

# Fund of Funds in Focus - Data made simple

Fund of funds' managers operate in an increasingly data-intensive environment, requiring seamless access to information from both general partners (GPs) of the underlying funds they invest in (level 1 data), as well as the portfolio companies held by those funds (level 2 data).

The ability to efficiently collate, process, and analyze this data is critical for performance monitoring, risk management, and reporting. However, due to variations in data formats, production techniques, reporting schedules, and transparency levels across different funds; data extraction using manual processes can be slow, inconsistent, and error prone.

In this article we'll explore how [technology](#) is transforming how fund of funds managers address these challenges, enabling more efficient data aggregation, automation, and advanced analytics. By leveraging these solutions, fund of funds managers can streamline operations, gain deeper insights, and achieve enhanced reporting for investors.

## Collation and processing of GP data

GPs provide fund of funds managers with essential data points, including fund valuations, cash flows, capital calls, distributions, and key performance metrics. Historically, this data has been delivered through a mix of formats - PDF, spreadsheets, and proprietary portals - making it difficult to ingest, standardize and analyze.

### 1. Automated data aggregation

Modern data extraction tools powered by artificial intelligence (AI) and natural language processing (NLP) can process unstructured reports, such as PDFs and emails, and convert them into structured, machine-readable formats. Additionally, application programming interfaces (APIs) can facilitate real-time data transfer between GPs and fund of funds managers, ensuring timely updates.

### 2. Centralised data warehouses

Cloud-based platforms now consolidate GP data into structured repositories, allowing fund of funds managers to receive a wide array of data points in real time. These enhanced capabilities not only reduce reliance on spreadsheets but also enable more expansive analysis across multiple GPs at expedited timescales.

### **3. Advanced performance analytics**

Machine learning algorithms are increasingly used to assess GP performance, predictive analytics, while also detecting anomalies in reported data. By leveraging predictive modelling, fund of funds managers can make more informed decisions on capital allocation and risk exposure.

## **Collation and processing of portfolio company data**

Beyond GP-level insights, fund of funds managers also need visibility into the underlying portfolio companies within each underlying fund. This data is crucial for understanding diversification, sector exposure, and potential risks. However, gathering this information is even more complex, as portfolio companies report at different intervals and may not adhere to standardized formats.

### **1. Automated portfolio monitoring**

Technology platforms now support real-time monitoring of key financial and operational metrics across portfolio companies. There are a number of techniques to make this possible such as data scraping, APIs, and optical character recognition (OCR) tools that extract insights from financial statements, investor reports, and even news sources.

### **2. Risk and exposure analysis**

AI-driven tools help assess sector concentration, geographic exposure, and financial instability across portfolio companies. These tools provide fund of funds managers with a clearer picture of risks within their portfolio, enabling them to take proactive steps in risk mitigation.

### **3. Compliance tracking**

With increasing investor demand for investment transparency, automated

compliance tools now integrate portfolio company data with relevant global benchmarks and reporting standards if required. This ensures that fund of funds managers meet investor expectations while staying compliant with relevant regulatory requirements.

Technology is revolutionizing how fund of funds managers collate and process both GP and portfolio company data. Automation, AI, and advanced data integration tools eliminate inefficiencies, provide deeper insights, and improve risk management. By leveraging real-time data aggregation, predictive analytics, and cloud-based solutions, fund of funds managers can enhance decision-making, optimize fund performance, and ensure regulatory compliance. As the industry evolves, embracing these innovations will be key to maintaining a competitive edge, improving transparency, and delivering stronger investor outcomes.

## **How Aztec can help**

As a market leading fund administrator for international fund of fund managers, Aztec Group is at the forefront of technology designed to “simplify scale” and help fund of funds managers better manage data volume and the composition and performance of portfolio companies.

Powered by AI and machine learning, our end-to-end data management solution, [Aztec Xtract](#), automates the collation, extraction, and standardization of fund and portfolio company data for fund of funds structures.

Once processed, the data undergoes rigorous validation by our teams of expert accountants, ensuring accuracy and consistency. It is then seamlessly delivered through a secure, intuitive dashboard, enabling real-time analysis and reporting at the click of a button.


The result is reliable, structured, and decision-ready data that empowers fund of funds managers to act with speed and confidence.

To learn more about Aztec Xtract and how we’re supporting fund of funds managers with their data management and broader operational requirements, please contact [James Duffield](#), [Karen McSorley](#), or [Ore Adegbotolu](#).



**Extracting data** with efficiency.  
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