

# Fund of Funds & Alternative Investments: 3 Current Challenges

Funds of Funds are growing exponentially to meet the demands of Investors, as the call for access to Alternative Investments is increasing. Growing rapidly and continuing to rely on manual or outdated portfolio management tools can have adverse impact on organizations. Here are the top 3 factors Fund of Funds managers should be on the look out for as they grow.



## Accessing the Information You Need

Managing a growing portfolio is more than just about data; it's about getting the data you need, when you need it. Data will impact all aspects of your business, from planning to monitoring.

**"The need for better data solutions became even more apparent during the pandemic, when any delay in information or data error in fast-moving, volatile markets could have huge implications for limited partners or institutional investors in private equity funds."**

*- Paymun Saket, Managing Director of LP Products, Allvue Systems, Pensions & Investments*

## Harnessing Automation

Using outdated technology or manual processes leads to countless hours of non value-added work for Fund of Funds managers. Growth demands a tech set that allows for the elimination of manual processes such as spreadsheets. For example, manually tracking client mandates and allocating capital to PE Funds are huge tasks.



**"Investors and other constituents expect that manual processes can and should be phased out. Advancements in technology offerings, whether internally developed or from service providers, have made it possible for managers of all strategies to automate all areas of their business."**

*- Does Accelerating Adaptation Present Obstacles - or Increase Opportunities, EY.com*



## Finding a Single Source of Truth for Data

Managing a diverse portfolio can lead to multiple sources of data received and utilized by different departments within the same organization. Having a robust tech stack will allow the amalgamation of these diverse data sets into a single source of truth across the firm.

**"You may know this firsthand if you've attempted to get a detailed, accurate view of alternative investments in a portfolio. The resulting scavenger hunt typically involves chasing down data across many different files, trading countless emails, combing through byzantine legalese and – most infuriating for many – ending up with ballpark estimations relying on outdated information from murky inputs to show for all your trouble."**

*- Digitizing Alternative Assets: From Chaos to Control, Institutional Investor*

## How Allvue can help

With Allvue Systems' proven technology solution LP Portfolio Management Funds of Funds can track investment opportunities and cash flows, analyze investment performance, and model portfolio growth quickly and easily across all alternative asset classes.

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