

Forces Reshaping Fund Administration in 2026



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2025 was a year of regulatory pressure, unpredictable geopolitics, shifting interest-rate dynamics and accelerating investor expectations. Managers faced tightening liquidity, evolving macroprudential frameworks and heightened scrutiny of valuation and reporting standards. At the same time, advances in automation, data connectivity and real-time oversight changed operational priorities across the industry.

For administrators, the convergence of market volatility, technological disruption and rising oversight demands has marked a turning point. The administrator's role is no longer confined to reconciliations and reporting; it now sits at the centre of strategy, governance and investor confidence.

As we move into 2026, fund administration is becoming a strategic pillar for investment managers that wish to scale, stay compliant and meet growing investor expectations.

Rising Oversight is Redefining Expectations

Regulatory frameworks continue to expand while institutional investors raise expectations for governance and transparency. Administrators are contending with the cumulative effect of new reporting requirements, cross-border data rules and enhanced due-diligence standards. Compliance has become a continuous, resource-intensive process, particularly as AML, CFT and data-privacy regulations tighten across jurisdictions.

At the same time, investors expect faster, more detailed reporting and greater responsiveness. Meeting these expectations requires a proactive approach: embedding regulatory change management within operations, aligning service models with institutional standards and strengthening oversight of third-party providers and data flows. Administrators that can demonstrate robust controls and evidential transparency will be best placed to earn investor confidence.

Efficiency Becomes a Strategic Imperative

With margins under pressure and costs rising in technology, regulation and staffing, both managers and administrators are re-evaluating their operating models. The balance between control, scalability and efficiency has become a defining issue.

Administration costs, once a minor component of overheads, are now closely scrutinised by boards and investors. Operating inefficiencies, particularly those rooted in fragmented systems or manual reconciliation, can quickly erode returns. Success in 2026 will depend on scalable, data-driven models that integrate automation, streamline reporting and align directly with client objectives.

For many, this means treating administration as a strategic platform rather than a cost centre, deciding deliberately what to retain in-house versus what to outsource or co-source. Firms that build flexible architectures will be able to scale efficiently and adapt as regulation and markets evolve.

Skills for a Data-Driven Future

Technology and regulation are reshaping the skills required within fund administration. Administrators need professionals who can blend accounting precision with data analytics, regulatory insight and client-facing acumen.

Automation has reduced manual tasks but created new needs for staff capable of managing data pipelines, exception processes and analytics tools. Without adequate expertise, administrators risk slower delivery and inconsistent quality.

Addressing the talent gap means investing in training, recruitment and clear career pathways within operations. Upskilling teams in automation and data governance builds retention and institutional knowledge, while partnerships with administrators that demonstrate genuine depth of talent, not just scale, will help build long-term service quality.

Transforming Operations Through Connected Data

The pressure to modernise infrastructure is intensifying. Legacy systems are no longer sufficient for complex fund structures and investor demands for real-time information. Administrators must build platforms that enable easy data exchange, automation and transparency.

A central goal is the creation of a “single source of truth”, a unified, verified data framework spanning the front, middle and back office. Without it, administrators risk duplication, errors and inefficiency. Equally important are control frameworks: independent valuation validation, automated reconciliations and exception management that ensure data integrity and regulatory compliance.

Firms investing in digital transformation are not only improving efficiency but also strengthening resilience and auditability: qualities increasingly valued by investors and regulators alike.

Evolving Structures and Liquidity Management

The diversification of fund structures is adding complexity to cash management, valuations and investor flows. Administrators play a critical role in managing these mechanisms and ensuring transparency in how areas like liquidity and gating are handled.

As investors seek greater flexibility, administrators must balance expected liquidity with underlying asset profiles, maintaining rigorous oversight and communication. Technology-enabled monitoring and stress testing are becoming standard tools to protect both investors and fund sponsors. The administrators best positioned for 2026 will translate structural complexity into operational clarity and trust.

Positioning for the Next Phase

The pace of change shows no sign of slowing. The combined impact of regulation, technology, data complexity and investor scrutiny is redefining how administrators operate and how they create value. What was once a support function has become a strategic platform for control, transparency and growth.

Administrators that succeed will treat transformation as a continual discipline. Investing in automation, data quality and talent development remains essential, but so does maintaining agility.

The next phase of administration will be defined by deeper partnerships, unified data architectures and stronger governance at every level. Those who act now to strengthen their infrastructure and culture of accountability will help shape a more resilient, insight-driven future.

At Waystone, we are already anticipating this next phase. Through investment in [fund administration technology platforms](#), data integration and specialist expertise, Waystone is helping managers simplify complexity, strengthen oversight and scale with confidence. Our [administration solutions](#) and approach combines institutional-grade infrastructure with the flexibility and partnership mindset clients need to navigate change, positioning our clients to thrive in the years ahead.

If you have any questions regarding the themes raised in this article, please contact your usual Waystone representative via the below.

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