



Opalesque Exclusive: Administrator AIS Fund Administration (AIS) named top growing company, AUA propelling firm towards “top 25 administrators”

From Kirsten Bischoff, Opalesque New York: The traditional role of fund administrator was providing NAV calculation, Anti-Money Laundering and transfer agency work. Over time, outright frauds, demands by investors on managers for more information, more frequently, and the need by managers to operate more efficiently has dramatically accelerated what has been a growing demand. That demand has been for the fund administrator to provide more help with middle and back office support, independent valuations, daily operational support, reporting and more. Although the need for administrators to provide this support has grown significantly over the past three years, some administrators struggled to make this shift and deliver higher levels of service that has been demanded on eroding asset bases. Those administrators that were set up to offer clients these services in advance of the financial crisis, or who were big enough to take on the cost of adding them in (i.e., investor relations support, daily reconciliations, high-level reporting, etc) are those that have done well and are poised to take advantage of the asset growth managers are beginning to see.

“If you do things right and you add real value you have a shot of hanging in there and even growing during difficult times,” Paul Chain, President of AIS told Opalesque. The firm, which was recognized as the seventh fastest growing company in New Jersey, has not simply “hung in there” during the financial crisis, but grown significantly.

“AIS Group has secured 29% year over year AUA growth from \$15.5B to \$20B. Continued growth rate at this pace could see them break the top 25 in the near future,” commented Daniel Golyanov, Research Director at Carbon 360, which publishes the industry directory “The 2010-2011 Fund Administration Factbook”.

According to the Carbon 360 Factbook the firm expanded its services even further in 2010 by adding AIS IR Manager, a document manager and investor relations website. They also implemented Confluence Unity, software that maps data from the AIS general ledger and now offers an automated solution to financial statement preparation.

AIS’s significant AUA growth in 2010 has also been boosted as assets have slowly started returning to hedge funds, especially fixed income funds, which is an area the firm specializes in.



“Four or five months ago we started seeing money coming in, not just to one or two funds, but into a solid number of managers as momentum picked up,” he says. “We are seeing some managers with assets coming in at a really encouraging pace and by and large these assets are being picked up by those managers that, quite frankly deserve it.”

They also expect continued growth as more new launches begin to take hold, something Chain says were widely on hold as new managers hunted for assets before committing to launch dates. However the shift in asset growth (TrimTabs/Barclayhedge pegged October 2010 net asset inflows for the industry at \$16bn) means AIS expects four or five of these launching in January alone. Amongst the new launches the firm will be supporting are a number of mortgage funds, an ABS fund, and an equity fund.

Now a global firm, the recognition from the firm’s home state of NJ (they also have offices in London, Cayman, and a Dublin office will open in 2011) is important to Chain as the evaluation is made based on four year trailing financials, and shows steady growth during the most difficult time in financial industry history. In fact, since 2008, AIS Group has hired 40 people, bringing its global staff to 150.

“AIS has grown each and every year in a very difficult environment, and that is due to a combination of superior technology platform, a daily model and a strong focus on service. Our growth from four employees in 2002 to 150 today is evidence of AIS’ culture of service,” says Chain.