



BERKLEY FUNDS

A R T I F I C I A L I N T E L L I G E N C E

The nimble administrator: why size is an advantage, not a constraint

A series on AI and fund administration, part two: why a smaller, senior-led administrator can often adopt new tools more thoughtfully than a larger one.

Scale is usually presented as an unqualified advantage in fund administration — more staff, more systems, more resilience. It is also, less often discussed, a source of inertia. A large administrator adopting a new way of working is adopting it across dozens of offices, hundreds of client relationships and systems built up, and patched together, over decades. A smaller administrator carries none of that weight, and that difference matters more with artificial intelligence than it has with most previous changes in the industry.

01 What size actually buys you

A larger fund administrator's advantage is depth: more specialists to call on, more redundancy if a key person is unavailable, and the balance-sheet strength to absorb a quiet year. None of that is in question, and it is not the argument of this article. The argument is narrower: that scale, past a certain point, becomes a drag on how quickly a firm can change the way it actually does the work.

A platform used across many offices cannot be reconfigured for one client, or adopted selectively for one task, without a change process that runs through several layers of approval, regional variation and legacy integration. A new tool has to be validated against every jurisdiction the firm operates in, every client contract already in force, and every existing system it might touch. None of that is unreasonable — it is simply slow, and slow is the opposite of what a firm wants to be when the tools themselves are changing every few months.

02 Why smaller is often faster, not weaker

A senior-led, focused administrator, by contrast, can evaluate a new tool against a known and limited set of funds, make a considered decision, and put it to work without waiting for a global rollout schedule. The same senior people who understand each fund's governing documents and each investor base are also the ones deciding how a new tool gets used — there is no translation layer between the people doing the work and the people deciding how it should be done.

That matters because the useful applications of AI in fund administration, described elsewhere in this series, are not generic. Reading a fund's subscription documents, matching its particular bank feeds, drafting commentary in its particular voice for its particular investors — these are judgement calls that benefit from being made by the people who already know the fund, not imposed from a template built for a much larger and more generic client base.



BERKLEY FUNDS

03 The discipline this requires

None of this is an argument for moving fast and loosely. A smaller administrator's advantage is speed of thoughtful adoption, not speed instead of thought. Every tool still needs the same governance described elsewhere in this series — human review of exceptions, an audit trail, and a clear line on where investor data is allowed to go. What a smaller firm avoids is not scrutiny; it is the multi-year change-management cycle that scale imposes on firms many times its size.

This is, in the end, a case for a particular kind of administrator: one senior enough to make considered decisions quickly, and small enough that those decisions reach every fund it administers without six months of internal rollout.

04 Where this leaves Berkley

Berkley Fund Services administers a deliberately focused number of Caribbean-domiciled funds, and treats that focus as an operating advantage rather than a limitation to grow out of. The firm's senior team is close enough to each mandate to make its own considered decisions about where artificial intelligence genuinely helps a fund's administration, and where it does not — without the layers of regional sign-off that a larger administrator would need to work through first.

The rest of this series looks at what that approach means in practice: the specific efficiency gains available to a focused administrator, the governance and data protection standards that still apply regardless of size, and the questions a promoter or manager should feel entitled to ask any administrator, large or small, about how it is actually using these tools.

E N Q U I R I E S – enquiries@berkleyfunds.com

This article is provided for general information purposes only and does not constitute legal, regulatory, tax or financial advice. Readers should seek advice specific to their circumstances before acting on any matter referred to above.