



How can we address capacity challenges in closing books on time?

GP Entities – Accounting & Reporting

Deriving GP Entities ending NAV for the period

Request Overview

- To prepare the GP books of accounts and allocations for the given period
- To determine the carried interest received from the main fund
- To prepare workings and calculation to derive various components of the gain/loss in equity pick-up

Final Deliverable and Value Add

- Prepared Equity pick-up workpapers and derived the GP entities NAV from the main fund's allocations
- Allocated the income/expense for the period on the basis of gain on commitment and carried interest
- Prepared the period-end reports to summarize the final balances and capital account statements
- Analyzed the activity in each period to ensure that everything ties at the fund level

Output Snapshot

	XX/XX/20XX	XX/XX/20XX	Quarterly Change
Investments	32,000,000.00	50,875,000.00	18,875,000.00
Cash	80,000.00	100,000.00	20,000.00
Other Current Assets	45,000.00	50,000.00	5,000.00
Other Current Liabilities	(25,000.00)	(25,000.00)	-
NAV	32,100,000.00	51,000,000.00	18,900,000.00

Equity Pick-up breakdown for Commitment & Carried Interest		
	Realized	Unrealized
Commitment:	1,400,000	3,200,000
Carried Interest:	900,000	4,500,000
Premium Interest:	-	1,800,000
Secondary Interest:	250,000	600,000
	2,550,000	10,100,000

	Quarter to Date	Year to Date	Inception to Date
Opening Capital Account Balance	14,924,638	9,508,988	-
Distributions	(629,212)	(1,701,270)	(4,599,340)
Net Management Fee	-	(14,535)	(80,312)
Other Net Investment Income/(Expense)	(950)	(4,616)	(12,931)
Net Realized Gain/(Loss)	610,965	1,802,417	4,371,916
Change in Net Unrealized App/(Dep)	(209,349)	5,105,108	11,513,070
Transfer of Interest	-	-	3,503,689
Capital Account Balance at December 31, 2021	14,696,092	14,696,092	14,696,092

Oversight of GP entities including their accounting and reporting for the period

Shadow Accounting

Reconcile third-party fund admin accounts and calculations with shadow books

Request Overview

- To prepare and reconcile various Third-Party Fund Admin books of accounts against the shadow financial reports for the month to ensure that they are in line without any discrepancies
- To validate calculations like management fee, incentive fee against the Third-Party Fund Admin calculations

Final Deliverable and Value Add

- Prepared the final reconciliation file reconciling reports like Profit and Loss, Investment Holdings, Capital Activity details of both Third-Party Fund Admin and internal shadow books
- Checked third party calculations and analyzed the variance to provide a comprehensive summary behind the discrepancies to the client

Output Snapshot

*ABC Fund III LLC
Performance Reconciliation
MTD Performance through the period ending January 31, 2022*

	Fund Admin	Shadow Books	
Performance Return	(0.80%)	(0.70%)	
Adjustments:			
Fees (Mgmt fees (0) bps, Perf fees (0) bps, Audit, legal, other (7) bps)		(0.10%)	
Realized/Unrealized	0.00%	(0.00%)	
Interest Accruals		0.00%	
Other:	0.00%	0.00%	
Reconciled Performance Return	(0.80%)	(0.80%)	0.00%

	Fund Admin	Shadow Books	Difference
Realized MTD	257,400	257,400	-
Change in Unrealized	(1,549,230)	(1,549,230)	-
Interest Earned MTD	20,450	20,450	-
Other Income	5,069	4,778	291
	(1,266,311)	(1,266,602)	291

Maintained real-time shadow books of accounts for internal reporting and reconciliations

Fund Accounting & Reporting

Finalizing and accounting for the funds for each period and preparing quarterly investor reports

Request Overview

- To record and process fund transactions, accruals and valuations for the period
- To prepare workbooks and support for reporting Fund financials including Balance Sheet, Income Statement, Changes in Partners' Capital and Cash Flow Statement
- To prepare periodic investment reports including Fund Highlights and metrics, Funds' Schedule of Investments and investment activity

Final Deliverable and Value Add

- Recorded all Fund periodic activity in the accounting software being used, along with all workbooks for support and reconciliation
- Allocated the income/expense for the period on the basis of commitment and carried interest and prepared supporting files
- Prepared the period-end reports to summarize all the final balances, statements and allocations including any additional notes
- Prepared check files to ensure accuracy and to provide ease in review at the client's end

Output Snapshot

Investor Name	Beginning		Bank Interest			Ending Equity	Ownership Percentage
	Equity	Management Fees	Income	Gross Profit	Withdrawals		
LP 1	31,197,564.49	(434,782.61)	480.00	3,034,293.76	(20,800,000.00)	12,997,555.65	30.3%
LP 2	22,423,249.48	(312,500.00)	345.00	2,180,898.64	(14,950,000.00)	9,341,993.12	21.8%
LP 3	14,623,858.36	(203,804.35)	225.00	1,422,325.20	(9,750,000.00)	6,092,604.21	14.2%
LP 4	11,699,086.69	(163,043.48)	180.00	1,137,860.16	(7,800,000.00)	4,874,083.37	11.4%
LP 5	9,749,238.90	(135,869.57)	150.00	948,216.80	(6,500,000.00)	4,061,736.14	9.5%
GP	7,581,597.08	-	120.00	3,129,115.44	(5,200,000.00)	5,510,832.52	12.9%
	97,274,595.00	(1,250,000.00)	1,500.00	11,852,710.00	(65,000,000.00)	42,878,805.00	100.00%

Partner Capital Account Statement		
For the Period Ended December 31, 2022		
	Quarter to Date	Year to Date
Beginning Net Asset Value	31,197,564.49	-
Contributions	-	47,360,000.00
Withdrawals	(20,800,000.00)	(34,962,560.00)
Net Income (Loss)	2,599,991.15	600,115.65
Ending Net Asset Value	12,997,555.65	12,997,555.65
Investor Performance History		
Period Net Rate of Return	8.33%	1.27%

Efficiently managed and reported on Fund's financials for the respective periods



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