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2015 Trends: Investor-centric Approaches for Hedge Fund Growth

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In today's competitive market, winning investor assets is no easy feat. Hedge funds must be nimble and meet increasing investor and regulatory demands, while remaining cost efficient and advancing operations. To foster and sustain these relationships, it's vital that managers and investors reach equilibrium in regards to their interests and expectations.

Achieving this balance is an ongoing challenge; however, it also offers firms opportunities for improvement. The following are suggested focus areas for hedge funds to differentiate themselves from the competition and attract and retain investors.

Bespoke Productization

Managers that strive to enhance offerings consistently to attract principal growth must focus on investors' needs during product ideation and development. Aside from exceptional client service, investors expect high performance, availability, transparency and seamless integration with client relationship management data. Hedge funds that invest in building bespoke solutions suitable for investor operations will meet expectancies better while increasing efficiencies and reducing the risk of underperformance.

Diving Deeper

To meet growing investor demands hedge funds must dig below the surface and provide visibility into both customer and investor relationship data. In other words, they need a bird's eye view that can be magnified down to every layer, touch point and email.

This all-encompassing perspective, coupled with readily available, accurate information, will help managers identify areas for improvement and eliminate any guesstimates regarding past client activity. Information is king, and maximizing its value will empower a firm to become consistent in their efforts. Furthermore, funds will be able to nurture investor relations more effectively; rather, than acting on a whim when addressing investor questions and strategizing future business objectives.

Lack of Ease in Interpretation

Investors' needs have evolved beyond historical data and records of interactions for performance evaluation and future planning. Although these reporting aspects are still valuable, suffice to say that paper trails of spreadsheets and multiple back-office systems are a way of the past. Some firms utilize multiple platforms and resources to manage customer relations, mailings, portfolios and the like, which can lead to increased headcount, cost and time.

Efficiently managing all of these areas requires one centralized platform that provides insight into sales and marketing initiatives, capital activity and communication tracking. Offering a one-stop-shop product not only simplifies customer and investor relationship management, but also enhances the fund's services.

About the author:

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Ledgex platform, and he is responsible for leading the company's engineering, support and client service teams. Prior to Ledgex Systems, Brian was a director within the Eze Castle Integration Professional Services Group, where he led large-scale custom application development projects for some of the largest hedge funds and fund of funds in the country. Brian has also worked with top industry firms including Charles River Development, Thomson Reuters and Fidelity Investments.