

# HOW WE HELP

## Emerging Managers in Africa Getting their Inaugural Fund Off the Ground



Collaborative efforts between a fund administrator and an emerging manager launching their first fund are crucial for ensuring a successful launch and ongoing operation. In this article, **Shamima Mallam-Hassam, Managing Director of Trident Trust's Mauritius** office discusses the benefits of a collaborative partnership and the role a fund administrator plays.

### INITIAL CONSULTATION

The collaboration often begins with an initial meeting where Trident Trust, as fund administrator, and the manager discuss the fund's goals, investment strategy, target investors, and regulatory requirements. During this phase, we provide guidance and practical considerations in relation to fund structuring options, meeting regulatory requirements, and operational best practices. We have been working with first time GPs for two decades and find this helps both parties understand each other's requirements, as well as identifying possible difficulties emerging GPs may find along the way of a new launch.

### FUND STRUCTURING AND DOCUMENTATION

When it comes to fund structuring and documentation, we work with the manager and their legal counsel and the regulator, assisting in structuring the fund and preparing the necessary legal and regulatory documentation, such as the private placement memorandum, limited partnership agreement, and subscription documents. We work as a team, ensuring that the documentation complies with applicable regulations and industry standards while reflecting the emerging manager's investment strategy and preferences.

### OPERATIONAL SETUP

Once the fund's structure is finalized, our team helps set up the fund's operational infrastructure, including establishing bank accounts, selecting custodians and auditors, and implementing technology platforms for fund accounting, reporting, and investor communications. Our core fund administration technology, supported by institutional-grade platforms such as Allvue, PFS-Paxus, and Advent Geneva, is tailored to meet clients' unique requirements.

### EFFECTIVE OPERATIONAL DUE DILIGENCE (ODD)

Effective operational due diligence (ODD) has become more important than ever. Investors recognize the significance of early focus on governance, operational controls, regulatory compliance, and transparency, and seek assurance about a fund's infrastructure, processes, and staff. Consequently, ODD has evolved into a meticulous process. The right fund administrator can significantly support this transition.

As firms outsource middle and back-office functions, they understand the fund administrator's role in enhancing ODD. The administrator's

broad responsibilities, coupled with their experience, complement the manager's operational track record. Engaging a third-party administrator offers investors added reassurance and transparency, strengthening their confidence in their investments.

### COMPLIANCE AND REGULATORY SUPPORT:

Our experienced team provides guidance on regulatory requirements applicable to the fund, such as registration with regulatory authorities, compliance with anti-money laundering (AML) and know-your-customer (KYC) regulations, and ongoing reporting obligations. The team assists the emerging manager in preparing regulatory filings and responding to regulatory inquiries or audits.

### INVESTOR ONBOARDING, REPORTING AND SUPPORT

Effective investor onboarding is crucial for the smooth operation of a fund, especially for emerging managers competing with more established ones. An experienced fund administrator alleviates the manager's burden by assisting with onboarding paperwork, data collection, and KYC/AML checks. They also keep managers updated on the process and manage expectations to prevent the probability of the investor dropping out midway.

Understanding the manager's potentially limited experience, the fund administrator offers training and ongoing support. This may include training on using the fund administration platform, understanding financial reports, and navigating regulatory requirements. By equipping the manager's team with expertise, the administrator enhances operational efficiency and effectiveness, ensuring smoother fund operations and investor satisfaction.

### CONTINUOUS COMMUNICATION AND COLLABORATION

Throughout the fund launch process and beyond, the fund administrator maintains open lines of communication with the emerging manager, providing regular updates on operational matters, regulatory developments, and investor-related issues. We collaborate closely with the emerging manager to address any challenges or opportunities that arise, ensuring a proactive and responsive approach to fund management.

In summary, the collaborative efforts between a fund administrator and an emerging manager are essential for navigating the complexities of launching and managing a first fund successfully. By leveraging the fund administrator's expertise in fund structuring, operational setup, compliance, investor relations, and ongoing support, emerging managers can focus on their core competencies in investment management and strategy, setting a solid foundation for long-term success.