

US Best Practice

SPECIAL REPORT 2019

Unique operational risks as PE continues to develop

SS&C Advent: Best Portfolio Management Software Provider

The private equity industry has continued to explode with more mainstream and institutional investors while evolving their investment coverage to include more complex asset types such as private and distressed debt. SS&C Advent has continued to follow this market trend by addressing investor demand for full look through reporting as well as providing ILPA compliant options.

“As more processes around private debt and alternative credit remain manual, the Geneva team has built out user friendly workflows to streamline and consolidate debt processing with new configurable Workspaces that optimise operational efficiency whether managing delinquent interest, processing credit activity, or rolling over an expiring contract,” explains Jonathan Eldridge, Senior Director, Solutions Consulting, SS&C Advent.

The award for “Best Portfolio Management Software Provider,” is recognition that those efforts have been successful. Built for anyone who wants to efficiently manage hedge funds, private equity funds, and hybrid funds containing complex fund structures and investors, Geneva enables comprehensive fund accounting and investor servicing. Geneva’s core tenet is to support any fund type, in any region, and across all asset classes in a single solution.

Developments at SS&C Advent and within Geneva provide clients with ease of reporting, support for complex calculations and smooth workflow oriented processing. The user friendly reporting architecture allows accountants to create custom views of data to

match administrators’ saving time and cost in the process.

Eldridge notes: “This single system makes it simple to maintain and manage investors and their fee accruals. For each investor, clients can set up as many classes as they want – including tiered incentive fees, waterfall-style calculations, 1-or-30 model, as well as various types of hurdles and management fees. The system also tracks liquidity terms.”

Further, being one solution that is best-of-breed for fund accounting and investor servicing is beneficial as SS&C Advent clients do not have to parse together multiple systems and maintain that integration. “Within Geneva, there is no batch process to generate journal entries and robust trial balance reporting which automatically get allocated to the investor level via flexible allocation rules. This is a key time and cost savings benefit that puts our clients in position to spend resources and money in other key strategic areas,” Eldridge remarks.

Private equity is an ever growing arena within the alternatives landscape, as new fund structures emerge to pursue different opportunities. According to Eldridge: “Managers should prepare for the unique operational challenges for taking on new asset classes and ensure they have proper infrastructure and team to execute.”

“Internal teams or consultants should be in place to manage the compliance and ODD requirements and be prepared for the operational complexities of managing these funds. For example, common pitfalls

to look out for are the terms of the various credit/debt fund structures, how to manage expense allocations, investment, potential conflicts of interest, valuation processes, and more.”

Looking ahead to the coming year, Eldridge says SS&C Advent will continue to expand on its loan capabilities to match the growing private debt space, mainly around expanding workflows to alleviate the manual nature of those investments. “Waterfall calculations will always evolve and managers continue to entice investors with deal by deal options and we’ll continue to direct development towards that area to support our clients. We see Geneva as a differentiator in the closed-end debt market,” he concludes. ■



Jonathan Eldridge
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Jonathan Eldridge is a member of the Geneva Product Management team and leads Geneva’s direction in terms of fund and investor accounting. He works closely with our clients and prospects to understand market trends and business challenges in order to ensure Geneva continues to deliver on its core tenets.