

What managers need to support a new fund launch

Fund managers rank among the most skilled professionals in the financial services sector but without strong operational support, their insights and the value their investment vehicles offer, can be lost on investors.

An inappropriate fund structure or lax compliance and reporting can undo the best fund managers and curtail the growth and launch of new funds.

“The cost of regulation, compliance and infrastructure has increased exponentially over the last decade,” noted Mark Voumard, CEO at Asia’s largest institutional fund management platform, Gordian Capital Singapore Limited in a recent podcast.

“You need a large team of operational professionals to support the investment professionals.”

To extract the most value from operational partnerships, fund managers should focus on four key areas, according to Voumard, SS&C GlobeOp and SS&C Eze executives.

1. Transparency

Investors are increasingly performing more extensive due diligence on a fund management company before investing, according to Frank Maltais, Regional Director, APAC, SS&C Eze.

“Investors want to know what rules are in place,” he said. “This can be from a technology standpoint in terms of automation, but also from a business perspective in terms of reporting financial statements – having the right processes in place is really key.”

A partner should make it simple for a fund manager to communicate the operational safeguards that both a fund management company and a fund have in place.

“We often have to produce transparency reports for investors – you need the technology in place to even produce those reports that you can subsequently share,” said Toni Nientied, Associate Director, SS&C GlobeOp.

2. Compliance requirements

Regulations around the world are becoming more stringent and are continuously changing across different markets.

For example, ESG reporting requirements are quickly ramping up as the world moves towards net zero carbon emissions by 2050. However, many ESG definitions and requirements are not yet standardised.

“What you set up today may not be what you need tomorrow,” Maltais said. “From that perspective, you need a platform that will adapt, that will be flexible. We don’t want to have things all hard-coded.”

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3. Supporting growing assets under management

The needs of larger funds differ significantly from those of smaller funds. Operational partners should be able to support this growth and provide any new services or requirements that larger funds need.

“As soon as you go cross border, everything instantly becomes more complex,” Voumard says. “And you need support that offers scale, technology, and obviously is suitable for both global investments and investors.”

4. Cyber-security and governance

Technology spend is at an all-time high across the industry as regulators place new demands on the industry. Cyber-criminals are increasingly targeting managers and pension funds given the industry's growing assets under management.

Partners should have a track record of helping funds meet those requirements across different markets, including a deep understanding of technology, legal, compliance and other regulatory requirements.

Gordian Capital Singapore relies on SS&C for fund administration and recently added Eze Investment Suite to support the trading, portfolio, and risk management services it offers to fund managers on its platform.

Contact SS&C to discuss how technology can help funds drive stronger investor engagement.

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MARK VOUMARD, CEO
GORDIAN CAPITAL SINGAPORE LIMITED