



## Case Study

# A Major University Foundation

## MINIMIZING TIME SPENT ACCOUNTING FOR ALTERNATIVE INVESTMENTS

The foundation for this major research university currently invests in over 60 limited partnerships and has plans to continue growing. Prior to implementing Clearwater, the foundation aggregated all their PDF statements from portals and emails manually into a spreadsheet governed by macros – an immensely time-consuming task.

### Challenges

The leadership team at the foundation realized it was time to make a change when they uncovered the following key challenges:

- Their investment system was built in-house, run by a small team, and presented large key person risk.
- Aggregation of investment data was laborious, and scalability was a concern as investments in alternative investments grew.
- The foundation continued to grow their investments, but growth was inhibited by the need to maintain a lean staff.

### How long does it take to account for and maintain your portfolio's alternative investments?

**If the answer is “too much,” or even hours, it’s time to make a change, adopt modern solutions, and automate these tedious tasks.**

The foundation wanted to increase the number of limited partnerships in their portfolio from 60 to over 100 in the next five years but were concerned about the challenges they would face by using their home grown back-office system. Without a powerful back-office capable of automating the aggregation, reconciliation, and reporting of all assets, teams are often limited on the number and types of investments they can make due to the limitations of using spreadsheets and macros. The challenge of hiring additional employees to handle manual processes and portfolio growth frequently outweighs the cost of a new solution, which is compelling university foundations to make the switch to modern technology.

Before switching to Clearwater, accounting and investment teams often use home-grown systems to aggregate, reconcile, and report on their assets. This may work for a brief period but quickly becomes an inhibitor of growth due to the time it takes to properly account for all investments and changing portfolio needs.



**\$670+ million**  
Assets Under Management

- Limited Partnerships
- Large Cap Equity
- Emerging Markets
- Equity

**Eliminated key person  
risk and prioritized  
portfolio growth**

**45%**  
of portfolio is limited  
partnerships

Furthermore, these homegrown systems present key person risk as they are usually managed by an internal employee with an IT background. If this administrator leaves, organizations are placed under unnecessary pressure to backfill, which is a band-aid fix to a larger problem.

**The leadership at this foundation chose to be proactive in solving their challenges with a modern solution, and recommends other foundations do the same.**

## How Clearwater Helps

Clearwater simplifies how universities and university foundations account for their assets. Specifically for alternatives, the foundation is utilizing Clearwater LPx to automate the aggregation, reconciliation, and reporting of these assets.

By using Clearwater LPx, the foundation no longer needs to download, interpret, and manually input PDF statements into spreadsheets and/or internal repositories. Instead, Clearwater LPx automatically receives, reads, and transcribes data into the main Clearwater reporting module, meaning manual work is eliminated and all assets are visible in a single place.

With the understanding that the portfolio's complexity would only continue to grow, the foundation sought out new technology to help their team scale.

After consulting with the Clearwater team, the foundation's leadership quickly realized there is a positive return on investment by implementing Clearwater to automate the manual work being performed. This also enables the foundation to continue to grow and invest in additional securities for the long term.

## Why University Foundations Choose Clearwater

University foundations and their endowments are often heavily invested in alternative assets and consequently spend hours performing tasks which can be automated. As these portfolios grow, so does the time it takes to properly and accurately account and report on them. This inevitably creates unproportionate audit risk and frequent errors from manual entries.

**"In our evaluation process, we considered various solutions and Clearwater had the most robust investment reporting which met our exact needs. Clearwater LPx saves us hours compiling statements and has transformed our operations."**

CFO  
Major University Foundation

Over 20 universities nationwide have selected Clearwater to provide automated, accurate, and consumable investment accounting and reporting, daily to their teams. Learn why today!

**See how Clearwater can help your organization.**

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