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Preqin Global
Private Equity
Report

Key Trends Transforming Fund Administration

Private equity fund administration has evolved to offer sophisticated products and comprehensive services for GPs

How are increasing LP sophistication and diversification shaping the industry and the types of services GPs need to offer?

LPs want more transparency, data points around investment performance, and ESG reporting. While LPs can do in-house analysis, they need data from the GPs and service providers. GPs thus need to fulfill these capabilities in-house or outsource to a technology provider or fund administrator. LPs also require portfolio analytics to understand their asset allocation. This is especially true since many LPs are starting to behave more like GPs by running funds through in-house investment programs. Fund administration has thus evolved to deal with tax reporting, regulatory reporting, and portfolio analytics.

Alter Domus has expanded its geographic footprint in Asia-Pacific. In your view, what are some of the distinct needs of GPs in this region?

For many years, we've seen China-based GPs employing dual strategies around RMB and USD funds. Our Greater China offices not only give us proximity to managers, but also ready us for when the RMB market opens up to asset services that are foreign owned. Currently, there are approximately \$2tn in assets under administration (AuA) that are handled almost completely in-house in China. More funds will want to adopt the best practices around holistic fund administration that USD funds serve, but such an end-to-end solution doesn't yet exist in China. We aim to have a strong USD-fund book of clients that also manage RMB funds.



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Asia-Pacific is a diverse and nuanced region, so having people on the ground is important. For example, Australia is one of the only jurisdictions in the world where many private funds are structured as trusts. Similarly, we need people who understand Singapore's corporate structures, which are increasingly used by Southeast Asian and some global investors.

What are some of the biggest pain points for GPs, and how can a fund administrator address them?

A common one is that GPs don't want to deal with multiple service providers. Therefore, it's a race among fund administrators to create viable products for GPs looking to outsource multiple tasks like subscription management, Know Your Customer (KYC) checks, and compliance with the latest regulations.

Additionally, we also see higher demand for digitized investor onboarding processes. To that end, Alter Domus has invested heavily into leading edge technology and software to enable a secure and paperless environment for our clients.

Alexander Traub is the Chief Commercial Officer and Regional Executive Asia Pacific at **Alter Domus**. With more than 3,300 employees across 36 offices and over \$1.3tn in global AuA, Alter Domus is a leading provider of integrated solutions for the alternative investment industry and is dedicated to serving private equity, real assets, and debt capital markets.