



What are the benefits of outsourcing fund services?

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Today's operating environment is more complex than ever before. Whether based in Europe, Asia or the US, asset managers are under mounting administrative pressure thanks to increased scrutiny from regulators and a growing investor demand for more detailed reporting requirements.

This has led many to consider the benefits of outsourcing back-office operations versus increasing the scope of in-house services - and many asset managers are realising that doing everything in-house might not be the best use of resources.

Deciding when and what to outsource

In a nutshell, outsourcing involves an asset manager appointing a third-party service provider to undertake certain day-to-day operational activities. The scope of the role can be as narrow or as broad as you like, and can range from delivering specific services, like company secretariat or cash management, to providing the bulk of back office support.

There are obvious benefits to outsourcing to a specialist third party - risk reduction, access to sophisticated IT platforms, and freeing managers up to do what they do best. However, it is still important that any such decision is taken with care. After all, outsourcing must be achieved securely, it must be cost efficient, and it's vital that there are like-minded business values between the investment manager and the administrator.

What are the key benefits of outsourcing fund services?

While outsourcing administration has long been an accepted practice for most investment, industry data reveals that it's becoming increasingly popular in private equity and other alternative asset classes, as managers are looking to improve efficiency, access top technology and concentrate on other areas of their business.

These are some of the key benefits:

- **Freeing up bandwidth:** investment managers want to focus on raising capital and making good investments, not overseeing administration. Outsourcing takes care of that work, providing access to specialist professionals, allowing managers to focus on the core competencies of the business.
- **Cost and efficiency:** in-house back-office teams deal with time consuming responsibilities that require office space, people power, IT and continuous training. At a time when fees and margins are under pressure, outsourcing can offer a more efficient option.
- **Risk reduction:** a third party administrator provides an extra layer of eyes, processes and regulatory compliance, offering extra safeguards to mitigate and reduce risk.
- **Horizon scanning:** with a fast changing regulatory landscape, third-party administrators will keep you informed and guide you through the complexities of new and emerging regulatory changes.
- **Independence:** more and more, institutional investors are demanding well qualified and experienced administrators to be appointed in order to provide independent oversight of managers.
- **Complex data management:** today's accounting requires complex data management, run on specialist software - spreadsheets will no longer cut it, and these specialist platforms are costly. There is also increased demand by tech-savvy investors for customised portfolio statements and 24/7 access to data. Third-party administrators use these technology platforms at scale and even develop their own purpose built solutions.

How can Ogier Global help?

Ogier Global offers borderless corporate administration services from our international finance hubs across the globe, covering all time zones. Our clients also have access to practical legal advice on BVI, Cayman, Guernsey, Ireland, Jersey and Luxembourg law covering everything from fund setup to manager relocation.

Our highly experienced and responsive team of industry-specific experts work with some of the most highly reputed small and medium size fund managers across the globe, and are able to speak our clients' language and offer unique industry insights.

Supported by market-leading technology, our interactive client service portal, Ogier Connect, gives asset managers and investors real time access to statutory information and documents.

Our services include corporate support, financial and tax reporting, regulatory compliance, horizon monitoring, and ESG and Sustainable Investment (SI) Consulting. Our dedicated SI Consulting practice supports fund managers on their ESG journey, from conducting regulatory health checks, preparing for regulations such as the EU SFDR to policy development, portfolio integration and risk

management. We also provide board training in climate-related risks and access to online training tools such as ESG Align.

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