



HOW SUCCESSFUL FIRMS FOCUS ON AN EXCELLENT LIMITED PARTNER EXPERIENCE

**THE POST-PANDEMIC GUIDE
TO KEEP INVESTORS HAPPY**



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INTRODUCTION

How successful firms focus on an excellent Limited Partner experience



It's increasingly difficult for General Partners (GPs) to differentiate themselves. The appetite for risky deals is lower than previous periods so fund returns converge to similar levels more often. Your firm is likely vying for the same Limited Partner (LP) dollars and your LPs demand a better experience with increased transparency and real-time data. The key to differentiate your firm in this

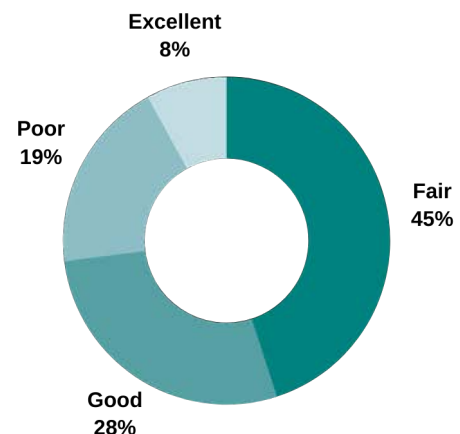
post-pandemic world is to create a stronger relationship by providing a better investor experience. But how can your Fund Managers and Investor Relation Teams make the experience that attracts the top investors and opportunities?

Since the pandemic began, LPs also began asking more questions. Private Equity International surveyed 80 institutional investors on the clarity they have on COVID-19's impact on portfolio performance; The results show that almost two-thirds of investors do not feel they have good visibility.

What level of visibility do you feel that you have on the impact of covid-19 on your PE portfolio performance?

Almost two-thirds of investors do not feel they have good visibility on the impact of covid-19 on their funds' portfolio companies. When PEI asked fund managers about their correspondence with investors, 61 percent stated they are being asked by LPs for more frequent reporting of portfolio company revenues in light of covid-19.

Source: Private Equity International Covid Survey



In that same survey, PEI asked 120 Fund Managers about their communications with investors and 61% stated LPs request more frequent reporting about their portfolio companies since the pandemic began.

While increasing stakeholder requests is far from new, your firm will likely have to rethink how they communicate and handle in-person engagements with current and prospective investors.

Your team might evaluate the technology they use to drive excellence in their LP relationships while they now work remotely. In addition to clearly defined internal processes the technology you need to compete in this new environment includes:

- A CRM built for the Private Capital Markets
- An email communication tool integrated with their CRM
- A Portal for Investors to self-serve
- A Business Intelligence tool to turn data into actionable insights

In this guide, we demystify the secret of how firms effectively use technology to increase investor confidence, satisfaction, and commitments when operating for the new normal.

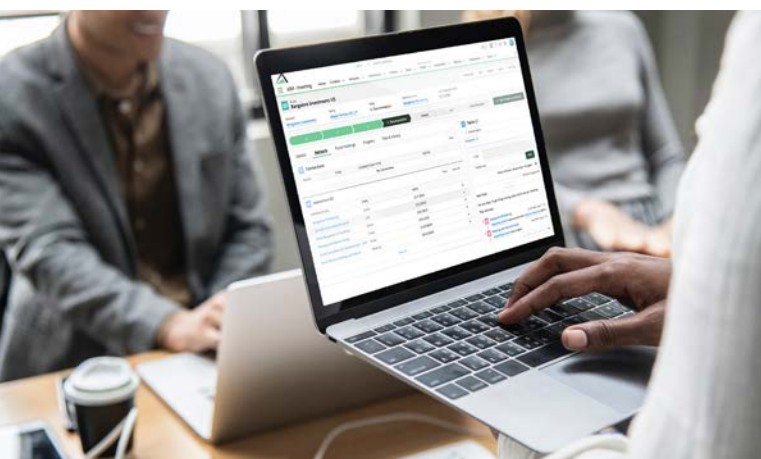
How do your investors receive your information if in-person meetings no longer happen?



THE NEW FOUNDATION FOR BUILDING RELATIONSHIPS IN THE PRIVATE CAPITAL MARKETS

In software, there's a concept of "User Experience." This is at the core of software development and focuses on the overall experience that a product creates—how easy it is to use, how much trust it builds, and how the product makes the user feel when interacting. In the software industry, the User Experience is paramount to customer satisfaction.

We believe User Experience translates directly to the Investor Experience.



What is an Outstanding Investor Experience?

To start, it's not about the what, but the how. How do your investors receive your information if in-person meetings no longer happen? Is the experience seamless? Do you proactively address their questions? You need close consideration of how current and prospective investors receive documents and agreements; how firms manage communications around their annual meetings, funds, and deal announcements; and how accessible performance data is for investors.



Technology Drives Relationships

Software systems and data allow your firm to scale giving your team more time to manage investor relationships proactively. The most basic piece of technology that a firm needs is a CRM or more generally, a place to house your relationships and data. CRMs vary from the simple and non-specific—a few spreadsheets or an Outlook

DID YOU KNOW?



Private Equity International surveyed 120 fund managers what they expect once “normal” business life returns, and 50% plan to hold more online meetings.

contact list—to the complex and tailored. While simple can be easy to implement and understood by your team members, it can often miss the mark on driving true benefits across teams to investors. We won't go into depth on how to choose a CRM (you can check out our buyer's guide for that!) but will say it's relevant to understand the breadth and depth of the relationships, contacts, interactions between them, and data that you want to track and understand in your system of record when you select a software.

Once the technology foundation is there, the most successful firms leverage their proprietary and third-party data. As the industry continues to be competitive, firms' technology solutions have to move beyond simply housing the different data to now automating and connecting it to drive action.



Private equity technology is changing so quickly. I feel really good that we are now on Altvia and Salesforce because I know that we can add more tools and applications over time very efficiently.

**JESSICA GINSBERG, DIRECTOR
OF BUSINESS DEVELOPMENT**

LFMcapital

How to Leverage Technology to Keep Fundraising Strong

While fundraising slowed down since the pandemic started, firms with experience during economic downturns are using this time to remain top of mind for their investors.

Success in the Private Capital

Markets is highly dependent on the firm's ability to fundraise. In the past, much of the fundraising process and communications were manual. In recent years, the explosive growth in the Private Capital Markets increased the volume of people, information, and activities there are to manage.

Previously, you would be able to hang your hat on past relationships and handshakes, but today, LPs demand more access to information, proactive communications and reporting, and seamless exchanges with their GPs.

With these increased expectations, it's worth taking a closer look at the fundraising process steps to determine how you can keep the momentum. Evaluate your investor's experience so you can identify opportunities to improve communications and leverage technology to be more proactive and provide greater information access to your LPs.



MOVE BEYOND BASIC COMMUNICATIONS

The first area to consider to increase efficiencies and improve the investor experience is general firm communications.

We will assume that your firm has graduated from various spreadsheets with investor information to an industry-specific CRM platform. The next question you should ask: How do we communicate with investors? It's likely email is a popular answer to deliver messages even in a post-pandemic era. There are a variety of documents you might send to your investors: what you're bringing to market, deal announcements, the fund prospectus, newsletters.

Top tier firms use communication tools to send targeted emails based on the activity and behavior of investors.

Often, the most helpful email systems connect to your CRM, allowing your team to create lists right from your contacts for accuracy. Advanced delivery reports enable you to analyze email engagement and make informed decisions from the data. While there are many different products available with exhaustive lists of features, sometimes having a solution that is streamlined for the Private Capital Markets is ideal.

Investors work with a variety of GPs—what does your firm do to create a better experience for investors to build trust and differentiate?

To be a top-tier firm, you must identify points in your fundraising process (and beyond) to build brand equity and personalize communications. With

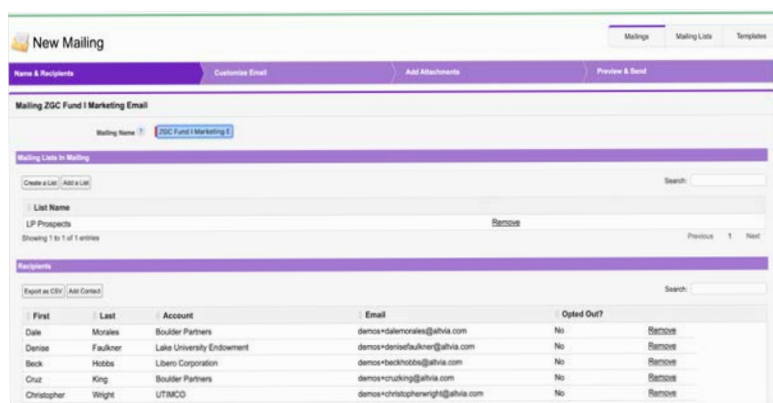
the evolution to the new normal, 50% of GP said they will hold more LP Meetings online, according to Private Equity International's Covid-19 study. Virtual meetings can be promoted through investor marketing campaigns. Additional potential messages you can promote:

- Information about past fundraising milestones
- What you see in the market and have learned from those findings
- Your firm's investment focus and news about partners
- Portfolio company performance
- Announcements of upcoming webinars and events
- Suggested resources and publications for investors to follow

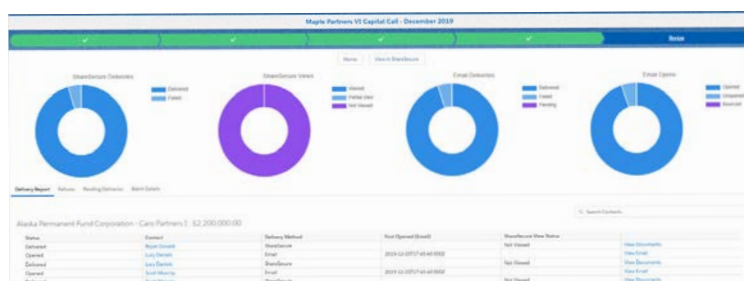
Firms include personalized content based on investor behavior, for which 90% of U.S. consumers find appealing.

Assess your investor's engagement throughout to build more credibility and strengthen your relationships.

After you've reviewed your communication's strategy, let's look at how your firm creates a better experience with an LP Portal.



First	Last	Account	Email	Opted Out?
Dale	Morales	Boulder Partners	demos+dalemorales@altvia.com	No
Denise	Faulner	Lake University Endowment	demos+denisefaulner@altvia.com	No
Back	Hobbs	Liberio Corporation	demos+backhobbs@altvia.com	No
Cruz	King	Boulder Partners	demos+cruzking@altvia.com	No
Christopher	Wright	UTMCO	demos+christopherwright@altvia.com	No



Top: Contact list view from Altvia's Correspond: Market Edition
Bottom: Delivery Reports from Altvia's Correspond: Market Edition



50%

of GPs said they will hold more online LP meetings. Survey from Private Equity International's COVID-19 Study.

WHY USE A SECURE ENGAGEMENT PORTAL



As a GP, how you share, store, and get critical documents signed is an opportunity to provide excellent service and build a strong relationship with investors. Technology in support of the back-and-forths will give your firm a competitive advantage.

Documents and requests sent in a decentralized system like email get lost, and it's not clear where ownership lies. Your investors see your firm as disorganized if you delay a response or process. Todd Haring, Partner & Head of Consulting Services at SteelBridge Consulting shares his take, "A secure engagement portal for LPs helps reduce the need for frequent, ad hoc communications and manual reporting previously performed by the accounting and investor relations teams." Haring adds, "We are seeing a major shift toward enabling investors to participate in the workflow, or self-servicing, of often time-consuming efforts. These includes processes such as contact management for who on the LPs team should be receiving what information from the manager."



A central portal to post Due Diligence Questionnaires(DDQs) and agreements, transmit and assign requests, and monitor progress solves many of the problems that result from decentralized file sharing. Engagement portals offer an organized structure that creates clarity for investors and even gives you an opportunity to go above and beyond by giving secure access to reports and dashboards about track record performance.



We are seeing a major shift toward enabling investors to participate in the workflow, or self-servicing, of often time-consuming efforts.

**TODD HARING, PARTNER & HEAD
OF CONSULTING SERVICES AT
STEELBRIDGE CONSULTING**

Portal solutions available today, have built-in features that make processes super smooth. Look for a solution that enables your firm to:

- ➔ Find and share documents faster, so your team can better manage investors' questions
- ➔ Upload video files of a new FAQ or annual meeting
- ➔ Get clear reporting about who received or viewed your documents and other resources
- ➔ Reduce duplicative work
- ➔ Adopt compliance standards to meet reporting requirements from investors and regulator
- ➔ Allow users secure portal access across all devices
- ➔ Set up notifications to remind investors to complete their agreements and to let your team know when everything is signed

Shown: Altvia's LP-Portal, ShareSecure

The screenshot displays the Altvia LP-Portal interface. The top navigation bar includes links for Dashboard, Documents, Users, Reports, and Settings. The main content area is divided into several sections:

- DOCUMENT DETAILS:** Shows a document titled "NDA.pdf" with a description, file type (PDF), and version information.
- Users who have access:** A table listing users with columns for Name, Viewed, Company, Shared, and Access Type.
- Groups that have access:** A table listing groups with columns for Name, Shared, and Access Type.
- Signature Requests:** A section for managing signature requests, including a table with columns for Signers, Status, Remaining Signatures, Requested, and Action.
- Maple Peak Partners Portal:** A section for the Maple Peak Partners Portal, featuring a logo and a list of recent items.
- Recent Activity:** A section showing recent activity, including document views and updates.
- Portal Summary:** A summary dashboard showing key metrics such as Documents (9,244), Users (1,322), and Groups (55).
- Most Active:** A section showing the most active users and documents.

Electronic K1 Consent - August 2018

AGREEMENT AUDIT

Name: Electronic K1 Consent - August 2018

Date: 2018-08-28 21:01:31 UTC

Created By: Niko (niko@altvia.com)

Type: Electronic K1

Status: 15 of 15 responses received

Donut chart showing consent status:

- Declined (40.0%)
- Pending (0.0%)
- Accepted (60.0%)

With a central system, you can capture all of the terms of the agreements, so you can search and reference them for future communications and fundraising activities. With deal-related agreements such as DDQs and Private Placement Memorandum (PPMs) stored in one secure place, your firm and investors can find the documents and information they need. Reduce the need to search through old email threads or an inefficient database system.



Tell The Story Without Doing it in Person

In the past, the success of a fund was partly dependent on the GP-LP relationship and alignment during in-person meetings. These meetings are now met with travel restrictions and pivoted to data delivery.

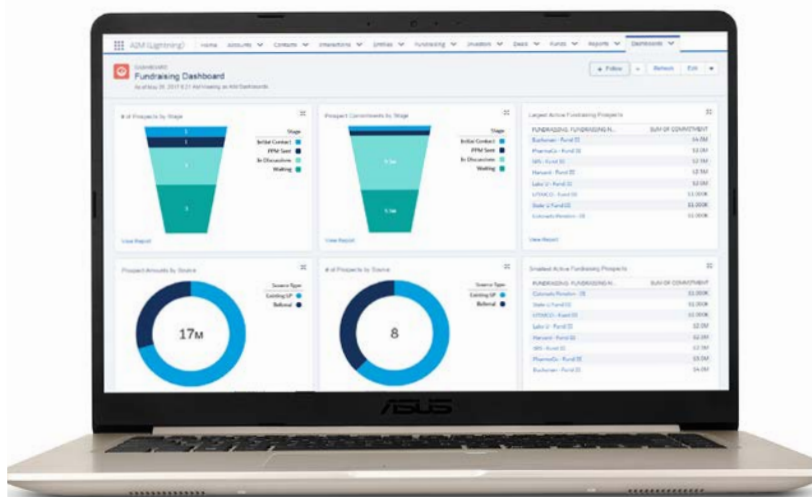
Arguably the most important part of any LP's due diligence effort, is a thorough understanding of your historical track record. Your firm can guide investors to recognize critical insights such as the performance of operating companies, geographical and sector analysis, and fund manager reports.

Like most firms, gathering the data to facilitate the insights above can take days, if not weeks, to accumulate and normalize. But with the right business intelligence tool, firms can pull data directly from various sources such as Excel, your fund admin, or a CRM system to deliver a visual and interactive dashboard to your investors.

Couple your data visualization solution with an email communication platform and a secure GP-LP Portal, and you've given your firm the competitive edge your investors want.

Once you've raised capital, you may feel that the hard work is over. But even though you've secured and committed the business, you're still only halfway to a successful investor relationship.

Our next section will cover how to retain long-term relationships after fundraising.





RETAIN LONG-TERM RELATIONSHIPS

In today's competitive landscape, investors have plenty of choices. When you provide them with value, you earn their trust and loyalty. We've outlined the key ways your firm can build and maintain long and fruitful relationships with investors.

Develop Trust with Investors

Trust is fragile and takes time to build. To be a top tier firm, your firm should take a white glove approach to this vital element of relationships and exceed your investors' expectations whenever possible.

Here are three ways your firm can build trust every day:

BE TRANSPARENT.

Always tell the truth. While obvious, honesty is the number one way to build trust. Once an investor feels misled, you'll have an uphill climb back to a productive relationship.

FOLLOW UP.

Even if you don't have an answer to their question, let them know you will fulfill their request. Lack of communication is a top reason investors terminate their relationship to firms, according to a 2018 report by the CFA Institute.

OVER DELIVER.

As busy investors, your clients don't have much time. Give them what they ask for while looking for ways to delight them. Set clear expectations for deadlines, priorities, and goals you both mutually agree.

Anticipate Needs

You don't have to be a mind reader, but knowing what your investors need before they do is something best-in-class firms do as a matter of course. Successful firms make a habit of providing their clients with the latest

market knowledge, industry information, and of course, timely reports on investments.

The key is to stay in tune with your client's business, so you can provide additional value. Show them that you are paying attention to all of their needs—not just the ones inside your firm. It will set you apart.

Two-thirds of investors prefer to work with a manager with which they already have a relationship.

Makes sense, right? If you've worked hard to manage your current investor relationships—earn their trust by anticipating their needs. This will set your firm up to be well-positioned for a “yes” from investors when you ask them to be involved in the next fundraising opportunity.

Experienced firms use a predictive approach and leverage technology to share reports, fund information, and data.

2/3

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FINAL THOUGHTS

With the right technology, Private Capital Market firms will weather the post-pandemic storm with visibility and anticipating investor needs.

With engaged investors, you have a happy partnership. Over time this leads to repeat investments. When you enter the fundraising stage again, you'll be halfway to close if you provide excellent service.

The best way to stay in tune with your client's business and where their other investments are is leveraging technology so you can provide additional value and set your firm apart.

Service is all about providing an outstanding experience to your existing investors, so they'll want to do more deals with you. As we've outlined, if you're as transparent as possible, tailor communications to preferences, and use every chance to provide added value, you'll attract and build successful relationships with investors for years to come.

WHAT CAN YOU DO TODAY TO IMPROVE YOUR INVESTOR RELATIONSHIPS?

It all boils down to better communication, powered by technology.

Source of Truth

Unleash the power of your relationships and data with a flexible CRM. **AIM** allows you to collect and report on everything you need to manage your stakeholders, prospective investments, and portfolio companies.

Communications Gateway

Use closed-loop communications to manage the entire investor experience. **Correspond Market Edition** is a simple, dynamic email solution for general firm communications. Distribute personalized, investor-wide content including PPMs, KIs, and capital call documents with **Correspond Investor Edition**

Business Intelligence

Connect data across internal and external sources for powerful visualizations and interactive analytics to enable new insights. Provide customer-centric data tools that empower investors with **Answers**.

Engagement Platform

Elevate your investor experience with an engagement platform for the investor lifecycle. **ShareSecure** is a secure LP Portal built for personalized communications, document sharing, and data-rich portfolio analytics.



Altvia translates data into intelligence for Alternative Asset Fund Managers, Institutional Investors, and Impact Investors. As the premier provider of flexible, web-based software solutions in private equity, Altvia combines technology with proven processes to fundamentally improve the communication and relationship between GPs, LPs and Portfolio Companies. Founded in 2006, Altvia has grown to serve customers on six continents, and continues to expand its operations across the globe.

For more information visit www.altvia.com.

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