



FUND ADMINS

With many Africa funds being launched, choosing a fund administrator can be tricky. *Africa AM* asks experts about key considerations and how the relationship with an administrator should be structured

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There is generally not much difference between the core services provided by one fund administration firm from another. Focusing solely on historical factors such as industry known names and cost may lead to unwanted surprises. A good administrator should not only have the skills and expertise to deliver timely and reliable reporting but should also understand the fund business, whether private equity or other types of funds. For example, Africa-focused funds which seek to be structured in Mauritius would want their administrator to be on top of the Mauritius regulatory framework, but also to be able to provide reliable professional advice. Significant professional fees may be saved by appointing a knowledgeable administrator.

Fund managers should get the comfort that while their routine fund administration matters will be handled by a senior staff of the fund administration firm they appoint, they will always have access to at least one experienced and capable senior manager/director of the firm, if need be. While a fund manager may derive comfort from a large fund administration firm, the “make or break” status of the relationship will to a large extent hinge on the quality of the responsible director or senior manager of the fund administration firm attributed to the job along with the quality of the responsible fund administration staff.

From a systems point of view, criteria which include the following are determinant: adequate accounting systems backed by qualified staff and quality controls, the level of experience, whether deadlines are consistently met, independence of the firm in relation to any particular bank, prime broker or other service provider, length of time the firm has been in business, the internal controls that are in place with respect to the movement of money, the anti-money laundering services provided by the firm, the investor relations services provided included and the type and format of investor reporting that will apply. ■