

How US Private Credit Fund Managers Can Strengthen Their Operating Model



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Despite volatile geopolitical and economic conditions, private credit continues to attract capital as investors seek yield stability and predictable cashflows. In the United States in particular, continued asset growth, product innovation and institutional allocator demand are increasing scrutiny on operational infrastructure. What increasingly differentiates managers, however, is not access to opportunity but the strength of their operating model as portfolios scale and conditions become more demanding.

Despite volatile geopolitical and economic conditions, private credit continues to attract capital as investors seek yield stability and predictable cashflows. In the United States in particular, continued asset growth, product innovation and institutional allocator demand are increasing scrutiny on operational infrastructure. What increasingly differentiates managers, however, is not access to opportunity but the strength of their operating model as portfolios scale and conditions become more demanding.

In practice, many of the risks facing US private credit managers today are not investment risks, but operational ones. As platforms mature, weaknesses in data, controls, valuation governance and resilience tend to surface, often under pressure from investors, auditors or regulators.

While headline default rates remain relatively low, restructurings, amendments and liability management exercises are becoming more common. Rising use of payment-in-kind features and weaker borrower cashflows are increasing the need for timely risk monitoring, consistent valuation and faster decision-making as credits deteriorate.

At the same time, private credit is becoming more institutionalised. Expectations around valuation discipline, liquidity management and reporting transparency have risen sharply, shifting the bar from entrepreneurial growth to institutional maturity. Processes that once worked at smaller scale now represent real risk under investor due diligence, audit and regulatory review.

Against this backdrop, a new operating model is emerging – one that prioritises scale, control and transparency from the outset rather than attempting to retrofit them later. To strengthen their operating model, US private credit fund managers are increasingly focusing on four core areas:

- Data infrastructure and loan-level visibility
- Scalable operational controls
- Institutional-grade valuation governance
- Embedded operational resilience.

Data infrastructure and loan-level visibility

Many private credit platforms still rely on fragmented systems, manual reconciliations and spreadsheets to manage loan-level data. This approach may work at smaller scale, but it quickly becomes a constraint as portfolios diversify across borrowers, structures, jurisdictions and asset types. Common operational pain points include:

- Inconsistent data definitions across systems
- Delayed NAV production
- Limited real-time portfolio risk visibility
- Manual covenant tracking and amendment processing.

Leading managers treat loan-level data as critical infrastructure. Centralised data models, automated source-system integrations, standardised data dictionaries and reconciliation controls support everything from NAV production to covenant monitoring and investor reporting. This “data-first” approach improves reporting accuracy, reduces operational friction, enables faster credit risk escalation and supports scalable multi-strategy growth.

Scalable Controls for Complex Structures

As deal terms become more bespoke, operational processes frequently remain manual. Waterfalls, fee calculations and allocation logic are often maintained outside core systems, creating key-person risk, version control issues, limited audit trails and increased error exposure during growth.

In a market where continuation vehicles, side pockets and tailored fee arrangements are becoming more common, weaknesses can quickly translate into control gaps under audit or investor review. Best-practice managers embed scalable controls directly into their operating workflows through four-eyes review processes, version-controlled calculation engines, system-driven allocation logic and clearly documented approval and governance paths. This reduces operational risk, supports audit and regulatory review and allows teams to manage structural complexity without proportionally increasing headcount.

Institutional-Grade Valuation Governance

Valuation processes are an increasing point of scrutiny, particularly where internal assumptions, borrower data and market inputs intersect. Inconsistent methodologies, poor documentation or over-reliance on informal processes can expose managers to regulatory challenge and investor concern.

For US private credit managers, valuation best practice increasingly involves clearly documented methodologies, independent oversight or valuation committees, consistent treatment across portfolios, robust documentation supporting assumptions and defined escalation procedures for challenged credits. Mature platforms treat valuation as an ongoing governance framework rather than a quarterly reporting exercise. This institutional discipline strengthens investor confidence and mitigates regulatory risk.

Embedded Operational Resilience

Operational resilience is often addressed reactively – typically in response to investor due diligence or regulatory inquiry. Business continuity planning, cyber resilience and third-party oversight may exist on paper but are not always operationally embedded.

The rapid growth of evergreen and semi-liquid US private credit vehicles has added further complexity, introducing ongoing subscription and redemption activity, heightened liquidity management expectations, more frequent reporting cycles and greater operational interdependencies.

Leading managers integrate resilience directly into day-to-day governance through formalised business continuity testing, cyber security oversight frameworks, third-party service provider monitoring and clear escalation and incident-response protocols. This supports sustainable growth across strategies and jurisdictions while meeting rising institutional due diligence expectations.

The Competitive Edge in US Private Credit

Managers that invest early in integrated loan-level data infrastructure, scalable control frameworks, institutional valuation governance and embedded operational resilience are better positioned to manage complexity, satisfy regulators and build durable investor confidence. Those that delay often find themselves retrofitting controls under pressure at higher cost and greater reputational risk.

Working with Waystone Administration Solutions

Through its Administration Solutions platform, Waystone supports private credit managers globally in building operating models designed for scale, transparency and control.

Our teams work alongside managers to integrate loan-level and portfolio data, implement scalable control frameworks and deliver timely, audit-ready investor reporting across multi-strategy and multi-jurisdictional platforms. By combining private credit expertise with flexible technology and regulatory insight, Waystone enables managers to stay ahead of operational risk while focusing on investment performance.

Learn more about Waystone's [Private Credit Administration Solutions](#).

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