

PE funds increasingly looking to fund administrators

Increasing regulatory pressures and technology demands are putting more pressure on private equity firms to outsource their administration services.

Traditionally, private equity funds have been self-administered, but this has begun to change in recent years.

According to Preqin, the number of private equity and real estate funds availing of third party administration services is estimated to be 30 per cent today and is set to increase to 45 per cent by 2018.

Centaur says a key driver behind this trend is that the administration of private equity funds requires focus and attention to detail. Increasingly, private equity administration also requires significant investment in processes, resources and technology. By outsourcing fund administration, fund sponsors can focus on their core competency – investing and generating returns for their investors. The result is a more scalable, robust process which enables sponsors to grow their businesses in an efficient manner.

AIFMD and FATCA are just some examples of highly complex regulations that private equity firms must now comply with, says Centaur. It makes sense for private equity firms to outsource regulatory compliance functions to expert administrators who have the necessary skills to ensure that funds and their general partners are compliant.

Investors are demanding operational excellence from their funds and are increasingly demanding third party administration. The trend to outsource is being driven by market pressure on firms to deliver accurate record keeping with greater transparency. Using a third party administrator adds credibility to private equity funds.

As investment structures become more complex, private equity firms are realising that an Excel spreadsheet will not suffice anymore. Outsourcing to expert, specialist fund administrators minimises errors and ensures efficient, accurate reporting for investors, general partners and regulators.

“The private equity market is rapidly changing and Centaur is positioned and ready to service this vibrant and dynamic industry,” says Eric Bertrand, founding partner of Centaur Fund Services. “2016 saw extraordinary growth in this sector and all indications are that growth will continue to be steep through 2017 and beyond.”

Source: [PE funds increasingly looking to fund administrators](#)