Choosing a U.S. fund administrator

- How to align the selection process with your fund strategy, asset class and future ambitions
- What to assess across specialist expertise, technology, data, investor servicing and scalability
- How to evaluate implementation, commercial terms and the long-term working relationship

Choosing a fund administrator is a strategic decision with long-term consequences. The right partner strengthens a manager's operating model, improves the investor experience and provides the expertise and infrastructure to support growth.

As private markets managers grow, their operational demands increase. Outsourcing has therefore become an established part of the U.S. private markets operating model. The Private Funds CFO Insights Survey 2026, which we developed with PEI, found that 43% of respondents planned to outsource more fund accounting in the proceeding year, reflecting a wider shift toward specialist external support.

Outsourcing an important function does not remove the manager's responsibility for it, nor should managers simply compare service lists and choose the lowest price. An administrator becomes deeply embedded in the business, working with finance teams, investment professionals, advisers and investors throughout a fund's life.

The more useful question is not, "What can this fund administrator do today?" but, "Can this fund administrator support the business we are building?"

Begin with your business strategy

Before assessing potential fund administrators, investment managers should define what they want the relationship to achieve. An emerging manager

launching its first institutional fund may need a partner to help establish processes, controls, accounting policies and investor onboarding. An established firm may want to relieve pressure on its internal fund accounting team, replace disconnected technology or expand into new strategies and jurisdictions.

Fund strategy matters just as much. Private equity, private credit, real estate, infrastructure, secondaries and fund-of-funds structures each require distinct accounting, data and reporting demands. Managers should test whether a provider's private markets expertise covers the specific structures they plan to operate.

For example, secondaries require fund administrators to manage legacy capital accounts, bespoke waterfalls, fee offsets and data spanning different formats, currencies and vintages. Real estate structures bring their own demands, including asset-level data, joint-venture governance and reporting to multiple stakeholders.

A provider that understands these nuances can anticipate pressure points instead of waiting for problems to emerge.

For U.S. managers, this has regulatory weight. The SEC's 2026 examination priorities continue to focus on how private fund advisers calculate and allocate fees and expenses, value portfolios and honor side letter terms. An administrator that applies those terms accurately and keeps clear records helps the manager show it is meeting its fiduciary duty.

Look for genuine specialist expertise

Technology underpins modern fund administration, but it cannot replace specialist knowledge. Managers still need experienced professionals who understand fund accounting, capital activity, entity structures and investor reporting.

A specialist fund administrator recruits, trains and retains expertise that investment managers will find costly or difficult to develop in-house, while reducing reliance on key individuals. Managers should look beyond the senior pitch team to assess who will deliver the service day to day.

Managers should ask:

- Who will lead the relationship, and what experience does the wider team have in the relevant asset class?
- Where will teams perform the work, and how will they coordinate across locations?
- How does the team escalate technical questions and document decisions?
- What review and approval controls does the service include?
- How does the provider recruit, develop and retain specialist staff?
- How does the provider maintain continuity and service standards during busy reporting periods?

Administration relationships often span several fund cycles. Managers need a resilient team to retain institutional knowledge rather than relying on one individual.

Understand the technology and data model

Technology should create controlled, scalable fund operations by replacing disconnected systems and manual workarounds. A strong fund administrator should explain how data enters its environment, how it validates and transfers that data, and how it produces outputs. Managers should identify where manual intervention remains and how the fund administrator controls the risks. The platform should connect with the manager's systems, provide reliable information and adapt as requirements change. Its value depends on the data, controls and expertise behind it.

Managers should ask:

- Can the platform support the proposed structures and reporting requirements?
- How will it integrate with existing systems?
- Does it provide a clear source of truth for fund and investor data?
- How does the provider control data quality, permissions and access?
- How will the provider support our Regulation S-P obligations, including incident response and notifying us within 72 hours if customer information is compromised?
- Can workflows and reporting evolve without disruptive reimplementation?

- What information can managers and investors access directly?

Assess the investor experience

Investors often experience the fund administrator as one of the most visible parts of a manager's operating model. Those interactions can shape confidence in the manager, even in spite of investment performance. Managers should assess investor servicing as carefully as fund accounting, focusing on:

- clear onboarding and information requests;
- timely capital call and distribution notices;
- easy access to reports and fund data;
- fast responses, clear query ownership and effective escalation
- confident communication with sophisticated institutional investors.

Onboarding demands particular scrutiny. The administrator should use a controlled process to gather and review information, explain requirements clearly and keep the manager informed. This meets regulatory and operational needs without placing unnecessary demands on investors. The strongest providers operate as an extension of the manager's team. They combine accurate processing with sound judgment, clear accountability and an understanding of how the manager works.

Test whether the model can scale

A solution that supports one fund may not support the next three. Managers should test the fund administrator against realistic growth scenarios, including:

- larger funds and higher transaction volumes;
- new strategies, vehicles or separately managed accounts;
- expansion into additional jurisdictions;
- new regulatory or investor-reporting requirements
- the need for additional specialist people and technology.

Scalability involves more than processing extra activity. The fund administrator must add experienced people, integrate new structures and maintain consistent controls and service standards as complexity grows. Managers expanding internationally should also assess the provider's geographic model. Local expertise matters across different legal, regulatory and accounting environments,

but a global footprint adds value only when connected teams and systems coordinate work, maintain consistent data and assign clear accountability across locations.

The model must also adapt. Technology, regulation and investor expectations will keep evolving, so a static service will not support a fund throughout its life.

Examine implementation and the working relationship

Proposals and demonstrations help but rarely reveal how the relationship will perform under pressure. Due diligence should test responsiveness, transparency and cultural fit. References from comparable clients can show how the provider handles deadlines, errors, unusual transactions and changes in scope. Managers should examine:

- **Implementation governance:** clear responsibilities, milestones, dependencies, decision-making and escalation.
- **Data migration:** how the provider will transfer, reconstruct and validate current and historical records.
- **Ways of working**: communication rhythms, service reporting and clear ownership of issues.
- **Commercial terms**: included services, potential additional charges and how fees will change as the business grows.

When taking on an existing fund, the administrator may need to reconstruct or validate historical records. A specialist provider should show a proven process for this work.

Choose for the business you are building

Choosing a fund administrator means choosing a long-term operating partner. The strongest combine robust processes, effective technology and genuine private markets expertise, then adapt as strategies and investor requirements evolve. The right model frees internal teams to focus on investment activity, portfolio management, fundraising and investor relationships, while giving investors' confidence in the fund's infrastructure.

The best administrators understand the manager's strategy, anticipate its operational impact and build a service model that grows with the business. Selection should therefore start with the manager's future ambitions, not just its current administrative needs. As a leading, global private markets fund administrator, Aztec supports the growth story of all our clients, delivering a premium operational service combining expert teams with specialist technology deployment. If you'd like to continue the conversation, please contact us directly.



