



The
2020 

PRIVATE EQUITY & HEDGE FUND ADMINISTRATION SURVEYS

We pride ourselves on the high level of professional service we give our clients and take pleasure in helping them build successful businesses. Whether a first time manager or a multi-billion dollar fund, all our clients deserve and receive the same commitment and dedication from our people.

- Assistance with fund establishment
- Fund accounting, financial reporting
- Shareholder services/transfer agency
- Regulatory and statutory services
- Depositary services
- Side entities and investment SPVs
- Global reach and resources
- Experienced qualified personnel
- Personal tailored service
- Globally integrated technology
- Comprehensive asset class support
- Independent private ownership

20+
Jurisdictions

10+
Fund
domiciles

\$35bn
Assets under
administration

1978
First office
opened

500+
Funds

40+
Languages
spoken

Our Global Custodian Industry Leaders Awards

- Best Onboarding for Private Equity Funds – 2019
- Hedge Fund Administrator of the Year, Best Client Service for Hedge Funds, Best Onboarding for Private Equity Funds – 2018
- Best Relationship Management and Best Client Service for North American Hedge Funds and Private Equity Funds – 2017

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AUTOMATION SHIFTS THE FOCUS

In this year's Private Equity Fund Administration Survey, a number of providers, asked to comment on industry developments over the past year, drew attention to the trend towards outsourcing of administrative functions as digitisation and automation make inroads into previously manual processes.

What is evident from this year's results is that managers are also expanding their horizons in search of opportunities and that those administrators able to service multiple jurisdictions are reaping benefits. The accompanying table, indicates that Geographical Coverage is the most highly rated aspect of service by this year's response pool. By contrast, Technology is the lowest rated category, though it remains in Good territory (5.00-5.99). This may well be misleading, however, as not all technology investment by providers is visible as a client interface, but rather powers improvements in other complex and expensive areas of service.

The table also shows that despite the tribulations brought on by the pandemic,

Scores have slipped a little since last year, but overall client sentiment remains positive in the PEFA survey.

Category	Average Score	Average Score Previous Year	Difference
Client service	5.89	6.19	-0.30
On-boarding	5.84	6.07	-0.23
Geographical coverage	6.19	6.27	-0.08
Reporting to limited partners	5.88	6.11	-0.23
Reporting to general partners	5.90	5.80	0.10
Reporting to regulators	6.03	6.29	-0.26
KYC, AML and sanctions screening	5.76	6.10	-0.34
Depository services	5.87	6.06	-0.19
Capital drawdowns and distributions	6.12	6.09	0.03
Technology	5.50	5.68	-0.18
Total	5.90	6.03	-0.13

providers have managed to retain the goodwill of survey respondents, even if category scores have slipped from last year's highs. Interestingly, one category,

Reporting to General Partners, has even recorded a slight increase. This is perhaps an example of technology working "behind the scenes".

Methodology

In this year's Private Equity Fund Administration survey, we have focused our attention on the fund managers' views who have traditionally formed the bulk of the respondents, rather than the small cohort of institutional investors for which, in previous years, a separate questionnaire was produced and the results combined into a single score.

We have also simplified the survey completion process. There is only one question in each service category where respondents are asked to provide a rating. This is done through a sliding scale from 'Strongly disagree' to 'Strongly agree'. In some categories there are a number of optional qualifying questions to add colour as well as an optional comment

box per category. This has allowed us to gather a richer and more nuanced view of client experiences.

The published results use Global Custodian's conventional seven-point scale familiar to readers of the magazine (where 7.00 equals Excellent and 1.00 equals unacceptable).

Five responses are the minimum sample number required to assess a service provider adequately enough to publish their results. This year, six providers have passed that threshold.

The analysis published in this report is based on average scores given by respondents. They are weighted for the size (measured by assets under management, or AuM)

of the respondent. This year, slightly greater weight was given to the larger respondents, who tend to be the more demanding in terms of service expectations. Scores in any question or service area which attracted less than three responses are excluded from the calculations as we regard fewer than that to be an insufficient number to assess perceptions with confidence.

Where a provider has recorded three or more responses per category, average scores can be made available to the provider concerned for internal use. More granular analyses than are published may also be available to providers. For more information on bespoke reports, please contact beenish.hussain@globalcustodian.com

Trident Trust

Trident Trust administers approximately \$25 billion managed by 123 managers across 322 funds – a number that has increased over the past year. During that time, Trident has made a substantial investment in the build-out of its fund administration business in Asia and is seeing a growth in its client base in the region as a result.

While a number of providers in the survey have pointed to the increased outsourcing of back-office functions by PE managers, Trident attributes this trend partly to pressure from investors in order to strengthen governance. This has been accompanied by regulatory pressure to appoint third-party administrators in jurisdictions such as the Cayman Islands.

Trident is a standout performer in this year's survey with a stellar 6.63 overall average – 0.72 points above the overall survey average. It also surpasses all survey category averages. In comparison with its own scores from 2019, it is up in most categories, apart from Client Service, Reporting to General Partners and Capital Drawdowns and distributions. These three nevertheless continue to record scores comfortably in the Very Good range (6.00-6.99).

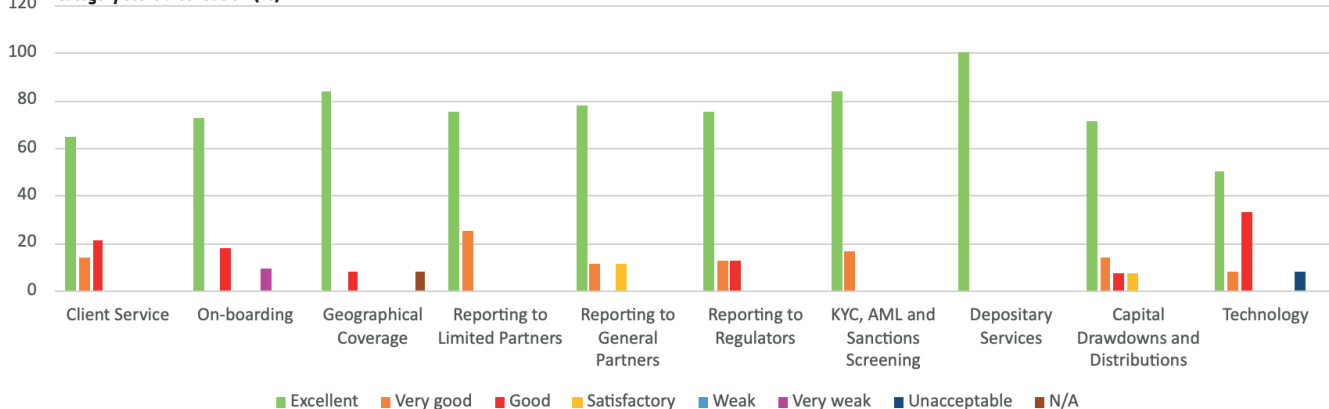
The firm's lowest category score, albeit still more than respectable, is for Technology and judging by client comments, there is some pressure for improvement in that area. "Truly an area that desperately needs investment," says one disgruntled client, though half of respondents for Trident actually awarded top marks for this category.

Client Service comes in for the most consistent praise. "I couldn't speak more highly of my team at Trident and I would recommend them to anyone. [Two specific staff members are namechecked.] They are responsive, proactive, super helpful, the work provided is flawless. I just really, really enjoy working with them. High quality services." Another comments: "We like the people we work with there. They are very collaborative and provide great guidance. We are interested in their technology upgrades and it will be a factor in directing future business."

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.48	6.72	-0.24
On-boarding	6.47	6.33	0.14
Geographical Coverage	6.91	6.77	0.14
Reporting to Limited Partners	6.87	6.65	0.22
Reporting to General Partners	6.38	6.75	-0.38
Reporting to Regulators	6.77	6.62	0.15
KYC, AML and Sanctions Screening	6.81	6.80	0.01
Depository Services	7.00	6.77	0.23
Capital Drawdowns and Distributions	6.52	6.55	-0.03
Technology	6.13	5.86	0.27
Overall	6.63	6.53	0.10

Category scores relative to global benchmarks			
Category	Average Score	Global Average	Difference vs Global
Client Service	6.48	5.89	0.59
On-boarding	6.47	5.84	0.63
Geographical Coverage	6.91	6.19	0.72
Reporting to Limited Partners	6.87	5.88	0.99
Reporting to General Partners	6.38	5.90	0.48
Reporting to Regulators	6.77	6.03	0.74
KYC, AML and Sanctions Screening	6.81	5.76	1.05
Depository Services	7.00	5.87	1.13
Capital Drawdowns and Distributions	6.52	6.12	0.40
Technology	6.13	5.50	0.63
Overall	6.63	5.90	0.72

Category score distribution (%)



This year's Hedge Fund Administration survey received over 600 completed and validated responses, allowing for full page write ups of nine providers and abbreviated consideration of another two.

There were returns this year for Maples and BNY Mellon, though only the former received enough responses for a full page analysis. Thanks are due to both Hedge Fund Administrators and their clients who engaged with the process in what this year were relatively trying circumstances.

Looking at the aggregate results by category, listed in the table, it seems that either clients were in a generous mood this year or else perception of service received has improved.

Scores were up year-on-year in every category, which is quite an incredible feat. Given the challenges hedge funds and service providers alike faced during the pandemic, to see such plaudits across the board - especially in Client Services - is a testament to how fund administrators responded during the pandemic. They had to support their clients seamlessly during the market turbulence while also rolling out their own business continuity plans and moving their own staff to a remote working environment. Despite the fact that weightings have been adjusted slightly in favour of the larger and more demanding clients, each provider that earned a full write up saw its score improve from 2019.

KYC, AML and Sanctions Screening saw the biggest jump with a rise of 0.50, while On-boarding rose 0.48 and most of

ON THE UP

Despite the pressures they are facing as a result of market conditions, hedge funds seem to be relatively content with the levels of service they are receiving from their administrators.

Category	Average Score	Average Score Previous Year	Difference
Client Service	6.20	5.86	0.34
Fund Accounting	6.21	5.99	0.22
Investor Services	6.09	5.81	0.28
KYC, AML and Sanctions Screening	6.29	5.79	0.50
Middle Office Services	6.19	6.07	0.12
On-boarding	6.20	5.72	0.48
Operations	6.25	6.11	0.14
Price	5.82	5.69	0.13
Reporting to Auditors	6.26	5.96	0.30
Reporting to Investors	6.18	5.82	0.36
Reporting to Regulators	6.05	5.96	0.09
Reporting to the Manager	6.23	5.86	0.37
Reporting to the Tax Authorities	6.17	5.82	0.35
Total	6.17	5.85	0.32

the Reporting categories saw a jump of at least 0.30.

Looking back at previous year's scores, we can also confirm that - despite categories changing occasionally over the years - this is the highest overall

score since at least 2015 in our hedge fund administration survey. Only Price falls below the Very Good category (6.00-6.99) and it is rare in any survey for participants to flag their satisfaction with the fees they are paying.

Methodology

The Hedge Fund Administration Survey asks clients to assess the services that they receive from fund administrators in a number of categories. There is only one question in each category where respondents are asked to provide a rating. This is done through a sliding scale from 'Strongly disagree' to 'Strongly agree'. In some categories there are a number of optional qualifying questions to add colour as well as an optional comment box per category.

The published results use Global Custodian's conventional seven-point scale familiar to readers of the magazine (where

1=unacceptable and 7=excellent).

In the provider write-ups, 10 responses are the minimum sample number required to assess a service provider sufficiently for full category results to be published. Those receiving between five and 10 responses receive an abbreviated write up at the editor's discretion. Individual responses are weighted for the size of the respondent as measured by assets under management. This allows the survey editors a degree of 'common sense' flexibility.

Scores in any individual service area

that attract fewer than three responses are excluded from the calculations as we regard fewer than that to be an insufficient number to assess perceptions with confidence.

Where a provider has recorded three or more responses per category, average scores can be made available to the provider concerned for internal use. More granular analyses than are published may also be available to providers. For more information on bespoke reports, please contact beenish.hussain@globalcustodian.com.

Trident Trust

Trident Trust counts some 116 hedge fund and fund of hedge fund managers among its client base. While the bulk of its survey response pool is US-based, it has in recent times made a substantial investment in the build-out of its fund administration business in Asia and has seen its client base grow in that region as a result.

This year's ratings put Trident among the top three providers in terms of client satisfaction with services offered. Scores have risen year-on-year in nine categories – particularly so in the areas of Client Service (+0.91 points), Fund Accounting (+0.75 points), Reporting to Regulators (+0.69 points) and Reporting to the Tax Authorities (+1.58 points). It now boasts 10 service categories in Very Good range (6.00-6.99). It also outperforms the survey average in 10 service categories, most notably in the areas of Reporting to Auditors and Reporting to Managers. Unusually, it also outperforms the survey average for Price by 0.47 – surprising as it is rare for clients to give their providers much credit in this particular category.

As with most providers in this survey, it is the area of Client Service that attracts the most qualitative comment. “All of the staff at Trident are very responsive and knowledgeable,” says one participant. “They handle my requests promptly and accurately in addition to their normal duties as a third-party administrator.” Another lauds “Great attention to detail and timely responses to questions.”

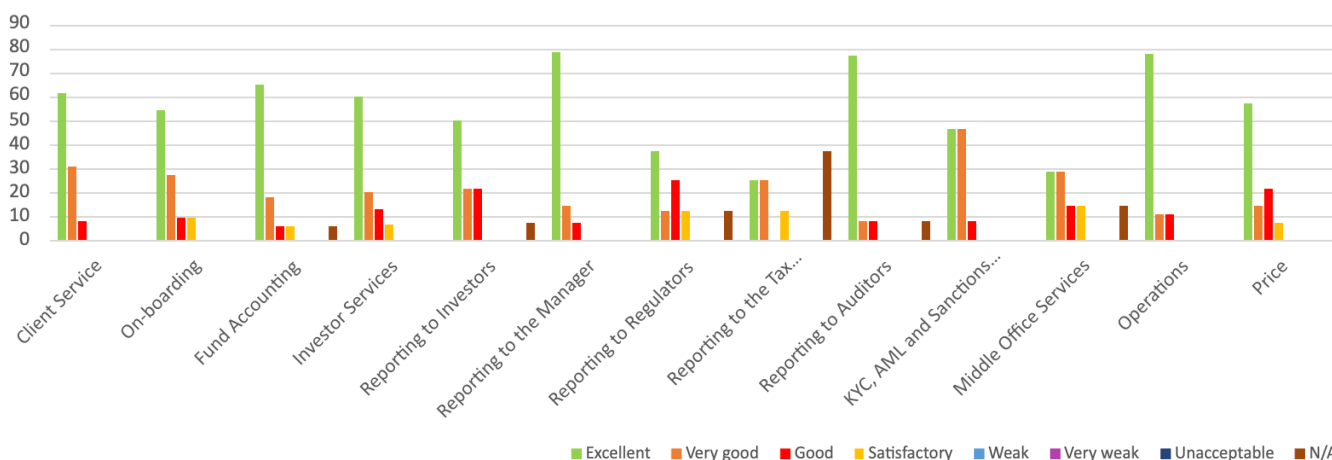
In the less glamorous field of Fund Accounting, one client comments that, “Trident has done a great job keeping up the fund's books. They will customise templates for us based on the information we need quickly and help sort through any questions we might have.”

With reference to Reporting to Auditors, one client is particularly complimentary: “Trident works well with our auditors and is always available to send information in customised formats. Trident will make their entire team available for calls to make sure our auditor understands everything.”

Category scores: annual comparison			
Category	2020	2019	Difference
Client Service	6.50	5.59	0.91
On-boarding	6.21	6.00	0.21
Fund Accounting	6.45	5.70	0.75
Investor Services	6.20	6.42	-0.22
Reporting to Investors	6.25	6.10	0.15
Reporting to the Manager	6.76	5.70	0.06
Reporting to Regulators	5.67	4.98	0.69
Reporting to the Tax Authorities	5.71	4.13	1.58
Reporting to Auditors	6.67	6.16	0.51
KYC, AML and Sanctions Screening	6.29	6.12	0.17
Middle Office Services	5.75	6.09	-0.34
Operations	6.55	6.62	-0.07
Price	6.29	6.45	-0.16
Overall	6.28	6.01	0.27

Category scores relative to global benchmarks			
Category	Average Score	Global Score	Difference vs Global
Client Service	6.50	6.20	0.30
On-boarding	6.21	6.20	0.02
Fund Accounting	6.45	6.21	0.24
Investor Services	6.20	6.09	0.11
Reporting to Investors	6.25	6.18	0.07
Reporting to the Manager	6.76	6.23	0.53
Reporting to Regulators	5.67	6.05	-0.38
Reporting to the Tax Authorities	5.71	6.17	-0.45
Reporting to Auditors	6.67	6.26	0.40
KYC, AML and Sanctions Screening	6.29	6.29	0.01
Middle Office Services	5.75	6.19	-0.44
Operations	6.55	6.25	0.30
Price	6.29	5.82	0.47
Overall	6.28	6.17	0.10

Spread of Opinion (%)



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