CASE STUDY

European Hedge Fund Managers — Scaling Operations to Meet Regulatory and Investor Expectations

Challenge

As European hedge fund platforms expand, managers increasingly encounter limitations in operating models designed for smaller, less complex businesses. For many managers now working with Waystone, what was initially managed through in-house systems and lean operational teams became increasingly difficult to sustain as AUM increased, strategies diversified and investor expectations rose.

As investor bases became more institutional and internationally diverse, managers were required to meet higher standards around transparency, governance and reporting, often across multiple jurisdictions such as Ireland and Luxembourg.

Managers faced heightened regulatory scrutiny under European frameworks, more complex fund structures and growing demands for transparency, all while maintaining strict NAV and reporting timetables. For example, coordinating reporting across multiple jurisdictions while meeting AIFMD and SFDR requirements alongside investor-specific reporting expectations introduced additional operational complexity.

For these managers, internal systems and processes were no longer sufficient to deliver the scale, control and governance required by institutional investors. The decision to move to an outsourced administration model needed to be carefully managed, ensuring continuity for investors and no disruption to day-to-day portfolio operations.

Solution

Waystone works with these European hedge fund managers to deliver a structured transition from in-house operations to a fully outsourced, institutional-grade administration framework. This approach is built through close partnership with clients, combining Waystone's asset class expertise with a detailed review of each manager's operating model, investor base and regulatory environment. Drawing on this, Waystone works with clients to design and implement a tailored operating model and roadmap aligned to both current requirements and future growth.

Core services include independent NAV calculation, daily trade, position and cash reconciliations, corporate actions processing, expense oversight and complex fee calculations, alongside customised reporting aligned with European regulatory frameworks such as AIFMD and SFDR. In addition, Waystone supports enhanced investor reporting and cross-border operational coordination for managers operating across multiple jurisdictions.

As client needs evolve, Waystone's flexible approach allows additional capabilities to be introduced seamlessly, including enhanced regulatory and compliance support, expanded institutional investor reporting and cross-border expertise for managers operating across multiple jurisdictions.

Transitions are executed with a strong focus on operational continuity, ensuring no disruption to NAV production, investor reporting or portfolio operations throughout the process.

Results

Across these engagements, Waystone's hedge fund clients achieved consistent and measurable outcomes:

- Successfully transitioned from in-house or constrained operating models to a fully outsourced, institutional-grade infrastructure
- Improved operational resilience and control through independent NAV calculation and daily processing
- Delivered accurate, timely and transparent reporting aligned with investor and regulatory expectations
- Reduced internal operational burden, enabling lean teams to focus on investment activity and growth
- Established scalable operating models capable of supporting increased AUM and strategy complexity
- Strengthened their ability to meet institutional investor expectations and support continued fundraising across European markets.

Waystone's combination of experienced teams, structured transition support and scalable technology enables these managers to professionalise their operations without sacrificing agility, positioning them for continued growth and institutional engagement.

If you have any questions regarding the themes raised in this case study, please contact your usual Waystone representative or our team via the button below. You can also find more insights from Waystone's experts and join our mailing list on our News & Events page.

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