



Investor Services Manager

Investor expectations and the future of investor services

Unlock technology that meets the demands of
a converging investment universe





A Q&A with Lisa Shea, VP Solution Leader Product, FIS

Investor expectations are reshaping the fund services landscape. In this Q&A, Lisa Shea, VP Solution Leader Product, FIS, examines how the convergence of traditional and alternative fund structures, combined with the influx of retail investors, is driving investor services managers (ISMs) and fund administrators to rethink their operating models, technology choices and approach to digital self-service.

Q: How have investor expectations changed in recent years?

A: The investor base itself has changed. Institutional investors, such as pension funds and sovereign wealth funds, have long operated in more opaque environments and are accustomed to that dynamic. Retail investors are a very different profile. Younger demographics, in particular, expect instantaneous access to information because that's the standard set by retail banking and platforms like Amazon. They don't want to email anyone for data. They don't want to talk to anyone.

Self-service is the expectation, not the exception. The challenge for the fund services industry is that it hasn't always been built for that expectation, and the gap between what investors expect and what the infrastructure can deliver is where the pressure is building.

Q: Institutional investors have traditionally preferred to hand off operational risk to fund administrators. Is that changing?

A: It is, and it's worth noting because it's a meaningful shift. For a long time, institutional investors were reluctant to take on the risk of submitting their own instructions digitally. They'd rather send an instruction and have the fund administrator carry the data-entry risk.

That preference is changing as the tools improve and as expectations for speed increase. We're seeing more take-up on self-service products even in the institutional space. The retail market has expected self-service for far longer, so in some ways the institutional shift is catching up to what retail has demanded for years.

Q: Retail investors are now gaining access to alternative fund structures. What operational challenges does that create?

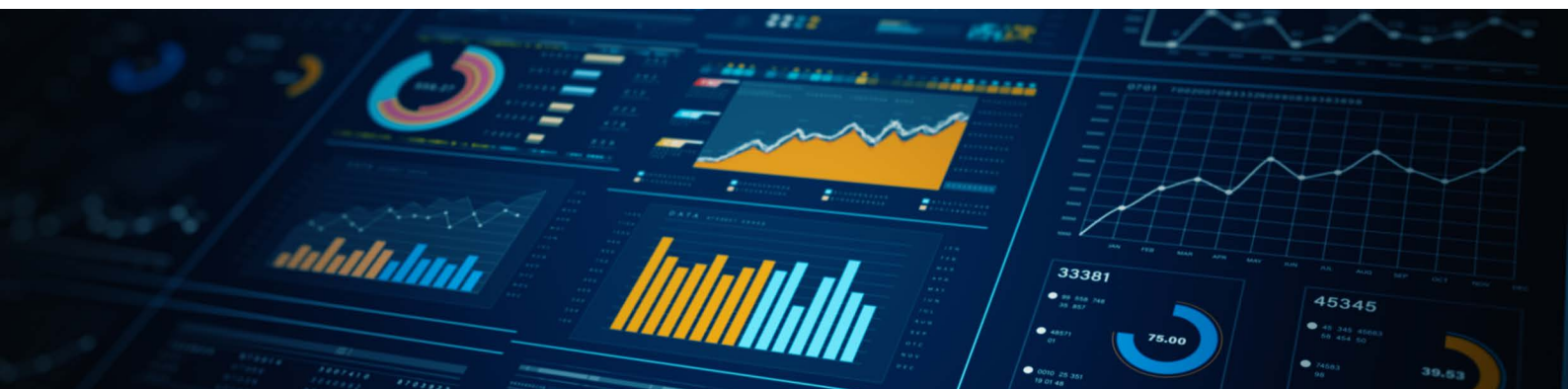
A: It creates real pressure at scale. Alternative fund vehicles are inherently higher-touch to service. They involve less straight-through processing and fewer standardized transaction flows compared to a daily-dealing mutual fund, where straight-through processing rates can run above 99% in markets like the U.S.

When you layer retail investor volumes onto a product that requires that higher-touch operating model, you're running into a fundamental mismatch. The only practical way to bridge that gap is through technology and automation. There's no viable path to scale through headcount alone.

Q: AML and KYC onboarding is one area where that pressure is particularly visible. What's driving the complexity there?

A: Alternative managers are largely set up to onboard institutions and distributors, parties they often already know and have documented. Retail investors are an entirely different proposition. Each individual is a new, unknown party that requires its own documentation, identity verification and ongoing maintenance.

The volume is significant, and the regulatory expectations around retail investor protection, including frameworks like Consumer Duty in the U.K. and equivalent regimes in other jurisdictions, mean that the standard of care is higher, not lower, than for institutional clients. Managers who weren't built for that throughput are finding it difficult to absorb.



Q: Beyond onboarding, what makes semi-liquid fund structures particularly complex to service?

A: The fund structure itself sits at the intersection of two very different worlds. A semi-liquid fund combines characteristics of a hedge or private capital fund with a unitized structure. That means you don't have daily valuation, you have constrained liquidity, and you have a redemption profile that's fundamentally different from a mutual fund.

The operational risk comes when the investor base doesn't fully understand those characteristics. Retail investors used to daily pricing and the ability to exit whenever they choose can create a run-on-the-fund dynamic when valuations don't update on the schedule they expect. There have been real examples of this in the real estate space, where funds faced serious reputational consequences because the investor profile didn't match the product.

Managing that expectation gap, through transparency, investor education and clear communication, is as much an operational priority as the processing itself.

Q: How does FIS® Investor Services Manager address these challenges?

A: The suite is built to handle both profiles, retail and institutional, across the fund structure spectrum. A few specific components are worth highlighting:

- **Lifecycle Manager** handles AML/KYC onboarding for both retail and institutional investors. It's designed to manage high volumes of individual account documentation and ongoing maintenance without requiring a proportional increase in headcount.
- **Investor Web Portal** provides the self-service experience that retail investors expect. Investors can access account data, submit instructions and track activity without routing every request through a services team. Institutional investors are increasingly using these same tools as their own expectations for speed evolve.
- **Data and analytics capabilities**, including integrations with platforms like Snowflake, are designed to help ISMs consolidate investor data across multiple fund structures and service lines. That unified view is what makes multi-asset reporting and cross-fund analytics operationally feasible at scale.

The broader point is that you can't solve a volume and complexity problem with a people-and-process answer alone. The suite is built on the premise that automation and integration are the foundation, not an enhancement.

Q: Regulators are opening alternative fund structures to retail investors while simultaneously raising the bar on investor protection. How should ISMs think about that tension?

A: It's a genuine tension, and the right frame is to treat regulatory compliance as a design constraint rather than a checklist item. Regimes like Consumer Duty in the U.K. don't just require disclosure; they require that firms demonstrate the product is appropriate for the investor and that the investor understands what they're buying. That standard is harder to meet at retail volumes unless the onboarding and communication workflows are built to capture and evidence that appropriateness from the start.

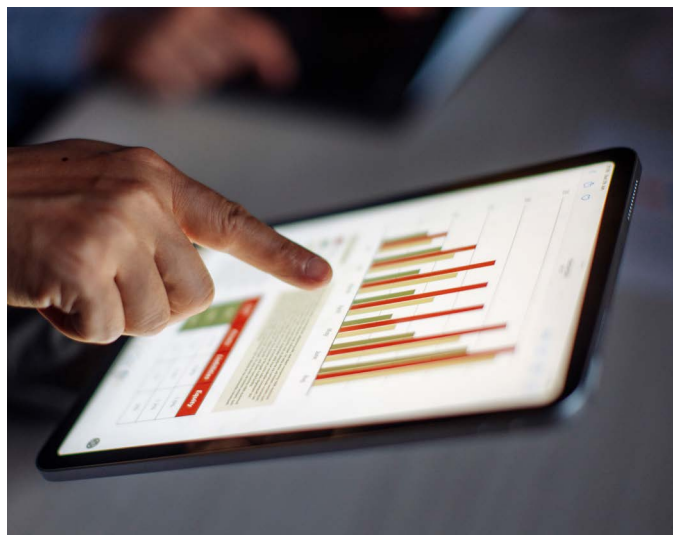
The practical implication for ISMs is that the technology you use for onboarding, account maintenance and investor communication can't be retrofitted for retail. It has to be designed for it. Firms that are trying to absorb retail investor volumes using infrastructure built for institutional throughput are going to find that the regulatory standard exposes the gap.



Q: What's your overall read on where the industry is heading, and what should ISMs be doing now to prepare?

A: The convergence of retail and institutional investor profiles into the same fund structures is not a temporary condition. It reflects a structural shift in how capital is being mobilized and where managers are looking for growth. ISMs that service those managers have to make a choice: build the operational and technology capability to support that complexity, or accept that the client base they can serve will narrow over time.

The firms that are moving well are the ones treating this as an infrastructure question, not a staffing question. They're investing in automation, self-service capability and data consolidation now, before the volume pressure becomes unmanageable. The firms that are waiting are generally finding that the retrofit is harder and more expensive than they expected. The conversation I'd encourage every ISM to have internally is: what does our operating model look like when retail alternatives are a standard allocation in a broader investor portfolio? That shift is already underway. The time to build for it is before you're managing the consequences of not having done so.



Explore how Investor Services Manager, an investor servicing suite, is designed to help fund administrators and ISMs scale for evolving investor demands.

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