

# FundAdministration - Challenges Facing Hedge Fund Start-ups

**Fundadministration** is a full-service fund administration firm dedicated to providing accurate, timely and comprehensive accounting and administration services to the financial services industry. Denise DePaola gives her thoughts on the work of the company and imparts her thoughts on the key challenges facing Hedge Fund Start-ups today.

Typically we work with hedge fund managers that require more personalised attention from their administrator. We act more as a partner than a provider, offering them accounting, administration and consulting for their businesses.

In terms of the people we serve, we have a variety of clients in the financial services industry and customise our suite of products to meet the individual needs of each client.

With Hedge Fund Start-ups arguably the most common mistake is launching without enough capital, having not even prepared a break-even analysis or creating a business plan. Understanding the costs involved is a very important factor to consider in a start-up, for example complex structures cannot be implemented if you have a limited budget. Trying to launch a business within a few weeks is totally unrealistic.

Believing you can duplicate the strategy you might have ran at a larger firm should be avoided and keep in mind that your track record may not be portable. Never leave a large organisation thinking clients will follow. Among others, you must be clear on who your target investor is and understand the tax consequences to the investor.

To make the investment flourish you need to avoid these mistakes, due diligence and choosing the right service partners are key factors which can help you do that. However you will reach a stage where you have to be willing to take some level of risk to help you realise the returns.

At present I am seeing growth in the industry, however at the same time it is being stunted by banks not wanting to do business with hedge funds. As a result, we are constantly finding new ways to assist our clients to overcome these challenges.

Just like any firm the staff play a key role behind the success of the firm, in fact without the team at Fundadministration our clients would be lost.

Looking ahead to the remainder of 2016 and beyond we are looking at some strategic partnerships that will hopefully accelerate our growth as well as assist our clients in expanding their funds. The key challenges will without doubt be banking, cyber security, increased regulations and reporting.

Founded in 1990, we are a leading global hedge fund administrator with offices located in New York and clients around the world.

Our highly professional and experienced associates provide our clients with world-class service, transparency and oversight along with independent data verification. Our cutting-edge technology is fully automated, flexible and provides a cost-effective level of reliability that meets the specific needs of our client's sophisticated investors.

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