

Why Scaling Private Credit Strategies Demands Greater Operational Control



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What began as an opportunistic strategy in the aftermath of the global financial crisis has evolved into a structurally significant asset class, attracting long-term capital from pensions, insurers and sovereign wealth funds.

As platforms scale and strategies become more complex, the challenge is no longer simply growth. It is maintaining control.

Private credit managers are increasingly required to deliver consistent oversight across multiple funds, SPVs and jurisdictions, while meeting rising expectations around transparency, reporting and governance. The operating models that supported early expansion are now being tested by the demands of institutional scale.

Growth is reshaping operational demands

Private credit has expanded rapidly over the past decade, driven by bank retrenchment from middle-market lending and sustained investor demand for yield. With that growth comes operational complexity. Managers are no longer limited to overseeing a single closed-end fund with straightforward drawdown mechanics. Many platforms now support multiple vintages, co-investment vehicles, SMAs and SPVs across jurisdictions. Portfolios are increasingly diversified across direct lending, opportunistic credit, structured credit and asset-backed structures.

Each structure brings distinct cash flows, waterfall calculations, fee mechanics and reporting expectations. As strategies mature, managers must provide granular performance data, loan-level transparency and timely capital account reporting, often to sophisticated institutional investors with detailed due diligence requirements.

Recent market developments, including heightened sensitivity to sector-specific exposures and drawdown dynamics within private credit portfolios, have further increased investor demand for detailed, real-time visibility into underlying assets.

As this complexity increases, maintaining consistency, accuracy and oversight across the platform becomes significantly more challenging.

Regulatory scrutiny is intensifying

At the same time, private credit managers operate within an increasingly robust regulatory framework. Compliance obligations such as AML, FATCA and CRS reporting continue to evolve, while regulators in major markets have increased focus on valuation governance, liquidity risk and leverage disclosures in private markets.

Operating across multiple jurisdictions further compounds this complexity. Reporting standards, tax considerations and investor onboarding requirements vary, increasing the administrative burden on internal teams.

In jurisdictions such as Luxembourg, evolving regulatory expectations, including increased emphasis on investor transparency and suitability (Know Your Asset obligations), are further raising the bar for operational control and reporting.

As a result, managers must not only meet regulatory requirements but demonstrate clear and consistent operational control.

Institutional investors expect institutional infrastructure

While retail and wealth capital is growing quickly, institutional capital still dominates private markets allocations. Investors expect not only performance, but operational resilience. For private credit managers, this means demonstrating:

- Accurate and timely reporting of loan performance and capital activity
- Clear oversight across funds and SPVs
- Independent fund accounting and reconciliation processes
- Secure, transparent investor reporting
- Ongoing Know Your Asset reporting.

These expectations are increasingly essential rather than optional. They are fundamental to maintaining investor confidence as platforms scale. Delivering against them requires operating models that provide both visibility and control, not just capacity.

The operational inflection point

Many private credit managers reach a point where incremental internal hires and legacy systems can no longer provide the scalability or risk mitigation required. Operational risk becomes more concentrated, reporting timelines tighten and the demands of new funds place increasing strain on internal resources.

At this stage, the challenge shifts from supporting growth to maintaining control. Managers must ensure that increasing complexity does not erode oversight, and that scaling the platform does not introduce inconsistency or risk.

This inflection point often prompts a reassessment of the operating model itself. Rather than viewing fund administration as a back-office function, managers are increasingly treating it as strategic infrastructure—one that underpins governance, investor confidence and sustainable growth.

Supporting scalable credit platforms

Waystone Administration Solutions partners with private credit managers to support this transition to institutional-grade infrastructure.

Through specialist private credit accounting expertise, oversight across funds and SPVs, regulatory-aligned reporting and scalable investor servicing solutions, Waystone provides an integrated operating model designed to support complex credit strategies.

Dedicated teams ensure consistent oversight across capital activity, reporting and investor servicing, helping managers maintain control as their platforms expand.

As private credit continues to scale, the question for managers is less about whether infrastructure matters and more about whether it is robust enough to support the next phase of growth.

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