

Alternatives managers face a growing set of strategic and operational decisions that extend beyond investment strategy. Drawing on BNY's experience supporting **more than 8,000 alternative funds**¹, this framework is designed to help managers evaluate these decisions, weigh their tradeoffs and position their businesses for long-term growth.

Building Beyond the First Fundraise

While fundraising may be the immediate priority, establishing the right operating model early on determines the extent to which a firm can support growth efficiently.

What We're Seeing

Managers often optimize for launch, making early decisions around providers, reporting, investor servicing and infrastructure. Those choices become the foundation of the business, shaping investor confidence, operating leverage and future scalability.

Considerations

- ☐ Does your operating model establish the readiness your target investors expect?
- ☐ Are your fundraising priorities, target investors and distribution ambitions aligned with the business you're building? (e.g., *institutional investors, wealth channels or global expansion*)
- ☐ Which capabilities are core to the business and create differentiation, and which ones can be supported more effectively externally?
- ☐ How can onboarding, KYC/AML and servicing support a larger, more diverse investor base?

Preserving Financial Flexibility

Liquidity and financing decisions shape more than how capital is managed. They influence how managers pace investment activity, respond to changing investor flows and support future fundraising.

What We're Seeing

Fund structures, capital flows and financing needs evolve over time. Established managers are increasingly building optionality into the business through strategies such as counterparty and provider diversification, strengthening resilience while preserving financial flexibility.

Considerations

- ☐ Have liquidity and financing requirements been evaluated at fund, portfolio and management company levels?
- ☐ How would subscriptions, redemptions, capital calls, distributions or market volatility affect short-term and contingent liquidity needs?
- ☐ Which liquidity, treasury and financing capabilities differentiate your business, and which can be more effectively supported by specialist partners?
- ☐ Where could fragmentation across treasury, cash management, custody, settlement and financing create operational friction as the business grows?

Navigating the Increasing Complexity of Fund Structure

As fund innovation has expanded the range of structures available to meet evolving investor, product and distribution objectives, it has also increased operational complexity.

What We're Seeing

Established managers are evaluating fund structure decisions more holistically to address this complexity and support efficient execution. Considering these factors up front can allow them to remain focused on investment performance and the capabilities that differentiate the business.

Considerations

- ☐ Which investors are you building this fund structure for today, and which investors do you want it to support over time?
- ☐ How could future product expansion, liquidity needs or distribution ambitions influence your fund structure?
- ☐ What tax, regulatory or operational implications should be considered when evaluating fund structure alternatives?
- ☐ Which fund structure decisions would become more difficult or costly to revisit as assets and investor expectations grow?

Preparing for Future Distribution

Access to new investor channels is increasingly enabled by operational readiness, not investment capability alone.

What We're Seeing

Securing access is only the beginning. Long-term success increasingly depends on consistently meeting the reporting, servicing, data and operational expectations that accompany new investor channels.

Considerations

- ☐ Which target investor channels would require meaningful changes to your operating model, impacting cost, servicing or speed to market?
- ☐ Which platform, custodian or intermediary requirements could become barriers to market access? (e.g., *operational due diligence, reporting standards or servicing capabilities*)
- ☐ Where do the servicing expectations of RIAs, broker-dealers or private banks differ from your current operating model?
- ☐ Can your data, reporting and digital experience meet the expectations of both distribution partners and end investors?

Final Thoughts

These considerations reflect a broader shift in how alternatives managers approach strategic and operational decisions that shape the business beyond the fund.

Established managers are increasingly evaluating the broader implications of these choices, preserving optionality and aligning their operating model with future investor and distribution requirements to better prepare for what comes next.

Let's Continue the Conversation

Whether you're evaluating your next fund or preparing for your next stage of growth, we partner with our clients to navigate what matters most for long-term business growth.

To discuss these considerations further, contact your BNY representative or email us at alternatives@bny.com.

The BNY Advantage

As a global financial services platforms company, BNY combines deep market expertise and advanced technology to support private market managers at institutional scale. Entrusted with overseeing more than \$62.6 trillion in assets under custody and/or administration², we help power the global financial system.

¹ Sources: Statistics sourced from Internal BNY Alternatives Assets Under Custody Administration Reporting, Q2 2026

² As of June 30, 2026.

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