

Asset-Level Benchmarks

Data Sourcing

Preqin's benchmark solutions leverage the advanced dataset of deal and portfolio company-level information within its Asset-Level Benchmarks offering.

This document provides insight into the sourcing, collection, and validation of data applicable to both the Deal Performance and Valuation Multiples Benchmarks. With a better understanding of where this data comes from, you can ensure that you use the benchmarks to their full capacity.



Where do we get asset-level cashflows and valuations?

- **Cashflow notices**

Summarize the amount of cash and cash equivalents entering and leaving a portfolio company.

- **Quarterly reports**

Summary non-audited financial statements, such as balance sheets, income statements, and cash flow statements, issued on a quarterly basis.

- **PCAPs**

The Partners' Capital statement is a financial report showing changes in total partners' capital accounts during an accounting period.

- **Client communication**

LPs send information they receive from their GPs.

How is data protected?

- Data collection agreement: Colmore has an agreement with their clients through the use of Colmore services that client data, collected from Schedules of Investments and GP performance reports, can be utilized on an aggregated and anonymized basis to provide benchmarking services. Colmore never discloses client data, and only aggregated and anonymized data for benchmarks are shared with Prequin.
- Data privacy & integrity assurance: Colmore ensures that any use or reference to fund or company data statistics is in an anonymized aggregated form. The individual fund or portfolio company is not identifiable by third parties to ensure than minimum size thresholds for benchmarks universes are maintained.

How frequently do we get data?

Subcategory	Source	Content	Colmore Processing Frequency
Level 1: Invested Fund	Client	Set up of new fund investments and classification details (including strategy, vintage, etc.)	Ad Hoc
		Secondary take-on values, investment discounts, post-reference date cashflows, deferrals, and project groupings.	Ad Hoc
		Settlement rates of invested cashflows	Ad Hoc
	Cashflow Notices	Extract, transform, and validate invested fund-level data	Daily
		Clarifications/data requests	Ad Hoc
		Monitor and track funded and unfunded commitments	Daily
		Compare invested fund cashflow to total fund share	Quarterly
		Check if cashflows are included or excluded from commitment	Daily
	PCAPs	Extract, transform, and validate invested fund level position NAV	Quarterly
		Review that the reported NAV is post-carry; adjust if necessary	Quarterly
		Review fairness check to prior period and to cash adjusted NAV	Quarterly
Quarterly Reports	PCAPs/ Quarterly Reports	Review unfunded commitments, drawn to date, distributed to date; adjust for GP reclassifications	Quarterly
		Extract total balance sheet NAV and confirm commitment share of NAV to PCAP	Quarterly
		Validation check on schedule of investments on a fair value basis, and balance sheet with accrued interest if hurdle is exceeded.	Quarterly

Subcategory	Source	Content	Colmore Processing Frequency
Level 2: Portfolio Company	Cashflow Notices		
		Set-up new PCOs that are disclosed as part of the cashflow notice	Daily
	Quarterly Reports	Extract, transform, and validate underlying portfolio company (PCO) data from invested fund documentation	Quarterly
		Maintain and update static data as required	Quarterly
		Set-up new PCOs and process any M&A transactions/disposals/write-offs	Quarterly
		Validation check on cashflow notice PCO impact and if portfolio companies are on fair value basis.	Quarterly
Level 3: Portfolio Company	Quarterly Reports		
		EBITDA, enterprise value, revenue, net debt, entry & exit, QoQ & YoY sense checks	Quarterly
Level 4: Qualitative Analysis	N/A	NAV growth analysis, value drivers, top movements – qualitative commentary	Quarterly

***Colmore supplies aggregated and anonymized data to Preqin monthly.**

Further to the above, data is loaded onto the Colmore development environment daily. The cadence of that data being processed by Colmore will vary by type and by source. This means that any new data from Colmore will be allocated to the next monthly submission to Preqin.

Notes:

1. GP cashflows are received on an ad hoc basis. A fund can decide to draw capital or distribute proceeds at any time. When Colmore receives that notification, it is typically expected that the data to be processed on T+2 – T+5 basis. T being the receipt date and the variance due to differing client SLAs.
2. Fund financials and quarterly reports are received quarterly, four times a year. The timing of receiving those varies from fund to fund but is typically Q+45 – Q+120, where Q is the quarter end date. On receipt, the data is extracted into Colmore's systems on a T+10 – T+20 basis. T being the receipt date and the variance due to differing client SLAs.

Information security architecture

- Security is an organization-wide concern that involves personnel, processes, and software. Increasing the number of applications and solutions a company needs to maintain, as well as the users needed to operate them, also raises security concerns.
- From an operational standpoint, Colmore has mitigated these risks through multiple avenues, including (but not limited to) an ISO 27001 certification audit. Colmore has achieved the industry's first ISO 27001 certifications focused on LP data services and fund administration.

How do we ensure data quality?

Colmore takes a quality first approach to data collection. Onshore teams with accounting backgrounds are supported by offshore teams with direct validation and reconciliation processes with GPs.



Our team can support you at each step of the investment process.

To discover how you can make the most of Preqin's benchmarks and benchmarking tools – request a demo with an expert today.

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