

Addepar Navigator SM : Forecast upcoming capital calls

Addepar Navigator is a portfolio projection tool that allows you to simulate different economic scenarios and forecast cash flows across your entire portfolio, empowering you to make smarter investment decisions.

CHALLENGE

Lack of visibility, cash drag and cash shortages

The issue of predicting when and how much capital will be required during capital calls is one of the primary challenges that Addepar Navigator aims to resolve. This problem revolves around three key areas:

Uncertainty in Capital Calls

Capital calls are typically unpredictable in the case of private equity funds, alternative investments and other illiquid assets. As wealth managers, you are often required to contribute additional capital to the fund at various intervals, making it difficult for you to forecast cash flows accurately. The inability to anticipate these capital calls can lead to missed opportunities and inefficient capital allocation.

Cash Drag

A lack of visibility compels you to hold a significant portion of your client's portfolio in cash to prepare for unforeseen capital calls. Holding cash can negatively impact the overall portfolio performance.

Cash Shortage

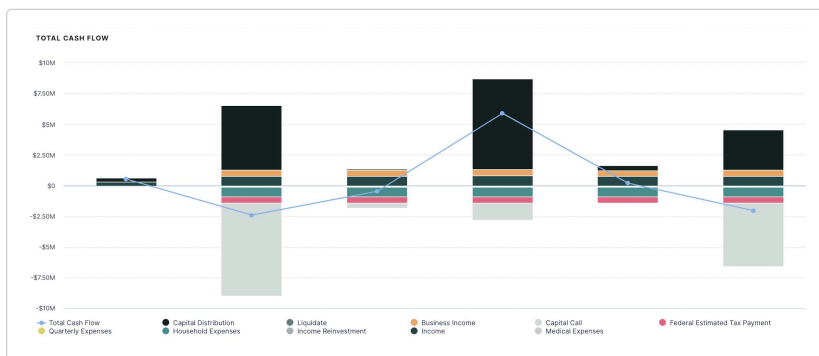
On the other hand, portfolios may not maintain enough cash reserves due to overinvestment or underestimating future capital calls. This scenario can lead to a frantic scramble to gather the necessary funds for a capital call — forcing you to liquidate some investments prematurely or possibly incur losses or substantial transaction fees.

Access the power of precision

With Addepar Navigator, you have access to more accurate information and can apply cash flow assumptions to help you understand and better prepare for the timing and amount of the capital calls to assist with cash flow management and portfolio allocation.

Cash Flow Modeling

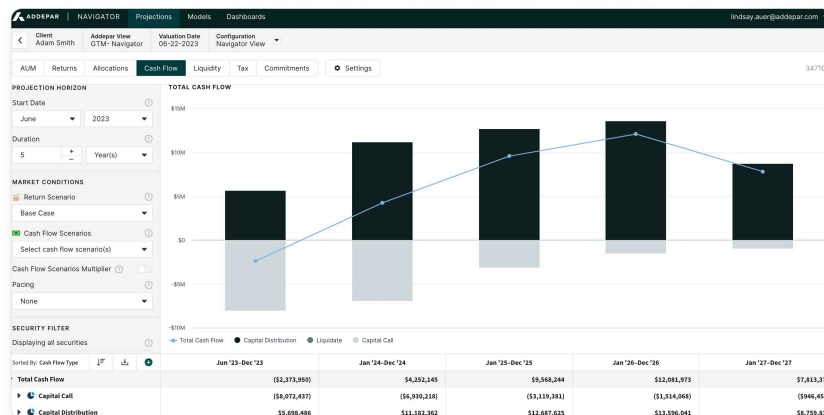
Addepar Navigator's powerful cash flow forecasting capabilities allow you to estimate future capital calls, cash distributions and other liquidity requirements more accurately. By analyzing historical data and market trends, Addepar Navigator can help you prepare for when funds may call capital and the liquidity you'll need to have on hand. Through this tool, you can model out non-investment cash flows to incorporate cash in flows/out flows such as business income, cost of living expenditures and tax payments. This directly reduces the cash drag effect and helps avoid cash shortages.



Quarterly cash flows, including non-investment sources

Scenario Analysis

Perform scenario analysis based on different market environments to further fortify cash management. You can stress test your client portfolios under various conditions, giving you a clear understanding of their liquidity in the event of a slowdown of distributions. This ensures that their portfolio is resilient and ready to better withstand any market volatility or downturns.



Capital call and distribution forecast in a neutral market environment

Reporting and Communication

Addepar Navigator offers robust reporting capabilities to manage communication with your clients effectively. You can generate customized reports detailing upcoming capital calls, liquidity needs and potential actions required. This not only keeps clients well-informed but also assists in strategizing their financial decisions efficiently.

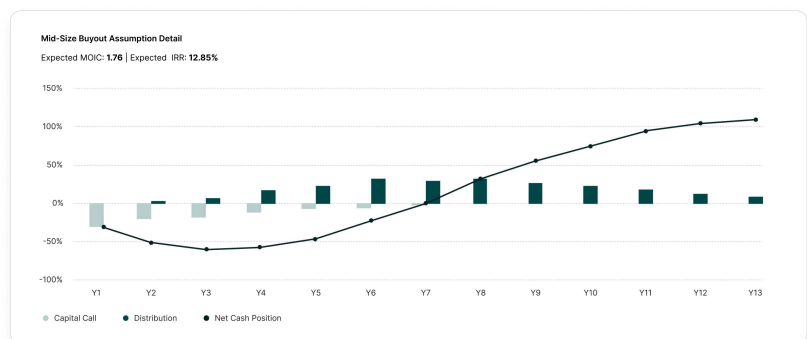
Third-Party Cash Flow Assumptions

Create your own assumptions or leverage nearly 300 out-of-the-box third-party assumption models for liquid and illiquid markets.

Assumptions based on over 15,000 funds and 40 years of private equity cash flow history enhance cash flow modeling and scenario analysis. This wealth of historical data facilitates more accurate forecasting, giving you and your clients a strategic edge.



Cumulative net cash flow by strategy



Out-of-the-box cash flow assumptions

By employing advanced analytics and algorithms, Addepar Navigator helps prepare for capital calls more accurately, thereby enabling efficient cash management. It aids you in keeping an optimal cash balance, mitigating both cash drag and the risk of cash shortages within your client's portfolio.

Connect with your Addepar team to learn more about how you can prepare for future capital calls with Navigator.