The **2023**

PRIVATE EQUITY FUND ADMINISTRATION SURVEY

Technology and data are becoming increasingly critical to decision-making for both limited and general partners in private capital funds, according to participants in the latest Global Custodian Private Equity Fund Administration PEFA) Survey.

According to one participating provider, CSC, diversification in asset and transaction types is leading to increased reliance on fund administrators for more real time portfolio data and operational/deal information. "With this higher reliance on data-driven services, technology and responsiveness are more critical than ever," says the firm.

Alter Domus too notes an increase in conversations around managing and leveraging technology and data effectively. "There's certainly a need for a single source of truth, data that can be connected to other data sets, and data that is easily accessible in a variety of user-defined formats," the provider points out, highlighting movement towards more middle-office and front-office interaction.

A changing market environment is likely to encourage this trend. "With the increase in interest rates, it's clear that the PE landscape is entering into a tougher market both from a fund raising and an investment perspective and we expect this to continue for at least the next two years," says Bermuda-based Artex Fund Services. "Of course, we will soon be entering election time in the US, so we expect this will add some volatility and uncertainty in the PE markets and this together with the interest rate increases and recent banking crisis will likely mean some difficult times ahead at least in the near term."

HELP WITH HEADWINDS

Data and technology challenges are encouraging managers to shift more responsibilities to service providers.

For SS&C Technologies, a slowdown on the traditional buy-out side of the private equity market, has been matched by growing capital commitment to other areas of private markets, such as infrastructure and, with that, more demand for administrative services. In addition, the firm observes, "While the commercial real estate office market has been negatively impacted by post-pandemic remote work, there is still significant interest in other types of real estate industrial properties such as warehouses, data centres and logistics. We expect to see ongoing activity in those sectors."

To some extent, many of issues supporting the trend to greater use of administrative services are a reflection of the growing acceptance of private capital funds as an investment option. "Fuelled largely by institutional allocators seeking superior returns to the public markets, private equity has gone mainstream as an asset class," says SS&C.

While acknowledging that this is not a

new phenomenon, the firm says that in the last 12 months, a growing private equity ecosystem has made it easier for managers to launch funds and for investors to enter the market.

While this no doubt means more business for fund services providers, it also brings with it greater scrutiny of the services provided. As this year's PEFA survey indicates, levels of satisfaction remain high. However, Ultimus believes that in the months ahead this should not be taken for granted: "Private equity returns dropped sharply at the tail end of 2022, which contributes to the slowing private equity market in 2023. Challenges and opportunities with high-interest rates and the banking crisis characterise this industry-wide slowdown. These circumstances have increased the competitiveness of opportunities presented to administrators, forcing firms to support managers in new and unique ways as private equity firms deal with changing markets and financial conditions."

Methodology

Respondents to the PEFA survey were asked to rate each service category on a sliding scale 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.

In the pages that follow, category and overall scores for

each provider are presented together with their relative performance against the global average. A 'spread of opinion' pie chart shows the percentage of individual rating data points that each provider gathered in each category from Unacceptable to Excellent, while a third chart shows rating by size of client.

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

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Alter Domus

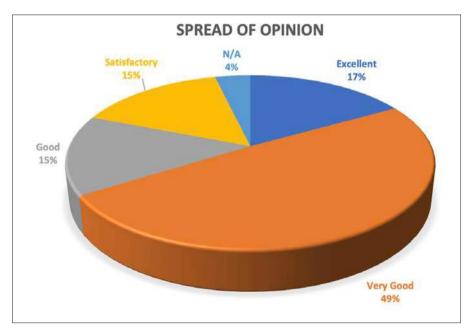
A lter Domus' clients range across all AuM brackets and regions with those in North American forming the largest group. Its results this year are a little down overall compared to 2022, but still in Good and Very Good range at a category level, outperforming the survey average for Client Service. "Extremely responsive when given short notice," says one client. Category scores are relatively consistent across all AUM brackets.

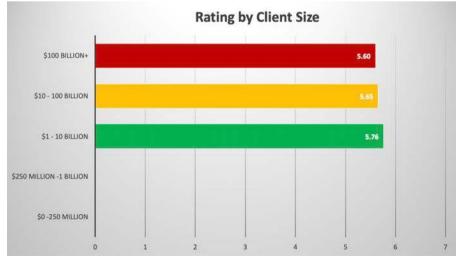
Reporting to both general and limited partners is well regarded, each category being rated 6.00 (Very Good). Alter Domus itself points to the launch of its new ESG reporting solutions and data and analytics division "to provide ad hoc services and tailored solutions to both our asset owner and asset manager clients who are looking to be able to organise, sieve and leverage their own data sources. This continues to position Alter Domus strongly as a single service provider who can handle all our clients' needs."

The firm is currently going through what it describes as a digital transformational journey, branded as Accelerate, the aim of which is "to disrupt the Alternative Investment services space by applying the best platforms, workflow engines, Ai and analytics in a way that can take the client experience to new heights and possibilities."

Investors will have access to their key information data through a proprietary investor portal. "This has been tailored specifically for investors and thus differs from the modules and the data made available on the client portal, which was designed specifically for fund managers," the provider confirms. This has impressed one French client, who comments: "Alter Domus was able to build dedicated reporting to investors and to automate that reporting in order to streamline the process."

ALTER DOMUS	Average Score	Global Score	Difference vs Global
Capital drawdowns and distributions	5.75	6.34	-0.59
Client service	6.60	6.42	0.18
KYC, AML and sanctions screening	5.25	6.06	-0.81
On-boarding	6.00	6.15	-0.15
Reporting to general partners	6.00	6.28	-0.28
Reporting to limited partners	6.00	6.34	-0.34
Reporting to regulators	5.50	6.24	-0.74
Technology	5.75	5.85	-0.10
Treasury Services	4.40	5.11	-0.71
Average	5.72	6.09	-0.38





Artex Fund Services

A fter some years' absence, having previously been engaged in the PEFA survey as Horseshoe, Artex returns this year with an impressive set of scores from its clients. All service categories are rated.

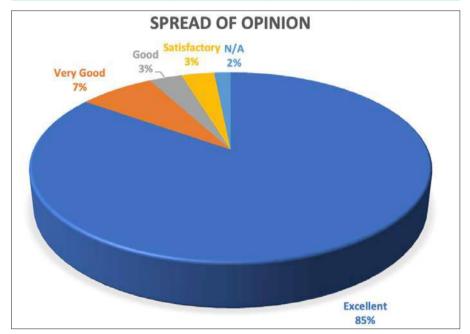
Headquartered in Bermuda, with a North American clientele in the up to \$1 billion range, the firm has experienced significant growth in the past year or so, growing its private equity top line revenue by 70% and its dedicated fund administration team by 40%.

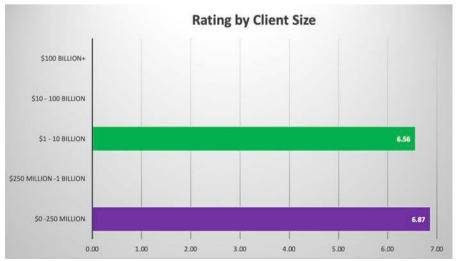
"Our growth has all been organic and mainly through word of mouth where our clients recommend us to other firms because of their positive experience working with us," says Artex. "Some of our clients have been working with our senior team for over 20 years."

Onboarding as a service category is often a source of frustration to judge by survey responses in recent years. Artex, however, seems to excel in that area. "Smooth, thorough on-boarding process gave our firm and institutional LPs significant comfort," says one client, while another notes: "The onboarding process is probably one of the most time-consuming aspects of moving to a fund administrator. But it was fairly painless with Artex."

Although Technology accounts for the firm's lowest category score, this is still well above the survey average. "Very good and secure platform," says one respondent. "Our LPs sometimes find the portal onerous so we need to step in with Artex to complete their requests but that is primarily due to the high level of security."

ARTEX	Average Score	Global Score	Difference vs Global
Capital drawdowns and distributions	6.57	6.34	0.23
Client service	7.00	6.42	0.58
KYC, AML and sanctions screening	6.83	6.06	0.78
On-boarding	6.80	6.15	0.65
Reporting to general partners	7.00	6.28	0.72
Reporting to limited partners	7.00	6.34	0.66
Reporting to regulators	7.00	6.24	0.76
Technology	6.14	5.85	0.30
Treasury Services	6.50	5.11	1.39
Average	6.78	6.09	0.69





CSC (including Intertrust Group)

In 2022, CSC completed its acquisition of Intertrust Group, bringing together what CSC describes as "the complementary expertise, capabilities, and geographic scope" of the two organisations.

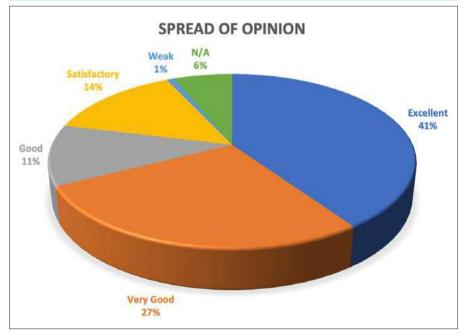
Founded in 1899, CSC prides itself on being privately held and professionally managed for more than 120 years, allowing it "to take a longer-term view than other service providers to invest appropriately across our operations to build deep relationships with our clients."

CSC's global client base has awarded a satisfying set of category ratings, mostly in Very Good range (6.00-6.99). At 6.40, Reporting to Regulators tops the list, comfortably outperforming the survey average. Of the individual respondent ratings by category, just over 40% are Excellent (7.00) and 27% are Very Good (6.00).

Client comment helps to add colour to the ratings and in the case of CSC is quite copious. One US respondent describes the onboarding process as "very streamlined and use of online portal is very helpful", though another says KYC is "often a hurdle during the onboarding process."

With regard to Client Service, several individuals are namechecked. "David Garcia is important to our relationship with CSC. In a number of instances, he has gone beyond the line of duty to assist us on special projects or provide advice," says one respondent. "Raghu, Mithun, Hitesh, Som, Ajay and Kartik are incredible and have been a tremendous help to our team and organisation," says another. "Our team at Intertrust/CSC is an integral part of our wider team and we believe the partnership is extremely successful. We look forward to growing and developing our partnership with Intertrust/CSC."

CSC/INTERTRUST	Average Score	Global Score	Difference vs Global
Capital drawdowns and distributions	6.08	6.34	-0.26
Client service	6.19	6.42	-0.24
KYC, AML and sanctions screening	5.63	6.06	-0.43
On-boarding	6.08	6.15	-0.07
Reporting to general partners	6.22	6.28	-0.05
Reporting to limited partners	6.27	6.34	-0.07
Reporting to regulators	6.40	6.24	0.16
Technology	5.71	5.85	-0.13
Treasury Services	5.00	5.11	-0.11
Average	5.98	6.09	-0.11



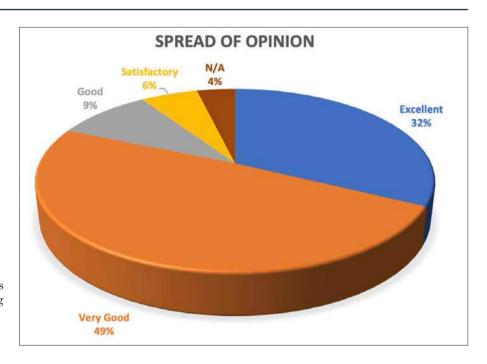


NAV Fund Services

North America focused from a client perspective, with most funds at the smaller end of the AuM scale, NAV Fund Services falls just shy of the threshold required for listing at a category level. However, over four-fifths of individual ratings are at Excellent (7.00) or Very Good (6.00) levels.

NAV says that owing to a growing number of fund manager requests, "We have started offering additional services beyond regular fund administration such as compliance reporting, special investor reporting, taxes, SEC filings, customisations etc. This provides managers with a one-stop solution for their administration needs."

NAV has made significant changes to its back-end software systems and reporting portals. "We have also expanded our business to support additional global jurisdictions, including Mauritius, Gibraltar, and Israel," says the firm. "We are currently looking to enter into European markets."





SS&C Technologies

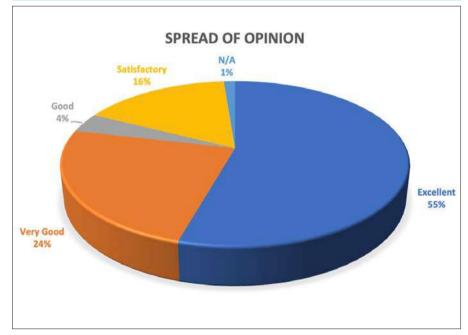
While SS&C has some client presence in Europe and Asia, ex-Japan. US clients make up its response pool this year and are, on the whole, generous with their assessments. The firm exceeds survey averages in all categories apart from three – KYC, AML and Sanctions Screening, Treasury Services and Reporting to Regulators.

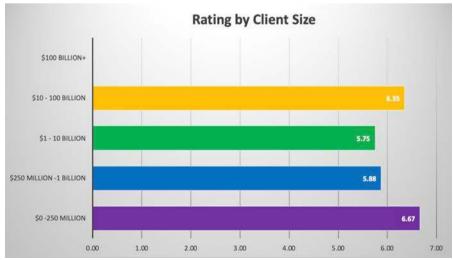
In the last 12 months, following the acquisition of Blue Prism, SS&C has integrated more AI and RPA technologies into data management and processing to help clients scale. "We also enhanced middle-office services around locational investment structure management," says the firm. "We created a global hybrid team to help tackle the challenges of evolving private market structure, which is seeing more hybrid structures emerge. Finally, we kicked off a private markets club to foster knowledge sharing and networking in the private markets community. SS&C added 35 employees to the private markets team in 2022 to enhance service coverage."

With the growth of private markets activity comes an increased focus on KYC, including an augmented suite of solutions. These include fully digitised KYC onboarding software that embraces biometric and AI authenticators to speed up and reduce the burden for KYC onboarding.

"I think client service is a hallmark of SS&C," says one client. "They are very responsive and accommodating. They are open to feedback and will change their processes to accommodate our needs. Their client service team reaches out on a regular basis to ensure everything is going well."

SS&C Technologies	Average Score	Global Score	Difference vs Global
Capital drawdowns and distributions	6.56	6.34	0.22
Client service	6.44	6.42	0.02
KYC, AML and sanctions screening	5.86	6.06	-0.20
On-boarding	6.43	6.15	0.27
Reporting to general partners	6.83	6.28	0.56
Reporting to limited partners	6.56	6.34	0.22
Reporting to regulators	6.00	6.24	-0.24
Technology	6.50	5.85	0.65
Treasury Services	4.25	5.11	-0.86
Average	6.16	6.09	0.07





Trident Trust

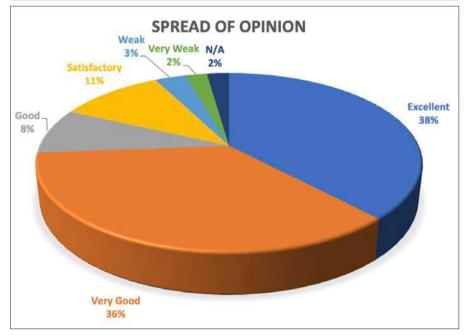
In a high scoring year, Trident Trust has done well, more or less matching the survey average and achieving an overall score in Very Good range (6.00-6.99). The administrator exceeds the category average in four areas, most notably KYC, AML and Sanctions Screening.

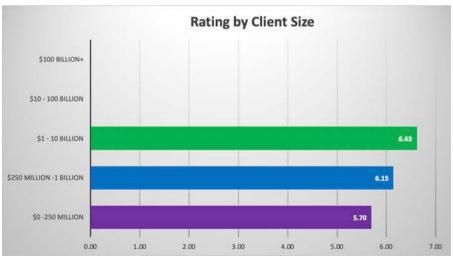
Trident's highest score is for Client Service - an impressive 6.53 - and certain individual staff are namechecked by survey participants. "The Trident team supporting [our fund] has been remarkable. Porsche Purcell and Lee Collins are diligent at what they do, timely, incredibly responsive, helpful, and easy to work with," says one respondent. "They have made our experience with the Trident Team nothing short of phenomenal. In particular, Porsche Purcell has continued to go out of her way to make sure that we are able to meet our clients' needs and she has always looked for ways to elevate her service to [us]. Trident has been a top-notch partner for us and we have every intention to continue to work with them for future funds. Our team has found that Trident has felt less like a service provider and more like a remote extension of our own firm."

"Betsey is the best on our account," says another. "Knows the history, always happy to help, responsive and very fun to work with."

At the other end of the scale, Trident rates 5.00 for Technology, just within Good range (5.00-5.99). "The technology used is adequate but needs improvement," is one related comment.

TRIDENT TRUST	Average Score	Global Score	Difference vs Global
On-boarding	5.60	6.15	-0.55
Client service	6.57	6.42	0.15
Reporting to limited partners	6.00	6.34	-0.34
Reporting to general partners	5.77	6.28	-0.51
Reporting to regulators	6.40	6.24	0.16
KYC, AML and sanctions screening	6.33	6.06	0.28
Capital drawdowns and distributions	6.43	6.34	0.09
Treasury Services	N/A	N/A	N/A
Technology	5.00	5.85	-0.85
Average	6.01	6.09	-0.08





Ultimus Fund Solutions

Ultimus LeverPoint (ULP) has traditionally done well in the PEFA survey, but this year it has managed a new milestone: receiving perfect scores (7.00) for all categories from two of the three AUM bands represented in its response pool.

"ULP credits its continued success to its investment in best-in-class technology, allowing for more integration and customisation on a client-by-client basis," says Ultimus. "Our technology offers funds of all sizes a customised administration solution that increases operational efficiency while ensuring daily operations run smoothly and drastically reduces operational hurdles."

This development reflects a secular trend in private markets. "The PE industry continues to shift from manually maintained spreadsheets to streamlined industry-leading technology platforms," says the firm. "Forward-leaning fund technology has the potential to give GPs an edge, bringing an AI-guided experience to LPs and real-time tracking and transparency to allow managers the ability to focus on their core business objectives."

Client comment supports the high ratings. One focuses on the "seamless process to move certain funds from another administrator to Ultimus" and continued operational excellence in identifying legacy issues with the prior administrators' books and records.

Another notes: "We made the conscious decision to consolidate all of our funds with Ultimus Leverpoint, moving funds from a prior relationship where the quality of service and technical expertise of the staff did not compare to the service we received from Ultimus Leverpoint. We have continued to use them for subsequent funds and are working on opportunities to continue to develop the relationship over time with additional service offerings."

ULTIMUS	Average Score	Global Score	Difference vs Global
Capital drawdowns and distributions	7.00	6.34	0.66
Client service	6.83	6.42	0.41
KYC, AML and sanctions screening	7.00	6.06	0.94
On-boarding	6.83	6.15	0.68
Reporting to general partners	6.83	6.28	0.56
Reporting to limited partners	6.83	6.34	0.49
Reporting to regulators	7.00	6.24	0.76
Technology	7.00	5.85	1.15
Treasury Services	6.83	5.11	1.72
Average	6.90	6.09	0.81

