CASE STUDY:
How do I efficiently monitor and track my private markets portfolio?

Client
Growing Latin American pension fund ($10 billion in AUM)

Challenge
In entering a new and complex asset class, the pension fund faced a steep learning curve as it sought to enhance its own knowledge and utilize technology to track and evaluate its growing private equity portfolio. The fund viewed this as both a fundamental step in achieving optimal portfolio performance, and a necessary one in order to comply with regulatory requirements relating to improved supervision and control of these investments.

Solution
Working closely with the pension fund, HarbourVest leveraged its more than 30 years of private equity investing experience and operational knowledge to provide an interactive dashboard tool specifically designed to address the client's monitoring and evaluation needs.

Success Indicators
The client gained increased visibility into its cash flows and net asset value, as well as a comprehensive overview of its investment data at both the fund and underlying asset level. This improved the accuracy of the data, gave the client more confidence in making better, more informed investment decisions, and put it in a position to better serve its retirees and meet ongoing regulatory requirements.

HARBOURVEST

BACKGROUND
A large and growing pension fund in Latin America, and an existing client of HarbourVest, faced a number of challenges in seeking a robust way to monitor and evaluate its private equity portfolio. The fund wanted to realize the potential higher returns and diversification benefits the asset class can offer, but understood that capturing these benefits required more knowledge and better tools to accurately measure and monitor performance.

Specifically, the pension fund was looking for a simple, customized solution for tracking and evaluating its portfolio performance – one capable of providing both a granular and high-level assessment of its private equity portfolio, which included over 20 fund investments globally and more than 130 portfolio companies.

As a trusted partner, and having worked with large pension plans around the world for more than three decades, HarbourVest understood the importance behind the client's desire to gain more visibility and confidence around the cash flows and valuations of each of its investments. We also recognized the urgency of the request, particularly given the time sensitivity involved in reporting cash flows each month, as well as the regulatory pressure the client was facing to improve its oversight and monitoring abilities.

SOLUTION
HarbourVest's local office worked closely with the pension fund to design a three-year portfolio monitoring service engagement. To ensure ease of use and rigorous monitoring, a core component of the service was an interactive dashboard tool. Specifically, the customized solution addressed the client's needs for:

> Maintaining and reconciling the cash flow activity to and from each investment

> Tracking investment data at the fund and portfolio company level, aggregating performance, and ensuring accuracy

> Verifying quarterly valuations of each investment in accordance with fair value standards

> Monitoring the investment data at fund and portfolio company level

In building the solution, HarbourVest relied on its global private markets platform, as well as its experience developing operational infrastructure and risk controls for clients globally. The dashboard solution leveraged the features and functionality of HarbourView, the firm's proprietary system for tracking managers, partnerships, and companies. Additionally, HarbourVest's local office was uniquely positioned to facilitate hands-on training for the dashboard and investment monitoring.

In the end, the dashboard solution provided the client with a number of important benefits. The interactive tool helped enhance its operational capabilities, allowing the fund to provide more timely and accurate information. The tool also provided the client with the knowledge to become a better investor, and consequently the ability to better serve its retirees.

VALUE-ADD SERVICES

Enhanced Reporting – Quarterly reports including portfolio updates, investment activity, realization activity, valuation of each investment, underlying company IPO and M&A activity, and top holdings filtered by manager and fund investment.

Cash Controls – Utilized HarbourVest's Accounting and Portfolio Analytics teams to apply an added level of cash control, and verification of each capital call and distribution notice. Quarterly accounting reconciliation of all cash flow activity and foreign equivalents.

Customer Service through Local Presence – HarbourVest organized onsite meetings with the client to clearly explain the functionality of the interactive dashboard and how best practice accounting validations and reconciliations are performed. Also, as it continuously updated the client's portfolios, HarbourVest provided an additional layer of control by reviewing updated cash flows, valuations, and performance.

CUSTOMIZED SOLUTIONS

HarbourVest has worked closely with investors for more than three decades to selectively implement custom account solutions. We collaborate with our clients to understand their goals, build a road map to achieve these objectives, and construct private market portfolios designed to meet their risk-return requirements. HarbourVest strives for transparent communications and operational excellence, and provides comprehensive back-office infrastructure and strong institutional risk controls.

To learn more about Custom Solutions, please visit us online at **https://www.harbourvest.com/expertise/custom-investment-solutions**.

INTERACTIVE DASHBOARD

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