggests that their working relationship with the firm as a whole is on solid ground: “PEF provides excellent service to its clients... We appreciate all of their top-notch service and guidance throughout the years. We also appreciate their whitepapers, webinars, and other learning opportunities.”

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	6.55	n/a	n/a
Client Service	6.83	n/a	n/a
Depository Services	4.00	n/a	n/a
Geographical Coverage	5.13	n/a	n/a
KYC, AML and Sanctions Screening	5.57	n/a	n/a
On-boarding	5.82	n/a	n/a
Reporting to General Partners	6.50	n/a	n/a
Reporting to Limited Partners	6.33	n/a	n/a
Reporting to Regulators	6.00	n/a	n/a
Technology	6.64	n/a	n/a
Overall Average	5.94	n/a	n/a

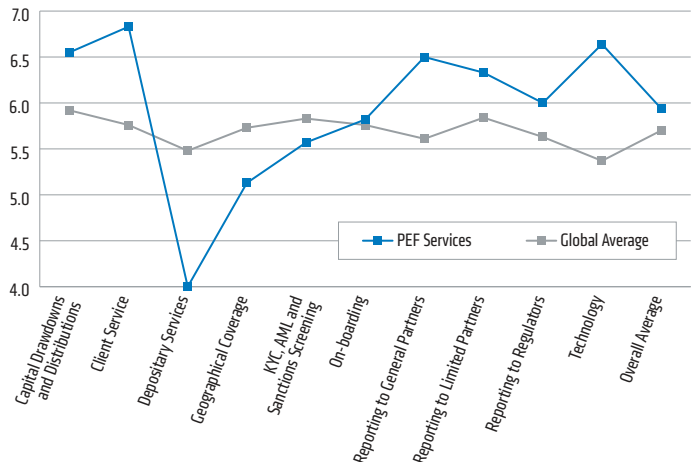
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Spread of Opinion (%)



Percentage +/- Global Average (Top/Bottom 3)	
Category	Vs Global (%)
Technology	24.0
Client Service	19.0
Reporting to General Partners	16.0
KYC, AML and Sanctions Screening	-4.0
Geographical Coverage	-10.0
Depository Services	-27.0

Provider Scores Versus Global Average



SS&C Technologies

SS&C has replicated its impressive results from 2020 with most categories as well as an overall average comfortably in Very Good range (6.00-6.99) and consistently above the market average.

In addition to the actual scores, qualitative client comment is largely complimentary. “Great customer service – professional, detail oriented, responsive to requests,” says one respondent, though another expresses some concern about the potential impact of staff turnover.

Reporting to General Partners, SS&C’s second highest scoring category is singled out for its flexibility. “The SS&C Team has worked well with me to develop a series of reporting that is very specific to our firm,” says one client. “Some of the reports are fairly complicated, but they worked with me to figure out how to have TNR [SS&C’s platform] produce the needed reports to back up my excel models.”

The firm itself continues to see significant growth in the number and type of firms that have historically self-administered their funds exploring a service provider relationship. “The last year has brought a change in the type, size and age of firms that are now looking for the right partner,” says SS&C. “The scope of services needed by managers has expanded to include investor portals, tax services, management company, portfolio management processes and data aggregation. Equally important is the need for connectivity between SS&C and the fund manager to share information and data. This has become more evident over the past year with remote work arrangements where the operations and technology of many private fund managers continues to be tested.”

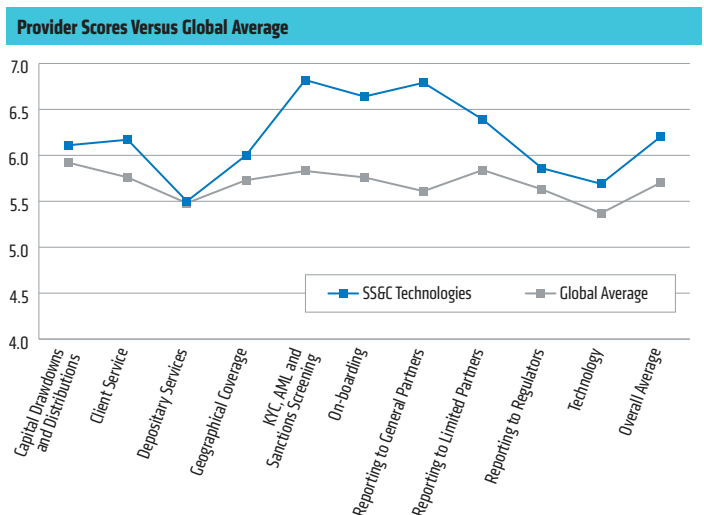
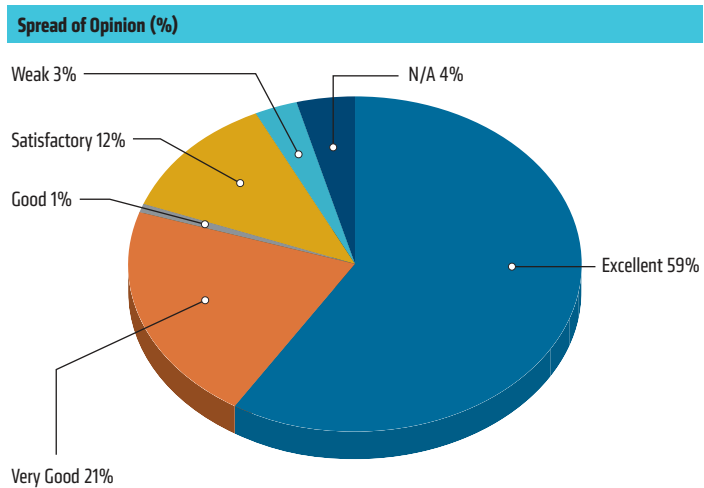
The firm’s CORE-Sightline product was, it says, developed to address clients’ need for comprehensive data management and analytic solutions, allowing clients to interact and manipulate aggregated data into customisable views.

“SS&C has scaled well with our firm,” says one respondent. “We intend to partner with them on future funds. They are professional and a great service provider.”

Percentage +/- Global Average (Top/Bottom 3)	
Category	Vs Global (%)
Reporting to General Partners	21.0
KYC, AML and Sanctions Screening	17.0
On-boarding	15.4
Reporting to Regulators	4.1
Capital Drawdowns and Distributions	3.2
Depository Services	0.4

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	6.11	6.39	-0.28
Client Service	6.17	6.42	-0.25
Depository Services	5.50	6.47	-0.97
Geographical Coverage	6.00	6.27	-0.27
KYC, AML and Sanctions Screening	6.82	5.63	1.19
On-boarding	6.64	6.59	0.05
Reporting to General Partners	6.79	6.30	0.49
Reporting to Limited Partners	6.39	5.99	0.40
Reporting to Regulators	5.86	6.41	-0.55
Technology	5.69	5.50	0.19
Overall Average	6.20	6.20	0.00

*Rounding to two decimal places may result in minor discrepancies in the Difference column of up to 0.01.



Trident Trust

While not reaching 2020's levels, Trident Trust has recorded another set of impressive scores with all but three category scores registering as either Very Good (6.00-6.99) or Excellent (7.00). The latter is recorded for Depository Services – an area where a number of providers rated in this year's survey do not venture. All but On-boarding are above the global average. Over half of respondents for Trident, rate its individual service categories as Excellent.

"Trident consistently demonstrates excellent service, fantastic response time, and clear understanding of the intricacies of our fund structures," says one client. Its geographical coverage is also lauded. "Trident is a global firm with numerous fund jurisdictions abroad," notes one respondent. "Most recently we have worked with their office in Luxembourg to help consult and advise in certain tax structuring issues."

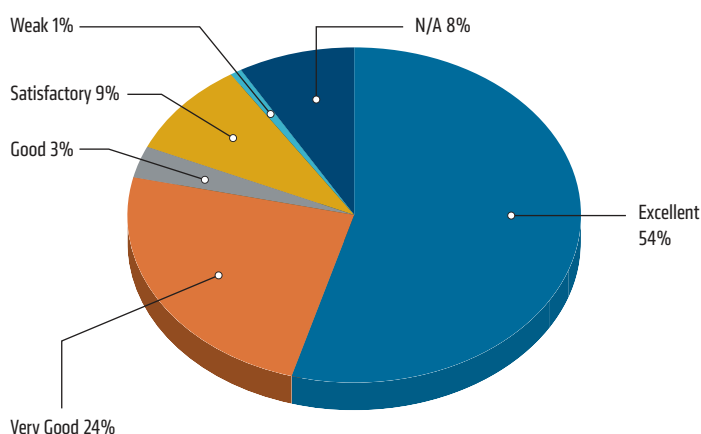
In short, those who like Trident *really* like it. To quote from one, "Trident has been our fund administrator since inception in 2011 and have grown with us over the course of almost a decade. Trident is an invaluable business partner that we have grown with side by side and look forward to many more years of our partnership in the future."

The firm sees growth potential in market trends. "Consolidation in the industry continues to drive client turnover, as a proportion of clients serviced by acquired fund administrators end up changing service providers," it suggests. "Investor pressure (and other environmental pressures) to appoint a third-party administrator continue to drive the overall growth of the administration market. This growth trend is likely to continue for the next three to five years and is the main driving factor for the very high multiples being paid to acquire PE fund administrators." This is not without its challenges. "The increased adoption of ESG principles is generating a whole new set of monitoring and reporting requirements," says the firm.

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	6.50	6.52	-0.02
Client Service	6.08	6.48	-0.40
Depository Services	7.00	7.00	0.00
Geographical Coverage	6.10	6.91	-0.81
KYC, AML and Sanctions Screening	6.54	6.81	-0.27
On-boarding	5.73	6.47	-0.74
Reporting to General Partners	6.00	6.38	-0.38
Reporting to Limited Partners	6.25	6.87	-0.62
Reporting to Regulators	5.80	6.77	-0.97
Technology	5.42	6.13	-0.71
Overall Average	6.14	6.63	-0.49

*Rounding to two decimal places may result in minor discrepancies in the Difference column of up to 0.01.

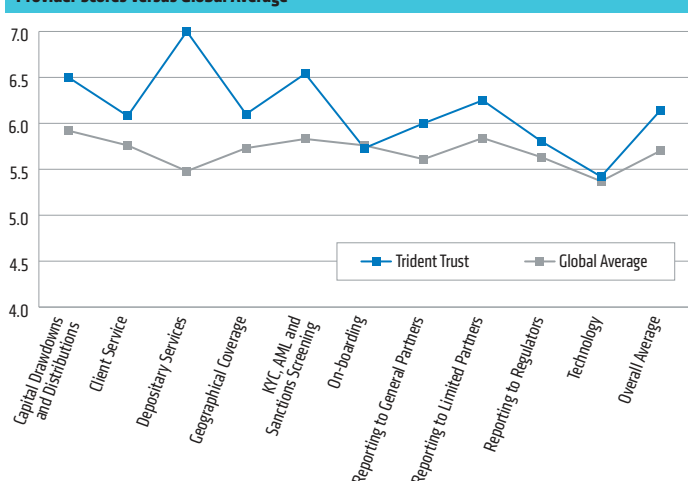
Spread of Opinion (%)



Percentage +/- Global Average (Top/Bottom 3)

Category	Vs Global (%)
Depository Services	27.8
KYC, AML and Sanctions Screening	12.2
Capital Drawdowns and Distributions	9.8
Reporting to Regulators	3.0
Technology	0.9
On-boarding	-0.5

Provider Scores Versus Global Average



Ultimus LeverPoint

Ultimus LeverPoint makes an impressive entry to the PEFA survey with a set of scores from its clients that most others would envy. “I’m a long-term client and have every intention of remaining so! We have a great relationship with LeverPoint, the consistency of their team and deep knowledge in fund accounting has been the primary drivers in keeping the relationship strong.”

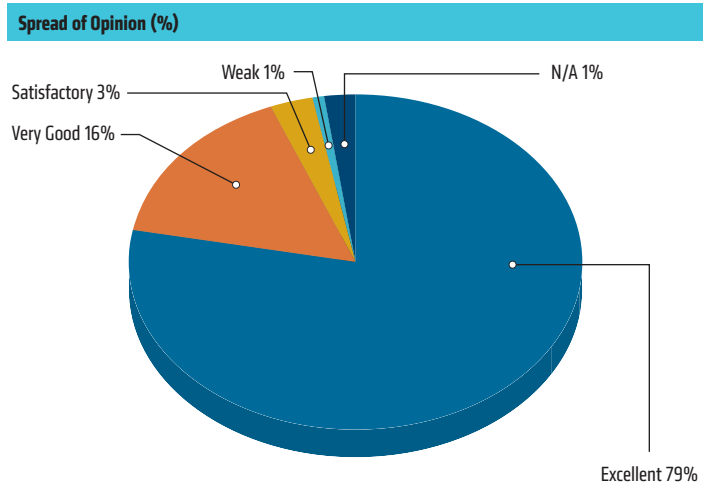
“For private equity fund managers, private equity administration has become an even greater priority as the challenges of COVID required investment managers to rely heavily on their providers to allow focus on managing the unpredictability of the market,” says the firm.

In that context, suggests Ultimus LeverPoint, the past 12 months have presented great opportunities and challenges for administrators. “The success of remote working has propelled a distributed workforce and changes in employee expectations. This has increased the competitiveness of the human resource market while allowing for successful recruiting of talented private equity administration professionals regardless of geography. The last 12 months have also presented opportunities for administrators to support managers in new and unique ways as managers deal with changing markets and their own human resource challenges. Events have also prompted managers and administrators alike to consider technology enhancements that support remote fundraising, direct access to data, and more efficient processing.”

Over the past year, Ultimus LeverPoint has expanded its service offerings to include secondments and other short-term arrangements to support clients experiencing unpredictable and short-term resource needs. “We invested in industry-leading technology to bring investor portals to our clients that provide their investors and managers secure and unfettered access to their data and documents. We implemented electronic subscription documents, reducing the barrier of physical or wet signatures. We are expanding ways our clients may access their fund data, through portals, reporting, and through APIs.”

Year-on-Year Comparison*			
Category	2021	2020	Difference
Capital Drawdowns and Distributions	6.86	n/a	n/a
Client Service	6.83	n/a	n/a
Depository Services	n/a	n/a	n/a
Geographical Coverage	6.82	n/a	n/a
KYC, AML and Sanctions Screening	7.00	n/a	n/a
On-boarding	6.64	n/a	n/a
Reporting to General Partners	6.64	n/a	n/a
Reporting to Limited Partners	6.86	n/a	n/a
Reporting to Regulators	6.85	n/a	n/a
Technology	6.43	n/a	n/a
Overall Average	6.76	n/a	n/a

*Rounding to two decimal places may result in minor discrepancies in the Difference column of up to 0.01.



Percentage +/- Global Average (Top/Bottom 3)	
Category	Vs Global (%)
Reporting to Regulators	21.7
KYC, AML and Sanctions Screening	20.0
Technology	19.7
Reporting to Limited Partners	17.5
On-boarding	15.3
Capital Drawdowns and Distributions	15.0

