Spotlight on Secondaries – 7 reasons why specialist fund administration is fundamental

Secondaries managers work in a specialized segment of private markets and each deal carries unique operational risks. James Duffield, Metz Vara and Ore Adegbotolu explore best practice in administering these funds to handle layered data and quick timelines with precision.

Secondaries managers operate in one of the most dynamic and structurally complex corners of private markets. From GP-led restructurings to multi-asset LP portfolios, every deal is different – and so is the operational risk it brings. Administering these funds requires more than competence: it demands precision, fluency in the structures and language of secondaries, and an infrastructure capable of handling layered data and accelerated timelines. A specialist secondaries fund administrator doesn't just reduce friction – they become an extension of your team, helping you scale, respond quickly to opportunity, and maintain investor confidence. Here's where it matters most:

Unwinding the past

The challenge:

You're not starting from zero. Every secondary investment comes with legacy capital account history, historic investor notices, bespoke terms, and inconsistent reporting formats. You must untangle, reconstruct, and standardise someone else's complexity – all under tight reporting timelines.

The solution:

A specialist administrator has tried-and-tested processes for legacy fund onboarding. They liaise directly with underlying GPs to extract and normalize data, reconcile historic capital activity, and validate key metrics. With the ability to process and standardize data across vintages, currencies, and fund types, they ensure clean entry into your systems – so you can report with confidence from day one.

Every deal is bespoke

The challenge:

You're managing LP interests, strip sales, continuation vehicles, stapled deals, preferred equity, and co-invests – often simultaneously. Each structure comes with bespoke waterfalls, side letters, management fee offsets, and cash flow nuances that standard systems simply can't handle.

The solution:

Secondaries-savvy administrators build and maintain customized models tailored to deal-level economics. They handle multi-layered waterfall scenarios, run allocations across diverse investor profiles, and ensure compliance with deal-specific obligations. Their experience with non-standard structures means fewer surprises – and less time spent educating your administrator.

Interfacing with two sets of GPs

The challenge:

Secondaries managers sit between two layers of general partners: the upstream GPs managing the underlying funds, and your own LP base. You need to extract accurate, timely information from one group, and repackage it clearly and compliantly for another.

The solution:

A strong administrator acts as your communication bridge – proactively liaising with upstream GPs to secure statements, valuations, and notices, and translating this data into clean ILPA-compliant reports for your LPs. They manage reporting frequency mismatches, extract key data from unstructured documents, and apply validation logic to reduce the need for rework. They lessen your investor relations team's burden and protect your reputation for clarity and professionalism.

Fast and frequent cycles

The challenge:

You might close 50+ transactions across dozens of counterparties in a matter of months. Every new deal needs to be onboarded, accounted for, and integrated into fund-level reporting – without slowing the next deal down.

The solution:

Specialist administrators are built for pace. They use agile onboarding frameworks, entity setup protocols, and standardized data mapping tools to plug in new investments with minimal disruption. Their migrations and onboarding teams work hand-in-hand with your relationship team to ensure continuity. This enables you to seize opportunities with speed, without sacrificing data integrity or investor confidence.

Look-through transparency reporting

The challenge:

Your LPs are becoming more sophisticated. They want to see exposures at underlying fund and portfolio company level. They want ESG metrics. They want risk breakdowns. And they want it all structured, verifiable, and fast.

The solution:

A strong secondaries administrator gives you true look-through reporting, layering data from underlying funds and portfolio companies into investor-ready dashboards. Whether it's Solvency II, SFDR, or IFRS 9, your administrator provides structured reporting that goes beyond net asset values – offering insight into sector concentration, performance attribution, and ESG impact. This adds real value to LP conversations and strengthens your own risk oversight.

Fast and controlled scalability

The challenge:

The secondaries market is expanding rapidly. Larger fund sizes, more entities, and rising LP expectations are putting pressure on operations. Standard systems and shared service teams can't keep up.

The solution:

Secondaries administrators provide scalable platforms that grow with you – integrating fund accounting, investor servicing, and compliance support. But critically, they also offer consistent, named teams who understand your business, your structures, and your investors. This means you scale without losing institutional memory, and without constantly retraining your service provider.

Rising compliance risks

The challenge:
You're managing multi-jurisdictional portfolios with underlying funds and investors subject to different rules – AIFMD, SFDR, FATCA/CRS, Beneficial Ownership registers, and more. Any mistake carries reputational risk.

The solution:
A secondaries specialist builds compliance into the fund lifecycle. They ensure structure-level compliance from onboarding through to exit. With a team fluent in global regulation and a process-led approach to regulatory filings, they shield your team from risk – and your LPs from disruption.

Final word: Not all administrators can do this

Secondaries fund administration is its own discipline. It demands fluency in layered data, bespoke deal mechanics, compressed timelines, and dual stakeholder management. The value of the right administrator isn't just in what they prevent (errors, delays, inconsistencies) – it's in what they enable: confidence, scale, and competitive speed. For managers building long-term value in a fast-moving secondaries landscape, the right administrator is fundamental.

How Aztec can help

Whether it's managing large volumes of unstructured and unstandardized data from multiple sources or navigating highly nuanced and complex structuring, investor management and governance requirements specific to secondaries transactions – your fund operations deserve more than a standard administrative approach.

With specialist teams, purpose-built technology, and a proven track record in supporting your peers, we understand the unique demands and complexities you face – and can apply this rich insight and experience directly to your funds. What's more, our end-to-end data management solution, Aztec Xtract, blends AI and automation with specialist human expertise to deliver reliable, structured and decision-ready data that empowers you to act with speed and confidence.

AZTEC XTRACT

Extracting data with efficiency.
Validating it with precision.

Discover how we're helping institutional investors.

Click here



AZTEC XTRACT

Extracting data with efficiency.
Validating it with precision.

Discover More




Click here to talk to us


Click here to talk to us