




Juniper Square

Operational Alpha: Transforming Finance into a Growth Engine

Choosing the right fund operations partner sets GPs up to thrive and creates a distinct competitive advantage for the multi-trillion-dollar opportunity ahead.



Key takeaways

1

Financial operations can be a strategic differentiator for GPs

Building a finance team supported by a fund operations partner that is accurate, agile, and trusted can move fund administration from a cost center to a scalable engine of growth.

2

Increasing complexity may break legacy systems

As GPs launch new fund structures, adding headcount without addressing outdated systems will only create more risk. Outsourcing fund operations can reduce exposure while enabling scalable growth.

3

The right fund operations partner can unlock value

While fund administrators can help close the books, a fund operations partner integrates into the operating model, offering innovative private markets technology, infrastructure, and deep industry expertise.

Creating operational alpha where most firms overlook it

Why operational models are under pressure

The private markets are going public. While institutional LPs have traditionally dominated private investment allocations, legislative changes and new fund structures can unlock greater access for retail investors and potentially trillions of dollars in new assets for GPs.

But expanded opportunities also bring more complexity for finance teams.

Launching new fund structures—including interval funds, tender offer funds, and evergreen vehicles—all require in-depth knowledge of shifting regulations, compliance obligations, and reporting requirements that differ from how teams have communicated with institutional LPs in the past. Even experienced finance teams can struggle when their firms introduce new products because product innovation often outpaces operating model innovation.

Scott Aleali

Citizens Private Bank's Head of Private Equity Finance reflects on how servicing the wealth channel is reshaping fund operations:¹

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To service the wealth channel, operations must shift from quarterly, lagged valuations to daily valuations. Finance teams now need real-time cash forecasting, credit servicing workflows, daily liquidity tracking, and NAV oversight every week.

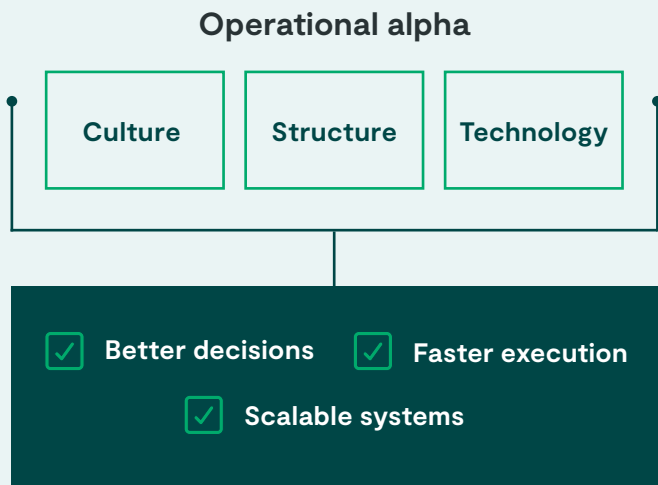
The old playbook simply will not work

To address this complexity, some GPs may look to add more headcount to their finance teams. But GPs that merely add more people and spreadsheets to their legacy processes without structuring their data and connecting their systems will not create the leverage needed to handle the new tasks.

Other GPs may think the challenge is simply “more work.” But the real challenge is that their general ledger, waterfall model, loan model, and investor portal each tell a different version of the truth.

There is another solution...

GPs can position themselves for success by choosing to work with a fund operations partner that goes beyond fund administration and delivers operational alpha. Operational alpha encompasses the compounding effect of **better decisions, faster execution, and scalable systems** built on culture, structure, and technology.



Empowering finance teams for growth

For private markets finance teams, operational alpha is crucial to support higher transaction volumes, more complex investment products, and always-on reporting without slowing the organization down.

A fund operations partner that enables operational alpha empowers finance teams rather than replaces them. **When internal teams are freed from manual reconciliations and firefighting, they can focus on strategic efforts that expand their investment product shelf.**

A multi-trillion-dollar opportunity, with increasing demands

Fund administration in the private markets has never been easy. Compared with investment vehicles comprising publicly traded asset classes, private markets finance administrators already need to deal with opaque and complicated NAV calculations, uncertain liquidity profiles, and demanding client inquiries.

Perhaps due to this complexity, LPs are more interested than ever in scrutinizing their GPs' operations. According to a December 2025 survey, **48%** of private fund CFOs say LP interest in their back-office operations has increased over the past three years, with **13%** of respondents saying that increase has been "significant."²



LPs are increasingly focused on how funds operate, not just how they perform.

Retail capital is reshaping the regulatory and operational landscape

Recently, converging market forces have only exacerbated these demands. Retail investors and wealth channels not only lead to different eligibility, tax, reporting, and servicing requirements than traditional LPs, but also to a heightened regulatory focus. For example, the INVEST Act could lead to a major overhaul of current financial regulations, which could have a massive impact on GPs.

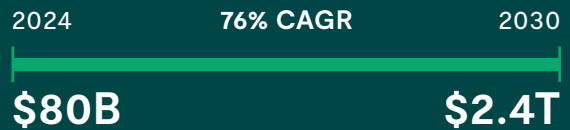
While the proposed legislation has not been finalized, industry experts predict that US retail investors' ownership of the private markets will explode over the next five years.

The INVEST Act³

- Introduced by bipartisan lawmakers in December 2025.
- Aims to expand private funds to retail investors and allow plan sponsors to include them in retirement plans.
- Passed the House of Representatives on December 11, 2025, and will now go to the Senate for further consideration.

Retail private markets are scaling rapidly⁴

US retail private market assets are projected to grow sharply through 2030:



- **Europe:** Retail private fund assets are expected to triple to **€3.3 trillion** by 2030.⁴
- **Implication:** Even if the growth rate does not achieve these lofty levels, trillions of dollars of potential assets will be in play before the end of the decade.

New investor types will require new fund structures

While the pipeline of assets is good news for GPs, this broader investor base will require new fund structures and products, including interval funds, tender offer funds, evergreen vehicles, and hybrid credit structures. The number of semi-liquid funds has grown significantly in recent years and appears poised to expand even further.

The shift is already underway:

Scale

From 2020 to 2025, the number of semi-liquid funds in the US rose from **238 to 455**, as assets nearly tripled **from \$126 billion to \$349 billion**.⁵

Trajectory

Semi-liquid funds AUM for both US and European investors will reach **\$4.1 trillion by 2030**, with retail investors expected to account for 40% of that total.⁵

Open-end funds introduce materially higher operational demands

These fund structures can be far more complex than traditional GP-LP relationships and add layers of operational difficulty.

| Operational area | Open-end funds | Closed-end funds |
|----------------------------|---|--|
| Fund administration | High burden due to continuous NAV, capital activity, and reporting | Stable and predictable cadence based on capital calls and distributions |
| Audit | More complex due to ongoing valuations and continuous capital flows | Less complex with fewer valuation points and less capital activity |
| Valuation | Requires ongoing third-party specialists for defensible pricing of shares | Less frequent use of third-party valuation, often only for annual audits |
| Lock-ups | A temporary liquidity management tool (1–3 years) for the manager | A fundamental part of the structure, spanning the entire fund life (e.g., 10–12 years) |

As new fund structures continue to proliferate, GPs with scalable operations will be better positioned to handle the additional complexity. However, simply adding more people to the equation will not be sufficient to meet the increasing demands.

How managers are responding

Chris Tinsley

Nasdaq's Head of Private Liquidity

Shared how some managers are using “liquidity labs” to build the now-generation of liquidity into interval and tender offer funds to meet the specific time horizons of retail investors.⁶

Jeff Toporek

FD Stonewater's Principal and Co-Founder

Noted that his firm launched an open-end fund to avoid the “artificial brick wall” of closed-end funds.⁷

Michael Episcopo

Origin Investments' Co-Founder and CEO

Launched an open-ended “Income Plus Fund” to provide tax-efficient compounding and ensure they “always have product on the shelf for their investors.”⁸

Internal talent alone is not enough to scale fund operations

Private markets GPs face major growth opportunities, but expanding into new products adds operational complexity. Teams must be ready to respond quickly to audits, maintain strong AML/KYC controls, and manage growing reporting demands.

Relying solely on internal talent to scale creates broader organizational risk:

- Institutional memory is often concentrated in one or two people, leading to “**key man risk.**”
- New investment products may require the hiring of new experts, potentially leading to a **bloated headcount** and **decreased profits.**
- Burnout and attrition are rising in small finance and accounting teams, with annual turnover estimated at **30%**, which disrupts operations, breaks processes, and adds stress to existing team members.
- Tribal knowledge and undocumented workflows carry hidden costs. When people spend the majority of their day as calculators and data movers, **they stop being risk managers and capital planners.**

Dorata Kowalski

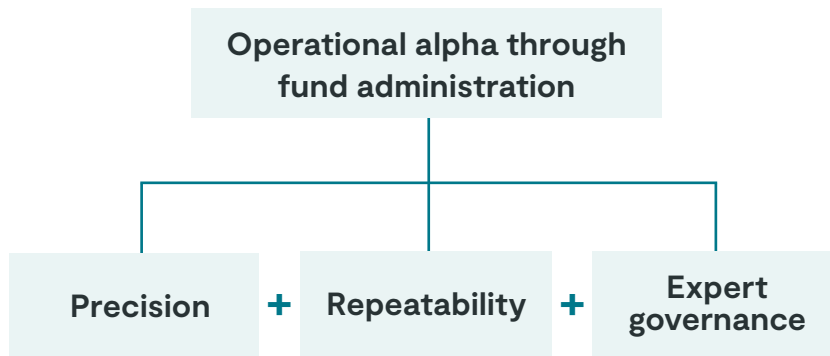
Juniper Square's Senior Director of Fund Administration has seen the “key man risk” firsthand.

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If the entire close, the waterfall, or the capital activity depends on one individual's knowledge, the model is already unstable. If they walk out the door, sometimes the entire fund walks out with them.

Even elite teams cannot solve these challenges alone

The right fund operations partner can help maintain a high employee retention rate, provide structure, succession, and institutional rigor that internal teams—and many legacy fund administrators—often cannot sustain on their own.



Legacy systems can hold GPs back

Many firms looking to scale are constrained not by strategy or demand, **but by the way their operations are stitched together**. Attempting to grow on top of outdated technology creates bottlenecks that slow fundraising, investor onboarding, and reporting—often at the exact moment speed and accuracy matter most. When data lives across disconnected general ledgers, spreadsheets, and point solutions, finance teams are forced to reconcile the same information multiple times, manually re-enter data, and resolve inconsistencies that shouldn't exist in the first place.

In the past, firms managed fund operations primarily in Excel. As long as the number of funds, entities, and investors stayed limited, spreadsheets could hold things together. But that model breaks down quickly at scale. As new fund structures proliferate and investor counts grow into the thousands, **spreadsheets won't cut it**. They were never designed to manage 4,000 client accounts, complex capital structures, or always-on reporting expectations.

The result is more than inefficiency, it's fragility:

- Finance teams spend time chasing numbers and fixing errors instead of focusing on forecasting, capital planning, or new product support.
- Decisions are slow because no one fully trusts the data.
- Month-end closes stretch longer than they should.
- Operational risk compounds with every new fund or structure.

Dorata Kowalski

Explains how spreadsheets are especially ill-suited for the most consequential financial workflows.



Waterfalls should never be found in spreadsheets. Waterfalls drive carry, tax economics, and LP trust. A spreadsheet cannot guarantee version control, auditability, or accuracy. One wrong cell could lead to seven-figure consequences.

Streamlining the operating model to create operational alpha

Operational alpha stems from a shift in mindset and is not an end in itself. But this approach not only increases speed but also reduces risk, improves decision-making, and fosters scalability.

Moving from legacy to modern operations enables internal teams to systematize and automate routine processes, freeing up time and energy for higher-value tasks. After all, every hour spent reconciling systems is an hour not spent on oversight, risk, or strategy.

Moving from legacy to modern finance operations

| Task | Legacy operations | Modern operations |
|--|---|---|
| New client onboarding | Fragmented AML/KYC processes increase compliance and regulatory risk as scrutiny rises for new fund structures. | Integrated AML/KYC processes allow teams to focus resources on complex cases while using AI to handle routine data. |
| Ongoing client reporting | Heroics are required every quarter-end to hit deadlines. | Systematized processes and centralized data sources make reporting faster and repeatable. |
| Multiple fund NAV calculations | Manual processes and disconnected data slow down response times and consume resources. | Automated processes and a single source of data truth allow for faster calculations and reporting. |
| Responding to audits | Manual processes lead to audit timelines slipping. | Centralized investor data and document delivery make the audit process more efficient. |
| Tax compliance | Disjointed data sources lead to lost time searching for information instead of in-depth analysis. | Less time looking for information allows teams to spend more time on higher-value tasks. |
| Responding to ad-hoc client questions | Client questions take days to respond. | Systematized, organized information allows IR professionals to respond to requests in minutes instead of adding another to-do to the finance team's list. |

Leverage a true partner, not just a fund administrator

As GPs decide to outsource portions of their fund operations, the choice of provider becomes a strategic one. A traditional fund administrator is designed to process transactions and meet baseline reporting requirements. A fund operations partner, by contrast, is built to help firms scale. The difference lies not just in service quality, but in mindset: partners invest alongside their clients in technology, process, and long-term operational resilience.

A true fund operations partner goes beyond legacy administration by giving GPs access to enterprise-grade infrastructure that they could never justify building internally. This includes unified general ledgers, automated capital calls and distributions, real-time validation controls, and increasingly, AI tools that reduce manual effort and surface risks before they become problems. Rather than operating as an external back office, a fund operations partner functions as an extension of the finance team.

As a result, outsourcing fund operations has become the default path for GPs seeking five critical outcomes:

- 1 Expertise in new fund structures:** Immediate access to specialists who manage open-end funds, private credit vehicles, interval funds, and complex SPV structures every day—along with deep expertise in AML/KYC, tax compliance, NAV calculations, and sophisticated allocation logic.
- 2 Scalability without increasing headcount:** The ability to launch new funds, expand into new strategies, and support a growing LP base without layering on internal complexity or fixed costs.
- 3 Reduced operational risk:** Built-in controls, standardized workflows, and systematic validation reduce errors, audit findings, and reliance on fragile, manual processes.
- 4 Faster speed to market:** New strategies can be launched without rebuilding infrastructure, hiring specialized talent, or reinventing core operational workflows.
- 5 A better client experience:** More accurate reporting, faster closes, seamless onboarding, and consistent communication—all of which directly shape LP trust.

What ties all of these outcomes together is data

A fund operations partner helps GPs unify their financial, investor, and operational data into a single source of truth—eliminating silos that slow teams down and introduce risk. With clean, structured, and validated data, finance teams can respond to audits faster, close the books with confidence, and support leadership with real-time insights rather than stale reports.

Just as importantly, unified data lays the foundation for AI to deliver real value

Without clean data, AI simply amplifies inconsistency and can lead to more problems. With trusted and organized data, AI can handle many routine tasks that would otherwise consume significant human bandwidth. But firms must have structured data, unified systems, and strong controls before AI can help—and not potentially hinder—operations.

In addition to offering sophisticated technological solutions, the right fund operations partner also focuses on **retaining the best talent in the industry** to provide consistency, structure, and continuity, rising above legacy fund administrators that often have a revolving door of staff. While GPs may face pressure to keep their internal teams intact, a consistent fund operations partner can provide stability and institutional knowledge to foster smooth operations, even amidst growing complexity.

Dorata Kowalski

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A fund administrator can help a firm close the books. A **fund operations partner** keeps a firm running by sitting inside the GP’s operating model, not adjacent to it.

Conclusion: GPs need to prepare for the next wave of capital, today

With multi-trillion-dollar assets in play, GPs face both opportunity and challenge in accessing new sources of capital. Competition will be fierce, and many firms will be unprepared to capture capital flowing from retail investors into new fund structures.

By contrast, GPs that embrace operational alpha and work with a fund operations partner can plan and launch products faster, turning finance teams into a competitive advantage over peers still constrained by legacy systems.

Private markets GPs that choose the right fund operations partner gain a leg up in the race for assets by accessing **real-time data visibility and deep regulatory expertise** that would otherwise take years to build in-house. When integrated directly into the firm, these partners unlock technology and human capital, allowing finance teams to serve as a growth engine as GPs scale.



Take the next step

Learn how a fund operations partner can turn finance teams into a growth engine that helps win new capital.

Juniper Square

¹ Juniper Square, [Banking Solutions for Middle Market Private Equity](#), August 29, 2025.

² Private Funds CFO, [Insights Survey 2026: Seven key findings](#), December 1, 2025.

³ American Bar Association, [House Passes Bipartisan Capital Formation Package: The INVEST Act](#), January 15, 2026.

⁴ Deloitte, [Increasing retail client exposure to private capital investing](#), April 2, 2025.

⁵ Deloitte, [Semi-liquid funds: A US\\$4 trillion opportunity for traditional and alternative investment managers](#), September 11, 2025.

⁶ Juniper Square, [How technology is rewiring private market access and operations](#), June 6, 2025.

⁷ Juniper Square, [The Distribution EP. 10: Jeff Toporek, Co-Founder and Principal of FD Stonewater](#), May 11, 2023.

⁸ Juniper Square, [Accessing the individual investor at scale](#), September 3, 2024.

