



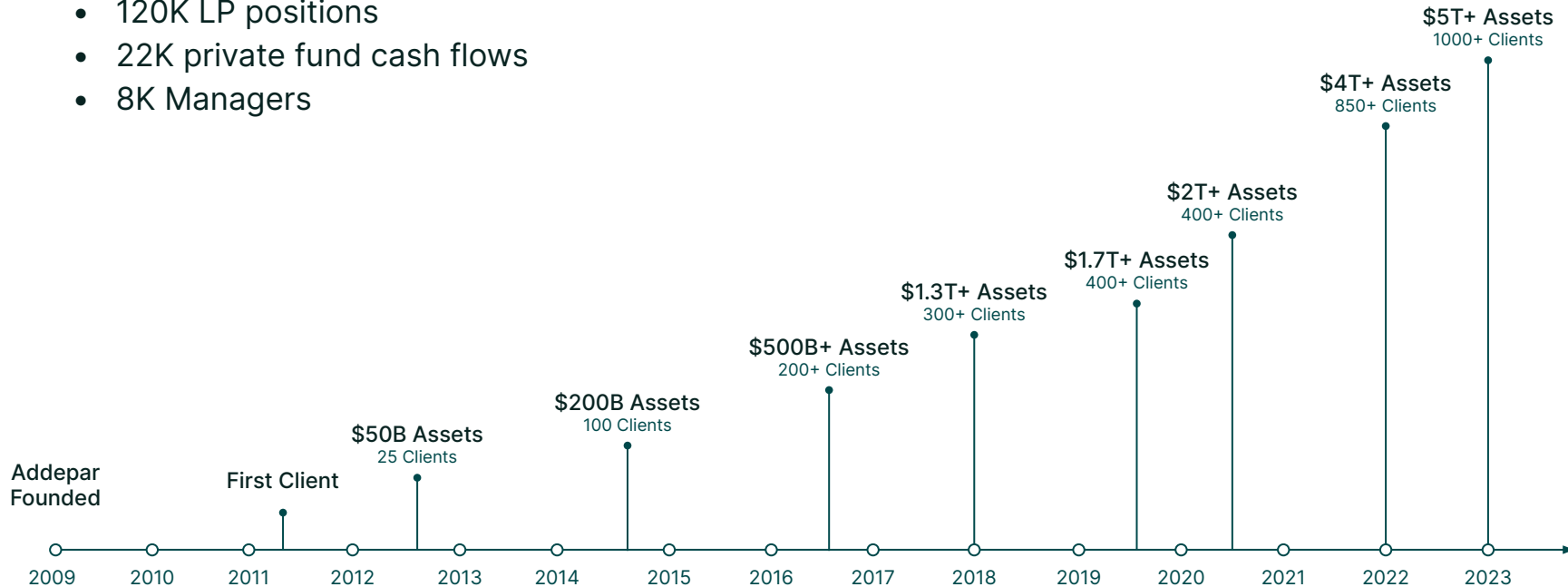
TSG: Technology Models For Large Asset Owners

Presented by Dan Golosovker on 6/12/2024

Addepar has \$5+T assets on platform

Alts Data Covers:

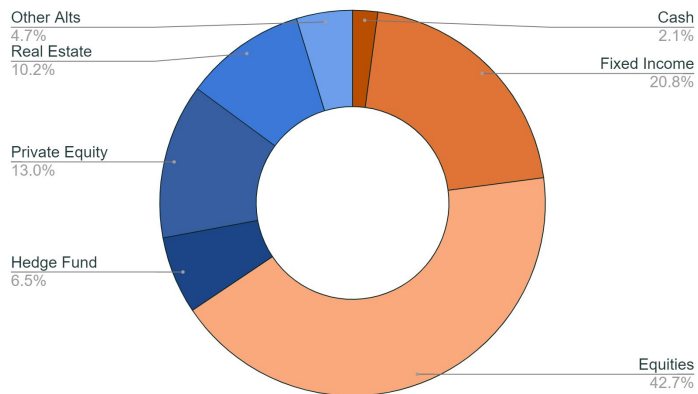
- 120K LP positions
- 22K private fund cash flows
- 8K Managers



Significant allocations to alternatives is prevalent across large asset owners

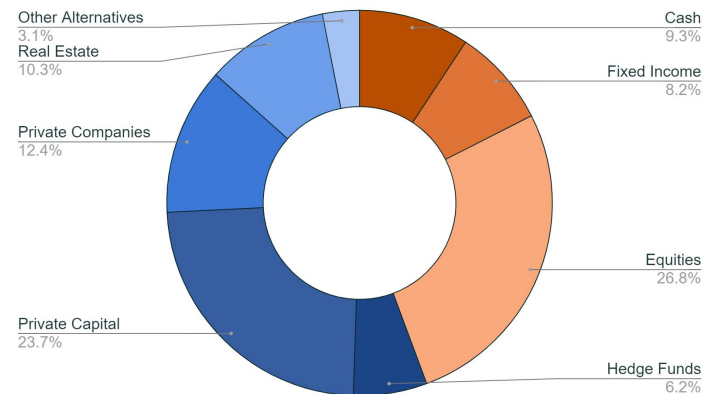
State and Local Pensions Asset Allocation*

December 2022



Family Office Asset Allocation

January 2024



Private Capital includes Private Equity, Venture Capital, and Private Debt. Other Alternatives includes mixed allocation fund of funds and other collective vehicles. Other includes commodities and collectibles.

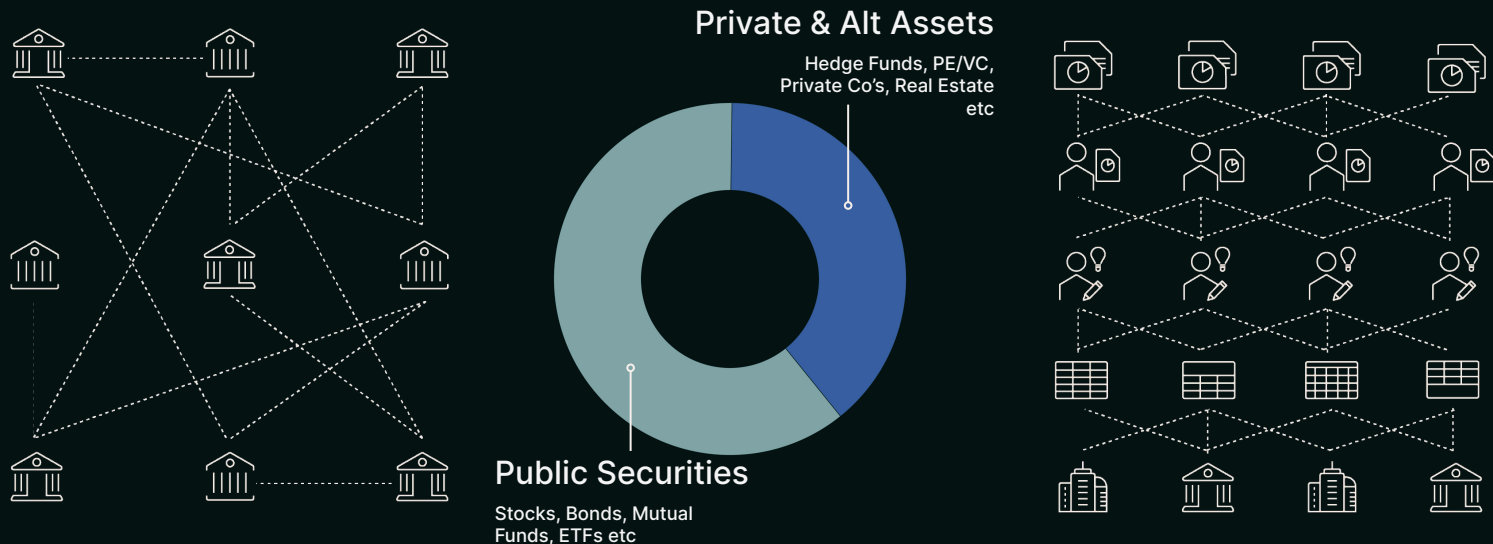
* Sourced from Publicplansdata.org

The “people-powered” status quo: unsustainably risky

Large portfolios tend to have a higher allocation to alternative investments and other private market assets, in addition to publicly traded securities.

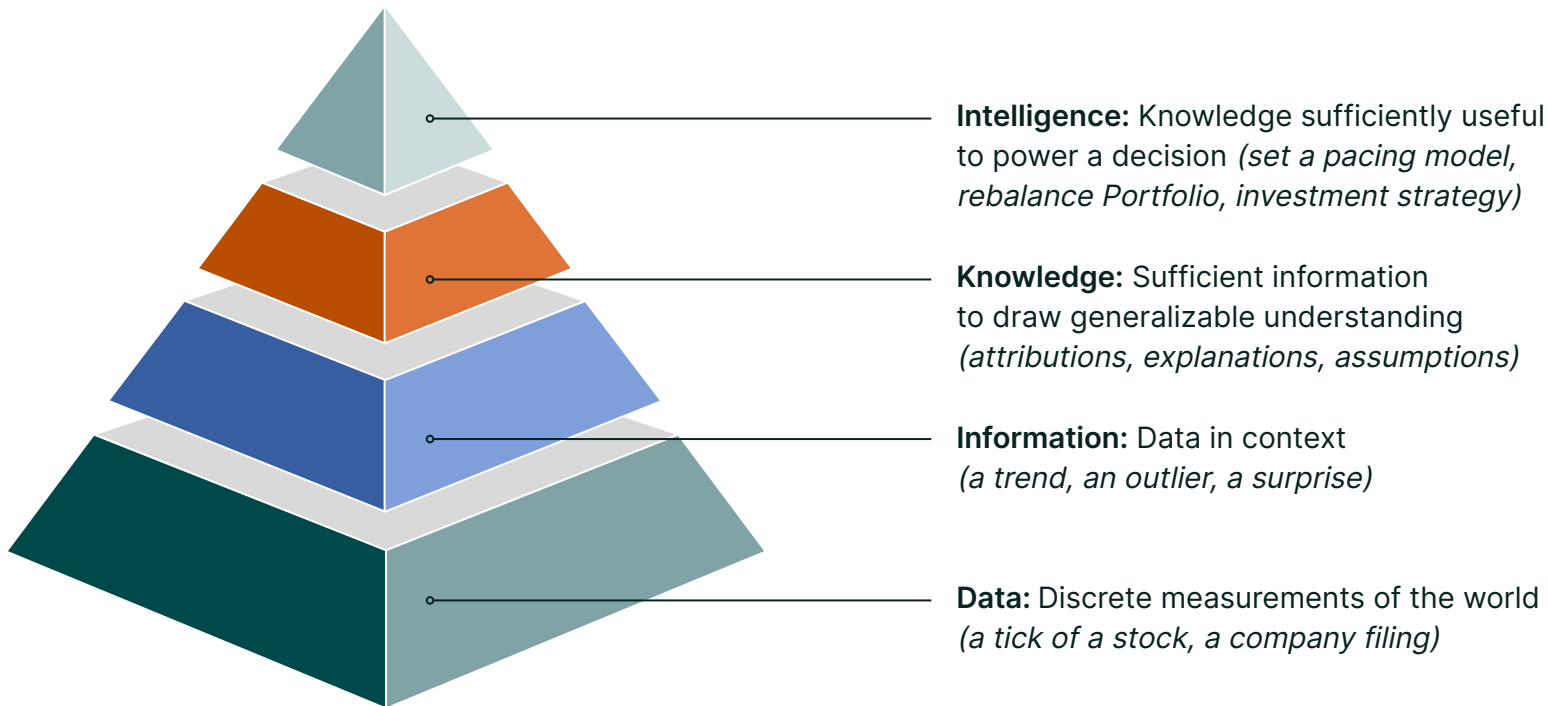
Data on these private investments is notoriously challenging to capture, standardize and normalize; it is done manually and managed in spreadsheets.

Investors who own complex portfolios suffer the most because they lack the ability to measure performance, risk and exposure in a timely, accurate way.

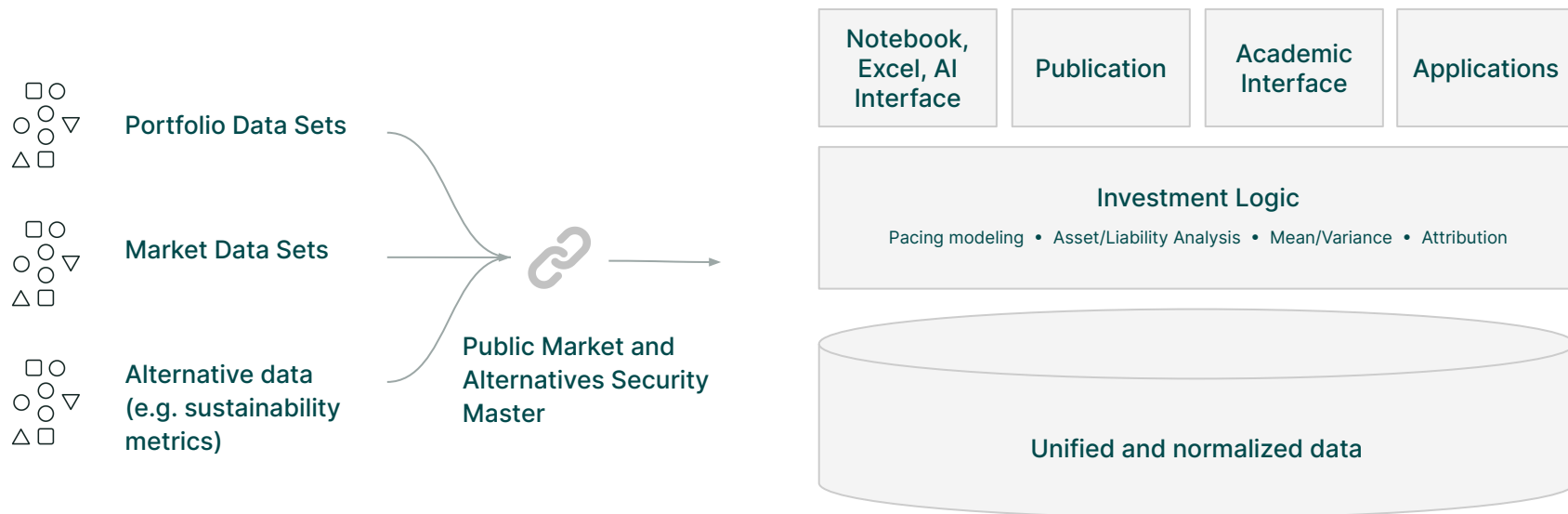


Framework: Pyramid of insight

What one needs to answer investment questions



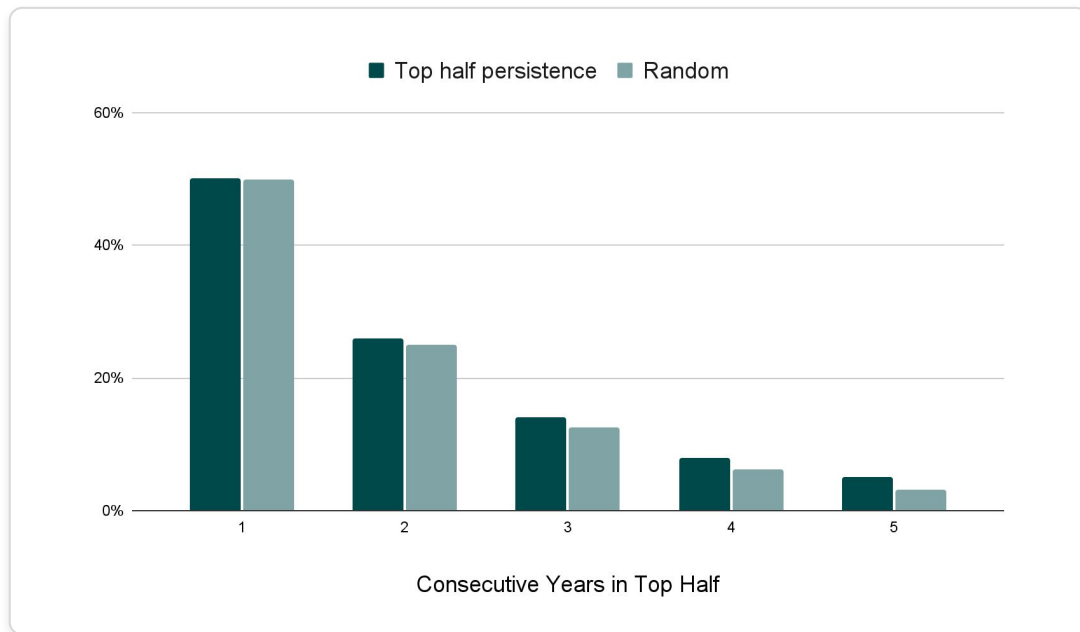
Modern technology architecture enables collaboration, fast iteration, compounded learning



Case Study:

Using data to test conventional wisdom. Is hedge fund outperformance more effective than luck?

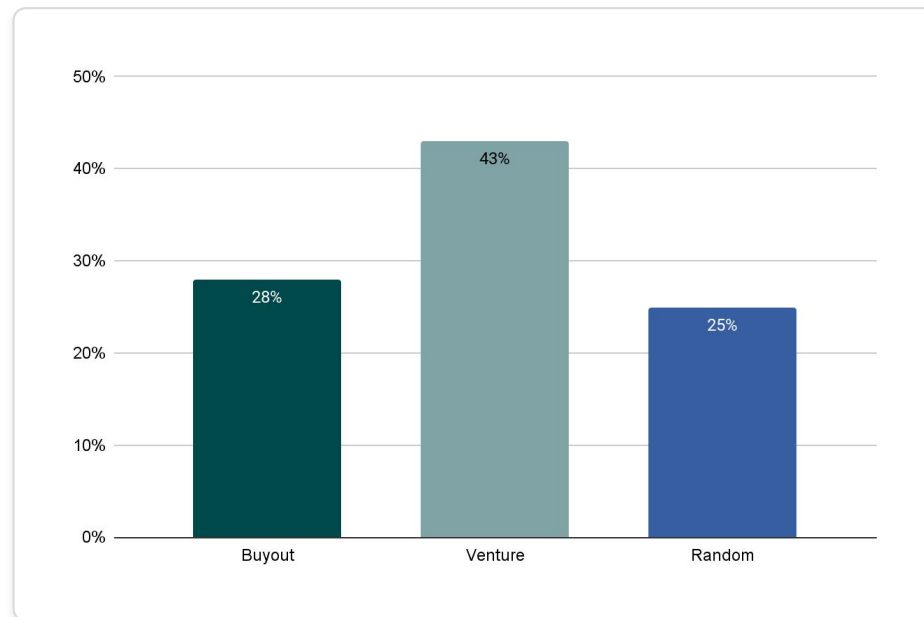
Hedge Fund probability of having above median returns in consecutive years*
2000 - 2023



Case Study:

Using data to test conventional wisdom. Is there manager persistence in performance?

Probability of being top quartile in subsequent funds* 2008 - present



*Building on prior academic work including "Persistence Persisted in Private Equity? Evidence from Buyout and Venture Capital Funds"

Case Study: How does private wealth performance compare to private market benchmarks?

Private Capital: Addepar Investor Portfolios and Benchmarks

Simple annualized average, Q1:2008 - Q2:2023

Grouping	Private Equity	Venture Capital	Private Debt	Real Estate	Natural Resources	Infrastructure*
Addepar	11.4%	15.9%	7.2%	4.5%	6.3%	9.6%
Preqin	11.2%	9.5%	7.7%	4.7%	4.9%	10.9%
Correlation	.95	.94	.94	.92	.82	.51

Source: Addepar and Preqin

* Shows previous 10-years for Infrastructure

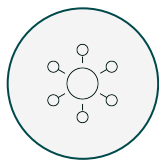
Technology innovation enables moving from paper statements to data

Private Funds data extracted, processed, validated and ingested directly from Private Fund documents



Document(s)

Client uploads documents via Alternatives UI



ML processing

Automatically process documents via proprietary ML technology



Data operations

Augment document processing with human operators for verification and/or documents with low technology confidence



Data quality

Document and holding level data quality checks and validation

Remove 3 areas of operational burden for clients:

01. Extracting unstructured data from Alternatives documents
02. Validating Alternatives data
03. Getting Alternatives data into databases