

Case Study

Successful onboarding of established GP with over 50 funds

A private equity firm that has been in operation for over a decade has spent significant capital building a robust fund operations team to oversee nearly fifty funds and multiple billions in assets under management. The firm was recently acquired by another asset manager, and soon after, it was decided that the acquired firm's funds would be outsourced to a fund administrator for various reasons. Having an established and positive relationship with Artex, the asset manager suggested the acquired firm explore outsourcing its fund administration. After extensive due diligence with numerous conversations, a thorough systems review, and a detailed analysis of the requirements, the private equity firm chose to engage Artex.

IMPLEMENTATION

The private equity firm and Artex teams immediately got to work, mapping out a project plan, identifying deliverables, and setting a timeline. This required collaboration across various jurisdictions and teams, including the private equity, compliance, investor services, and business operations teams. Given the volume of funds being transferred, the team adopted a phased onboarding approach, starting with a limited number of funds. Once these initial funds were onboarded to Artex's platform, two new funds were launched, and the remaining legacy funds were phased in over the next 9 months. Key milestones were identified, and efficiencies were achieved by replicating the process for the remaining funds, paving the way for an expedited conversion.

One of the most challenging aspects of the transfer was data migration. The data, which included financial and non-financial information, historical accounting records, and investor contact details, was received in various formats. This necessitated different file transfer methods to ensure meticulous integration into Artex's systems. Rigorous testing, validation, integrity checks, and reconciliations

were performed at each stage of the process, which was crucial to ensuring accurate calculations of fund ratios and performance metrics moving forward.

Additionally, the private equity firm needed bespoke investor reporting for quarterly statements and distribution notifications. The Artex team responded by developing tailored solutions to meet their needs. They established delivery standards and reporting requirements, ensuring all information was presented in the desired formats. This customization included creating detailed, easy-to-understand reports that provided investors with clear insights into their investments, fostering transparency and trust.

Clear communication was critical to the project's success. Artex took the lead by conducting weekly calls, tracking status reports, and ensuring clear expectations for both sides. They identified key point people responsible for agreeing on outputs, approval processes, and specifications for each deliverable. Full transparency in project management was prioritized, with regular updates and open channels for feedback, ensuring that everyone remained aligned and informed throughout the project's progression.

OUTCOME

Artex successfully transferred over fifty funds within the 9-month target deadline. This achievement was significant given the volume of funds, investors, portfolio investments, and varied data file formats required for the transfer.

During onboarding, Artex identified opportunities to bring added value to fund operations, including advising on best practice industry standard accounting principles, adding efficiency with automation of fee calculations, and also assisting the client in completing all fund audits in a timely manner. Artex's financial statement and auditor communications expertise proved invaluable during the audit process.

Overall, the successful migration has enabled the client to allocate resources to their core areas of focus, which are investment management, capital raising, and investor relations.



ABOUT ARTEX FUND SERVICES

At Artex Fund Services, part of Artex Capital Solutions, we're dedicated to delivering bespoke client services and solutions for both onshore and offshore funds. Our experienced and award-winning team is responsive to your needs and innovative in our approach.

Backed by Arthur J. Gallagher & Co., a Fortune 500 company, we administer hedge, private equity (PE), and insurance-linked securities (ILS) funds, as well as provide independent ILS valuation services through our experienced actuarial team.

ABOUT ARTEX

At Artex, we believe there is more to alternative risk management. As a trusted leader and provider of diverse (re)insurance and ILS solutions, our global team operates at the intersection of art and science — where creative thinking meets expertise and superior outcomes are made. That's how we're able to fully understand our clients' needs and deliver the most comprehensive solutions available.

Established in more than 35 domiciles internationally, we're here to help you make empowered decisions with confidence, reduce your total cost of risk, and improve your return on capital. At Artex, we believe in finding you a better way.

Artex provides risk transfer consultation and alternative risk management solutions for our clients. When providing analysis, recommendations or advice regarding risk implications and risk transfer strategy, we offer it as general recommendations for risk mitigation and to limit financial exposures. Any statement or information provided is for informational purposes and is neither intended to be, nor should it be interpreted as, insurance broker, tax, financial, legal or client-specific risk management or mitigation advice. We recommend consultation with tax, legal and financial advisors for business-specific advice for your company.

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Artex

+1 441 295 8478

+1 630 694 5050

artexrisk.com/fundservices