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CASE STUDY

US Hedge Fund Managers — Managing Cross-Jurisdictional Structures with Confidence

Challenge

As US hedge fund platforms expand internationally, managers increasingly encounter operational complexity arising from cross-jurisdictional fund structures. Supporting US onshore vehicles alongside offshore funds — most commonly Cayman-domiciled master-feeder and parallel structures — places significant demands on operating models originally designed for simpler arrangements.

At the same time, many US hedge fund managers are raising capital from an increasingly global investor base, requiring operating models that can support cross-border distribution, differing investor expectations and jurisdiction-specific regulatory requirements.

For many managers now working with Waystone, what had initially been managed through internal processes or legacy administrators became difficult to sustain as strategies expanded and investor bases became more international. In particular, domestic-focused administrators often lacked the infrastructure to support global operations, creating potential risks around investor servicing, reporting consistency and overall fund perception in the market.

Coordinating data, valuations and reporting across jurisdictions has become increasingly challenging, while differing regulatory and investor requirements place added pressure on daily NAV processes, capital activity and reporting timetables. For example, aligning US GAAP reporting with offshore requirements and delivering consistent investor reporting across regions introduces additional operational complexity. Fragmented service models can stretch internal teams and increase operational risk.

For these managers, any move to a new administration model needed to be carefully managed, ensuring data integrity across structures, continuity for investors and confidence throughout the transition.

Solution

Waystone works with these US hedge fund managers to deliver a structured transition to a fully outsourced, institutional-grade administration framework capable of supporting cross-jurisdictional structures. This approach is built through close partnership with clients, combining Waystone's hedge fund expertise with a detailed review of each manager's operating model, investor base and growth strategy to design a platform aligned to both current needs and future expansion.

Services include independent NAV calculation, daily trade, position and cash reconciliations, corporate actions processing, expense oversight and complex management and incentive fee calculations across onshore and offshore vehicles. In addition, Waystone supports enhanced investor reporting, multi-jurisdictional regulatory alignment and tailored service models designed to meet the expectations of a global investor base.

Waystone provides a single, coordinated operating model spanning jurisdictions, with customised reporting aligned to US investor expectations and offshore regulatory requirements. Transitions are executed with a strong focus on operational continuity, ensuring no disruption to NAV production, investor reporting or capital activity throughout the process.

Results

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

- Established a single, integrated operating model across US and offshore fund structures
- Improved control and consistency across NAVs, valuations and reporting
- Delivered accurate, timely and transparent reporting to an international investor base
- Reduced operational risk associated with fragmented service providers and internal processes
- Freed internal teams to focus on portfolio management and capital raising
- Strengthened their ability to support global fundraising and distribution through a scalable, institutional operating model

Waystone's experience supporting complex, cross-jurisdictional hedge fund structures enables these managers to operate with greater confidence, efficiency and institutional credibility.

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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