



Group One domains

Release 3.0

- Capital Account
- Fee transparency template
- Cash flow information
- Portfolio Summary
- Portfolio Metrics

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Disclaimer

All interested parties should, subject to applicable laws, respect the confidentiality of information contained in this document. The standards and data model described herein reflects only the views of the participants involved in the creation thereof as to best practices with respect to the transmission of information among parties involved in private equity and alternative investments. Further, no representation is made that the data model described herein will include all desirable information or will be fully inclusive of all information needed by all alternative investment parties.

Background

The Standard consists of a number of domains that cover specific areas of information. Group One of the standard, which is detailed in this document, covers information central to the exchange of core quarterly data, and so was the first to be published.

The definition of the standard follows a period of extensive consultation with members including GPs, LPs, TPAs and technology providers. Members helped to clarify industry terminology as well as decide on how information should be presented.

In January 2016, ILPA developed and published a fee reporting template that captures greater detail on fees, expenses and incentive allocation paid to GPs and their affiliates. AltExchange developed three new domains to facilitate the transmission of such data and to automate the generation, presentation and dissemination of the data contained within the Template.

This document describes the AltExchange Group One domains including the new domains related to the ILPA fee template.

Process

This document is intended to help firms to identify what information is needed to produce the data files. Further technical documentation, including XSDs will be made available for those firms that will automate the process of producing files from existing systems. An Excel plug-in to assist in the production of data files is available for download on the AltExchange VP website, if organizations decide not to produce them through an automated process. A second excel plug-in is provided to enable easy viewing of the data files.

All AltExchange files must be validated using a certification process before being sent to an Investor. This is central to the mandate to have consistency across files from multiple sources. The Validation Platform that performs the certification process is available for testing. Please see the website for further information.

Group One domains

The domains that make up Group One are the

- Capital Account,
- Fee Transparency templates,
- Cash flow Information,
- Portfolio Summary and
- Portfolio (detailed UPC metrics).

The remainder of this document provides a tabular description of each domain and a set of accompanying notes. This is a working document and it is expected that further clarification may be required as the standard receives wider exposure.

General Concepts

The domains now support the ability to report amounts from a Master Fund or Fund vehicle level.

MasterFund: This is the name used to identify the top level grouping. For example “Atlantic Fund 3” consists of a number of entities including AF3 AIV 1, AF3 Blocker 2, AF3 Limited Partnership 3 etc.

FundName: This identifies the entity for the amounts reported in the domain. For example, a Portfolio Summary may show the figures at the MasterFund level (Atlantic Fund 3) or a level below (Atlantic Fund 3 AIV 1).

A notation has been added for each subsection to indicate cardinality

1	Mandatory level 1 and must exist once
1..n	Mandatory and repeats as many times as needed.
0..1	Optional but if completed, exists once and does not repeat
0..n	Optional and repeats as many times as needed.

Domain descriptions

Capital Account

The domain now supports the ability to report from a Master Fund or Fund vehicle level.

When reporting at the Master Fund level, both the MasterFund and FundName fields contain the same name.

When reporting from a level below the Master Fund, the MasterFund contains the name of the Master Fund and the FundName contains the name of the vehicle being reported.

If the fund consists of only a single entity, then that entity should be used for the MasterFund and FundName.

The domain now captures the total size of commitments to the MasterFund, and the Fund vehicle (FundName). NOTE: Co-invest vehicles and investment amounts are NOT included in the reported figures.

Section: CapitalAccount

Holds the reporting date, description and fund currency. Occurs once for the document.

Section: CapitalAccount.Fund

Used to identify the Master Fund and vehicle (FundName) being reported as well as size of commitments.

Section: CapitalAccount.Investor

The domain is repeated from this section to the end for the INVESTOR, Total LPs, Total GPs and Total Fund. The LP, GP, and total fund amounts are based on the entity identified in FundName which could be at a Master Fund or vehicle level.

Section: CapitalAccount.Investor.CurrentPeriod

Holds the period start and end dates.

Section: CapitalAccount.Investor.CurrentPeriod.Detail

This is the real detail of the Capital account for the current period.

The concept of “unfunded commitment” and “legal unfunded commitment” has been added. Unfunded commitment is simply the total commitment less contributions (inside commitment) plus recyclable amounts.

There is a lot of different terminology used with regards “carry”. In simple terms there is “accrued carry” (calculated in different ways including deal by deal or life of fund but accrued means it is not yet due for payment), “earned carry” (which would be a reduction in the accrual and be an actual amount available

for payment, but depending on terms, some may be held in escrow) and “paid carry” which represents the amount paid out of the fund (which is a deduction in earned). Within the Capital Account the accrual for Carried Interest is recorded explicitly in the PeriodUnrealizedCarriedInterest. Some funds may keep the “earned” element in this field until it is paid out. If it is not broken out separately then it needs to be represented in the PeriodNetUnrealisedGainLoss or PeriodNetRealisedGainLoss as appropriate.

Section: Repeats for Inception to Date and Year to Date.

Section: The domain the repeats from CapitalAccount.Investor for Total LPs, Total GPs and Total Fund.

FeeTransparencyFundNAV

The domain supports the ability to report all information included in the ILPA Fee Template under Section “A. Capital Account” of the “Fee Template” worksheet.

The domain repeats the data included in the ILPA Fee Template with the addition of the AltExchange IDs.

Section: FeeTransparencyFundNAV

Holds the reporting date, description and fund currency. Occurs once for the document.

Section: FeeTransparencyFundNAV.Fund

Used to identify the Master Fund and vehicle (FundName) being reported as well as size of commitments.

Section: FeeTransparencyFundNAV.Investor

The domain is repeated from this section to the end for the INVESTOR, Total LPs, Total GPs and Total Fund. The LP, GP, and total fund amounts are based on the entity identified in FundName which could be at a Master Fund or vehicle level.

Section: FeeTransparencyFundNAV.Investor.CurrentPeriod

Holds the period start and end dates.

Section: FeeTransparencyFundNAV.Investor.CurrentPeriod.Detail

This is the real detail of the section “A. Capital account included in the ILPA Fee Template for the current period.”

Please refer to the ILPA Fee Template for further definitions of all data points.

Section: Repeats for Inception to Date and Year to Date.

Section: The domain the repeats from FeeTransparencyFundNAV.Investor.Investor for Total LPs, Total GPs and Total Fund.

FeeTransparencyFundSchedule

The domain supports the ability to report all information included in the ILPA Fee Template under Section “B. Schedule of Fees, Incentive Allocation & Reimbursements Received by the GP & Related Parties, with Respect to the Fund and Portfolio Companies/Investments Held by the Fund” of the “Fee Template” worksheet.

The domain repeats the data included in the ILPA Fee Template with the addition of the AltExchange IDs.

Section: FeeTransparencyFundSchedule

Holds the reporting date, description and fund currency. Occurs once for the document.

Section: FeeTransparencyFundSchedule.Fund

Used to identify the Master Fund and vehicle (FundName) being reported as well as size of commitments.

Section: FeeTransparencyFundSchedule.Investor

The domain is repeated from this section to the end for the INVESTOR, Total LPs, Total GPs and Total Fund. The LP, GP, and total fund amounts are based on the entity identified in FundName which could be at a Master Fund or vehicle level.

Section: FeeTransparencyFundSchedule.Investor.CurrentPeriod

Holds the period start and end dates.

Section: FeeTransparencyFundSchedule.Investor.CurrentPeriod.Detail

This is the real detail of the “Schedule of Fees, Incentive Allocation & Reimbursements Received by the GP & Related Parties, with Respect to the Fund and Portfolio Companies/Investments Held by the Fund” included in the ILPA Fee Template for the current period.

Please refer to the ILPA Fee Template for further definitions of all data points.

Section: Repeats for Inception to Date and Year to Date.

Section: The domain the repeats from FeeTransparencyFundSchedule.Investor for Total LPs, Total GPs and Total Fund.

FeeTransparencyFoF

The domain now supports the ability to report information included in the ILPA Fee Template in Section “Fund of Funds Template: Fees, Expenses & Incentive Allocation to Underlying Funds”. Such template is provided to itemize the layer of fees and incentive allocation that a fund of funds (“FOF”) pays to its underlying fund holdings. These values represent the normal fees and incentive allocation that the FOF paid via their commitment to each fund holding in the portfolio. The values do not include any pro-rata share of the fees charged by the FOF to its own LPs.

The domain repeats the data included in the ILPA Fee Template with the addition of the AltExchange IDs.

Section: FeeTransparencyFoF

Holds the reporting date, description and fund currency. Occurs once for the document.

Section: FeeTransparencyFoF.Fund

Used to identify the Master Fund and vehicle (FundName) being reported as well as size of commitments.

Section: FeeTransparencyFoF.Investor

Holds the Investor’s name, Type and Investor’s commitment. Total fund amounts are based on the entity identified in FundName which could be at a Master Fund or vehicle level.

Section: FeeTransparencyFoF.Investee

Holds the Investee Name, Commitment of the Fund of Fund to the underlying portfolio fund and the currency of the underling portfolio fund.

Section: FeeTransparencyFoF.Investee.CurrentPeriod

Holds the period start and end dates.

Section: FeeTransparencyFoF.Investee.CurrentPeriod.Detail

This is the real detail of the “Fund of Funds-Underlying” included in the ILPA Fee Template for the current period. The section holds details on Management Fees Gross, Management Fees Net of Offsets, Waivers & Rebates, Partnership Expenses and Incentive Allocation Paid (also known as Carried Interest) and Incentive Allocation-Periodic Change in Accrued.

Section: Repeats for Inception to Date and Year to Date.

PortfolioSummary

The domain now supports the ability to report investment amounts from a Master Fund or Fund vehicle level.

In the examples below we see how the different Master Fund and Fund Name concepts work to support the different approaches taken by a GP whilst providing the information needed by an LP to estimate their share of a portfolio. The Investor column is optional and can be completed by a GP or left empty.

Portfolio Summary examples

		Total	Investor
MasterFund	Atlantic Fund 3		
MFTotalCommitment	400		
FundName	Atlantic Fund 3 AIV 1		
FNTotalCommitment	100		
InvestorCommittment	10		
InvesteeName	Chrysler Inc		
TotalInvested		<u>20</u>	2

		Total	Investor
MasterFund	Atlantic Fund 3		
MFTotalCommitment	400		
FundName	Atlantic Fund 3		
FNTotalCommitment	400		
InvestorCommittment	10		
InvesteeName	Chrysler Inc		
TotalInvested		80	2

Section: PortfolioSummary

InvesteeName: This is the name of the underlying operating company for an investment. An investment in Chrysler Inc may be held through XYZ (Cayman) Inc. The InvesteeName would be Chrysler Inc. The InvesteeType would be set as COMPANY, or in the case of an investment in a fund, it would be set as FUND. If the investment is in a traded instrument then the InvesteeName would be the Instrument Name.

InvesteeLegalEntity: This is the legal entity that holds the investment in the operating company. For an investment in Chrysler Inc held through XYZ (Cayman) Inc, the InvesteeLegalEntity would be XYZ (Cayman) Inc.

NOTE: If a single InvesteeLegalEntity is used to hold multiple investments, the portfolio Summary would repeat for each investment, with the operating co name in the InvesteeName field, and the InvesteeLegalEntity name being the same on multiple sheets. XYZ (Cayman) Inc may hold investments in Chrysler Inc and Ford Inc. If a GP is not able to split the cost and value etc between operating companies then the portfolio summary can be provided at a legal entity level and the InvesteeType set as HoldCo. In this case the InvesteeName and InvesteeLegalEntity would be the same.

When reporting a portfolio for a Master Fund, both the MasterFund and FundName fields contain the same name. When reporting a portfolio for a level below the Master Fund, the MasterFund contains the name of the Master Fund and the FundName contains the name of the vehicle being reported from.

The domain now captures the total size of commitments to the MasterFund, the Fund vehicle (FundName) and the Investors total commitment. NOTE: Co-invest vehicles and investment amounts are NOT included in the reported figures.

This means that an investor can calculate an approximate share of the portfolio.

Section: TotalInvestment

This section is the total of debt and equity investments made by the entity referenced by FundName and is NOT the investors share. The InvesteeCurrency is used to identify investments that are in a currency other than fund currency but ALL amounts are must be reported in the currency of the fund. The description column has been extended to provide a fuller definition of each field.

Section: TotalInvestment.Escrow

This section is optional. In the event of a disposal that result in funds held in escrow, that amounts can be shown here if so desired.

Section: DebtInvestment Section: DebtInvestment.Escrow

Optional. Repeat of Total Invested but just for the debt component. Can be generated as a total for all debt or for individual instruments.

Section: EquityInvestment Section: EquityInvestment.Escrow

Optional. Repeat of Total Invested but just for the debt component. Can be generated as a total for all debt or for individual instruments.

Section: InvestorShare

Optional. The second part of the domain can then repeat with the actual Investor amounts. This is optional for a GP to complete.

Cash flow Information

This domain should be sent every time there is a cashflow even with an investor (i.e. with each Call or Distribution notice).

The domain now supports the ability to report from a Master Fund or Fund vehicle level. It is allowable to report at a Master Fund level (in which case the Master Fund and FundName are the same) or lower level (in which case Master Fund and Fund Name are different). The vehicle (FundName) amounts are always mandatory.

Section: CashflowInformation

This section contains total amounts for the current cash flow event (i.e. Call or Distribution). It includes totals for the Master Fund, FundName and Investor.

Section: OpenPosition

Cumulative inception to date figures prior to the current cash flow event. Includes Commitment, Unfunded Commitment (same definition as Capital Account), Contributions and Distributions. Opening recallable provision is a level 3 field.

Section: EndPosition

Cumulative inception to date figures INCLUDING the current cash flow event.

Section: ReceivingBankAccount

This entire section is optional. If used it should detail the bank account that will receive monies.

Section: Allocation

This is the detail to go with **Section: CashflowInformation** and can repeat as many times as needed to fully allocate the called or distributed amount. For a combined Call / Distribution, the Allocation will describe the different components. There is a flag to show if an amount causes an increase, decrease or no change to the unfunded commitment. For returns, there is an expiration date set as level 2. The expiration date can be specific to a return or generic when the amounts can be recycles until the end of the fund. For example if recallable amounts can only be recycles for 12 months, the date would be 12 months after the due date of the notice. If they can be recalled during the investment period, then it would be the end of the investment period.

Section: Allocation.Investee

This section is optional. Ideally it should be included to tag a call to a new investee but if not then the investee name should be referenced in the ShortDescription for the Allocation or the footnotes. The Investee should then be correctly referenced in the next Portfolio Summary document.

Section: Allocation .Distribution in Kind

This section is optional. In the event there is a distribution in kind then this section contains the fields to describe said distribution.

Section: Footnotes

Optional section to include footnotes that further explain the investor cash flow.

Portfolio Metrics

The **Portfolio** domain captures the key “underlying portfolio company “ (UPC) metrics. Typically information necessary to monitor the underlying fund investments.

AltXSector, AltXSubSector and AltXIndustry (Prev Note 1)

The use of GICS codes is subject to licensing with S&P and includes their data as S&P are the only firm that can apply a "GICS" code to a company. There is a similar issue with using ICB codes which are owned by FTSE. Our solution has been to define a new ALTEX code that can be mapped back and forth between GICS and ICB. A separate file is available with the mapping between ALTX and GICs and ICB.

InformationProvider (Prev Note 5)

For unlisted companies some investors want to have the link to a data provider such as Bloomberg and the associated symbol. Ref 2 - DataProviders is the start of this reference table. Please suggest alternative providers to include in future releases.

Gross and Net Debt (Prev Note 6)

Gross Debt = The company's gross debt comprises debt financing, irrespective of its maturity, i.e. medium and long-term (various borrowings due in more than one year that have not yet been repaid) and short-term bank or financial borrowings (portion of long-term borrowings due in less than one year, discounted notes (same technique as Discounting of bills of exchange), bank overdrafts, etc.).

Net Debt = Gross Debt – Cash & All other liquid assets

Valuation and Exit dates (Prev Note 7)

The date of Exit / Last Valuation (called Valuation Date) may include figures from the portfolio company that have a lag of a few months hence the reason to include "LTM Date (LTM End Date at Valuation Date)". This means the LTM Revenue may be October for a December Valuation.

Cross reference to Portfolio Summary domains (Prev Note 8)

This amounts match with the names and definitions given in the PortfolioSummary domain (PortfolioSummary.TotalInvestment section).

EndInvestedCapital : Cash INTO the Investee from inception to end of period (increases COST)

EndProceeds : All Cash FROM the Investee from inception to end of period

EndValue : Value of the unrealised investment

EndProceeds + EndValue : Gives the total realised and unrealised value of the investment

EndCost : Period end cost. InvestedCapital less ROC +/- Cost adjustments (non cash)

PrimaryValueDriver and **SecondaryValueDriver** (Prev Note 9 & 10)

Rather than create a sub section to cater for industry specific Value Drivers we are using Primary and Secondary fields linked to a reference table. The table is in Ref 2 - ValueDrivers and currently covers Financial companies and energy. Please suggest alternative Value Drivers to include in a future release.

EBITDA figures should always be provided if they are available for a company. If not then the value should be set as "0" and the value drivers in the optional section completed. This ensures that for that majority of UPCs that are EBITDA driven, the field is mandatory and completed whilst allowing for the fact that there are sometimes more appropriate metrics that should be used.