



**Brackendale**  
CONSULTING



# The Brackendale Private Equity Technology LP Sentiment Survey H1 2022



in partnership with

 **AssetMetrix**

## Why

Brackendale works with a variety of GP clients who incorporate technology into their investment processes, and AssetMetrix offers technology and specialised outsourcing services to accelerate digital transformation in private equity. We wanted to explore the use of technology in private equity operations and the attitudes of LP investors towards that innovation.

## Who

LPs surveyed hail from across Europe, North America, and Asia. They comprise a mix of pension funds, insurance companies, family offices, and fund-of-funds from our extensive contact network.

## What

Questions in our survey were designed to explore the importance of a GP's approach to technology and data to LP investors in their investment decision-making process.

## Key findings

A majority of LP investment decisions are being influenced by GPs' level of technology adoption. LPs are not looking favourably on firms that do not adequately make use of technology. Almost two-thirds of LPs would be more likely to allocate to a fund that had a strong tech-enabled partner.

**Q1. On a scale of 1-10 how important is your GP's level of technology adoption in their operations for your investment decision?**

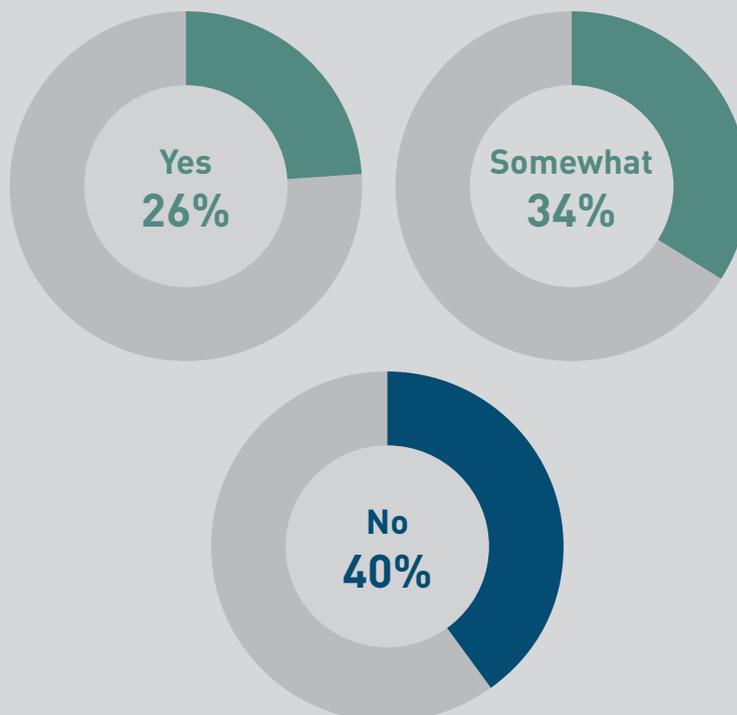
**6.2**

**1**

**10**

Our surveyed LPs averaged a **6.2/10**, signifying an above average importance being given to the adoption of technology by their GP investees. This adoption of technology includes the GPs' usage of reporting, data analytics, and communications facilities.

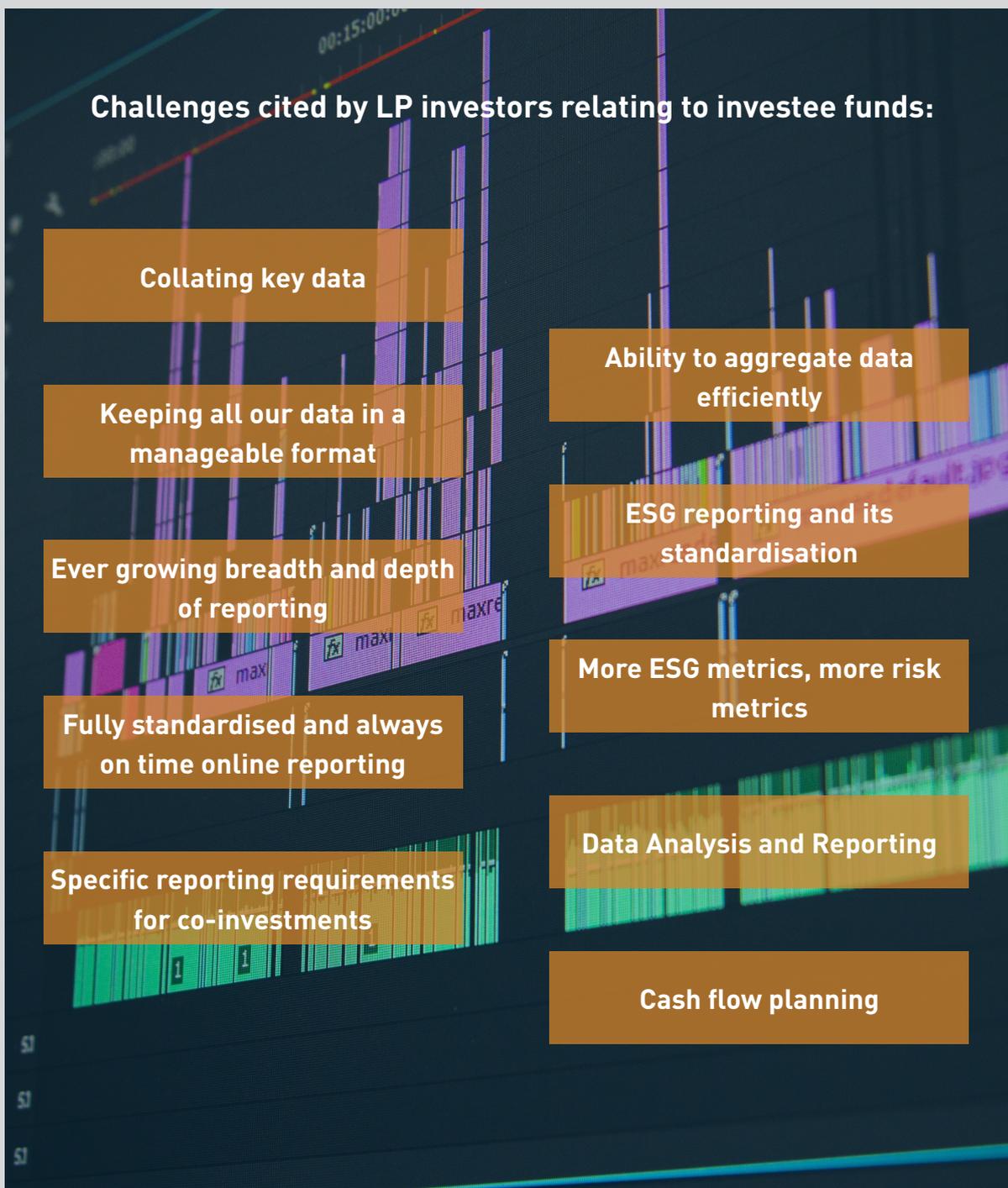
**Q2. Would you be more likely to consider allocating to a fund if they had a strong tech-enabled partner to outsource their middle and back-office activities to?**



Some **60% of LP respondents** expressed a preference for allocating to a fund that had a tech-enabled partner for their middle and back-office activities. Half of this percentage was heavily interested in considering an allocation due to the use of a tech-enabled partner.

### Q3. What are the key challenges you face regarding your investee funds that enhanced technology could support with?

A large majority of LP respondents cited data management and reporting standardisation as the main challenges that their investee funds face. Particular reporting requirements, including ESG and co-investment specific reporting were also mentioned as significant challenges for investee funds.

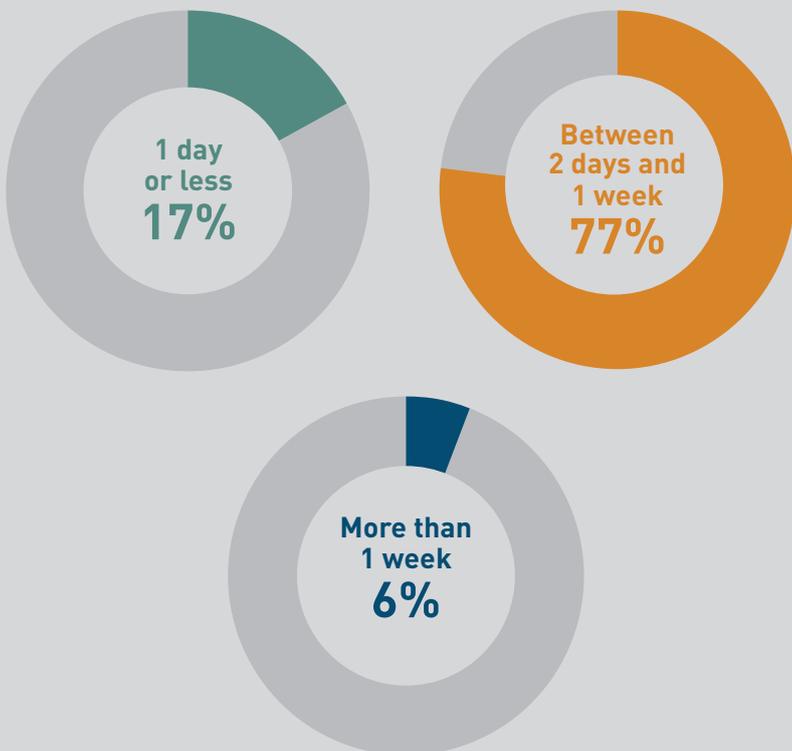


#### Q4. Whether you use a technology platform to monitor your investments or not, what do/would you find most helpful?



Some **77% of LP respondents** find that being able to view their entire portfolio at once is or would be the most helpful part of using a technology platform. This would provide for LPs a clear and concise view of their investments. A further **69%** would find filtering options and the ability to slice and dice the data a useful tool. Similarly, **46%** of respondents would find customised reporting portals to be of use to their investment monitoring platform as well as a further **40%** citing the provision of a single point of truth for all the data relevant to them.

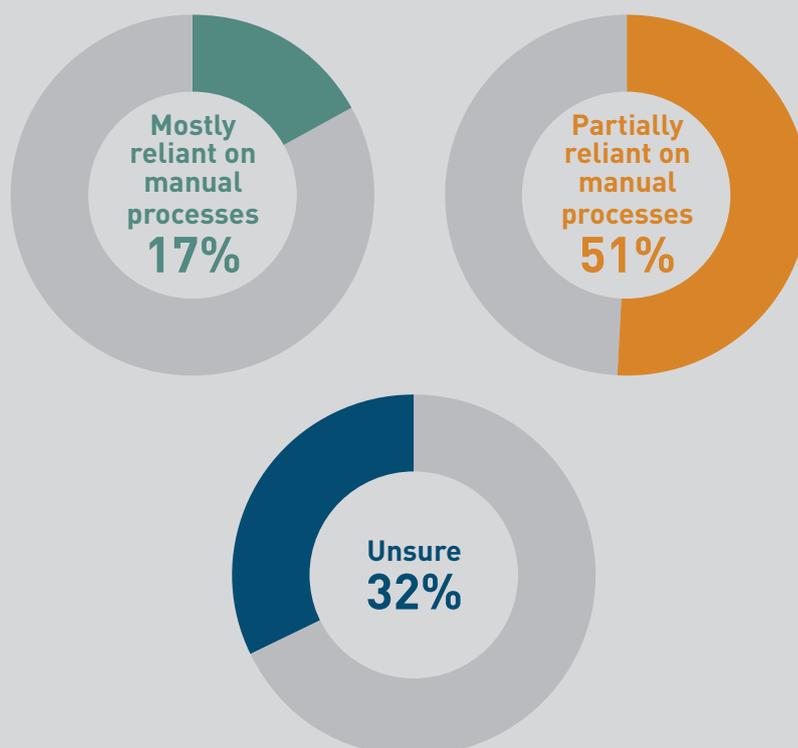
### Q5. a) How much time does it take your fund managers on average to reply to ad-hoc requests?



Only **17%** of LPs that responded receive replies from their GP fund managers within a day from when the requests are made. This shows that a concerning number of fund managers are taking longer than expected to respond to ad-hoc requests from their LP investors.

### b) How much of this time is due to being reliant on manual processes?

Of the same LP respondents, **68%** answered that the time taken is partially or mostly reliant on the use of manual processes, an answer that confirms that adoption of data automation is still lacking across the sector.



**Q6. How do you plan to manage increasing pressure to fulfil stringent reporting requirements for your private capital portfolio?**



Of the LPs surveyed, **66%** place the onus for reporting upon their GP counterparts, committing to ensuring that their GPs submit reporting when they need it. A further **17%** took the responsibility upon themselves, committing to investing more resources in-house to improve the data reporting process.



# Brackendale

## CONSULTING

Brackendale is a global agency specialising in marketing and PR within the alternative assets space. The firm offers investor marketing, media relations, graphic design and investor pitching services to private equity and VC firms globally. We devise and manage effective PR campaigns, using our journalism experience and extensive media contact network to tailor stories to fit the type of coverage required by our clients.

Brackendale also provides well-written and compelling content for investor pitchbooks, PPMs, ESG reports, quarterly reports, and newsletters, geared at increasing investor interest. Our in-house graphic design team professionally designs investment materials and presentations, as well as creating corporate identity and branding, logos, social media graphics and adverts. We also offer online pitch training courses to help private equity fund managers pitch successfully to potential investors.

For more information please visit [www.brackendaleconsulting.com](http://www.brackendaleconsulting.com)



## AssetMetrix

Founded in 2013 in Munich, AssetMetrix is a spin-off of a successful private equity fund-of-funds manager. With its private markets DNA, solution-driven mentality, and deep technological expertise, AssetMetrix understands the challenges faced by private market firms first-hand. Our team enables investors, fund managers and asset servicers to accelerate their digital transformation in a growing asset class.

Our outsourcing services in the areas of data collection, fund administration, reporting and analysis enhance the efficiency and scalability of middle and back-office operations. With our integrated technology platform, we address increasing transparency requirements of investors and regulators.

AssetMetrix stands for innovative and secure technologies, state-of-the-art analytics and a world-class, experienced service team in private capital.

For more information, please visit [www.asset-metrix.com](http://www.asset-metrix.com)