

AIFM made easy: 9 ways an outsourced AIFM can add value

Outsourcing AIFM services to an external provider allows investment managers to leverage value-added benefits for their funds and business. [Paul Conroy](#) and [Tomas Tobolka](#) explain all.

If you're planning to raise capital in Europe, you'll need to be compliant with AIFMD. The quickest and most cost-effective way of doing so is to appoint a specialist AIFM provider – a service now provided by the Aztec Group. (read more [here](#))

An external AIFM provider offers a range of value-added benefits to your funds, including:

1. **A swift route to market:** It can take over 24 months to establish your own Authorised AIFM. By appointing an external AIFM provider, your access to European funds and investors is almost instant.
2. **More cost effective set up and ongoing operation:** Operating an AIFM in Luxembourg has ongoing costs of at least €1.5 million per year. It is also costly to set it up, not only financially, but it takes time and resources. By appointing an external provider, you can reduce these significantly.
3. **Value for your investors:** Appointing a single-partner solution, which also includes fund administration and depositary services, allows for a more efficient and effective operating model, which will ultimately provide better value for your investors.
4. **An alternative to holding regulatory capital yourself:** Broadly speaking, for every €1 billion AUM held by the fund, the AIFM must hold €300k in regulatory capital, which is capped at €10 million. Outsourcing your AIFM passes this responsibility onto your provider.
5. **Flexibility:** Outsourcing your AIFM service provides managers with flexibility to resource up or down, accessing different investment strategies, and reducing their key dependency risks.
6. **Specialisation:** An external AIFM provider has the specialised skills and scale to take on the significant regulatory and compliance burden so that

you don't have to, allowing investment managers to instead focus on value-add activities like investment management.

7. **Technology:** Aztec AIFM has invested in market-leading technology that facilitates automation and data management. This allows managers to access these technologies without the development or licensing costs, or the ongoing resourcing.
8. **Private markets expertise:** An external AIFM provider should have expertise in private markets and in your specific asset classes. Whether that's private equity, real assets, infrastructure, or private credit, executing strategies to meet the needs of the fund in structuring, investment transactions, valuations, and reporting are all supported by our AIFM service.
9. **Service consolidation:** A strategic aim of many investment managers is to work with fewer high-quality service providers to improve quality and reduce costs. This can be achieved by partnering with a provider who can complete your AIFM services alongside the rest of their administrative services

Aztec Group's AIFM service delivers all the benefits an investment manager expects and includes the differential of delivering these through a single, trusted partner solution. For more information on how we can support your funds in Europe, please contact [Paul](#) or [Tomas](#) directly.