Request for Information

Areas of Functionality under Assessment

- Middle Office Portfolio Monitoring

Client Overview
(Client identity not available during pre-qualification stage)

- **Location:** US
- **Type:** Secondaries (mostly funds, some direct)
- **AUM:** ~$3bn
- **Funds:** Five active 'core' funds plus feeder and co-investment vehicles (~20 in total).
- **Domicile:** US domicile plus Cayman Island feeder funds.
- **Typical Investment Activity:** 100-150 deals per core fund
- **Typical Distributions:** ~400 annually per fund
- **LP Base:** 100+

Current Processes

Data Ingestion

- Client receives quarterly reports and cash flow statements from its investments, mostly in PDF format. Data is manually captured from these reports and entered onto three separate places: a spreadsheet, the existing performance monitoring software, and accounting software.
- Client does not track underlying asset-level metrics from fund investments. While it may seek to do so in future, this is not a current priority.
- Client collects asset level metrics from its direct investments.
- Client cannot, and has no desire to, dictate the format in which its investments report quarterly data.
- Client tracks its cash flow movements daily.

Analytics

- Client is mainly using Excel for tracking metrics and conducting analysis.
- Client uses Excel-based valuation models for its direct investments.

Reporting

- Client sends out quarterly reports with basic financials to its LPs. These reports are created manually and uploaded to Intralinks (LP Portal).
- There is a desire to provide deeper information on quarterly reports and produce reports which are more branded and attractive.

o   Client receives ad-hoc LP requests that currently require a lot of manual work to fulfil. The ideal platform should offer easy filtering capabilities of historical data for Client to quickly respond to such requests.

Key Considerations

Data Ingestion

Platform must be able to ingest data from PDF documents; Client is not willing to outsource data input to a third party (no Managed Data Services), and is open to either of the following options:
o   An efficient process for on-platform, user-based data ingestion which is proven to work well for PDF documents. We will not necessarily dictate the technology which should be employed here, we will instead seek for vendors to make a case for their methodology.
o   A standalone AI-based RPA solution which can be used for the data extraction task before flowing into a portfolio monitoring solution. The key consideration here will be to consider integrations between platforms. Therefore, we will seek data extraction providers which can output efficiently to relevant PM solutions and PM solutions with proven experience and/or pre-built integrations with leading extraction tools as a core requirement.

Analytics

The platform's data architecture must allow for calculations based on applicable secondaries data points (e.g. discount/premium to NAV). Client's typical structure is described below:
o   Client Fund --> Deal level data (typically comprising multiple funds) --> asset level (typically a fund); tracking cash flows at the individual asset level, which roll up to the deal level that in turn aggregates to the fund level
o   Data is a combination of static attributes (e.g., reference date NAV, purchase price, etc.) and dynamic cash flow and valuation metrics (e.g. distributions, paid-in capital, NAV)
o   Some analytics require Client to exclude specific deals and even individual assets from a calculation, so would want a flexible platform that can be adjusted easily at each level as needed. Additionally, analytics should be flexible to point to different data levels for different calculations / reports (i.e., pull deal level data for "deal-by-deal track record" and asset level data for "weighted average discount at close")
o   Excel-driven valuation process is likely to be maintained, therefore it will be important for platform to efficiently align and support this activity.

Reporting

The ability to produce reports on the fly to support incoming requests from LPs will be extremely important. Client has no preference on whether the reports are generated directly on-platform or via a Microsoft Office plug-in where fields are populated automatically from the platform.

Additionally, it will be desirable (but not deal-breaking) for the platform to facilitate the mapping of LPs to Client Funds to underlying investments in an intelligent way to facilitate efficient and responsive investor relations activity, given that Client has LPs investing across different funds which have exposure to the same underlying assets.

Other

Given the complexities and unique characteristics of secondaries, Client will seek evidence that the vendor has experience dealing with funds of this nature and has already built out data models and functionality required for secondaries (including fund of funds that have a proportion of capital allocated to secondaries transactions).

Data flow between the platform and back office software is going to be critical, given that Client tracks cash flow movements daily. Client has not yet selected a back office solution or decided on whether it's going to outsource back office to a fund admin or not. At this stage, it will be important to understand typical processes of ingesting cash flow data from back office solutions.

Questions for Vendor

1. Please describe the platform's solution to data ingestion from PDF documents.
2. If you have any experience, partnerships, or integrations with PDF data extraction providers, please list the vendors and describe the process of how the two systems work together.
3. Please describe any data validation functionality. This is important given that PDF parsing technology can still result in errors.
4. Does the platform's data architecture align with Client's fund structure and analytics requirements described above in the "Key Considerations for Analytics" section? Please describe any limitations.
5. Please describe the platform's reporting capabilities.
6. Do you have any secondaries client experience?
7. Do you have any fund of funds client experience?
8. What is your process around ingesting cash flow data from back office software? Which back office solutions do you have the most experience working with? If you offer a back office module or hybrid service, please describe.
9. Please provide pricing indication range and structure if possible. We appreciate that pricing involves many variables which are not provided in this brief overview and will not hold you to any indications given here. We seek this feedback for initial planning and guidance only.
10. Please provide any details for typical implementation timeline and costs.

Timeline and Next Steps

- We request a response by January 21st.
- Should you wish to provide feedback over the phone, please email Eren Koc to organize: eren.koc@pestack.com

- We will provide updates and notification should client wish to proceed, at which point we will reveal client identity and engage in a more thorough RFP and assessment process.