

ASSET SERVICING TIMES

The background of the cover features a series of smooth, flowing, and overlapping lines in shades of blue and purple. These lines create a sense of movement and depth, resembling liquid or fabric in motion. The colors transition from deep blues to vibrant purples, with some areas appearing more saturated than others.

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Fund Services Guide 2026

As fund structures evolve and investor expectations continue to fragment, fund services is entering a period defined less by scale alone and more by adaptability. The demands being placed on administrators, depositaries, and service providers today are broader, more technical, and increasingly global. In this Asset Servicing Times Fund Services Annual 2026, we explore how the industry is responding to that shift.

Rob Lowe of Pictet Asset Services explores how the rapid growth and institutionalisation of family offices is driving new expectations around customisation, digital delivery, and cross-border capability, while Daniel Trentacosta of MUFG Investor Services looks at how fund administrators are rethinking operating models in response.

Data quality and operational insight are also moving firmly to the forefront. Joost Knabben of Vistra examines why data discipline has become a decisive factor in capital allocation. Rich Anton of CIBC Mellon, meanwhile, considers how agentic AI and connected workflows are changing how firms extract insight from operations, shifting technology from a support function to a strategic enabler.

The heads of JTC's Global AIFM Solutions teams across the UK, Guernsey, Ireland, and Luxembourg — Simon Monson, Kobus Cronje, Orla Philippon, and Louis Lamotte — explore how AIFM models are evolving to meet the needs of an increasingly international investor base.

Finally, the potential impact of tokenisation on alternative investments is examined in more depth. Sorin Jitaru of CACEIS considers how blockchain-based infrastructure could widen access to hedge funds and enhance liquidity, reflecting a broader shift towards new servicing models as alternatives continue to expand.

As expectations rise and operating environments become more demanding, the ability to deliver clarity and confidence is becoming as important as scale itself. As always, we hope this Fund Services Annual offers valuable insight as the year ahead unfolds.

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Linnovate takes majority stake in Adansonia

Linnovate Partners Asset Servicing Group, a global provider of technology-driven fund services, has made a majority stake investment in Adansonia Management Services, a Mauritian offshore management company licensed by the Financial Services Commission (FSC).

Subject to approval by the FSC, the firm says this partnership with Adansonia's founding managers establishes Linnovate's presence in Mauritius, a gateway for investment opportunities to Africa and the Pan-Pacific.

Adansonia brings decades of industry experience, with particular expertise in supporting and facilitating investment flows into Africa.

Henry Lin, CEO of Linnovate Partners, says: "This partnership with Adansonia is a celebration of a shared vision. The last few months have been a thoughtful process, and we are delighted to welcome the Adansonia team into the Linnovate Partners Group.

As part of the transaction, Adansonia will continue operating under its established name and structure and the existing leadership team will remain in place.



Clearstream joins LPEA Luxembourg

Clearstream has announced its membership of the Luxembourg Private Equity and Venture Capital Association (LPEA).

The firm says joining the association reinforces its commitment to advancing the private equity and venture capital industry at both national and international levels.

This membership provides opportunities to share technical expertise, contribute to industry dialogue, and collaborate on best practices at both national and international levels.

Through active engagement, Clearstream aims to strengthen industry standards, foster innovation, and support market development.

This collaboration also enables Clearstream to exchange insights with peers, access valuable resources, and stay ahead of regulatory and technical developments, further enhancing the solutions delivered to clients worldwide.



Ocorian partners with Flagstone

Ocorian, a global asset servicer to both asset managers and asset owners, has partnered with Flagstone International, a cash deposit solutions provider.

According to the firm, this partnership further enhances its treasury services offering to its growing global client base connecting them to best-in-class foreign exchange (FX) and cash management solutions via regulated, institutional-grade platforms.

Flagstone International's technology simplifies access to a wide range of investment-grade banks for multi-currency deposit products and FX services through one account, Ocorian notes.

The company provides access to a multi-bank deposit platform offering enhanced yields, liquidity management tools, and diversified bank-counterparty risk — all with same-day execution and consolidated reporting.



Maples Group launches administration service

The Maples Group has expanded its fund administration solution for Canadian-domiciled funds to support local Canadian domestic managers along with global managers launching and operating Canadian alternative investment funds.

The offering provides support to its existing and new client base in launching and operating Canadian domestic funds and accommodates the specific operational requirements of funds based in Canada.

The Canadian fund administration solution will be delivered by the Group's Montreal office, which provides an array of services for alternative asset funds, managers and investors globally.

For investor services, the Group has implemented LTIMindtree's Unitrax system.

Unitrax will integrate with the Group's existing alternatives investment industry-leading technology fund accounting solutions, including SS&C Advent Geneva and FIS Investran for fund accounting.



Euroclear integrates MFEX

Euroclear has completed its integration of MFEX services in Euroclear Bank, marking a step forward in Euroclear's strategy to provide clients with a unified platform for accessing all fund asset classes.

With MFEX's fund distribution and data technology embedded into Euroclear's settlement and custody solutions, clients gain access to fund asset classes via Euroclear FundsPlace.

The platform enables seamless access to mutual funds, alternative and private funds and ETFs, delivering increased operational efficiency, scalability and global reach.

Funds are a key component of Euroclear's multi-asset strategy, complementing its role in fixed income and equities. By harmonising fund services within Euroclear, clients can manage their entire securities portfolio through a single entry point, reducing complexity and unlocking new opportunities for growth. By using MFEX's distribution capabilities and strong presence in the Nordics, France, and Asia, Euroclear has enhanced its international coverage, allowing clients to tap into a broader array of markets and products.

As part of the integration 300 MFEX colleagues are now part of the Euroclear FundsPlace team.



Arcesium opens Hong Kong office

Arcesium, a provider of investment lifecycle and data management technology for the global investment industry, has announced the expansion of its global operations with the opening of a new office in Hong Kong.

Arcesium's on the ground presence in Asia allows the firm to meet growing investment industry demand for data infrastructure and operational technology which unlocks scale in any asset class or strategy.

Arcesium's Hong Kong office will support its existing client base of institutional asset managers, hedge funds, banks, and private markets firms operating across the broader Asia Pacific region, while also providing flexible technology and services for new launches and regional expansions.



State Street supports dimensional fund advisors’ UCITS ETF launch

State Street has been appointed as the service provider to Dimensional Fund Advisors’ newly launched actively-managed undertaking for collective investment in transferable securities (UCITS) exchange traded funds (ETFs).

The initial funds listed are the Global Core Equity UCITS ETF and the targeted value UCITS ETF.

The funds are domiciled in Ireland, regulated by the Central Bank of Ireland, and listed in London and Frankfurt.

This expands Dimensional’s active ETF suite, after successful launches in Australia and the United States.

State Street provides end-to-end service support, including custody, depositary, fund accounting, ETF basket creation, create/redeem order management, ETF settlement, transfer agency, and reporting.



Apex Group to set to onboard Mercer’s superannuation administration operations

Apex Group, a global financial services provider, has announced that it will be further strengthening its presence in Australia by executing a lift-out agreement to onboard Mercer’s stand-alone superannuation administration operations.

The firm says that this lift-out enables Apex Group to integrate Mercer’s experienced administration team and operational capabilities directly into its own business, enhancing service delivery and continuity for clients.

The transaction, subject to Australian Competition and Consumer Commission (ACCC) and Foreign Investment Review Board (FIRB) approval, is expected to complete around the end of the first quarter of 2026.

With 400 employees in Australia providing a range of administration services to more than 800 funds within the industry, Apex Group says that it has extensive local knowledge of the superannuation market.



Broadridge completes acquisition of Acolin

Broadridge Financial Solutions has completed its acquisition of Acolin, a European provider of cross-border fund distribution and regulatory services.

The acquisition expands Broadridge's distribution solutions for asset managers, assisting them to enter new markets and grow assets, while also strengthening its regulatory services for the global asset management industry.

Michael Tae, group president of funds, issuer, and data-driven solutions, states: "The combination of Acolin's proven distribution and compliance technology with our existing analytics and investor communications will allow Broadridge to deliver more extensive regulatory and fund compliance services across the fund lifecycle from creation and registration to ongoing distribution."

Acolin is a Zurich-based distribution support provider offering access to global distributors and providing solutions across fund registrations, legal representation, and ongoing compliance management.

Broadridge announced its agreement to acquire Acolin in July 2025.



IQ-EQ provides administration services to Aspurity Partners

IQ-EQ provided full administration services to Aspurity Partners for its inaugural fund, Aspurity Partners I, which has announced its final close at over €875 million.

Aspurity Partners is a pan-European private equity firm focused on growth buyouts in financial and enterprise technology services. The fund was structured under Ireland's modernised Irish Limited Partnership (ILP) regime.

Karl Cowman, client relationship director at IQ-EQ, remarks: "We're delighted to have supported Aspurity Partners in the launch and close of their inaugural fund.

"Its success not only validates the strength of Ireland's ILP regime as a vehicle of choice for private equity managers but also reflects IQ-EQ's commitment to delivering best-in-class fund administration services for our clients."



Gen II Fund Services deploys Fenergo

Gen II Fund Services, a global private capital fund administrator, has announced the rollout of Fenergo, an advanced onboarding and lifecycle management solution designed to revolutionise client and investor experiences of anti-money laundering (AML) and know your customer (KYC) processes across the fund lifecycle.

The initial rollout began in Europe at the beginning of November, with all locations expected to go live by the end of 2026.

Fenergo aims to deliver a range of benefits to Gen II’s clients and their investors including faster and more automated onboarding that reduces friction and accelerates fund closings through direct integration with AML and KYC processes, and enhanced risk management. It will also be interoperable with Funded — Gen II’s own subscription document platform, and Sens Portal, Gen II’s web portal for investors and fund managers.

The firm says that the implementation of Fenergo is part of Gen II’s broader technology strategy to introduce solutions that support clients at every stage of the fund lifecycle.



Fund Channel partners with Standard Chartered

Fund Channel, a B2B fund distribution platform co-owned by Amundi and CACEIS, has partnered with Standard Chartered to provide trailer fees calculation and operational management services in Asia and the Middle East.

The firm says partnership is a new milestone for Fund Channel in Asia, reinforcing its position as a provider of advanced trailer fees calculation and management solutions.

Through this collaboration, Fund Channel will provide a centralised, trailer fee calculation and management platform that aims at enhancing operational efficiency, streamline complex processes, and reducing costs. ■



Family offices are rewriting the rules of fund and asset servicing

As family offices scale in size and complexity, their expectations of fund and asset servicers are shifting just as rapidly. Rob Lowe, UK market head at Pictet Asset Services, speaks with Zarah Choudhary about how this evolving client segment is driving new models of customisation, digitalisation, and cross-border sophistication

Family offices are no longer a quiet corner of the private-wealth landscape. They have emerged as one of the most influential and demanding client segments for fund and asset servicers — a shift strongly felt at Pictet, where engagement with both single and multi-family offices has surged.

“It’s becoming a much larger part of our focus,” says Rob Lowe, UK market head at Pictet Asset Services. “Every family office is different — each is on its own maturity journey. That could be first-generation wealth still formalising its structure, or multi-generational families who now operate like institutions.”

Across this spectrum, one theme dominates — customisation. Family offices expect architecture that can flex around their governance, tax realities, and investment style.

“Their needs vary by generation, by complexity, and by how they manage assets — whether entirely in-house with their own chief investment officer, or through mandates to external fund managers,” Lowe notes.

Reporting moves centre stage

As family offices mature, operational expectations have escalated. Consolidated, intelligent reporting has become one of the biggest differentiators.

“For chief financial officers, a full consolidated view across all assets — including third-party fund mandates — is essential,” Lowe says. “We can provide performance across multiple accounts, segregated mandates, and externally managed portfolios in one place.”

The ability to ‘see the whole picture’ — across currencies, structures, and jurisdictions — increasingly shapes how families make strategic decisions.

Institutionalisation and the rise of the multi-family office

The institutionalisation of family offices is no longer just a trend: it is visible in the operational tools they adopt.

“When a single-family office evolves into a multi-family office, the complexity rises again”

“As they mature, they move towards portfolio management systems, order management systems and robust reporting tools,” Lowe explains.

“When a single-family office evolves into a multi-family office, the complexity rises again — with counterparty risk, competitive positioning and governance becoming more important.”

This, he says, has pushed families to demand long-term partners, integrated platforms and high-grade operational resilience.

Changing fund-servicing needs

As family offices expand into new jurisdictions and alternative investments, their servicing needs increasingly resemble those of institutional fund structures.

“When they move into fund vehicles, these are often offshore — Cayman Islands structures, for example — because there’s no need for retail distribution,” Lowe explains. “What they prioritise is a one-stop-shop service model, through custody, administration, dealing, reporting, and governance, with a single counterparty.”

Digitalisation is accelerating that shift.

Digital infrastructure:

The Pictet Connect ecosystem

Two elements define Pictet’s digital proposition for families.

First, the deep integration of over a dozen portfolio management system (PMS) and order management system (OMS) platforms with Pictet’s operating environment.

“It’s full plug-and-play automation, from order execution through to reporting and reconciliation,” says Lowe. “That removes friction for any family office managing investments at scale.”

Second, Pictet Connect — the group’s digital portal.

It offers a suite of features designed to meet the needs of institutional users and family offices. These include portfolio access, real-time transactions, financial and customised reports, secure webmail, online access to research, data history, and seamless data transfer.

Pictet Connect incorporates advanced security protocols to prioritise data privacy and protection. The platform has many customisation options, enabling users to tailor it to their requirements, for instance to create bespoke reports or to set up personalised dashboards.

“It’s a powerful tool for portfolio analytics, attribution, real-time transactions, reporting and tax packs,” he says. “And it scales to multiple users across the investment team.”

The platform’s success is reflected in its adoption: 20,000 active users, over 1,000 daily institutional users, and more than 120 features.

Cross-border complexity and regulatory pressure

Fragmented tax and regulatory regimes are another defining issue. With family members spread across the

UK, Switzerland, continental Europe and beyond, multi-jurisdictional visibility is non-negotiable.

“Everything sits on a single operating platform,” Lowe explains.

“A family may have members in France, Spain, the UK or Luxembourg — and they all access the same information set. Their tax reports are tailored to the regime they fall under.”

Cybersecurity is also a top priority, especially amid the rise of AI-enabled impersonation.

“We never act on inbound calls,” Lowe says. “Every action requires multi-layer authentication and direct validation. Fraudsters are using AI to mimic voices, so rigorous security protocols are essential.”

Long-term alignment

Family offices increasingly expect tailored solutions — from sophisticated reporting to private-equity capital-call facilities. Providers must meet these bespoke needs while still maintaining operational scalability.

“Credit means different things depending on the family,” Lowe adds. “It can be a simple overdraft, FX hedging lines, or financing for private-equity commitments. The key is building a framework that adapts as the family evolves.”

One structural element sets Pictet apart as a family-led business, due to its unique structure and long-standing history of family involvement.

“We’re in our ninth generation — with no external shareholders,” Lowe says.

“That independence matters to family offices. They recognise the long-term mindset, the balance-sheet strength and the open-architecture approach to investment solutions.”

“You can create sub-funds aligned to individual risk appetites”

This heritage, he argues, makes Pictet a natural partner for families seeking stability and privacy.

Family offices as innovation drivers

Looking ahead, Lowe sees family offices playing a decisive role in shaping fund-servicing innovation.

“Their dynamism and their ability to move quickly make them natural catalysts,” he says.

One clear trend is the sharp rise of private family funds — proprietary fund structures designed exclusively for the family.

“It’s a lean, elegant model,” Lowe explains.

“You can create sub-funds aligned to individual risk appetites — conservative allocations for older generations, alternative and less liquid assets for younger ones.

“We’re seeing significant demand in this space, and it will only grow.”

These structures, he says, highlight how family offices are blurring the lines between wealth management and fund servicing — and pushing providers to innovate in response. ■



Rethinking fund administration

Daniel Trentacosta, managing director and global head of Private Markets and Change at MUFG Investor Services, discusses automation, outsourcing decisions, and how fund administrators are adapting to growing complexity, data demands, and client expectations

Following a data-driven shift for private equity fund administrators since 2023, how are you using technology and automation to remain competitive, and what are the key technology challenges you face going forward?

For us, it is about partnering with managers and custom-fitting technology and services to best support clients' unique needs. Leveraging the right technology and employing automation are non-negotiables. We are constantly examining data strategies and exploring client-facing technology and new marketplace tools to strengthen the client experience and improve scale on our side. Given the ongoing democratisation of alternatives, traditional funds are evolving into more complex structures with a range of investor demands.

Evergreen structures are a topical example. While these funds offer unique investor benefits, they present operational challenges. These structures may require performance and management fee calculations for investors at different rates, in addition to various waterfall and carried interest approaches. Our technology is already built to support open-ended and closed-ended funds, and our team tailors these systems to meet the specific needs of evergreens. We know that automation is key and custom fitting services without manual intervention reduces the margin for error and mitigates risk.

As outsourcing demand continues to rise, what factors should fund managers weigh when choosing between in-house administration and outsourcing, and how has this decision evolved over time?

The decision to outsource starts with a conversation. Working with a trusted administrator, managers need to consider their current pain points and realistically identify what is possible to address challenges. We know that outsourcing involves entrusting certain administrative functions to an external partner and that is why ensuring the best culture fit from a business perspective is important. When faced with increasing costs, fragmented processes, and outdated systems,

managers often look at outsourcing as more than an efficiency play. Our teams have deep experience partnering with managers to navigate these decisions, which center around core questions including: how complex are the tasks at hand and what technology is needed, and, importantly, how disruptive would this be to running my business?

With managers frustrated by service quality, staff turnover, legacy technology, and rising fees, how are you differentiating your offering and what innovations are you using to exceed client expectations?

MUFG Investor Services undertakes a client-centric approach based on constant communication and partnership. Across the board, our teams listen to client feedback and tailor fit solutions and customise technology around these unique needs. Communication is critical, and part of this approach is addressing concerns head on. From the start, clients are supported by a global network of experts with decades of industry experience to help ensure a seamless experience. Our one-stop-shop approach provides support across the investment value chain, helping to streamline services and increase efficiency.

Looking ahead, with data challenges including maintaining data accuracy and security, and ensuring accessibility and regulatory compliance, plus platform integration being critical due to the advent of different applications, how are you future-proofing your operations and what trends do you see shaping fund administration in the next three to five years?

You do not need a crystal ball to see that the future includes new complex structures, investor classes, and advances in technology. Core elements such as the need to maintain data integrity and security, in addition to keeping your finger on the pulse of change, will remain. For us, it comes back to doing what we do best: communicating with clients, anticipating their future needs, and continually improving our processes and technology to exceed those needs. ■



When the story isn't enough

Why data discipline now decides capital

Vistra Fund Solutions' commercial director Joost Knabben discusses why managers now compete as much on the quality of their data as the strength of their proposition

If you sit in enough meetings with real estate investors, a pattern emerges.

The questions that once centred on strategy or asset selection now settle somewhere more fundamental. Investors still want the narrative, but they spend more time testing the evidence behind it.

It often starts quietly — a request to reconcile occupancy across two systems, a pause when an ESG metric is explained without its source, or a hesitation when figures look right yet feel stitched together — and although no one calls it out directly, you can sense when confidence tilts.

These moments have become more common. They are not a reaction to passing uncertainty, but a sign that change is taking hold. Investors now assume the data beneath a strategy should be as reliable as the strategy itself.

And with portfolios stretched across borders, regulations tightening, and reporting cycles accelerating, the number of points where information can drift has multiplied.

The tension usually surfaces in the details: two reports that should align but do not, a metric that needs context before it can be trusted, or a spreadsheet maintained with care but never built for scale.

Taken together, these moments point to a clearer trend. Follow-up questions are rarely a challenge to the idea; they are a test of the foundations supporting it.

This shift did not arrive with fanfare. There was no proclamation that data discipline had become a determining factor in capital allocation.

It emerged gradually, through diligence processes that sharpened year after year.

Now it marks the difference between managers who treat data as administrative weight and those who see it as part of their operating backbone.

The distinction has little to do with technology in isolation. It is about how information moves through a firm.

The managers who progress through diligence with the least friction are not always the ones with the most elaborate systems; they are the ones whose data holds its shape under scrutiny — where definitions are stable, reconciliations are routine rather than remedial, and questions do not require an internal expedition to answer.

Achieving that level of coherence becomes difficult when portfolios span jurisdictions, systems, and counterparties.

Data

The pressure points are familiar. Real estate portfolios often rely on several accounting environments, multiple property managers with different reporting conventions, ESG inputs arriving through new intermediaries and investor questions coming in on timelines that rarely match internal reporting cycles.

Individually, these inconsistencies are manageable; collectively, they create a slow operational drag that investment teams feel most acutely.

Time disappears into reconciling occupancy that should have aligned upstream, validating figures that should have matched across teams or debating which dataset reflects the real one.

The work gets done, but the time it consumes is usually taken from the parts of the process that actually create value.

This is why many managers now approach data governance the way they approach legal or audit – as a defined discipline rather than an internal burden.

Organisations that specialise in fund administration and sit across full fund architectures can absorb the operational complexity that stretches internal teams.

By aligning ledgers that were never designed to interact, keeping entity structures coherent as strategies evolve and ensuring recurring data flows arrive in a condition that does not require rework, these teams strengthen the operating spine.

With that foundation in place, investment teams regain the headroom to apply judgement rather than repair processes.

The managers who stay ahead of investor expectations are not the ones trying to push through operational complexity; they are the ones who have redrawn the boundary between what belongs inside the firm and what should sit with partners equipped to keep it stable.

It frees investment teams to focus on decisions rather than diagnostics, and it gives investors what they increasingly value: information that stands up without caveats.

The commercial consequences are significant. Strategies that might once have faltered now move through diligence because the supporting data stands up the first time it is tested.

In competitive processes, mandates often go to the managers who can evidence their case cleanly, not the ones with the most polished pitch.

Fundraising cycles shorten when verification is straightforward, and fewer strategies are abandoned simply because the data beneath them collapses under scrutiny.

Capital follows firms that operate this way because they signal control, coherence and preparedness from the outset.

In a market where differentiation is slim and capital increasingly selective, the ability to evidence a strategy without friction has become one of the few reliable ways to win and retain investment.

The narrative still matters, but today it only resonates when the data beneath it carries its weight – because in the end, the narrative only holds if the numbers do.

This perspective draws on findings from Vistra Fund Solutions' global research with Funds Global Intelligence, *Data at the Crossroads: how quality, governance and AI are reshaping real estate investment management*.

The full report explores how data discipline is shaping real assets strategies across jurisdictions and operating models. ■

Readers can access the complete research via Vistra's Real Assets page: www.vistra.com/funds/real-assets



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The future of AIFMs is multi-jurisdictional and unified

With alternative investment fund managers needing to face up to an increasingly complex investor landscape, the heads of JTC's Global AIFM Solutions proposition in the UK, Guernsey, Ireland and Luxembourg — Simon Monson, Kobus Cronje, Orla Philippon, and Louis Lamotte — explore how the AIFM market is evolving and why AIFM solutions are proving increasingly attractive

What are the benefits of EU and non-EU AIFM solutions?

Simon Monson: Ultimately, the benefit of an Alternative Investment Fund Manager (AIFM) solution is to provide global fund managers with a cost-effective service that enables them to operate in compliance with regulatory requirements, by providing appropriate structures and good oversight.

From a UK perspective we are seeing a number of trends in this regard.

In particular, we are seeing a lot of activity in the 'appointed representative' programme in the UK whereby we take responsibility for regulating the UK manager entity.

It is a powerful proposition.

Orla Philippon: From an Ireland and wider EU viewpoint, the most obvious benefit an AIFM solution brings to managers is the marketing passport, enabling managers to seamlessly access EU investor capital.

That seamless and blanket access to investors across the EU is one of the key benefits.

Louis Lamotte: There is also an investor aspect.

Being able to provide high levels of investor protection through the strong governance credentials an AIFM solution can bring in stable jurisdictions, offers a great deal of reassurance to managers and of course their underlying investors.

Kobus Cronje: In Guernsey, the biggest advantage is that we are able to offer managers a cost-effective solution looking to market their funds either outside of the EU — including the UK — or to a small number of specific EU Member States.

The Guernsey AIFM solution offers a quicker route to market for non-EU fund promoters and carries a range of cost and flexibility advantages, without

“The biggest challenge for us is making sure we can understand and support as much as possible what is being said in the market”

Orla Philippon



compromising on investor protection and the marketability of the funds outside of the EU and to targeted individual EU Member States.

How do you keep pre-marketing compliant but effective?

Lamotte: The differing interpretations of the term ‘marketing’ across Member States has been a consistent challenge since AIFMD was introduced – with new ‘harmonised’ pre-marketing regime brought into the AIFMD by the Cross-Border Distribution Framework (CBDF).

But it is still the case that pre-marketing is an activity that is more regulated than marketing itself.

You can delegate marketing of a fund to someone else, such as a general partner (GP), as long as you can demonstrate you have done proper due diligence.

But when it comes to pre-marketing, the delegation is more restricted – sometimes impossible – leading the AIFM to conduct the marketing activities chaperoning fund raisers.

Philippon: The biggest challenge for us is making sure we can understand and support as much as possible what is being said in the market and making it clear what agents can say under the regulations.

For that reason, we work very closely with agents, where applicable, to make sure that their messaging is aligned and understood.

Monson: The UK Financial Conduct Authority (FCA) is very strict on when you move from pre-marketing to marketing.

We have to be absolutely certain that our clients are only targeting professional clients. And we have to have evidence of that.

NPPR vs passport — when does each win?

Cronje: It very much depends on the circumstances.

The National Private Placement Regime (NPPR) is ideal where it is an individual or a small number of Member States being targeted.

Under NPPR, you have to comply with the local jurisdictional rules and implementation of the AIFMD.

NPPR can be more cost effective, where the marketing is limited to certain individual EU Member States, if the marketing is planned to be across multiple EU Member States and broad based, then the NPPR would be inefficient and complex and in those circumstances the Passport offers significant advantages.

Philippon: Where there is a need to access a broad spectrum of EU investor capital, then passporting certainly offers a far better route, providing peace of mind, speed to market and is more cost-effective.

What aspects of the AIFM offering continue to appeal in the ESG space, and how do you support clients?

Lamotte: The regulatory requirements under Sustainable Finance Disclosure Regulation (SFDR) are complex, particularly in understanding the requirements under Article 8 and 9 — but a key play for us is the access we can offer through our AIFM platform to JTC's central Sustainability and Impact Services team, which is increasingly feeding into managers' ESG investment strategies.

Through them, we can help our clients with their gap analysis, strategy design, reporting and disclosure obligations.

Ultimately, it is all about taking the headache out of the regulatory requirements.

“In Guernsey, the biggest advantage is that we are able to offer managers a cost-effective solution looking to market their funds”

Kobus Cronje



“Brexit itself is not much of a factor anymore – navigating the different regimes that have emerged from Brexit is the main challenge”

Simon Monson



Cronje: Guernsey has been a pioneering jurisdiction for sustainable investment funds, with the Green Fund regime providing a regulated framework for trusted and transparent products with a positive environmental impact since its launch in 2018.

In recent years this has been complemented by the world’s first regulated Natural Capital Fund regime, which focuses on investments in biodiversity and nature. This framework is well aligned with the European SFDR regulation and offers an alternative for fund promoters that are looking to launch sustainability and impact investment funds through a Non-EU route.

Our Non-EU Guernsey AIFM have been supporting and working with clients in the ESG space for many years and can help fund promoters navigate through the regulatory environment and enable them to focus on their core business.

With AIFMs in the UK, a non-EU Crown Dependency, and two EU fund heavyweights, does Brexit continue to be a factor for launching funds?

Monson: Brexit itself is not much of a factor anymore – navigating the different regimes that have emerged from Brexit is the main challenge.

The big issue is around passporting and that is where AIFM solutions come in – managers need optionality so that their strategies both within and outside of the EU can work seamlessly.

I think JTC has got pretty much every avenue covered in that sense.

Looking to the future, what is changing under AIFMD II that managers will notice?

Lamotte: Under AIFMD II, our overall approach is to align delegation, risk, and reporting, so that compliance becomes a fundraising advantage,

shortening time-to-first-close and raising confidence with institutional limited partners (LPs).

Philippon: A lot of the changes in Alternative Investment Fund Managers Regulations (AIFMD) II, which will come into play on 16 April 2026, relating to loan origination and credit strategies. In Ireland, the AIFM currently does not manage these strategies. But should private credit activity continue to rise, then we could see more of an impact as we move into managing this asset class.

There are also changes around delegation — monitoring and oversight, expanded reporting and resourcing requirements when delegating investment management, for instance.

Are you seeing an increase in certain asset classes such as private assets?

Philippon: Our collective experience across our JTC Global AIFM Solutions team spans alternative and traditional asset classes, so we are well placed in that sense. In Ireland specifically, although it has been a challenging fundraising market over the past year or so, we are seeing growth in private equity, and a slight uptick in real estate.

Monson: In London, we are still attracting a good volume of equities and equity derivatives. Private equity and venture capital are showing some signs of growth, as well as real estate, but the listed activity remains strong.

Cronje: We continue to see a growth in private equity secondaries and private credit funds.

Real estate and infrastructure showing early signs of market improvement.

Our Guernsey AIFM is multi-asset disciplined and can support most asset classes, and although the fund raising environment is still challenging, we are beginning to see an uptick in most asset classes. ■

“Being able to provide high levels of investor protection through the strong governance credentials an AIFM solution can bring in stable jurisdictions and offers a great deal of reassurance to managers”

Louis Lamotte





Technological shift

Rich Anton, chief client officer at CIBC Mellon, looks at agentic AI, connected workflows, and the future of operational insight

Agentic artificial intelligence has moved quickly from a topic of industry speculation to actively reshaping how firms think about their operations. In many ways, the shift has felt natural. Much of the foundation already existed inside organisations like ours: to better connect, data to move faster, and teams seeking better tools to meet the rising complexity in capital markets.

What has changed is the technology's readiness, and more importantly, our ability to deploy it in a controlled, responsible, and outcomes-focused way.

Based on our ongoing industry discussions, the focus is on three areas. The first is the potential for agentic AI to deliver stronger and more immediate data insights. One of the biggest use cases for agentic technology is the way it can 'tell the story immediately' rather than relying on an analyst to interpret the information, connect the pieces, and determine the relevant outcome. That shift may sound subtle, but it is significant. When data 'speaks' faster, teams spend less time trying to extract meaning and more time acting on it. In highly regulated, high-volume environments, that change can influence everything from decision quality to cycle times. Amid this, we also know the critical importance of trust and talent: teams need enough experience and insight into data to gather and oversee it with confidence, to be able to recognise potential gaps, and to be able to ask the right questions along the way. At CIBC Mellon we are upskilling and educating our teams, working to pair their deep operational experience with better knowledge of AI capabilities and risks.

The second area of momentum is what I describe as personification. The question we are exploring is how do you create a different engagement and really customise that interconnectivity with customers in a way that drives hyper personalised outcomes at scale? Personification reflects the idea that agentic systems can be tuned to support a more tailored interaction pattern, whether that involves the way information is presented or the way workflows respond to client needs. While the concept is still developing, the

early impact is clear. It allows us to imagine models where the experience is not only more efficient, but also more aligned to each client's expectations, communication style, and operational rhythm.

The third component is the front-to-back connectivity that agentic AI enables. We have seen adoption through three different components, and the final one is the deployment of agents 'across that continuum' from the front office through to downstream processes. Our goal in these deployments is straightforward: understanding the workflows, identifying where agents can be placed, and enabling those agents to start connecting with one another. The importance of this cannot be overstated. Traditional operating models often rely on handoffs between business functions. These handoffs create gaps and require manual oversight. By having agents that can communicate across steps and across functions, the operational path becomes more coherent. Even incremental improvements in continuity can create meaningful impact on accuracy, timeliness, and client responsiveness.

Underlying all of this progress is a governance model that remains central to how we deploy technology. I draw a parallel — if you bring it down to how we are operating currently, it is not significantly different. The governance expectations around agentic systems mirror the governance expectations we already apply to people. We are adopting the same governance and control framework that we have across our organisation. It is very similar to having a rogue employee, because the real question is whether we have the right oversight to detect, correct, and escalate as needed. The analogy is instructive. The industry has spent decades building strong oversight around human decision-making, human errors, and human deviations from process. Agentic AI does not change the need for oversight, it simply changes the object of oversight. The questions remain the same: do we have the right control framework? Do we have the right level of oversight? And critically, do we maintain the right level of human engagement into that process?

“In practice, transformation is a sequence of practical decisions”

Strong governance is not only about risk reduction, it is also about organisational confidence. Teams need to trust the workflow. Clients need to trust the outcomes. Regulators need to trust the structure around the controls. When we test and deploy agentic tools inside our operating environment, this is the lens through which we assess them. The controls must be embedded throughout the process, not bolted on after the fact. This is one of the reasons our approach to integrating partners follows a defined structure.

There are four Cs that shape how I evaluate vendors — cultural fit, capability, complementary value, and commercial viability. Cultural fit considers whether a vendor thinks about the business in a way that aligns with our own priorities. Capability examines whether the tool has the features and maturity to address real operational challenges today while supporting where we want to go in the future. Complementary value asks whether the vendor supports our internal build strategy rather than working at cross-purposes. Commercial viability ensures that the economics make sense and that there is a clear path to return on investment. These categories help us avoid misalignment and ensure that each partner contributes meaningfully to our broader strategic direction.

Our ability to integrate these partners effectively is supported by the fact that we built and modernised our applications to make it open architecture. This open architecture allows us to plug in various partners, and introducing Duco into our entire workflow models, both horizontally and vertically in our operating environments, has been very positive.

The benefit of open architecture is not only flexibility, but also resilience. It allows us to place tools where they are needed and adjust those placements as workflows evolve.

As agentic AI continues to progress, I expect data insights to remain one of the largest drivers of adoption. It is an area where the technology can demonstrate immediate value through faster interpretation, clearer narratives, and more efficient decision-making. The personification work and the front-to-back connectivity will continue to evolve as well, gradually reshaping how information and actions move through the business. In all of these areas, the consistent thread is that agentic AI helps us shift from interpreting fragmented data toward orchestrating connected workflows.

The industry often talks about transformation in sweeping terms, but in practice, transformation is a sequence of practical decisions. It is understanding where the workflow begins, where it ends, and where the frictions sit between those points. It is identifying what can be automated, what must remain under close human supervision, and what must be redesigned entirely. Progress happens when governance is strong, when architecture is adaptable, and when each step of deployment is anchored in operational reality.

Artificial intelligence is here to stay. Given our core role as a data manufacturer and a key investment operations provider for our clients, we are working to keep pace with the industry, with our clients and with the future that is arriving faster than anyone could have predicted just a few short years ago. We see agentic AI delivering data insights faster, enabling more customised client engagement, and creating new potential for workflows to connect across the organisation. By applying established controls, evaluating partners rigorously, building on an open-architecture foundation, and — perhaps most important of all — continuing to grow and strengthen our talent, we are bringing this technology into production in ways that respect the complexity of our business and the trust our clients place in us. ■

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Turning AI investment into operational ROI

Henry Lin, founder and CEO of Linnovate, discusses how AI is being embedded across operational workflows and what the next phase of AI-enabled operating models looks like for the industry

How are fund and asset managers reshaping their operational strategies as AI shifts from experimentation to practical deployment across fund services? What barriers and hurdles have they been facing?

Over the past 12 months, there has been significant investment in operations, much of it focused on experimentation. However, fund and asset managers are now seeking clearer return on investment (ROI), which is driving a shift toward more practical and scalable AI deployments. While this transformation is still at an early stage, we continue to see investment momentum — ranging from the creation of ‘shadow’ AI roles and AI copilots to increased automation. I often refer to this phase as the transition from Stage I to Stage II of transformation.

Across core operational workflows, where is AI delivering the most meaningful improvements in accuracy, speed, and process reliability?

AI is improving a lot across our core workflows — things like retrieving information, extracting data, preparing content faster, and creating more generalised regulatory summaries. What is driving this is how AI connects human requests to automated

tasks, basically turning broad human instructions into specific actions the system can perform. It is not just one step of the workflow, it touches almost everything. For example, instead of generating a report by navigating menus, you can now just ask a chatbot and get it instantly. It is all about making processes faster, more accurate, and easier to use.

Investor onboarding and KYC remain major friction points. How far can AI reduce timelines and manual intervention while maintaining strong risk controls?

Automation and better system integration are already delivering significant efficiency gains. If we look at the investor onboarding process as a whole, the fundamentals are: 1) understanding your client or investor, 2) meeting regulatory requirements, and 3) keeping accurate records.

AI-enabled optical character recognition (OCR) has been the biggest contributor so far, improving document processing outcomes significantly. Beyond that, much of the remaining work can be streamlined by defining regulatory structures in advance, which reduces the need for manual review while still maintaining strong risk controls.

“Teams need to learn new ways of working, because what was productive in the past may no longer be effective in the future”

With regulatory demands and compliance costs continuing to rise, how is AI easing the burden for managers?

In practice, AI helps by providing up-to-date comparisons of regulatory changes. Previously, analysing these differences required a lot of manual effort, so this capability adds significant value and makes it much easier for managers to adopt new requirements. The main limitation is that AI still needs fact-checking, but overall, it massively reduces the effort involved.

Fragmented data remains a structural challenge. How is AI helping managers build unified data environments and opening up more forward-looking insights?

This is a challenging area because building unified data environments requires a lot of foundational work. Ultimately, it comes down to ROI, and this is often an underestimated task. Managers should look for next-generation service providers and partners who do more than just provide extra hands, and who can help generate meaningful insights from the data they work with.

As AI absorbs repetitive processes, how is the role of fund administration teams shifting?

This is a fundamental shift in how fund administration teams operate.

Teams need to learn new ways of working, because what was productive in the past may no longer be effective in the future. It is about combining automation with retraining plans.

Traditionally, fund administration has been a resource-heavy business, but with the right technology, that is changing.

In our case, we have RAISE Technologies, our group's proprietary technology platform. It offers fully integrated solutions across operational workflows, which has helped the Linnovate fund administration team restructure processes, optimise resource allocation, and adopt automation more effectively.

What does the future AI-enabled operating model look like? How and where is Linnovate developing AI solutions going forward?

The future of a services business lies in embedding technology into operations, rather than simply providing manpower. It is not just about administering tasks — it is about creating more value beyond resource allocation.

Of course, there will always be providers in the market focused on traditional outsourcing. At Linnovate, our technology roadmap is comprehensive.

AI development is focused on operational integration and interactive communication, helping us streamline processes and enhance engagement. ■

For more details, you can explore our group's proprietary platform, RAISE Technologies at www.raiselp.com



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Global capital meets local expertise

Elliot Refson, head of funds at Jersey Finance, explains how Jersey serves as a gateway for cross-border private placements, as high net worth and family office investors drive demand for bespoke investment vehicles amid a fundamental shift in fund structures

Given the growing importance of private capital, how do you see Jersey's role as a non-EU jurisdiction complementing key onshore centres like Luxembourg in a multi-jurisdictional fund structure?

Jersey is seen as the jurisdiction of choice for specialist funds, offering a compelling alternative to larger domiciles such as Luxembourg.

While Luxembourg has long been recognised as a hub for pan-European access, Jersey differentiates itself by providing a framework designed for agility, clarity and highly bespoke solutions.

In a multi-jurisdictional world Jersey solutions are ideally placed to support fund managers with bespoke and often more complex fund structures.

What sets Jersey apart is that it is never about a one-size-fits-all approach. Our focus is on solutions that are as nuanced and tailored as the strategies they underpin. This makes Jersey a natural complement to onshore centres like Luxembourg, offering fund managers and investors the confidence that even their most complex requirements can be met.

Jersey has recently updated its Private Funds regime. How do these changes, such as the removal of the 50-investor cap and the 24-hour authorisation process, enhance its appeal for fund managers focused on cross-border private placements?

Yes, the recent enhancements to the Jersey Private Funds (JPF) regime mark a significant step forward in strengthening its position as the go-to framework for cross-border private placements.

The changes are about accelerating launches to ensure fund managers can bring strategies to market with remarkable speed. In an industry where timing and precision are critical, this level of responsiveness is a real differentiator.

The JPF regime lowers barriers to entry and operational costs for cross-border placements. This not only attracts managers seeking alternatives to more bureaucratic domiciles but also supports Jersey's role in channeling diverse global capital flows. In essence these changes have moved the JPF to a 'plug-and-play' framework that balances speed, flexibility, and credibility.

“High-net-worth and family office investors are investing selectively in specific opportunities”

Can you provide a practical example of how a Jersey-based fund would work in tandem with a US-based fund or a UK limited partnership to raise capital from global investors?

Let us say a US-based private equity manager launches a US\$1 billion technology fund with a parallel structure: a Delaware limited partner (LP) for US investors (US\$400 million) and a JPF for non-US investors (US\$600 million). The Jersey fund leverages tax neutrality and the National Private Placement Regime (NPPR) to attract European investors and also attract Asian investors (outside the scope of NPPR), while the US fund aligns with domestic regulations. Both funds, managed by a single general partner (GP), co-invest proportionally (e.g. a 40:60 split for a €100 million deal) under shared governance. This setup optimises tax and regulatory compliance, streamlines global fundraising, and addresses investor preferences.

NPPRs are a key component of Jersey’s strategy. What are the operational and cost efficiencies for asset managers that make them a more attractive route for a certain class of funds compared to the full AIFMD passporting regime?

The first point to consider is whether you need to market into Europe under the cost and onus of the

full Alternative Investment Fund Managers Directive (AIFMD) passport regime. By the EU’s own statistics only 3 per cent of managers market into more than three European countries. Which means that 97 per cent do not.

For those managers then the NPPR regime is a more cost effective, faster, and more streamlined solution which is outside of the full scope of the AIFMD. And of course marketing outside of Europe from Jersey is out of scope of the AIFMD.

In the context of private placements, how is Jersey’s well-established legal and regulatory framework for alternative asset classes, such as real estate and private equity, being leveraged to attract managers in other jurisdictions?

In Jersey, 90 per cent of all funds are alternative-investment-focused. As a subset of this and as at June 2025, there were 246 alternative investment fund managers using NPPR to market 454 alternative investment funds into Europe.

How do the recent trends you have observed, such as the shift from institutional investors to family offices and high-net-worth individuals, influence the design of fund structures for cross-border private placements?

Over the past years, Jersey and other fund centres have experienced a notable shift in investment structures. While traditional collective investment funds have seen a decline of around 50 per cent, overall assets under management (AUM) have continued to grow. This trend reflects a move away from institutional investment in alternatives.

High-net-worth and family office investors are investing selectively in specific opportunities. As a result, we have seen a marked increase in bespoke investment vehicles.

Beyond the US, UK, and Luxembourg, which emerging or key fund jurisdictions are you seeing increased interest from, and how is Jersey positioning itself to facilitate capital raising from these regions?

We are seeing increased interest from the Middle East, South Africa, and Asia. Many of Jersey Finance's member firms have a presence in these markets and many more have adopted a fly in operation. At Jersey Finance we support these activities with a regional hub in Dubai and a presence in South Africa, Singapore, and Hong Kong through which we promote the jurisdiction to intermediaries, managers and the investment communities.

With the rise of digital assets and tokenisation, how are you preparing Jersey's private placement framework to accommodate these new technologies, and what role can they play in streamlining cross-border capital flows?

We are highly supportive of innovation in Jersey, including digital assets and tokenisation. When tokenisation is structured as securitisation, these vehicles are not classified as a fund and fall outside of the AIFMD.

Jersey continues to champion financial innovation and has strong expertise in digital assets, tokenisation, and other emerging technologies.

From an asset servicing perspective, what are the key challenges or considerations for fund administrators when dealing with complex, multi-jurisdictional private placement structures involving a Jersey fund vehicle?

Fund administrators managing Jersey-based funds marketed into Europe via National Private Placement Regime (NPPR) bring a strong track record in navigating regulatory, operational, and investor related requirements. They handle AIFMD and upcoming

“The single most significant factor shaping cross-border private placement will be the ongoing evolution of the marketplace”

AIFMD II obligations including Annex IV reporting, sustainability disclosures, and country-specific NPPR rules. With well-designed systems and experienced teams, our administrators support efficient and compliant fund operations across jurisdictions, helping fund managers achieve their objectives with clarity and reliability.

Looking ahead to the next five years, what do you see as the single most significant factor – be it regulatory, technological, or market-driven – that will shape the future of cross-border private placements and Jersey's role in it?

The single most significant factor shaping cross-border private placement will be the ongoing evolution of the marketplace.

Over the next five years, we anticipate considerable change as the industry shifts away from traditional collective investment funds towards investor-driven funds. If you factor in new technology such as tokenisation there will inevitably be a seismic shift in the regulatory framework affecting cross border asset raising.

One area where Jersey has excelled time and time again is in balancing innovation with robust compliance and this will continue to be the case. ■



A technological promise

Olivier Carré, technology and transformation leader at PwC Luxembourg, looks at the hype surrounding tokenisation, and asks, could it really unlock US\$135 billion in cost savings for asset managers?

Tokenisation has emerged again recently as one of the most discussed innovations in asset management, and private markets in particular, attracting as much scrutiny as excitement. With tokenised investment funds assets under management (AuM) projected to grow at 41 per cent compound annual growth rate (CAGR) to US\$715 billion by 2030 according to PwC's latest Asset and Wealth Management Revolution report, the industry faces an inflection point. Advocates promise efficiency, transparency, and wider access. Critics warn of liquidity illusions, regulatory uncertainty and investor confusion. For all the hype, the central question remains: can it deliver real value, or is it merely another wrapper in search of a use case?

The promise of tokenisation

At its core, tokenisation involves converting fund units into blockchain-based tokens, enabling digital ownership and transfer. The investment strategy and risk profile of the underlying investments remain unchanged. What is transformed is the way investors access, trade and transfer those assets.

Momentum has rapidly accelerated, with real-world asset (RWA) tokenisation estimated to have surpassed US\$24 billion in June 2025, up from about US\$14.2 billion at the end of 2024. From tokenised money market funds (MMFs) to blockchain-based feeder structures, adoption is gathering pace. Amid the excitement, compliance and business purpose are essential, and these must remain front and centre.

An investors' business case: Efficiency, access and transparency

The appeal of tokenisation rests on three pillars.

On efficiency, the operational benefits of tokenisation are compelling, with research by Calastone suggesting that tokenised fund structures could reduce the operating costs of asset managers by up

to 23 per cent, unlocking an estimated US\$135 billion in global savings. Automated compliance, faster settlement and reduced reliance on intermediaries all contribute to the gain.

On access, fractional ownership lowers entry thresholds. This is particularly attractive to retail and mass-affluent investors who have historically been excluded from private markets. Recent research by PwC found that 53 per cent of asset and wealth managers report growing retail demand for private markets exposure, driven by growing interest in tokenised assets such as private equity and infrastructure.

On transparency, blockchain creates an immutable record of ownership and transfer. For investors, this can improve auditability and enhance confidence in a sector often criticised for opacity and complexity.

The illusion of liquidity

Despite its promise, tokenisation is not without pitfalls. Tokenised funds are often promoted as enabling 24/7 tradability, but without regulated platforms and committed market makers, activity remains thin. The result is an illusion of liquidity, where investors may be able to list assets for sale but find no buyers on the other side.

Regulators have taken notice, with the European Securities and Markets Authority (ESMA) warning that tokenised securities may leave retail investors confused about their actual rights and protections. Lower entry thresholds may widen participation, but they do not reduce the underlying risks, and mis-selling remains a serious concern.

Another challenge lies in perception. Tokenisation reimagines delivery, but it does not alter fundamentals. The underlying investment remains the same, but the wrapper is new. Marketing tokenised products as inherently superior risks misleading investors on risk and reward.

“Ultimately, the success of tokenisation will hinge on its digital efficiency, and its ability to command investor trust”

Operational resilience is also under scrutiny. Regulated providers, custody arrangements for digital wallets, cybersecurity protection and the robustness of distributed ledger infrastructure are all critical to confidence. Without credible safeguards, the very efficiencies tokenisation promises could be undermined by new vulnerabilities.

The excitement around tokenisation must therefore be tempered with realism, as innovation without protection risks creating complexity rather than clarity.

Infrastructure first, hype later

For tokenisation to move from the experimental stage to the mainstream, infrastructure must come first and hype second. Reasonably regulated custody solutions, tiered suitability frameworks and regulated secondary platforms are all prerequisites for sustainable growth.

A tiered access model offers one way forward. Retail investors could be offered tokenised versions of mainstream products such as undertakings for collective investment (UCITS) and ETFs — diversified, liquid, and tightly regulated. Mass-affluent investors might access tokenised feeder or interval funds, provided robust suitability checks are in place. Institutional investors, with greater sophistication and risk tolerance, are best positioned to engage with fully tokenised private markets.

For asset managers, the benefits lie in operational efficiency and expanded distribution.

Tokenisation can reduce the friction of subscriptions, redemptions and transfers, while creating new channels to reach retail and mass-affluent investors. But to succeed, it must evolve responsibly. It must enhance investor access without diluting protection and deliver efficiency gains without sacrificing resilience.

A solid framework and trust are the critical success factors

Tokenisation marks a structural evolution in private markets. Its potential for cost savings and broader access is evident, but so are the risks of liquidity illusion, investor misunderstanding and regulatory misalignment.

The responsibility lies with asset custodians and managers to guide this transition. If tokenisation is introduced gradually starting with mainstream regulated products and moving gradually towards alternatives, it can balance innovation with protection.

Ultimately, the success of tokenisation will hinge on its digital efficiency, and its ability to command investor trust. Striking that balance could deliver long lasting benefits for both investors and the industry at large.

Encouragingly, progress is being made. Luxembourg has taken a leading position with successive blockchain laws, most recently ‘Blockchain Law IV’, which enables the issuance of fund shares on distributed ledger technology.

Singapore’s Monetary Authority (MAS) has also developed a comprehensive framework for digital assets, including tokenised funds.

So, the choice of an innovative domicile with access to a large number of potential investors in a harmonised manner is the next frontier for many innovative organisations embracing tokenisation. ■



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Asset tokenisation

Democratising hedge fund access
and enhancing liquidity

*Sorin Jitaru, digital assets expert at CACEIS, looks
at how blockchain technology could transform
the alternative investment landscape*

The highly regulated finance industry takes a prudential approach to investment and technological innovation, and is now facing its next big transformation. Asset tokenisation, or converting real-world assets (RWA) to digital tokens held on a blockchain, could revolutionise the hedge fund industry.

For hedge fund managers, institutional investors, and distributors, this new technology could democratise access to the sector and enhance liquidity across long/short equity, global macro, and fixed income arbitrage strategies. The adoption of tokenisation technology could strengthen Europe's position in terms of financial innovation and enable more investors to benefit from hedge fund assets within their investment portfolios.

Tokenisation's potential is greater than mere technological innovation. By combining traditional hedge fund structures with blockchain technology, the investment industry could meet longstanding challenges related to investor access, operational efficiency, and portfolio liquidity.

Democratising hedge fund access through fractional ownership

Hedge funds have historically been the preserve of large institutional investors and ultra-high-net-worth individuals due to high minimum investments and regulatory barriers.

Tokenisation fundamentally challenges this exclusivity using several key mechanisms.

Firstly, fractional ownership converts fund shares into digital tokens, allowing investors to purchase fractions of units in previously inaccessible strategies. It is exactly the same approach as used in traditional money market funds.

There are also the streamlined administrative processes that could see lower costs associated with serving a broader investor base. And finally for hedge

fund managers, this technology enables targeted outreach to a growing segment of younger digitally-native investors who increasingly expect seamless digital experiences.

Tokenisation's benefits extend beyond accessibility as by broadening the investor base, hedge funds could also develop more stable capital bases while offering sophisticated strategies and investment diversification opportunities to a wider range of investors, including previously excluded retail investors.

Enhancing liquidity in traditionally illiquid strategies

An additional advantage of tokenisation for hedge funds is its positive impact on liquidity profiles across various strategies. Hedge funds typically have lengthy lock-up periods and redemption notices causing liquidity issues for investors however tokenisation can offer new solutions such as secondary market trading where tokenised fund shares can be traded on regulated digital platforms, creating potential secondary markets that do not exist for traditional hedge funds. Investors would be able to exit positions without waiting for fund redemption windows, fundamentally altering the liquidity profile.

Another solution is atomic settlement, as blockchain technology enables instantaneous settlement of transactions, eliminating the traditional T+2 cycle, cut-offs and reducing counterparty risk.

Finally, there are programmable liquidity solutions involving smart contracts that incorporate liquidity rules into tokens to provide a balance between investor flexibility and fund manager capital stability requirements.

For fixed income arbitrage and other strategy-specific needs, programmability enables a more customised approach to liquidity management.

Hedge fund managers are seeking a potential advantage in the competitive investment market and innovative approaches to the investor value

“Digital asset custody solutions demand specialised security protocols on top of existing asset custody solutions”

proposition such as tokenisation are becoming increasingly important.

The European context: Tax advantages and positioning

Europe’s investment landscape offers unique advantages for tokenisation adoption. Europe is opening to financial innovation, with robust regulatory frameworks and a tradition of forward-thinking financial strategies.

The block is being notably progressive in digital finance solutions uptake, which bodes well for tokenised hedge fund products.

Tokenisation represents an opportunity for hedge fund managers to expand the reach of their financial acumen by enabling global distribution of specialised hedge strategies without a proportional increase in operational complexity.

Implementing tokenisation: A practical framework for Swedish managers

For hedge fund managers considering tokenisation, the implementation process requires careful planning across multiple dimensions. Based on industry insight and practical experience from service providers such as CACEIS, a phased approach appears the most viable, involving the implementation of a hybrid model. This is a practical starting-point that involves maintaining traditional infrastructure while interfacing with tokenised distribution channels. It allows managers to target both traditional and digital investors at the same time and investors can choose which channel best suits their needs.

In terms of operational integration, tokenisation involves multiple operational aspects, such as transfer agency (TA), where Blockchain-native TA services form a bridge between traditional fund administration and digital asset record-keeping.

Digital asset custody solutions demand specialised security protocols on top of existing asset custody solutions. Consolidated reporting that covers both traditional and tokenised holdings provides investors with a unified view of holdings is also essential.

A key operational aspect is the integration of a wallet infrastructure as the investor experience centres around the digital wallet that securely holds tokenised fund shares. Within CACEIS the wallet is linked to the investor account so blockchain activity features on the register and combined reports so there’s minimal impact for fund managers and investors. This operational framework fosters an evolutionary rather than revolutionary transition to tokenisation, particularly for established hedge fund managers with significant traditional business operations.

Regulatory considerations in the EU

The regulatory environment for tokenised assets continues to evolve across the European Union,

creating both opportunities and challenges for hedge fund managers exploring tokenisation.

Tokenised fund shares that qualify as financial instruments fall under the existing Markets in Financial Instruments Directive (MiFID) II framework rather than newer crypto-specific regulations. This provides regulatory clarity but requires adherence to established securities regulations.

For tokens not classified as financial instruments, the Markets in Crypto-Assets Regulation (MiCA) framework provides comprehensive rules for crypto-asset service providers, though pure tokenisation remains in regulatory infancy at the EU level. Finally, EU member states have adopted varying stances, with Luxembourg, France, and Germany developing national blockchain laws while Sweden leverages its robust digital infrastructure, including BankID.

From a practical perspective, the EU is currently discussing the regulatory framework for securities tokens, which are considered financial instruments, so for asset servicing groups like CACEIS, we operate under MiFID. This classification provides a reasonably clear pathway for Swedish managers, though regulatory uncertainty remains in some areas.

For investors and managers, navigating Know Your Customer (KYC) requirements for tokenised products still represents a major administrative burden and having such information available on the blockchain to digitalise the process is still a long way off due to privacy concerns on the part of investors and reputational risk concerns for managers and service providers.

The path forward for Europe's hedge funds

Asset tokenisation represents more than just technological innovation — it signals a potential structural shift in how hedge funds operate, are distributed, and how they ensure liquidity. For the European market the evolving regulatory environment presents conditions favourable for adoption.

“By engaging with this technology now, alternatives participants can help shape the next chapter of global finance”

The transformation will likely be gradual, beginning with hybrid models that serve both traditional and tokenised asset investors before evolving towards more digital-only offers.

As the industry makes the transition, close collaboration between asset managers, service providers, and regulators will be essential to realising the full potential of tokenisation while maintaining the integrity and stability of the alternative investment ecosystem.

The question for many hedge fund managers is not whether tokenisation will affect their industry, but when and how.

By engaging with this technology now, alternatives participants can help shape the next chapter of global finance — potentially democratising access to a key asset class and enhancing its liquidity profile in ways that strengthen their competitive position in Europe and further afield. ■

Bahamas



Forming a peninsula of over 700 islands that shape the Lucayan archipelago in the Atlantic Ocean, the Bahamas are known for their white beaches, turquoise waters, and favourable tax regime.

As an established offshore fund domicile, the islands offer a number of fund structures for investors, including professional funds, SMART funds, and ICONs.

Its flexible regulatory environment, alongside tax advantages such as no income, capital gains, or inheritance taxes, have made the Bahamas an alluring location for fund managers and investors.

The territory's financial sector is overseen by the Securities Commission of the Bahamas, promising investors a secure, compliant, and regulated fund environment. ■

Useful Websites

www.scb.gov.bs

www.bfsb-bahamas.com

Bermuda



Despite being located over 1,000 kilometres away from its nearest neighbour, the United States, Bermuda cannot be described as isolated. Rather, this British Overseas Territory features a distinct blend of English and American culture as well as a soaring financial market in the midst of the Atlantic Ocean.

Bermuda offers a tax-neutral environment to investors, offering no corporate income tax, capital gains tax, or withholding tax to institutions seeking to optimise their tax positions.

The island's English common law system maintains compliance with international standards, and its political stability ensures that Bermuda remains one of the preferred domiciles for funds with a focus on insurance and reinsurance markets. ■

Useful Websites

www.bma.bm

www.ra.bm

British Virgin Islands



The British Virgin Islands, a British Overseas Territory situated in the Caribbean, has become a popular offshore fund domicile for hedge funds, private equity funds and venture capital funds.

Making up part of the Virgin Islands archipelago alongside their US and Spanish counterparts, the BVI continues to gain attraction for its favourable tax rates: there are no taxes on profits, capital gains or income at the fund level. BVI's legal system is based on English Common Law, which allows for strong protection for investors and a stable regulatory environment.

The British Virgin Islands Financial Services Commission (BVI FSC) is the island's regulatory authority and oversees all regulation, supervision, and inspection of the financial services industry in and from the BVI. ■

Useful Websites

www.bvifsc.vg

www.dof.vi.gov

Cayman



Situated deep in the Caribbean Sea, the Cayman Islands is a cluster of three islands nestled between Jamaica and Cuba.

A pleasant tropical climate and mangrove swamps are only part of the island's offering; it also acts as a leading offshore fund domicile.

The Cayman Islands provide a flexible regulatory environment and a well-established legal system, ensuring a robust and secure location for hedge funds and private equity vehicles looking to launch their investment funds. This, alongside the territory's minimal restrictions on investment strategies and tax-neutral fund structures, means it comes to as surprise that the Cayman Islands host over 17,000 private funds. ■

Useful Websites

www.cima.ky

www.caymanfinance.ky

Gibraltar



In 1967, the British overseas territory of Gibraltar decided to enact the Companies Ordinance and establish the island's financial services sector. The island situated just off the southern coast of the Iberian peninsula is growing its reputation as a key player in the fund services space.

Not only does its location between Europe and Africa and as a gateway to the Mediterranean make the island attractive, but the regulatory environment and tax structures offer funds even greater benefits. The domicile has attracted alternative investments and hedge funds due to its range of fund offerings — most notably, Experienced Investor Funds (EIFs) and Private Funds.

Gibraltar's financial services are overseen by its Financial Services Commission which oversees compliance with the latest regulatory developments. ■

Useful Websites

www.gfia.gi

www.gibraltarfinaance.gi

Guernsey



Guernsey, one of the Channel Islands off the coast of France, has developed into a reputable domicile for fund managers. All fund services practises are overseen by the Guernsey Financial Services Commission (GFSC), an independent public body accountable to the States of Guernsey, which is responsible for the financial services industry and establishing the regulatory regime.

The island has drawn interest from the fund services space due to its tax-neutral environment with no capital gains or inheritance taxes. The flexible fund structures available in Guernsey, including open-ended and closed-ended investment companies, have been particularly appealing to private equity, hedge funds, and real estate funds.

The island's close-ties to London and the UK make it a popular domicile for the alternative funds space and a stable choice of domicile. ■

Useful Websites

www.guernseyfinance.com

www.gifa.gg

Hong Kong



A region known as a melting pot of nationalities, languages, and culture, Hong Kong is a metropolis that boasts a thriving financial sector. Characterised by its robust legal system, minimal government market intervention, and low taxation rates, the territory's location off the southern coast of China offers investors a gateway to Chinese and international markets.

Hong Kong is overseen by the Securities and Futures Commission (SFC), where investors can be safe in the knowledge that their funds will remain protected.

The region also offers two principal fund structures: unit trusts and corporate funds. Of these, open-ended fund companies (OFCs) and limited partnership funds (LPFs), implemented in 2018 and 2020, offer asset managers in Hong Kong a modern and flexible fund vehicle. ■

Useful Websites

www.hkifa.org.hk

www.hkma.gov.hk/eng

Ireland



Ireland has developed into one of the leading centres for funds in Europe, with a particular focus on UCITS and alternative investment funds. The jurisdiction's strong regulatory framework and situation within EU standards, allows for impressive levels of investor protection and regulatory oversight. Ireland's tax treaties with over 70 different countries have also strengthened its position as one of the growing and premier fund domiciles.

The nation's capital and financial centre, Dublin, has become an attractive destination for global fund managers and emerging talents across the funds space.

The domicile has developed specialisms within the legal, accounting, and administration services which has been incredibly supportive to the entire fund lifecycle. ■

Useful Websites

www.centralbank.ie

www.consult.finance.gov.ie/en

Isle of Man



Located in the Irish Sea between the UK and Ireland, the Isle of Man has developed into a strong domicile for fund managers and investors. The island is a self-governing British Crown Dependency and its financial services sector is overseen by the Isle of Man Financial Services Authority (IOMFSA).

The sector has grown in stature due to its tax advantages — including no capital gains tax, wealth tax, stamp duty, or inheritance tax.

The island also offers a wide range of fund structures which cater to various investment strategies. These structures include qualifying funds, specialist funds, and experienced investor funds. ■

Useful Websites

www.cisi.org/cisiweb2

www.iomfsa.im

Jersey



Jersey, a lot like its Channel Island neighbour Guernsey, has risen to prominence in the fund services space and has become a preferred domicile for fund managers.

Its strong and stable regulatory system, overseen by the Jersey Financial Services Commission (JFSC) creates trust through its high levels of compliance and investor protection.

The island also allows for a flexibility of fund structures; including expert funds, Jersey private funds, and the Jersey listed fund. The various fund structures have also paved the way for a growth in alternative investment strategies such as private equity, real estate, and hedge funds.

These funds can also enjoy the island's tax-neutral status and its close ties with London's financial centre. ■

Useful Websites

www.jerseyfsc.org

www.jerseyfinance.je

Luxembourg



Despite its small size, Luxembourg is one of the largest and most significant jurisdictions in the financial services industry.

The landlocked nation, wedged between Belgium, France, and Germany, is the largest investment fund centre in Europe and second only to the US globally. Its location offers major benefits given its accessibility to major financial markets and, as part of the European Union, has stable political and regulatory frameworks.

The domicile is known for the array of investment funds — most notably, UCITS and alternative investment funds (AIFs). It also offers varying structures, including specialised investment funds (SIFs) and reserved alternative investment funds (RAIFs). Its favourable tax rates have also attracted investors in their droves. ■

Useful Websites

www.luxse.com

www.alfi.lu

Malta



The historic island of Malta may appear unassuming in size, but the country has plenty to provide for investors seeking to establish a domicile in the heart of the Mediterranean.

Malta, a fast-growing financial hub since its inclusion in the EU in 2004, reveals a fund environment that has a competitive advantage on cost, a highly efficient and responsive regulator (the Malta Financial Services Authority), and one of the lowest effective tax rates in the EU.

The island's regulatory framework also enables investors with the flexibility required to establish a range of fund structures, including the country's Professional Investor Funds (PIFs) and SICAVs. Ranked highly in terms of political soundness as well as reporting standards, Malta demonstrates its appeal to investors targeting both European and global markets. ■

Useful Websites

www.mfsa.mt

www.masa.mt

Mauritius



Rating as Africa's most developed country on the Human Development Index (HDI), Mauritius has blossomed from an agriculture-based economy to a growing fund domicile in the Indian Ocean. Offering no capital tax gains, flexible listing rules, and partial exemptions of over 80 per cent for foreign income funds, the country has positioned itself as an attractive region for fund managers.

The island also remains popular for investors seeking access to emerging markets, particularly those within Asia and Africa, and is regulated by the Financial Services Commission (FSC), ensuring a high level of investor protection.

With a strong emphasis on adhering to international standards, alongside a signed double taxation avoidance agreement with more than 40 countries, the country and its ever-developing financial industry continues to live up to its nickname, 'The Mauritian miracle'. ■

Useful Websites

www.fscmauritius.org/en

www.mauritiusfinance.com

Switzerland



'One for all, all for one' may be the (unofficial) motto of Switzerland, but the region is nothing but giving when it comes to the range of fund structures on offer to investors. As a prestigious fund domicile, the country prides itself on its political stability and strong financial sector, which caters to a number of investment strategies and asset management companies.

Several thousand collective investment schemes are on offer within Switzerland, including the Swiss Collective Investment Schemes (CIS), and the country is renowned for its transparent and competitive tax environment. With a high priority on privacy, confidentiality, and security, Switzerland remains steadfast as the top location for investors in Europe. ■

Useful Websites

www.finma.ch

www.am-switzerland.ch/en

Singapore



Situated off the coast of Malaysia, the vivacious island country of Singapore is a leading asset management location. For investors looking to target growing Asian markets, the region promotes a number of tax incentives, including low tax rates and high exemptions, as well as a host of fund structures, such as the Variable Capital Company (VCC) framework.

The Monetary Authority of Singapore (MAS) oversees the financial sector, ensuring high standards of compliance and investor protection. With a highly developed and dynamic market economy, as well as double taxation treaties with over 70 countries, it is understandable to see how Singapore has come to host over US\$5.4 trillion assets under management. ■

Useful Websites

www.mas.gov.sg

www.thesas.org.sg

USA: Delaware



Delaware may well have been ‘The First State’ to ratify the US Constitution in 1787, but in 2025 it is the leading state to open its arms to the fund services industry — becoming the top choice for various funds in the US. Delaware’s favourable tax regime, which includes the absence of state taxes on income generated outside Delaware, has attracted funds from both within the US and abroad.

Delaware also allows for limited liability companies (LLCs) and limited partnerships (LPs), two business frameworks that are frequently used by fund managers due to their simplicity and tax advantages. ■

Useful Websites

www.banking.delaware.gov

www.finance.delaware.gov

20 years of leaping ahead in asset services



Over the last two decades our global footprint and capabilities have grown consistently, along with our clients' success. Today, with our follow-the-sun operational coverage and unsurpassed asset servicing expertise, CACEIS works around the clock and around the globe to help you excel everywhere. **That's frog power!**

