

Bridging private equity and hedge funds

SS&C Advent: Best Accounting & Reporting Software

Hedge fund managers actively invest in private equity and launch funds to satisfy investors' demands for better returns. To succeed, hedge funds need a multi-asset class system with robust private equity capabilities to support their investor pools.

"There is a need for more investor reporting across funds - hedge and private equity combined. We have observed this trend developing over the last few years in our private equity technology and fund administration business. On the technology side, we have built out private equity partnership accounting to support our clients," outlines Daniel Leader, a solutions consultant at SS&C Advent.

As the private equity industry has grown, the structures for PE funds have evolved. SS&C Advent has expanded Geneva's fund structure accounting capabilities to accurately account for complex structures with feeders, masters, blockers, AIV, and SPVs. The Geneva World Investor solution provides partnership accounting and servicing for both onshore and offshore funds, supporting unlimited fund structures such as hybrid and closed-end funds, private equity, and single-managed accounts. "We have clients with over 60 legal entities in a structure who are leveraging our system to either shadow their administrator or report to end clients," Leader notes.

SS&C Advent offers a single solution to managers for both open-ended and closed-ended funds in the same platform. "This is a differentiator," highlights Leader. "We expect significant growth in the PE industry with more startups and private companies launching this year. We will see even more trading in debt, whether it's in syndicated loans or private loans."

Systematically accounting for asset classes like loans is a significant challenge for GPs. So are tracking and reporting on investor capital activity and calculating management fees and waterfall distributions. Fund structures are becoming more complex. Having a solution to automate the support and provide investor accounting with look-through reporting for investors is critical.

SS&C is well-positioned to provide robust portfolio, fund, and investor accounting and administration for the PE industry. The ability to handle a broad range of asset classes - from simple equities/portfolio companies to complex asset classes like bank debt - is particularly relevant



in the current environment as PE managers continue to diversify their asset mix.

"Closed-end/private equity will remain a key focus for SS&C Advent," Leader states. "We see this as a growth area for our business and plan to build out more features in this space. We want our clients to manage their back-office operations systematically and automate investor balance and fee calculations, helping reduce the risk of user error," he said. "

Leader believes funds can benefit by implementing Geneva via its cloud delivery model, lowering IT cost of ownership. "By offering additional operational services in a co-sourced model or on a fully outsourced basis, we enable clients to keep costs low and utilise their staff for more functionally beneficial tasks." ■

Daniel Leader

Solutions Consultant, SS&C Advent

Daniel Leader joined SS&C Advent in February 2019 and currently holds the position of Solutions Consultant. With 20 years of experience in the fund and alternatives industry, he has a deep knowledge of operational frameworks and is responsible for delivering world class technology and service solutions to Alternative Asset Managers. Prior to working for SS&C Advent, Daniel worked for Barclays Global Investors before transitioning to the Hedge Fund industry in 2006 where he worked for Winton Capital for 12 years, leaving as Head of Fund Accounting & Valuation.