AltExchange

Introduction

March, 2016

The AltExchange Alliance is an industry initiative chartered to define, maintain and promote a single standard for exchanging PE investment data between managers and their investors. The Alliance is a non-profit organization represented by General Partners, Limited Partners and Service Providers from across the globe.

ALTEXCHANGE

The AltExchange Alliance is an industry initiative with over 60 member firms including some of the world's leading General Partners, Advisors, Investors and software vendors.

Today many GPs face an ever increasing workload servicing custom reporting requests from Investors. In many cases each investor is asking for similar information, but in a different format.

Investors the world over are gathering information from pdf and excel files and have to manually process the data. The level of data granularity makes it difficult for Investors to meet internal reporting needs and results in yet more custom requests. Even when an Investor provides its managers with an Excel template there is no guarantee that it will be consistently interpreted and completed.

The goal is to improve efficiency, uniformity and overall quality of financial reporting for the industry.

➢ There is an agreed and published "Standard" covering data and formats to be used between GP and Investor. Using ILPA and IPEV as the foundation the AltExchange Standard is compliant with both. The detailed data and format definitions ensure consistency and drive efficiency.

➢ The first version covered the data points that are of most importance to Investors including Capital Account, Portfolio Company and Investor Cashflow information. This was extended in version two to include Underlying Portfolio Company Metrics. This was further extended in version three to include the ILPA Fee Template data.

➢ A tightly defined format means a GP can use a single template to report to multiple investors rather than produce a custom report pack for each of them.

➢ Investors benefit by having a common, standard format from every GP allowing them to automate the way they consume information.

➢ AltExchange is the conduit for better information in a more timely and standardized fashion that can be integrated with ANY portfolio monitoring system used in the industry.

The AltExchange Standard addresses the challenges faced by both parties. It is the result of extensive discussions between GPs and Investors to agree a detailed standard that not only defines the data to be reported, but also the specific formats so that the production and consumption can be fully automated.

You will find a complete list of Members, the Board, Bylaws and other information at www.AltExchange.com

Adopting the Standard

We classify anyone that produces a document in the AltExchange format as an "**Originator**". Typically this would be a GP, an Administrator acting for a GP or a Fund of Funds reporting to its Investors.

These documents are then sent to "**Recipients**" who are the investors in the fund.

The difference between the two is that Originators are focused on producing information in the AltExchange format whilst Recipients focus on consuming the information.

Step by step

1. GP produces an AltExchange data file from their system or using an Excel plug-in.
2. GP sends it to the AltExchange validation platform.
3. Validation platform checks for completeness (not accuracy of numbers).
4. Validation platform returns a zip file with the data AND certificate to the GP (this is all done online in a browser or via API and almost instantaneous).
5. GP makes the file available to investors and their representatives using existing communication tools such as an investor portal or via email.
6. LP receives a validated file that they can than load into their system or view using the Excel plug-in.

For Originators

As an Originator, production of an AltExchange document can be done in two ways. The preferred route is that an Originator creates automated reports within their PE solution so that the documents can be produced in an efficient and reproducible way. The alternative is to use the AltExchange plug-ins. The plug-in is ideal for initial testing or for smaller firms that do not have IT infrastructure.

Once a document has been produced it must be submitted to the AltExchange Validation Server which checks that all of the fields have been completed and that the data formats are correct. The submission can be either manual using a web browser or automated using an API.

The Validation Server does not store any data and cannot validate the accuracy of numbers. If validation is passed, the Validation Server returns the document and a certificate in a zip file that the Originator then distributes to the Recipients, either via email or through their investor portal.

Note - The validation server does not distribute the files for you.

For Recipients

As a Recipient you can be sure of receiving documents that are consistent across all your managers. This is after all the main reason for having a standard in the first place. There is a process for validating the certificate and document to ensure they match and that data has not been changed since its original validation.

Having a consistent file format means that you can build an import into your existing PE solution or analytical tool that will work for all managers. There should be no need to manually rekey data once the import has been built. The benefits of consistent data are significant in terms of automation and analysis.

An AltExchange plug-in is available for Recipients that will display the documents in a format in line with the ILPA guidelines. This can be useful for testing or for firms without IT infrastructure that simply need to load data from all of their managers into large excel files for further analysis.

Support

AltExchange is dedicated to supporting the adoption of the Standard and runs regular WebEx training sessions for Originators and Recipients.

Our aim is to help make the process as straight forward as possible and we provide telephone and email support to all AltExchange members.

Once an Investor has raised the need to provide AltExchange documents with its GPs and managers, we can take over the education and training and provide regular feedback on progress.

For further assistance please contact Support@AltExchange.com

Further documentation

The documentation falls into three groups. Data Standards, Business and Technical.

Currently v1.1, v2.0 and v3.0 of the Data Standard are supported by the platform.

V3.0 contains:
- The original 4 domains (Capital account, Cash-flow information, Portfolio Summary, Portfolio Metrics),
- the latest domain to be added (i.e. the ILPA Fee template domain(s)).

Data Standard v3.0

General description of the five main domains AltExchange V3.0 Notes.pdf

Representation in Excel of the fields contained within each domain AltExchange V3.0 Definitions in Excel.xlsx

Technical definition of the e standard (XSDs) AltExchange V3.0 Technical XSDs.zip
Contains multiple XSD definition files

Example of the Portfolio domain AltExchange V2.0 Portfolio Example.zip
Contains all files related to the phases of the manual creation processes

Business

User Guide AltExchange User Guide.pdf
Explains the process if preparing files using the Excel plugins and manual certification

On Boarding AltExchange User OnBoarding.pdf
Setup of users

Name Server Name Server User Guide.pdf
Explains the process for maintaining object reference data in the Name Server (i.e. company and fund)

Company Template
Template for company reference data as part of Name Server reference data maintenance process.

Name Server Company Template.csv

Fund Template
Template for fund reference data as part of Name Server reference data maintenance process.

Name Server Fund Template.csv

Technical

HTTP Guide
Using an API to automate the certification of files for Originators and validation of Certificates for Recipients

AltExchange HTTP Guide v1.2.pdf

HTTP Examples

AltExchange HTTP Guide - Examples.pdf