



 TRIDENT TRUST



The 2018 GC McLagan Hedge & Private Equity Fund Administration Surveys



Global
Custodian
Hedge Fund
Administration
Survey
2018



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Global Outperformer



Global
Custodian
Private Equity
Fund Admin
Survey
2018



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A wide angle view of services

The 2018 Hedge Fund Administration Survey has been expanded to cover new client demands and allow for a more granular assessment of service received.

The 2018 Hedge Fund Administration (HFA) Survey is a continuation in a series of surveys produced jointly by AON McLagan Investment Services (McLagan) and Global Custodian (GC), following signature of their agreement to co-operate in the management of client experience surveys in the securities services industry from March 2018. A Survey FAQ, published in this edition and online, explains how the relationship works and who to contact in the event of specific queries.

As in 2017, the HFA Survey, which was open for submissions between May and July 2018, asked clients to assess the services that they receive from their fund administrators. Comparison between years was limited, as this year's questionnaire was extensively updated to reflect changes in both client priorities and services provided. Last year's questionnaire included 30 questions across nine service areas. This year's was expanded to 54 questions across 19 service areas (See Methodology). Respondents were, however, offered the option of giving an overall assessment of a service area.

Clients were asked to rate services by stating how much they agreed or disagreed with a statement regarding a service based on a scale of 20 points. For publication, however, results were converted to the seven-point scale (where 1=unacceptable and 7=excellent) familiar to Global Custodian readers.

In the provider write-ups that follow, respondent profiles by size and location are published along with category scores and their variation from the global average. Table 1 provides aggregate scores by category as well as by the respondent segments covered in the provider profiles. This may add further colour to the individual provider profiles. Larger clients, for example, tend to be less generous in their scoring than their smaller

TABLE 1: AGGREGATE SCORES BY RESPONDENT PROFILE

	Global Weighted Average Scores	Firm Size			Location		
		Large	Medium	Small	Americas	EMEA	APAC
Total	5.99	5.78	5.74	6.14	6.13	5.70	6.00
Client service	6.02	5.62	5.68	6.25	6.20	5.50	6.14
On-boarding	5.71	5.41	5.34	5.96	5.87	5.32	5.82
Fund accounting	6.21	6.14	6.04	6.28	6.30	6.02	6.18
Investor services	6.06	5.95	5.84	6.16	6.23	5.73	6.02
Reporting to investors	6.02	5.71	5.77	6.18	6.16	5.74	5.97
Reporting to managers	5.86	5.60	5.50	6.07	6.04	5.44	5.97
Reporting to regulators	6.02	5.60	5.75	6.19	6.01	5.94	6.13
Reporting to the tax authorities	5.98	6.07	5.48	6.14	5.92	5.83	6.15
Reporting to auditors	6.09	5.89	5.88	6.21	6.27	5.74	6.03
KYC, AML and sanctions screening	6.03	5.73	5.92	6.15	6.26	5.84	5.84
Depository services	5.99	5.90	5.45	6.24	6.34	5.52	6.04
Corporate secretarial services	5.86	4.91	5.79	5.96	6.15	5.78	5.63
Middle office services	5.86	5.24	5.66	6.06	5.90	5.66	6.07
Banking services	6.07	6.06	5.84	6.17	6.22	5.92	5.99
Operations	6.12	5.96	5.81	6.29	6.32	5.89	6.01
Capital introductions*	4.63	N/A	4.14	5.41	4.63	N/A	N/A
Cyber-security	5.99	5.94	5.87	6.07	6.09	5.69	6.16
Price	5.82	5.51	5.87	5.87	5.94	5.65	5.76

* A small minority of HFAs offer this service. While responses were received from several participants, these were insufficient to award individual provider scores for this category.

peers. As a result, providers with a relatively large cohort of large respondents in their survey sample may find this reflected in some of their category scores.

Aggregate category scores in this year's survey, with the exception of Capital

Introductions, fall in a relatively narrow range (5.71-6.12), suggesting general satisfaction with service consistency. Where, in individual cases, spreads are larger, this is often the result of one or two 'outliers'.

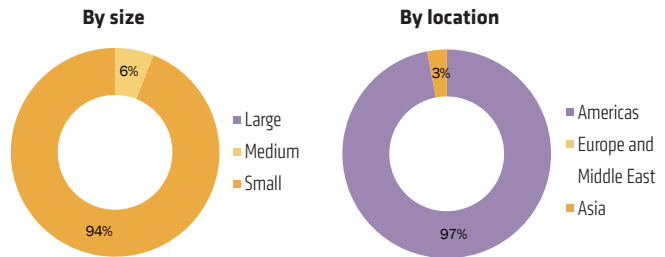
Trident Trust

“Came from a bad relationship with another administrator,” writes a client. “Trident has been absolutely fantastic and a core strength in what we offer clients is the quality of their work. They are amazingly responsive. They are a key part of our team.” He is not alone. Trident leads the survey with scores that clear the benchmarks with ease in every service area that matters, and the client service is in a class of its own. “Trident is always responsive to both us and our clients and takes the time to be sure the issue is settled to everyone’s satisfaction,” says a respondent. For another, Trident is simply “amazing, responsive, adaptable. Top-notch service all around.” A third appreciates “the team-oriented approach and the professionalism exhibited by all members of our team at Trident Trust.” The clients are, of course, of a particular size. The Trident operational teams, which are always based in an on- or offshore fund domicile – the Bahamas, the British Virgin Islands, Canada, the Cayman Islands, Cyprus, Guernsey, Hong Kong, Jersey, Luxembourg, Malta, Mauritius, Singapore, the UAE and the United States – service mainly smaller and medium-sized managers. But the clients are undeniably enthusiastic about the firm.

In the core services of fund accounting (“always reliably provide accurate reporting to us and are happy to help with explanations when necessary”) and investor services (“Trident will bend over backwards to help get a client in the door no matter how late the client sends in doc[uments]”), their satisfaction is effectively complete. In the potentially awkward sphere of KYC, AML and sanctions screening, the score is even better. “If Trident has a question about how a client completed the forms, they always ask me before contacting the client,” says one respondent. Another, who says that “we have not had any issues to date with any investors,” adds that Trident is helping to devise “a process whereby we know that all screenings have passed inspection. We want to know that there will not be any further reasons to go back to an investor and ask for more information.” Most varieties of reporting attract similarly high scores and positive reviews. “Our auditors routinely tell me how responsive Trident is to their requests,” says a client of the reporting to auditors. “Trident’s work product is complete and well ordered.” Another says, “We have yet to discover any material error in their calculations. When there is a discrepancy it is always our error.” A respondent who shadows all reporting in-house thinks Trident offers more reporting to managers than he needs. Even in the field of tax reporting, which many managers prefer to do themselves, Trident collects a stellar set of marks. True, there is a grumble about investor reporting. “The turnaround time for our monthly trading package and client statements takes a significant amount of time,” writes a client. “We rarely receive it before the 15th of each month, whereas our expectation was around the 10th of the month.” But the score, based on a near-complete turn-out by respondents, is as good as perfect. The score for regulatory reporting is not as impressive, but a client still notes that “in a recent regulatory audit, Trident spent much time on the phone with fairly incompetent examiners, helping them to understand their reports and chasing down

old data and supporting data to the reports.” Trident even has clients who think they are not paying enough: “We have always felt we receive more value than we pay for with Trident.”

PROFILE OF RESPONDENTS



Weighted average scores		
2016	2017	2018
6.41	6.58	6.46

Weighted average scores by service area		
Service area	Weighted average score	+/- the global average
Client service	6.84	13.7%
On-boarding	6.47	13.2%
Fund accounting	6.59	6.2%
Investor services	6.69	10.5%
Reporting to investors	6.82	13.3%
Reporting to managers	6.42	9.6%
Reporting to regulators	5.46	-9.4%
Reporting to the tax authorities	6.22	4.0%
Reporting to auditors	6.25	2.7%
KYC, AML and sanctions screening	6.56	8.7%
Depository services	6.82	13.7%
Corporate secretarial services	5.84	-0.4%
Middle office services	6.10	4.0%
Banking services	6.76	11.2%
Operations	6.71	9.6%
Cyber-security	4.73	-20.9%
Price	6.59	13.2%
Total	6.46	7.9%

A deeper dive

The 2018 Private Equity Fund Administration Survey has adopted a more granular approach to the assessment of client perception

The 2018 Private Equity Fund Administration Survey is a continuation in a series of surveys produced jointly by AON McLagan Investment Services (McLagan) and Global Custodian (GC), following signature of their agreement to co-operate in the management of client experience surveys in the securities services industry from March 2018. A Survey FAQ, published online, explains how the relationship works and who to contact in the event of specific queries.

The Private Equity Fund Administration Survey, which was open for submissions between May and July 2018, asked clients to assess the services that they receive from fund administrators. Comparison between years was very limited, as this year's questionnaire was extensively modified from 2017. Last year's questionnaire covered 41 questions across 11 service areas. This year's survey was expanded to 53 questions across 12 service areas (See Methodology). Respondents were, however, able to give an overall assessment of a service area, limiting the time required for completion.

Clients were asked to rate services by stating how much they agreed or disagreed with a statement regarding a service based on a scale of 20 points. For publication, however, results were converted to the seven-point scale (where 1=unacceptable and 7=excellent) familiar to Global Custodian readers.

In the provider write-ups that follow, respondent profiles by size and location are published along with category scores and their variation from the global average. Table 1 provides aggregate scores by category as well as by the respondent segments covered in the provider profiles.

TABLE 1: AGGREGATE SCORES BY RESPONDENT PROFILE

	Global Weighted Average Scores	Firm Size			Location		
		Large	Medium	Small	Americas	EMEA	APAC
TOTAL	5.92	6.12	5.91	5.93	6.05	5.65	5.79
Client Service	6.15	6.36	5.98	6.31	6.17	6.14	6.04
On-boarding	5.79	5.64	5.90	5.94	5.99	5.44	5.49
Geographical Coverage	5.95	5.81	6.04	6.05	6.14	5.38	6.03
Reporting to Limited Partners	6.15	6.33	6.13	6.10	6.21	5.96	6.09
Reporting to General Partners	5.97	6.13	5.74	6.16	6.12	5.47	6.00
Reporting to Regulators	5.69	5.95	5.67	5.65	5.93	5.46	5.41
KYC, AML and Sanctions Screening	5.90	5.65	6.09	5.92	6.09	5.48	5.85
Depositary Services	6.29	6.38	6.57	5.94	6.60	5.74	6.01
Corporate Secretarial Services	5.64	6.74	6.16	4.59	5.87	5.39	5.79
Capital Drawdowns and Distributions	5.89	6.22	5.81	5.85	6.04	5.39	5.69
Technology	5.49	5.84	5.49	5.37	5.56	5.45	5.25

Read in conjunction with the assessments that follow, this may add further colour to individual provider results.

We are most grateful to all fund managers who took the time and trouble to complete a respondent questionnaire, as well as to the private equity fund administrators who encouraged their clients

to do so and who completed a provider questionnaire of their own. As a thank you, private equity fund managers who participated in this survey are entitled to a free benchmark report from McLagan, comparing their assessments to those of their peers who use the same service providers.

Trident Trust

Clients of Trident Trust have between them delivered an outstanding set of scores, for a second year in succession. The flattering numbers are accompanied by ample praise for client service, where the average score is one of the best in the survey. “Trident does excellent work for us,” writes one respondent. “They are very responsive and a pleasure to work with.” A second confirms that “Trident Trust is extremely responsive, and they do an excellent job helping us manage a large volume of complex transactions.” A third declares itself “a happy client who has worked with Trident for over a decade. Our day-to-day contact has not changed. We are impressed with their responsiveness and client service.” Another customer of longstanding says that Trident “has been a great partner to us as we have grown from a start-up fund to a much larger institution.”

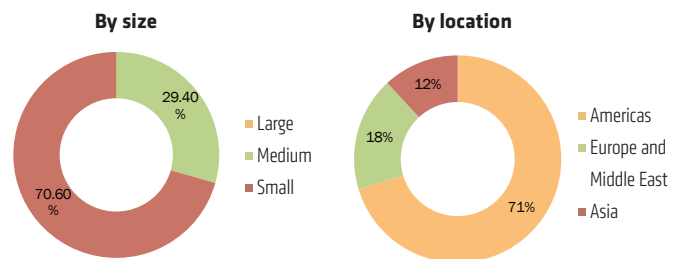
The respondents are drawn from the lower end of the assets-under-management spectrum, but they represent a meaningful sample of the 100 or so managers that Trident looks after from its various locations around the world. For a relatively small provider, the geographical reach of the firm is certainly extensive. In fact, Trident has since last year added Dubai to its existing operations in the British Virgin Islands, Cayman Islands, Cyprus, Guernsey, Hong Kong, Jersey, Luxembourg, Malta, Mauritius, United States and Singapore. “We have global operations in multiple currencies,” writes one client grateful for the extensive coverage. “Trident is very helpful in all areas.” The score for geographical coverage is also one of the best in the survey. But the firm impresses even in trickier areas such as on-boarding (“We have worked with them since launching our first fund. They are extremely efficient at on-boarding and helping us launch new funds”), KYC, AML and sanctions screening (“We are very pleased with the KYC/AML services that Trident provides to us. They are very thorough and work well under time pressure”) and the Alternative Investment Fund Managers Directive (AIFMD)-compliant depositary services Trident provides to European managers from its Luxembourg operation (“Satisfactory”).

Technology remains a vulnerability. Last year, Trident completed the implementation of the LineData Mshare transfer agency platform (tax compliance and KYC, AML and sanctions screening tools) and the Linedata Reporting platform, which included new dashboards and web portals for managers and their investors. But the score for technology has not improved. “Trident has made significant developments and progress in technology but is not quite at the same level as other fund administrators that we use for our business,” explains one respondent. That said, and as for other providers, the weakness is more apparent than real, in the sense that the detailed scores indicate clients value the people at Trident more than the machines. “Trident is a wonderful partner,” says a client. “We would like to ensure that they invest in new technologies to further streamline processes – such as electronic document[ation] of subscription agreements, etc., which keep up with the rapidly changing environment and our busy LPs.” Trident is promising new services and, judging by the average scores, the perceived technological

shortcomings have not affected day-to-day assessments of the quality of the reporting to managers or investors. “The administrator has proven to be flexible with reporting to LPs and works with our schedule to try to accommodate our requests,” writes one client. A second says that “reporting is timely and consistently accurate.”

Clients would like higher levels of automation in regulatory reporting and capital drawdowns but even in this area, the human touch is what counts. “Trident is accommodating of time-sensitive requests for distributions to LPs,” writes a client. As another happy client concludes, “Trident has always been responsive and professional in all correspondence. We depend highly on their competence and are comfortable continuing to use their services in the future.”

PROFILE OF RESPONDENTS



Weighted average scores	
2017	2018
6.34	6.15

Weighted average scores by service area		
Service area	Weighted average score	+/- the global average
Client service	6.37	3.70%
On-boarding	6.28	8.50%
Geographical coverage	6.26	5.20%
Reporting to limited partners	6.52	6.00%
Reporting to general partners	6.36	6.50%
Reporting to regulators	5.80	2.00%
KYC, AML and sanctions screening	6.48	9.90%
Depositary services	6.65	5.80%
Corporate secretarial services	5.37	-4.90%
Capital drawdowns and distributions	5.98	1.60%
Technology	5.27	-4.00%
Total	6.15	3.90%

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.

Core Services

- Assistance with fund establishment
- Fund accounting, financial reporting
- Shareholder services/transfer agency
- Regulatory and statutory services
- Depository services
- Side entities and investment SPVs

Key Statistics

20+
Jurisdictions

10+
Fund
domiciles

\$35bn
Assets under
administration

1978
First office
opened

500+
Funds

40+
Languages
spoken