

Streamlining fund reporting

Transforming the way Asset Management Firms consolidate Fund Reporting

KPMG can help Asset Management (AM) firms modernize their approach for managing Fund Reporting across investments – reducing manual and costly errors, and enhancing investor experience.



The Challenge

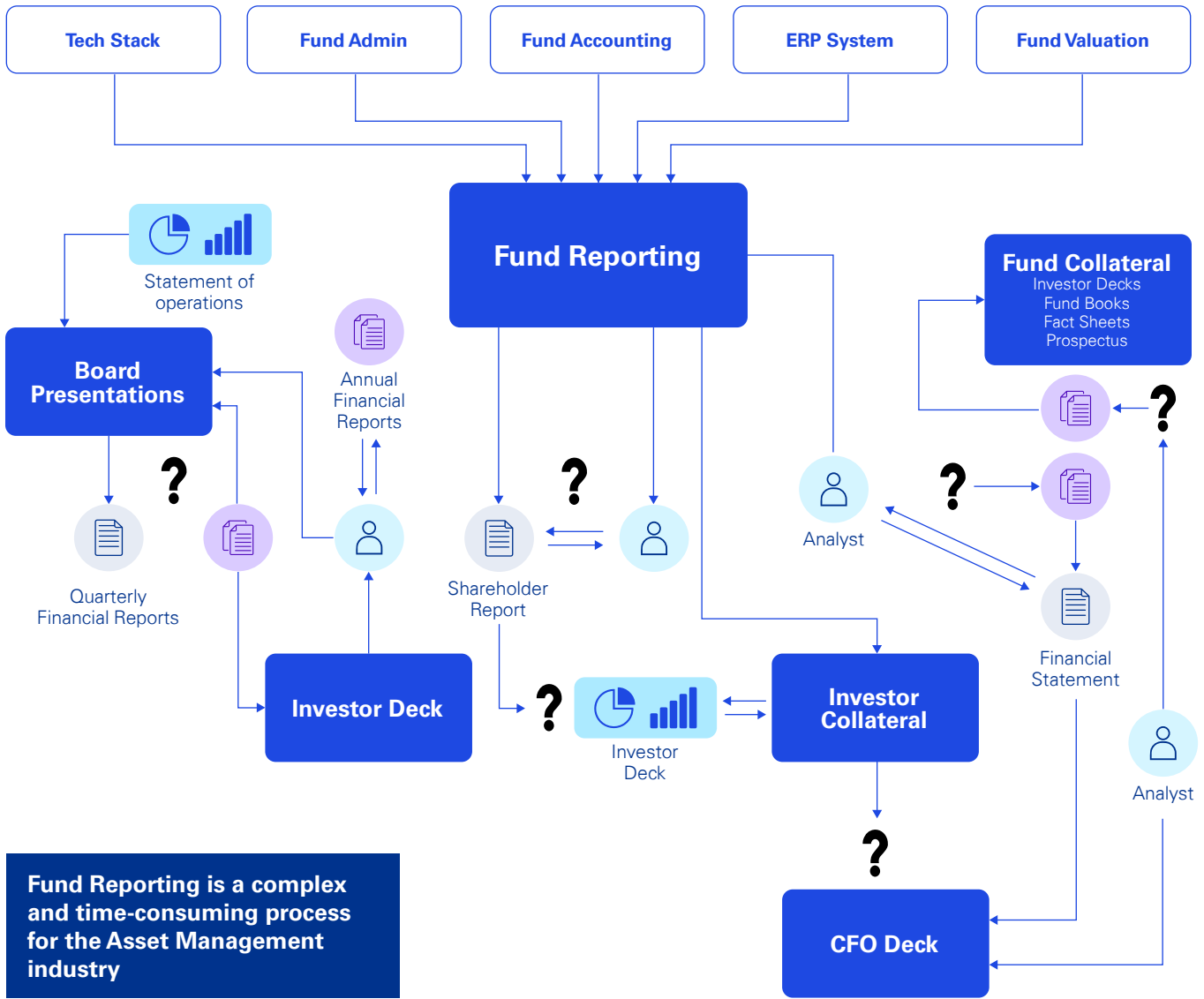
Investment in Fund Reporting capabilities have not kept pace with the increasing expectations from both investors and regulators, as well as the growing complexity of fund structures and portfolio company data.

Presently, the intricate nature of fund structures, involving multiple tiers, co-investment arrangements, and specialized purpose vehicles, has resulted in a lack of consistency across fund financial reporting. This has led to the necessity for restatements and has made reported information less reliable.

Additionally, heavy reliance on manual processes, spreadsheets, PowerPoint-based solutions, and outdated portfolio performance management systems has introduced inefficiencies and errors into portfolio reporting. This, in turn, has caused inaccuracies and delays in reporting, as well as obscured processes. Consequently, PE firms find it challenging to promptly respond to inquiries from limited partners (LPs), which has had a negative impact on LP engagement and confidence levels.

As AM firms expand their global presence and venture into international markets, they are faced with varying accounting standards, tax regulations, compliance requirements, and local reporting obligations. Many firms lack the necessary mechanisms to effectively manage the complexity inherent in this diverse reporting landscape.

To tackle these issues, these firms, alongside their fund administrators and portfolio management system providers, must consistently evolve their practices to overcome these challenges. This involves making investments in technology, acquiring the right talent, and streamlining processes to ensure accurate, efficient, and timely reporting, thus enhancing engagement and confidence among LPs.





How we can help

KPMG and Workiva offer a tailored and scalable solution for Asset Management firms, streamlining their comprehensive Funds Reporting capabilities through simplicity and automation.

Recognizing the intricate nature of the Asset Management business model, KPMG has developed a customizable framework to create fund reporting solutions that address the unique challenges and growth stages of each AM firm.

Building a robust and cohesive fund reporting solution begins by ensuring accurate portfolio data across all investments, whether in private companies or real estate. Precise valuation of these assets and the maintenance of essential metrics within a modern system establish the foundation for standardized portfolio company data. This facilitates integration as data is aggregated to the fund level. Collaborating with various portfolio solutions such as Yardi and iLevel, as well as fund administrators and service providers, KPMG can assist in the consolidation and standardization of this data.

Once portfolio company data is streamlined, KPMG can design an automated process that connects the entirety of data for reporting, fulfilling both client and investor requirements.

The Workiva Platform streamlines compliance and internal control processes through collaboration, automation, and real-time reporting. Using this technology, KPMG has designed a thorough reporting solution that covers investor reporting, investor pitch books, LP advisory packages, and internal management reporting.

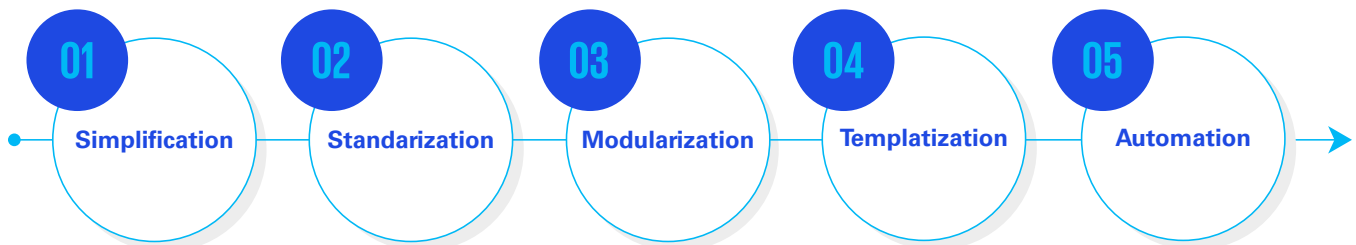
This reporting solution integrates with fund accounting systems, incorporates footnotes, and interfaces with portfolio reporting systems to combine fund performance data with the performance metrics of its portfolio companies.

Enhanced by a workflow feature, the solution provides a transparent process that includes review, approval, and accountability at every step.

Opportunities for

40-50%

reduction in timelines for generating investor reporting





Customized Report Production

Create personalized investor reporting based on GP and LP specific preferences using advanced visualization capabilities.



Integrated and Standardized Data

Easily connect and standardize data from various disparate systems, allowing for fast querying on millions of rows of data.



Established Data Quality Controls and Audit Trail

Integrate data quality controls to reduce errors and provide audit trail visibility and transparency.



Automated Workflows

Replace manual processes to produce investor reporting with automated workflows reducing time required for report production.



Ease of Collaboration

Allow multiple teams to simultaneously contribute to the report production in a controlled environment.



Customized Technology Stack

Design a fit-for-purpose technology stack leveraging best-in-class automation and workflow tools, cloud-based repositories, and visualization tools/dashboards.



Asset Management Capabilities

Calculate and report on metrics valued by LPs to provide greater transparency into underlying holdings and funds.



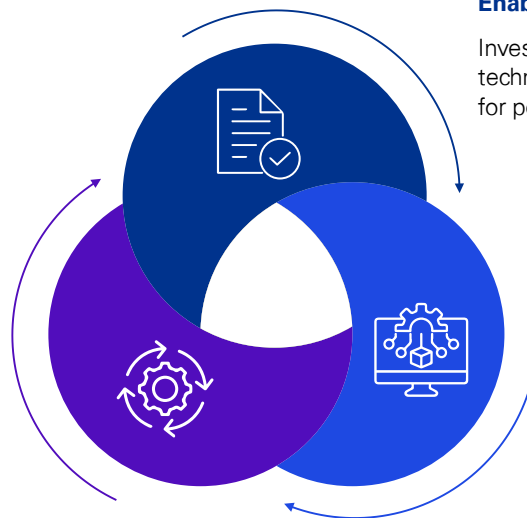
Sustainability Considerations

Identify sustainability-based attributes and align to applicable sustainability frameworks.

KPMG and Workiva are helping CFOs & Fund Managers to confidently streamline record to report processes on a single connected platform.

Enable finance transformation

Reporting modernization accelerates an AM firm's transformation journey as solution expands from Investor reporting, fund fact books, management reporting, valuations etc.



Enable fit-for purpose reporting

Investor and other reporting technology is at par with technology for portfolio and fund management.

Aligned with multiple CFO Operating Models

The solution caters to 'Fund CFOs', heads of Financial Reporting, and corporate CFO needs.



Case study

Leveraging Workiva's Fund Reporting solution, KPMG helped the client modernize their legacy reporting processes resulting in reduced manual intervention, shorter processing time, and strengthened controls.

Key outcomes

- Over 50% reduction in timelines for generating investor reporting, from 45 days to under 20 days per reporting cycle
- Efficiencies translate to over \$1.1 M in savings per year

Client Challenge

An Asset Management firm sought our assistance in modernizing their outdated investor reporting processes. This client has ~25 funds and ~\$20B in AUM. Their approach to reporting was highly manual and required over 30 stakeholders and 45 days to produce each report. The reports were generated from a complex web of Excel workbooks, each with hundreds of macros and data transformations. The disjointed approach to reporting, coupled with a lack of robust data controls, forced our client to invest a significant amount of time and effort troubleshooting data discrepancies and on labor-intensive manual tasks each reporting cycle.

KPMG Response

The client asked KPMG to automate and streamline their investor reporting, leveraging Workiva as the primary technology reporting solution. The Workiva implementation was divided into 2 phases – Phase 1 focused on the enablement of the Workiva solution and automation of 5 key investor reports, and Phase 2 focused on further solution enhancements and completion of the remaining 20 investor reports.

Outcomes

KPMG completed Phase 1 and automation of the 5 initial investor reports with the following key outcomes:

1 Improved trust in reported data – Data has been connected directly from source systems (e.g., fund accounting and performance systems) to the final reports. Data transformations are centralized within the Workiva environment with a change and runtime log of all data pulls and calculations and full data traceability.



2

Audit ready solution – Report reviews and approvals have been built into the Workiva environment with automated notification procedures. Evidence of these controls can be readily accessed to provide an audit trail for internal or regulatory reviews.

3

Reduced reporting production time – Time required to produce reports will be reduced by over 50%, from 45 days to under 20 days. Development of a 'click of the button' roll-forward capability which will allow next period reports to be generated seamlessly will further enhance efficiencies.

4

Extendable reporting platform – Solution can be easily extended and configured for additional investor reporting and use cases. Use cases can be developed beyond deal operations to include deal due diligence and deal generation for enhanced value to the client.

Phase 2 is currently underway and will cover automation of the remaining 20 investor reports and include additional data controls and validation. These enhancements will result in further reduction in report processing timelines and enhanced data quality/traceability.



KPMG and Workiva alliance

Organizations are increasingly looking to KPMG and Workiva for technology solutions that automate, integrate, improve performance, and drive process efficiency for risk management and compliance programs. We are working together on client engagements in dozens of countries around the globe.

The alliance between KPMG and Workiva provides organizations with a solution that can be implemented and integrated to help increase collaboration between compliance functions while improving risk management. We help provide real-time monitoring of data and reporting to provide valuable insights to decision makers.



Contact us

Our experienced team can work with you to begin designing your modernized Asset Management Fund Reporting solution. Please contact us to learn how KPMG Fund Reporting services can help you meet your needs.

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