

# Data analytics positively impact GP/LP relationships, Aztec Group report finds

**Our latest report has revealed that advancements in data analytics can increase transparency, improve communication and provide better insights to private market fund managers.**

The research surveyed 300 senior executives working in alternative investment management firms in Europe and North America to gain insights into how they use, interact with and analyse data.

79% of respondents agree that more available and reliable data has a positive or somewhat positive impact on the relationships between GPs and LPs. For firms with average target fund sizes of more than €1 billion, this rises to 88%.

However, this fell to just 16% of those with an average fund size below €250 million - with almost a third in that group stating that they believe the benefits are outweighed by implications. Among the different size firms in the survey this group was the most cautious, citing concerns around keeping up with investor demands for data.

While some firms are making advances in their use of data, they are also conscious of the risks involved in finding trustworthy data, especially from outside sources. 60% of all investment firms say that the reliability, completeness and freshness of data and its sources is a top challenge.

Aztec Group Chief Technology Officer, Charlotte Light, said: “We wanted to dig deeper into the ways that private markets are tapping into the data opportunity, which technologies are the most valuable and the obstacles that must be overcome in the face of growing geopolitical uncertainty.

“The findings show that insights from data are clearly valuable for private markets, but the largest and smallest firms are moving at dramatically different speeds when it comes to technology uptake. Our industry is waking up to the power of data and one thing is clear: that operating models based on outdated

systems are unlikely to cope with the challenges of tomorrow.”

Spanning private equity, venture capital, real estate, infrastructure and private debt, firms surveyed were headquartered in either Europe (150) or North America (150) and were distributed equally among average target fund size (under €250 million, between €250 million-€500 million, between €500 million-€1 billion, and exceeding €1 billion).