



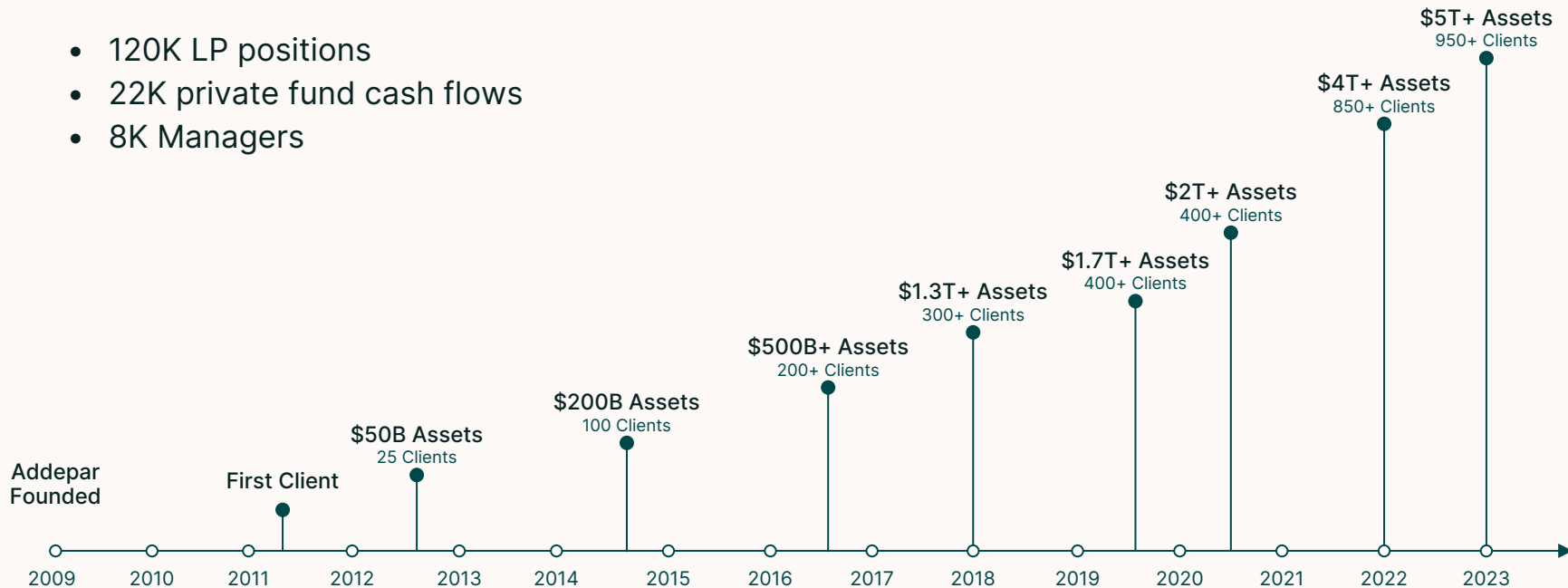
NIRS: Technology Model for Public Pension Funds

Presented by Dan Golosovker on 2/27/2024

Addepar has \$5+T assets on platform

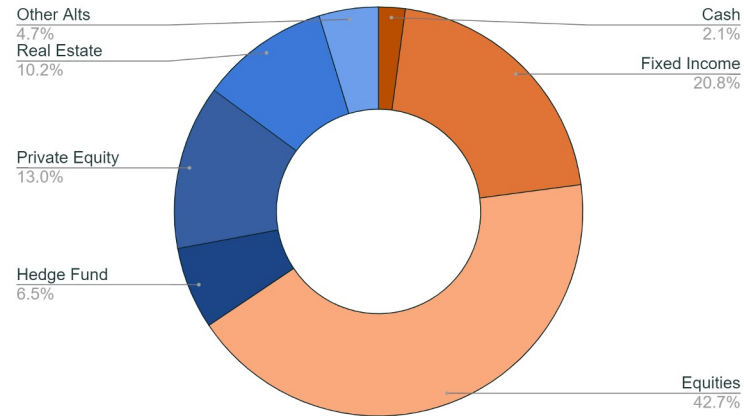
Alts Data Covers:

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

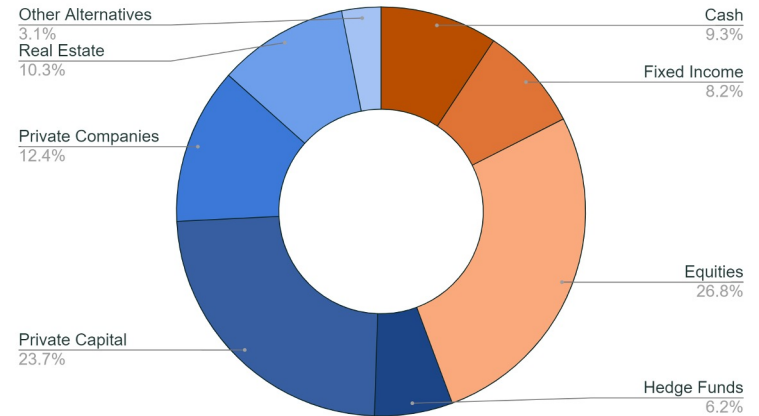


Significant allocations to alternatives is prevalent across large asset owners

State and Local Pensions Asset Allocation*
December 2022



Family Office Asset Allocation
January 2024



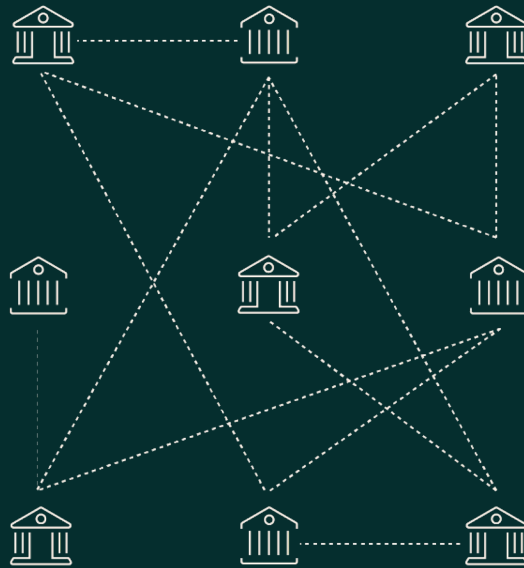
Private Capital includes Private Equity, Venture Capital, and Private Debt. Other Alternatives includes mixed allocation fund of funds and other collective vehicles. Other includes commodities and collectibles.

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.

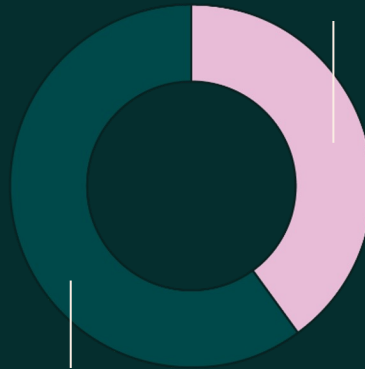
Data on these private investments is notoriously challenging to capture, standardize and normalize; it is done manually & managed in spreadsheets.

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



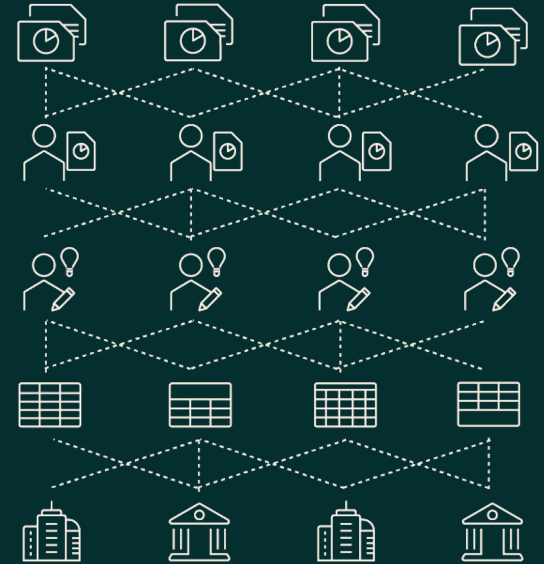
Private & Alt Assets

Hedge Funds, PE/VC,
Private Co's, Real Estate
etc

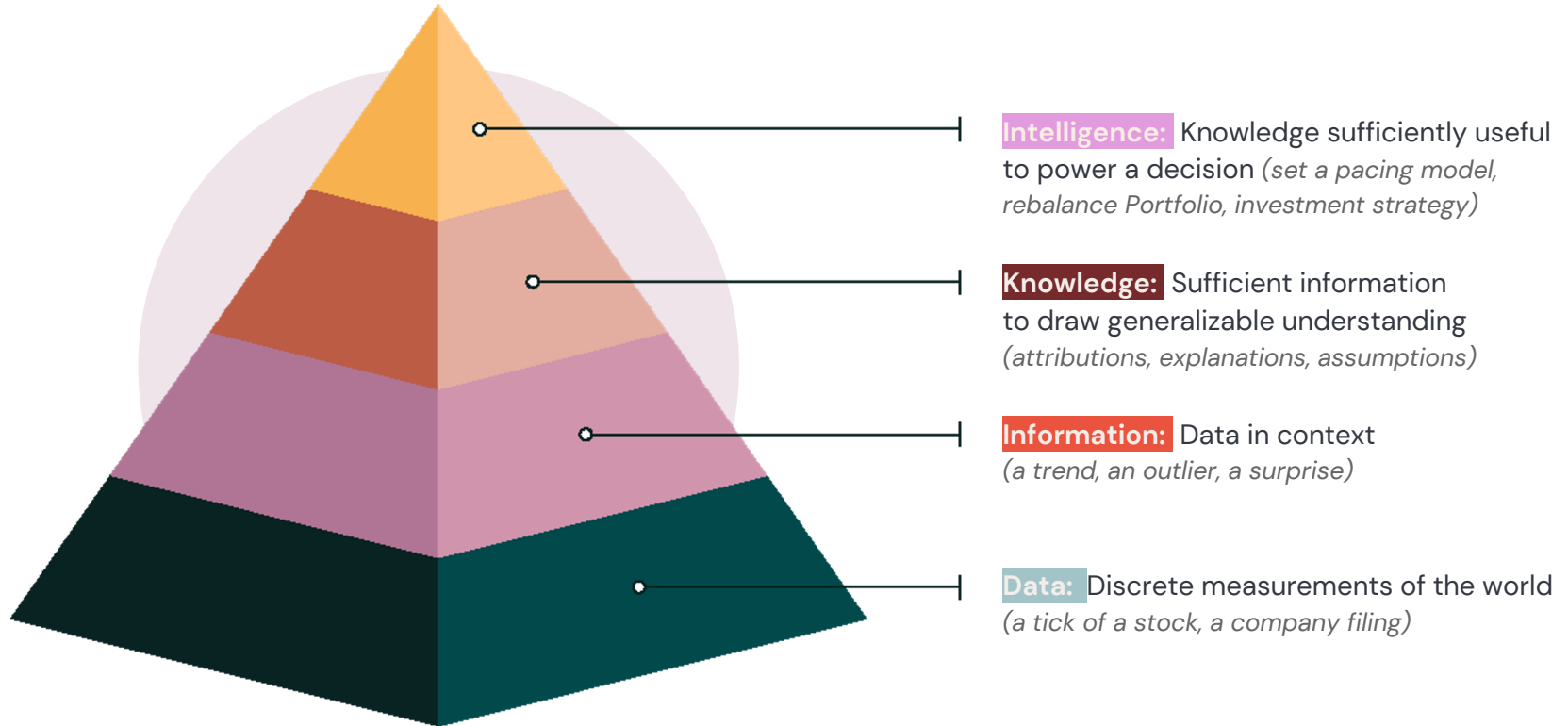


Public Securities

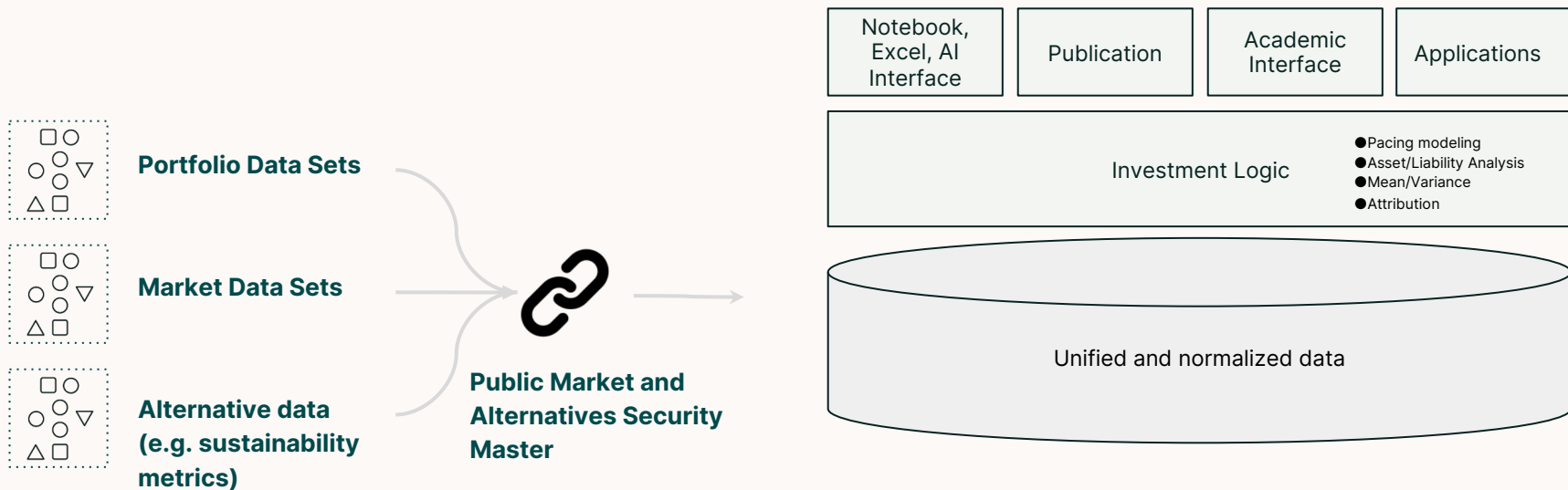
Stocks, Bonds, Mutual
Funds, ETFs etc



Framework: Pyramid of Insight - What one needs to answer investment questions

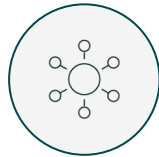


Modern technology architecture enables collaboration, fast iteration, compounded learning



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:

1. Extracting unstructured data from Alternatives documents
2. Validating Alternatives data
3. Getting Alternatives data into databases

Case Study: How does private wealth performance compare to Preqin?

Private Capital: Addepar Investor Portfolios and Preqin Benchmarks

Simple annualized average, Q1:2008 - Q2:2023

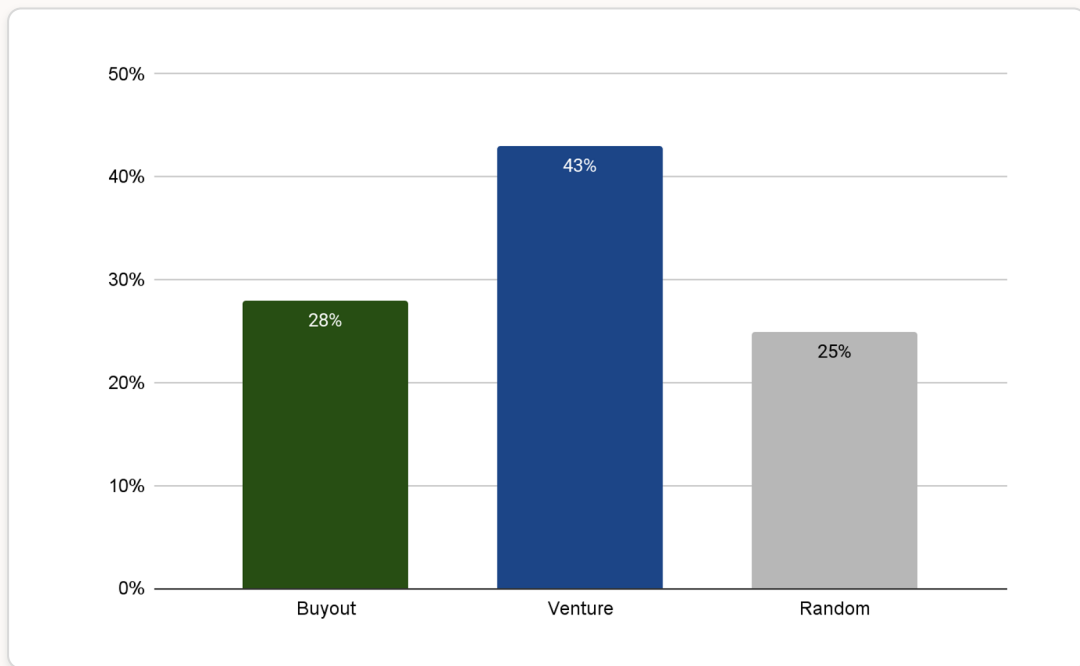
Grouping	Private Equity	Venture Capital	Private Debt	Real Estate	Natural Resources	Infrastructure*
Addepar	11.4%	15.9%	7.2%	4.5%	6.3%	9.6%
Preqin	11.2%	9.5%	7.7%	4.7%	4.9%	10.9%
Correlation	.95	.94	.94	.92	.82	.51

Source: Addepar and Preqin

* Shows previous 10-years for Infrastructure

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

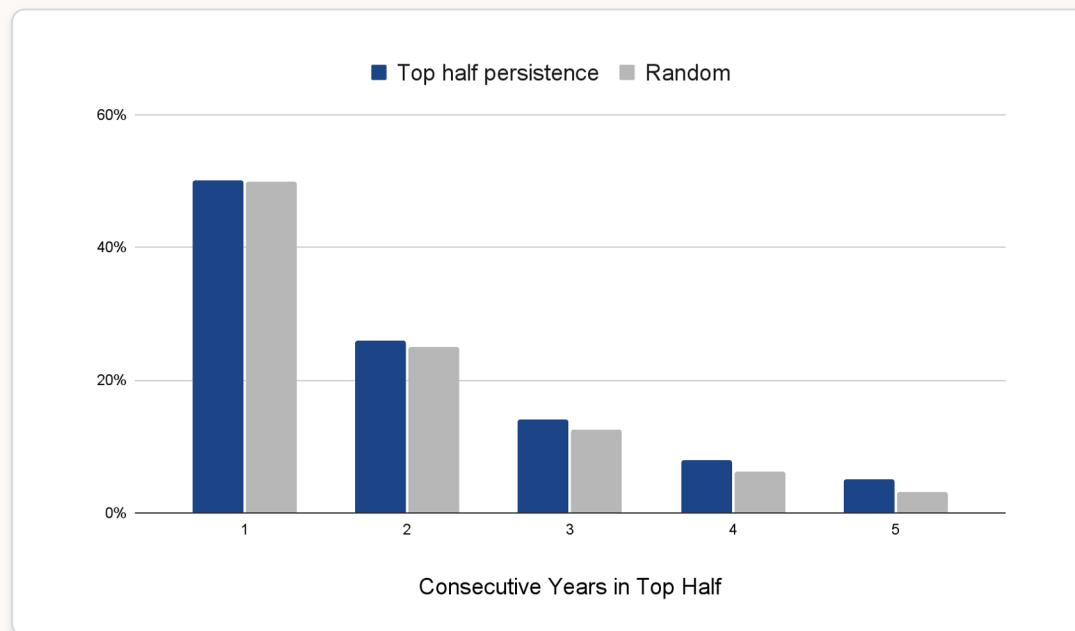
Probability of being top quartile in subsequent funds*
2008 - present



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

Case Study: 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



*Building on prior work of Bob Elliot at Unlimited