qashqade

CASE STUDY:

# SCALING OPERATIONS FOR A GLOBAL FUND ADMINISTRATOR

## ABOUT OUR CLIENT

Our client is one of the largest fund administrators worldwide. Several hundred funds need to be administered, including regular waterfall calculations in order to provide the numbers for management fees and performance fees for every fund under administration.

## THE CHALLENGE

Each fund administered by our client needed calculated values for management fees, realized and unrealized carry. Several KPIs such as the IRR, Net IRR, NPI, TVPI need to be recalculated every quarter or even every month for reporting back to the fund manager. Additionally, for inter-period events like capital calls or distributions, some of the values need to be calculated even more frequently.

The terms to calculate these values are provided in the Limited Partnership Agreement (LPA), and each fund needed to be built 'as a model' which required an expert to build and maintain a waterfall. The challenge was therefore around scale, as the cost for these increases proportionally with the number of necessary calculations and the complexity of the terms.

## THE SOLUTION

qashqade provided the fund administrator with an automated waterfall solution along with a team of experts to assist with the implementation. The qashqade application was connected to the data flows of the fund administrator, and consequently any new fund manager which is onboarded with the fund administrator is also onboarded on to the qashqade application with assistance from our team.

During the initial phase of the project, we worked with and trained the fund administrator's internal resources to enable its team to use the application by their own experts.

First of all, qashqade brings industry knowledge and best practices to the fund administrator, by providing expertise as part of the solution.

Secondly, the application allows scalability and reduces of key-person risk. Whilst expertise is still required with the client to set up waterfalls in the application accurately, all information is now available in one application and can be understood and further manipulated by anybody else with the appropriate access rights.

Because terms tend to repeat – at least for the same fund manager's multiple funds –this means that qashqade resources to set up the waterfall can be reused, making the application much more scalable than any other solution to set up models. In addition, robust integration with the client's data flows reduces mistakes and human error associated with manual data imports.

With **qash**qade in place the client can now onboard new clients faster due to the scalability and inherent capability of the application.

## THE RESULTS

With qashqade in place the client can now onboard new clients faster due to the scalability and inherent capability of the application. Periodic operations can be executed much faster and are now less costly, as the execution of waterfalls doesn't need the expertise of a waterfall specialist any longer. This means that their fund administration services can be offered at a lower price or with a greater margin, beating their competition.

The quality of the calculations, the ease of operation, the scalability during set-up, and the maintenance and accessibility of the configuration increased the quality of the delivery and therefore the trust with our client. The result is that qashqade will help our client to grow faster, and become more sustainable without reliance on rare and highly specialized waterfall and model building talent.

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Founded in 2018, qashqade provides private market organizations an enterprise product suite for streamlining their calculation, allocation, tracking and reporting processes. Waterfall and carried interest calculations can be automated, replacing manual, error-prone spreadsheets and improving communications between GPs and LPs through enhanced reporting. Built by private markets experts, for private markets experts, the qashqade platform offers a flexible, modular based solution for fund managers, fund administrators and investors alike, and is asset-class agnostic. Headquartered in Zürich, qashqade also has offices in New York, London, and Budapest.