

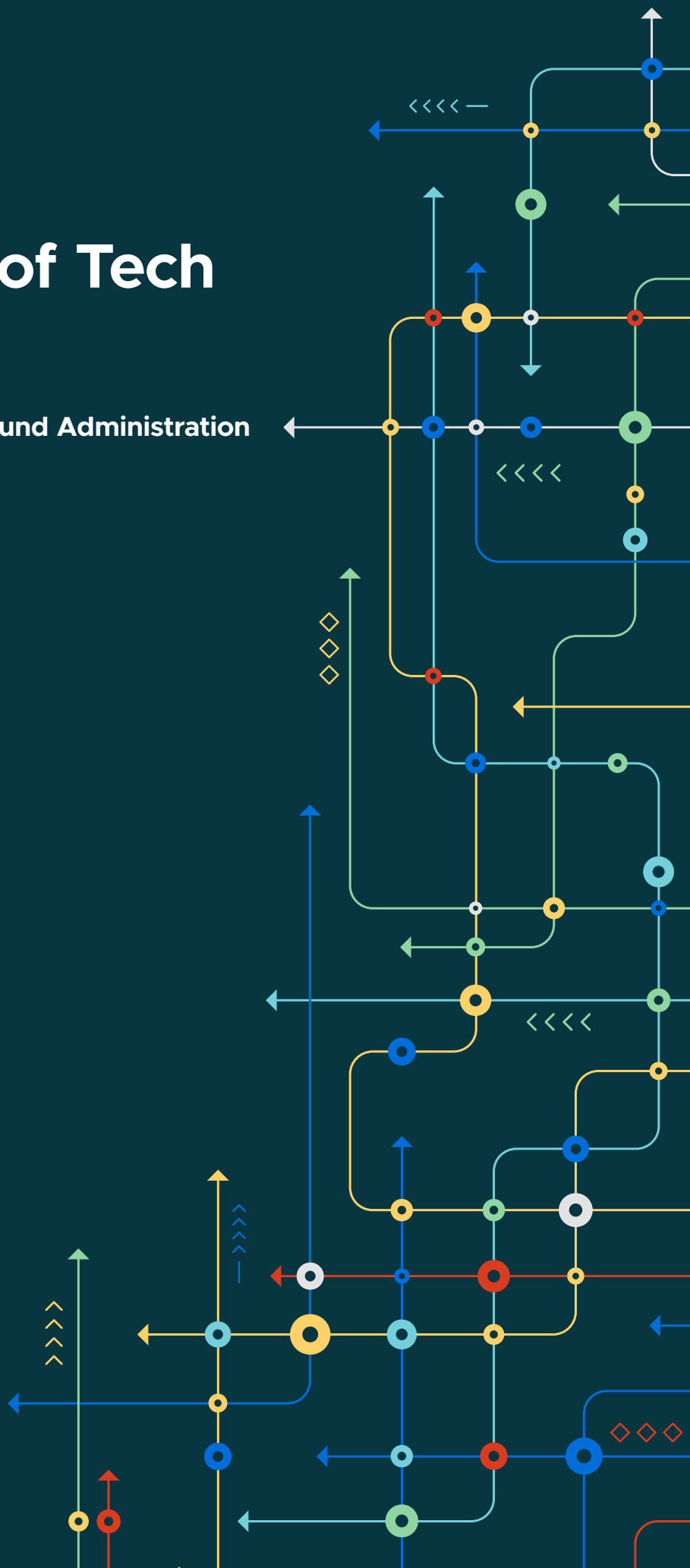
**ALTERED
STATES**

The Evolution of Tech in Alternatives

How RFPs Reveal the Future of Fund Administration

Whitepaper

June 2025



Executive Summary – A New Era for Fund Administration Technology

“In a sector long defined by opacity and tradition, a technological awakening is quietly rewriting the rules of alternative asset management.”

Over the past five years, the nature of fund administration has evolved from operational necessity to strategic differentiator. Requests for Proposals (RFPs), once considered formalities, are now invaluable diagnostic tools—offering a window into how private capital firms envision their future.

At Alter Domus, we've spent years supporting some of the world's most sophisticated asset managers. To stay ahead, we conducted an AI-powered analysis of nearly 300 RFPs submitted from 2021 through early 2025. Our goal was clear: to understand how technology expectations have shifted, what capabilities are now considered baseline, and where the future is headed.

What we found is both inspiring and urgent. The traditional model—disconnected systems stitched together by manual effort—is disappearing. In its place is a new standard: cloud-native, intelligent, real-time ecosystems that unify data, automate oversight, and unlock meaningful insights.

Once viewed as a behind-the-scenes function, fund administration has emerged as a cornerstone of investor confidence and operational excellence. Gone are the days when a static reporting dashboard or spreadsheet-based reconciliation sufficed.

Today, fund managers want live insights, seamless integration, and adaptive infrastructure. They need tools that don't just process data—they contextualize it, protect it, and convert it into action.

At Alter Domus, we believe this isn't just technological change—it's strategic transformation.



Turning RFPs Into Strategic Signals: How We Used Technology to Analyze Technology

To decode where the market is heading and track the evolution of technology requirements, Alter Domus' data science and AI teams applied a proprietary machine learning framework to analyze nearly 300 RFPs from across the private equity, private debt, real estate, and infrastructure landscape.

Our process included:

1. Natural Language Processing (NLP): Extracting key themes, priorities, and technology requirements from RFPs.
2. Trend Analysis Over Time: Comparing 2021–2025 RFPs to identify changes in security, platform preferences, and implementation strategies.
3. Machine Learning-Driven Categorization: Clustering RFPs by industry sector (private equity, private debt, real estate, fund administration) to find sector-specific patterns.

By leveraging AI to analyze unstructured data at scale, we uncovered insights that manual review alone may have missed—providing a data-driven view into the future of technology in alternative assets.



The Six Trends Redefining Fund Administration

1. From Tools to Ecosystems: *The Age of Platform Convergence*

In the earliest RFPs from our dataset—particularly those dated prior to 2020—technology requirements were fragmented. Firms requested modular tools for accounting, reporting, or compliance as distinct functions. But by 2023, the conversation had shifted entirely. Nearly every manager now seeks end-to-end ecosystems: single platforms that provide a seamless experience across investor services, portfolio monitoring, risk management, and data analytics.

This convergence is not driven by aesthetics—it is a response to growing operational complexity. As funds scale globally and diversify across asset classes, the cost of disjointed systems becomes untenable. The result is a rising demand for platforms that connect the dots: integrating CRM, fund accounting, ESG metrics, and workflow management into a single, interoperable interface.

This isn't just technological rationalization—it's about creating coherence. Managers want systems that reduce time-to-insight, eliminate duplication, and create a single source of truth across their operations.

2. Intelligence Built In: *The Rise of AI and Machine Learning*

Artificial Intelligence in alternative investments has long been a point of curiosity. But what was once experimental has become foundational. Our RFP analysis shows a clear inflection point around 2022. From then on, firms began asking not if AI was possible, but how deeply it could be embedded in their platforms.

Requests now range from AI-powered reconciliation and transaction matching to machine learning algorithms that detect anomalies in fund flows or automate NAV validation. Natural Language Processing (NLP) is being deployed to write investor letters or convert raw performance data into readable insights.

And the ambition doesn't stop at automation. Increasingly, AI is being used to anticipate investor behavior, predict liquidity needs, and surface strategic opportunities in near real time. The most forward-thinking firms are not just using AI to save time—they're using it to find alpha.

3. Real-Time as the New Normal

For decades, fund administrators operated on a cadence of monthly closings and quarterly reports. But the pace of today's markets—and the demands of LPs—have rendered that rhythm obsolete. In the RFPs we studied, “real-time” has emerged as one of the most commonly used terms across all asset classes.

The need is universal. Private equity firms want daily visibility into portfolio company KPIs. Debt managers require immediate risk scoring as loan conditions change. Infrastructure investors need up-to-the-minute performance metrics on physical assets around the world.

Achieving this requires more than fast software—it demands architectural overhaul. Firms are building on real-time data pipelines, streaming ingestion layers, and event-driven platforms that can respond to change as it happens. The result? A new decision-making paradigm where managers are no longer reacting to the past—they're steering toward the future in real time.

4. Security is Strategy: *The Rise of Cyber-Resilient Infrastructure*

Cybersecurity, once a compliance box to tick, is now a core part of operational strategy. In 95% of RFPs submitted in 2024, firms demanded advanced security protocols, including zero-trust architectures, 24/7 threat monitoring, and end-to-end encryption.

But more than just protection, managers want visibility and control. They are seeking fund administrators who can demonstrate robust disaster recovery plans, real-time intrusion detection, and proactive threat intelligence. The role of administrator has, in many ways, become a frontline defense in the battle for data integrity.

This shift reflects growing investor scrutiny. Limited partners are asking how their data is stored, who has access to it, and how systems respond under attack. Security has become part of the value proposition—and increasingly, a reason for selecting (or rejecting) a fund services partner.

5. Compliance That Keeps Up

The global regulatory environment is a moving target – and RFPs reflect growing anxiety over keeping pace. Whether it's the EU's SFDR rules, the U.S. SEC's modernization of private fund reporting, or APAC's tightening data sovereignty laws, managers are under constant pressure to adapt.

What's changed is the nature of the request. Firms no longer want static compliance templates – they want dynamic, automated systems that can interpret regulation, monitor exposure, and alert them to emerging risks.

RFPs now include requirements for embedded audit trails, pre-built regulatory reporting templates, and AI-driven compliance engines that can simulate regulatory outcomes. Fund administrators are expected to not just react – but to guide, anticipate, and future-proof.

6. Democratizing Data, Strategically

One of the most human trends we uncovered was the demand for data access – not just by data scientists or CFOs, but by everyone. RFPs increasingly speak of “data empowerment,” “self-service dashboards,” and “non-technical analytics tools.”

This is not about opening the floodgates. It's about enabling smarter decisions at every level. Analysts want to build their own reports without IT bottlenecks. Relationship managers want to personalize investor updates in real time. Executives want live dashboards they can interpret without querying a database.

To meet this demand, fund administrators must balance accessibility with governance—providing powerful tools in intuitive formats, while maintaining integrity and control.



Sectoral Deep Dive: How Technology Needs Vary Across Alternative Asset Classes

While these six trends are universal, the way they play out varies significantly by asset class. Our RFP analysis revealed clear distinctions in both technology priorities and risk postures across private equity, private debt, real assets, and infrastructure.

Private Equity: *Driving Strategic Insight and Long-Term Value*

Private equity firms, often dealing with complex capital structures and multi-year hold periods, place a premium on data richness and long-range forecasting. Their RFPs emphasize:

- Deep performance analytics tied to KPIs at both the fund and portfolio company level.
- Integration with platforms like iLevel and Investran.
- Flexible reporting frameworks for LPs with varied formats and regulatory needs.
- Strong interest in ESG tracking tools, especially post-acquisition.

In essence, PE firms want systems that are both granular and strategic – capable of tracking value creation over time and telling a compelling story to stakeholders.

Private Debt: *Speed, Precision, and Risk Intelligence*

Private debt managers operate in a high-volume, fast-paced environment. Their RFPs reflect a clear focus on speed and accuracy, with technology priorities including:

- Real-time credit risk modeling and covenant monitoring.
- Automated loan onboarding and servicing tools.
- Tools for managing syndicated and bilateral loan structures.
- Demand for straight-through processing to reduce manual intervention.

Here, the emphasis is on operational efficiency, data accuracy, and immediate visibility into risk—critical factors in managing thin margins and high transaction flow.

Real Assets: *Granularity and Physical Asset Intelligence*

Real estate and other tangible investments require technology that reflects the physical world. In their RFPs, real asset managers demand:

- Detailed asset-level reporting capabilities.
- Integration with tools like Yardi for property management and Anaplan for financial modeling.
- Support for complex tax, depreciation, and regulatory frameworks across geographies.
- Valuation and lifecycle management tools that reflect asset-specific dynamics.

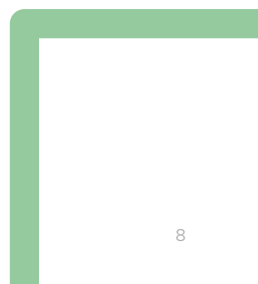
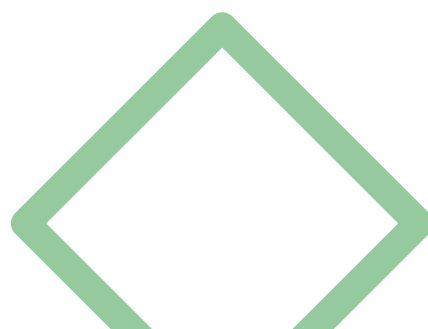
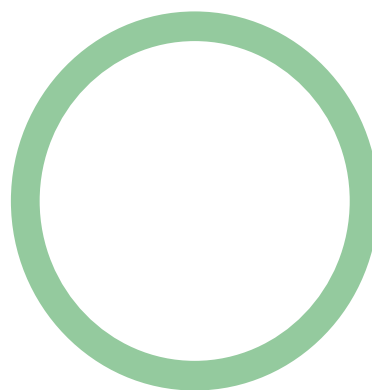
They also seek flexibility in managing assets that are illiquid, slow-moving, and often subject to local market variables.

Infrastructure: *Complexity, Regulation, and ESG*

Infrastructure investors face some of the most complex data environments, spanning financial, operational, and regulatory domains. Their RFPs commonly request:

- Integrated dashboards combining financial KPIs with operational metrics from physical infrastructure.
- ESG performance monitoring tied to both financial returns and compliance obligations.
- Sophisticated modeling tools for long-term cash flows, scenario analysis, and stress testing.
- Deep audit capabilities across multiple stakeholder relationships and jurisdictions.

For these firms, technology must handle scale, scrutiny, and specificity—simultaneously.



Conclusion: A Strategic Inflection Point

As alternative asset managers scale, diversify, and digitize, the expectations placed on fund administrators are growing exponentially. The RFPs of today are not just operational guidelines—they are strategic declarations.

The evolution of technology requirements in alternative asset management reflects a broader industry shift toward greater complexity, execution efficiency, and long-term adaptability. As firms continue to modernize their operations, the demand for comprehensive, forward-looking, and seamlessly integrated technology solutions will only intensify.

For service providers, staying ahead in this dynamic landscape requires more than just offering cutting-edge technology—it demands a deep understanding of evolving client needs, a commitment to seamless implementation, and a vision for the future of financial technology. It's clear that offering a best-in-class system is no longer enough. The future belongs to those who can combine robust functionality with seamless implementation, strategic foresight, and an adaptable digital ecosystem.

At Alter Domus, we remain at the forefront of this transformation, leveraging data, AI, and strategic insights to help alternative asset managers navigate the next generation of fund administration technology, turning it from a necessity into a strategic advantage.

