

INSIGHTS

SERVICE PROVIDER RANKINGS AND RATINGS

April 2020

The biggest and best-rated administrators, auditors, law firms, public relations firms and third-party marketers in the hedge fund industry

HFM



NAV Consulting is the hedge fund industry's top-rated administrator

The last four exhibits have identified the top ranked administrators. But who is the top rated? If there is a winner, it is NAV Consulting. The Illinois-based firm recorded the highest average score across all five metrics, never dropping below 4.6 out of 5 (Exhibit 1.5). Among the upper tier admins, equity specialist Morgan Stanley leads the way with a 4.4 average.

Analysis – size matters not

NAV Consulting is growing its reputation and client base. The 30-year-old company won high praise from hedge fund COOs for value for money and staff knowledge – feathers in the caps of its 450 accountants. In addition, the firm's AuA advanced 11% in 2018 and 4% in 2019, according to *HFM's* annual Administrator Survey.

At the other end of the spectrum, BNP Paribas was dragged down by its use of technology. The French bank attracted similar criticism from Deutsche Bank's prime brokerage clients, who complained about a frustrating post-acquisition onboarding process. By contrast, clients of US Bank said there were no noticeable detrimental effects of its purchase of Quintillion. US Bank recorded high ratings across the board.

Action #5 – reassess your priorities

If the strong scores for NAV Consulting prove anything, it is that quality service is not the preserve of tier-one firms. So, what is stopping more managers from branching out? For many, their investors. For managers with a sticky client base, the additional ODD questions may be a price worth paying.

1.5 | Average ratings for selected administrators from current hedge fund clients, 2020

Analyst notes: All ratings are out of five. Input from a minimum of three clients was required for a firm to receive a rating.

Administrator	Overall average	Value for money	Customer support	Quality of service	Use of technology	Staff knowledge
BNP Paribas	3.3	3.7	3.7	3.0	2.7	3.3
BNY Mellon	4.3	4.0	4.5	4.5	3.8	4.5
Citco	4.3	3.8	4.6	4.5	4.3	4.4
HSBC	3.6	4.0	3.5	3.5	3.5	3.5
Mainstream	3.9	4.3	3.7	3.7	4.0	3.7
Morgan Stanley	4.4	4.1	4.4	4.5	4.3	4.5
NAV Consulting	4.8	5.0	4.7	4.7	4.6	4.9
Northern Trust	4.1	3.6	4.2	4.4	4.3	4.2
SEI	3.5	3.8	3.8	3.5	3.0	3.5
SS&C	4.0	3.6	4.2	4.1	4.1	4.0
State Street	3.9	3.3	4.0	4.3	3.3	4.3
US Bank	4.3	4.3	4.4	4.4	4.3	4.3

Source: *HFM Insights*