PFI ADVISORS

The Complexities of Alternative Investment Performance Reporting

This is the eleventh installment of our continuing white paper series designed to help advisors build their dream firm and continue our mission of **Promoting Financial Independence.**

Table of Contents

In October 2017, PFI Advisors published a white paper titled, "The Rise of Alternative Investments in the RIA industry," in which we detailed the fact that more and more RIAs were accessing alternative investments while underscoring the "growing renaissance of alternative investment options and platforms in the RIA community." Then, in May 2020, we published a separate white paper titled, "The Importance of Reporting Provider Technology for RIAs," where we declared an RIA's Performance Reporting software to be "the 'hub' for all data, as it flows through the rest of their back office systems." In that paper, we highlighted the importance of the software when reporting on outside assets and how "for the first time in an advisor's career," they could speak to a client's total net worth, "making them that much more valuable in the eyes of the client."

"Stocks are overvalued by many measures, and bond yields have risen since January (2021). That's a big reason why the drumbeat for alternative investments is growing louder."

With this latest edition of our research series, we aim to combine elements of both white papers while including lessons learned in the intervening years. We speak directly to the benefits of adding alternative investments in client portfolios, and to the operational complexities these investment vehicles add to the workflows and processes RIAs must adopt when reporting on this asset class. Furthermore, emphasis is given to specific complications that arise in alternative investment performance reporting. Following this discussion, we conclude our research with profiles of select service and software providers who aim to ease the burden of reporting on alternative investments for RIAs.

The timing of this research is no coincidence – although we've clearly reported on the increasing demand for alternative investments for several years – today, equity valuations are anything but "cheap," and interest rates are expected to rise, causing more and more clients to demand non-correlated assets that will provide acceptable rates of return. David Sterman, in his article for Financial Advisor Magazine, "Are Alternative Investments The Answer?" laid out the alternative investment landscape as, "private equity, private debt, real estate, infrastructure, relative value arbitrage, event-driven or activist investing, hedged equity, and global macro." From a portfolio construction standpoint, Sterman concluded that, "some of these approaches provide exposure to assets that are non-correlated with stocks and bonds, helping tamp down volatility," and how "other approaches aim to deliver superior returns to their public market counterparts."

Similarly, in her article for Barron's titled, "Alternative Investments Could Be Key To Boosting Client Returns This Year," Amey Stone adds to Sterman's argument, "Stocks are overvalued by many measures, and bond yields have risen since January (2021). That's a big reason why the drumbeat for alternative investments is growing louder. As we've seen this year, correlations between stocks and bonds means balanced portfolios won't do investors any favors in terms of diversification." She later concluded, "Enter alternatives, which have the potential to achieve three key portfolio construction goals: income, diversification, and excess returns, or alpha."

In their white paper, "Advisor Use of Alternative Investments in 2021," Cerulli Associates cited three primary reasons advisors allocate client portfolios to alternative investments:

• Investors need diversification more than ever due to expensive public markets and low rates – they may, by default, be over-allocated to traditional investments
• As alternative categories such as private equity and private debt continue to quickly gather assets, such exposures are simply becoming the market – meaning that investors who don't allocate to them are making an active bet away from these types of exposures
• The democratization of alternatives – or both traditional and alternative investment managers targeting retail investors for alternative allocations – means that retail investors will increasingly have access to institutional-caliber alternative investments

Despite these diversification benefits to client portfolios, many RIAs shy away from embracing alternative investments due to the complexities of the asset class itself, but also, as stated previously, due to the additional manual processes and workflows required for proper reporting. With this paper, we hope to shed light on the importance of this asset class and highlight how other RIAs have solved for these complexities, ultimately answering why they believe the added operational burden is worth the hassle.

We would like to thank Deborah Dana of Bel Air Investment Advisors, Dean Horwitz of IEQ Capital, Trevor Phillippi of 6 Meridian, and Eric Stephenson of Align Impact for sharing their insights with us with respect to how their firms have overcome the complexities of reporting on alternative investments[1]. We would also like to thank Mike Gault of Mirador, Michael Muniz and Michael Purcell of Canoe, and Ryan Eisenman of Arch for detailing how their firms are helping the RIA industry streamline the process of reporting on alternative investments.

To view PFI Advisors' previous white papers, click here

[1]Disclaimer: PFI Advisors has provided consulting services to several of the firms profiled in this report.

When asked why his firm, Align Impact, invests in alternative investments, Eric Stephenson succinctly broke his answer into three categories: Exposure, Excitement, and Impact. We feel this is an excellent way to think about investing in alternatives and would add ‘Access’ to this list as well.

Exposure

“Equites are high and rates are going up,” Eric tells us, “our clients need exposure to different asset classes to provide diversification and a defensive nature to their portfolios. Additionally, we feel by investing in private companies before they go public, we are gaining exposure to the most highly profitable years of a company’s life cycle. By the time a company goes public, many clients may ask: ‘Are we too late?’” Dean Horwitz of IEQ Capital adds, “With exposure to alternative investments, the goal is to augment portfolios without taking on unnecessary risk, but still aiming to achieve return profiles that clients want and are willing to pay for.” In David Sterman’s article, he cites J.P. Morgan Asset Management’s annual long-term capital markets assumptions published in November 2021: “Looking beyond public markets is increasingly essential, the firm wrote. The benefits of alternative assets – improving alpha trends, the ability to harvest risk premia from illiquidity, and the ability to select managers that can deliver returns well above what is available from market risk premia alone – will continue to attract capital over the coming decade.”

Excitement

Several of the firms we spoke to for this research agree with Eric’s notion that, “clients simply get more excited about private companies than public ones.” Trevor Phillippi of 6 Meridian notes, “In breaking away from the wirehouse world several years ago, a big part of the discussion was the ability to invest in niche products and solutions for our clients, as they had been asking for these investments for quite some time.” To this, Dean Horwitz adds, “Ultra-high net worth investors often demand these types of investments in their portfolios.” While Deborah Dana of Bel Air Investment Advisors shares, “the traditional 60/40 equity/fixed income portfolio isn’t sufficient for our client base – we have to provide them with a broader diversified portfolio with unique investment vehicles.” This is especially important in today’s inflationary environment.

Impact

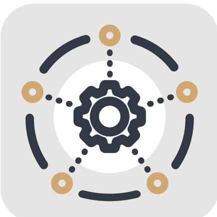
Alternative investments are the vehicle of choice to achieve Align Impact’s focus on “co-creating and implementing impact investing strategies” with their clients. Eric explains, “You can have much more direct impact in alternatives versus a ‘collective impact’ offered by the public markets.” He continues, “You can invest specifically for an impact you want to create through a direct investment, as opposed to public investments.” Continuing Eric’s thought process, in her article for HBS Online, Catherine Cote points out that after the economic downturn in 2008, “investors increasingly opted for direct rather than indirect investing. This may have been due to the increased sense of control over investments that come with direct investing.”

Access

For many RIAs, investing in alternatives is about providing access to investment opportunities that their clients wouldn't normally have. Trevor Phillippi acknowledges that, "The ability to independently research, source, work with, and invest in alternative investments has been an increasingly important part of the value that we provide clients." Dean Horwitz furthers this thought by stating that, as investment advisors, his firm is "aiming to provide access to investments [the client] may not otherwise have access." He adds, "Leveraging our size and relationships, we gain access to private opportunities, and by utilizing pooled assets and experience, we seek to negotiate favorable deal terms and fees that can be passed on to our clients." Similarly, Deborah Dana explains how Bel Air Investment Advisors' size provides access for their clients: "Some alternative investment fund managers will hold capacity in their funds for Bel Air clients or negotiate lower minimums. Additionally, feeder fund structures can provide access to larger funds that would otherwise not be available to some individual clients."

Challenges to Investing in Alternative Investments

Eric Stephenson laid out the challenges to investing in alternative investments this way: Sourcing, Diligence, Implementation, Reporting. We would also add 'Liquidity' as a challenge for many RIAs and their clients.



Sourcing

In writing for WealthForge, Ryan Gunn stated that 35% of advisors surveyed, "claimed they have difficulty sourcing investments. Even though RIAs technically have access to the entire market of alternatives, they lack a centralized location to source and diligence investments." Meeting the per-client investment minimums required by fund managers can also be challenging, as minimums typically range from $5 million to $20 million per investor. As Deborah Dana alluded to previously, many RIAs create feeder funds to solve the relatively high per-client investment minimums by aggregating the RIA's clients into one vehicle. That vehicle acts as one client on the books of the fund but could equate to several hundred investors inside the one feeder fund.

Sourcing can also act as a positive, not a deterrent for nimble RIAs. As Dean Horwitz points out, "Many wirehouses have too much to invest and can overwhelm smaller, niche investment funds. They can only invest in the largest alternative investment funds, which doesn't necessarily equate to the best investment returns. Because of our reliable, yet smaller buying power, we are often offered unique investment opportunities that the large institutions may not be offered."

Diligence

Being offered unique alternative investment opportunities for your clients is one thing, but having the staff in place to properly evaluate fund managers and their sometimes complicated investment strategies is another. In his WealthForge article, Ryan Gunn states that without a centralized location, RIAs "must contact individual sponsors for information on what investments they have available. This inefficient process makes it difficult for advisors to keep up with current offerings and to make comparisons between investments." In their article for Financial Poise, Kristina Parren and Matt Niksa write, "many RIAs lack the time needed to perform due diligence on multiple, individual private equity funds to multiple, individual investors ...It's not easy to explain private equity to clients, and many RIAs still need more education themselves." RIAs that are frequent investors in alternative investments will have several staff members dedicated to the due diligence process, while others will outsource the research component to third parties.

Implementation

There is a lack of uniformity across fund administrators when it comes to the subscription process for alternative investments. RIAs who recommend several of these investment vehicles per year for their clients like to pre-fill their clients' information onto sub docs to make the process as easy for the client as possible. However, when each fund asks different questions, in a different order, and in different ways, it makes it exceptionally difficult for RIAs to implement these investments. Ryan Gunn states in his article that "the number one complaint regarding alternative investments is that the subscription process is too time consuming and laborious, submitted by half of all advisors surveyed." One fund administrator may have a certain

anti-Money Laundering ("AML") questionnaire and process, while another administrator fulfills their AML requirements a completely different way. Technology can solve some of these hurdles (having all client data in an easily-retrievable database, for example), but the lack of consistency from one fund to the next means RIAs will unfortunately need to throw bodies at this problem.

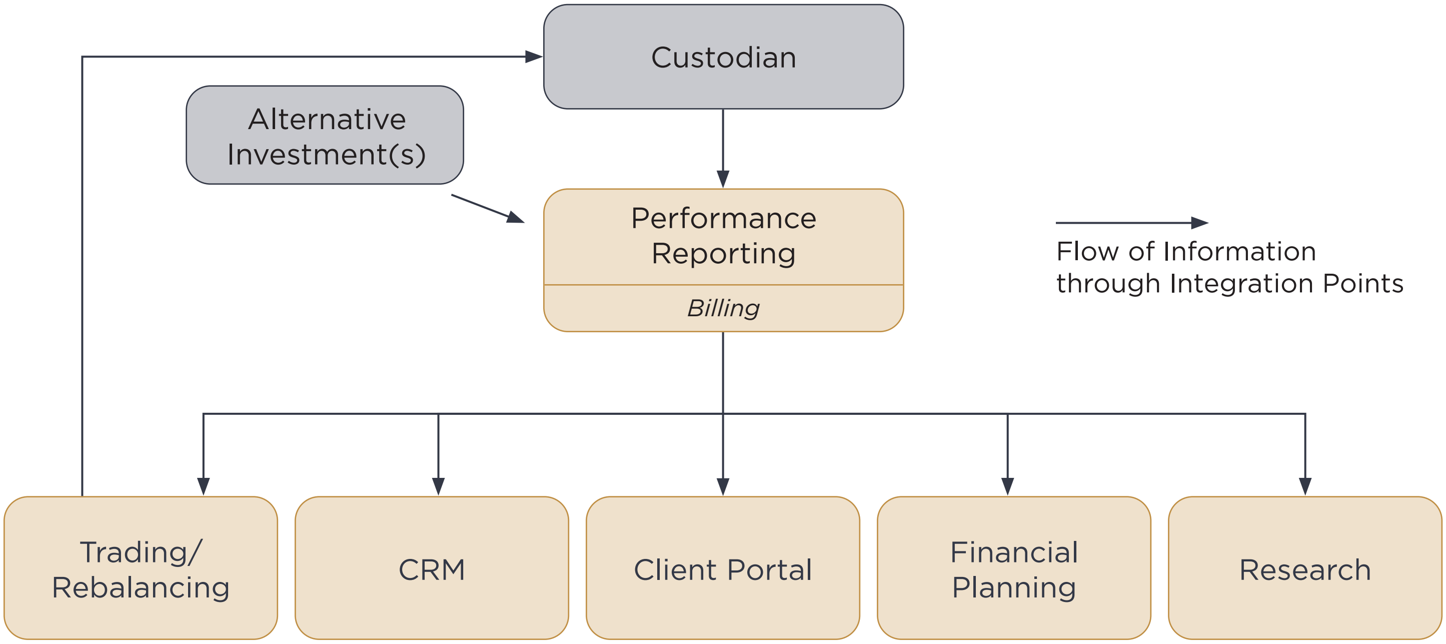
The other labor-intensive component to implementation of alternative investments is the processing of capital calls and distributions for private equity funds, and the rolling nature of fund commitments and withdrawals for hedge funds. Depending on the number of fund commitments across an RIA's client base, it can easily become a full-time job for one or more employees to simply track the money movements in (distributions and redemptions from funds) and out (capital calls and new fund investments) of client accounts with respect to their alternative investment positions. "The sheer volume of transactions makes scale very difficult," adds 6 Meridian's Trevor Phillippi.

Liquidity

Before tackling the complexities of reporting on alternative investments in the next section, it is important to note that private equity investments are long-term, illiquid investments, that typically lockup investor funds for 7-10 years. In their research for their alternative investments white paper, Cerulli cited that 54% of advisors surveyed claimed "lack of liquidity is not suitable for clients." In their report, they state that, "Liquidity considerations continue to be a critical component of investing in alternative investments. On the one hand, the lack of liquidity should theoretically allow managers to carry out long-term strategies that create value for investors, but on the other, advisors know that when their clients want to draw funds, it would be helpful to have had them yesterday." Hedge funds, on the other hand, typically offer monthly liquidity, but there may be redemption restrictions that push that to quarterly liquidity. "Cerulli believes that advisors are caught in a conundrum where the liquid alternatives that are available to them are hedge-fund-type trading strategies and not the private equity offerings they seek." Liquidity constraints mean these investment vehicles are not suitable for every investor, and as we will discuss, also create some complexities for performance reporting.

Complexities of Reporting on Alternative Investments

As detailed in our performance reporting white paper, position and transaction data flow from the RIA's custodian(s) into the performance reporting software. Unfortunately, RIAs cannot rely on this direct custodial data feed when it comes to alternative investment positions.



Many alternative investment positions simply will not appear on the custodian's books and therefore will not be included in the nightly feed into the performance reporting software. For those positions that are reflected on the books, the custodians are only posting the value of the position and not transmitting transaction data (capital calls, distributions, subsequent purchases for hedge funds, etc.), so the feed will not provide enough data for proper performance calculations inside the performance reporting software. RIAs are therefore forced to remove any alternative investment positions coming from the automatic custodial feed and instead manually enter that data into the reporting software themselves.

Several hurdles appear when collecting data from the various fund administrators for each alternative investment held by RIA clients. The first is simply accessing the data. Every fund administrator uses a different portal, many of which require multi-factor authentication to pull each statement for each investor. Deborah Dana states, "Some administrators will provide a spreadsheet with all client valuations, which is much better than pulling statements, but not all of them are willing to do that." Bel Air Investment Advisors has been able to automate some of the process when pulling down statements from various fund administrators, but even then, Deborah points out, "Over the seven-to-ten-year lifespan of a fund, the administrator may change and/or update their portal, which breaks our automation and requires our team to reestablish all of our automated processes with that one portal." Multiplying this problem by each investor in each fund can make anyone's head spin.

Another main challenge is the fact that the alternative investment industry has simply not standardized the data across the landscape of funds. Each fund administrator reports data in their own unique way – each statement is formatted differently from all other fund statements, which drastically limits an RIA's ability to find an automated way of translating that data into whatever format is required by the performance reporting tool.

Not only is the standard formatting of statements not uniform, but as Deborah Dana points out, "There simply is no uniformity of how each fund characterizes capital calls, distributions, return of capital, etc." Dean Horwitz adds, "What comes through on the statement isn't always the level of detail that we need to report to our clients. The fund administrator may net several capital calls into one single line item on the statement, or they will fail to distinguish a true profit distribution from a simple return of capital." Eric Stephenson points out, "While the collection of the numbers isn't always easy, it's really the qualitative reporting where things get tricky, because of the lack of standardization. One fund company gives you a paragraph, where another provides 60 pages of detail, and you must somehow synthesize all that info in order to report to each client how each investment is performing."

The standardizing of this data across all alternative investment positions and across all clients can be a full-time job for one or more employees of an RIA. It's one of the reasons we've been touting the importance of the Performance Reporting Analyst for some time. While some RIAs balk at the thought of dedicating a full-time employee to such a task, as Trevor Phillippi points out, "Data accuracy, at the end of the day, is the only thing that matters – if the data being fed into your performance reporting tool isn't accurate, nothing else matters."

The timing of fund data can be another hurdle beyond the mere deciphering of data being provided by the fund administrators. Many private equity funds will report valuation updates delayed by a full quarter – meaning the 3/31 report received by the RIA is reflecting the 12/31 valuation of the fund. This poses a considerable challenge for RIAs who are trying to combine a client's alternative investment positions with the client's more liquid investments, which change value on a daily basis. Most, if not all RIAs have concluded that despite these challenges, they must find a way to consolidate reporting for the entirety of a client's assets.

As Trevor Phillippi points out, "It's not sufficient to say to your client, 'This performance report covers 80% of your assets, and then you'll get a quarterly statement from the fund administrator at some point for your alternative investment positions.'" 6 Meridian employs several specialists dedicated to their alternative investment vehicles. "We've had tremendous positive feedback from our clients, not only in our ability to access these investments, but how we've managed to incorporate the activity and reporting of these alternative investments into the standard performance report that they are used to receiving. It's a big differentiator for us," he says proudly.

Every RIA interviewed for this report, along with all other RIAs invested in alternative investments that we speak with as part of our consulting work, state that client demand is the driving factor to solve these reporting complexities. "Our clients expect these types of investment opportunities in their portfolio – you simply have to figure out the reporting, "says Dean Horwitz. Deborah Dana adds, "Investors are demanding this type of diversification, you have to solve how you can deliver it to them." And finally, Eric Stephenson draws the same conclusion: "You have to meet the demand – it's how you keep the client."

In the following pages, we have profiled three firms dedicated to solving these reporting complexities for the RIA community. As stated in our report, some complexities can be solved with technology, while others will simply require manpower to overcome. The following solution providers offer both technology and manpower to assist RIAs in delivering alternative investment strategies to their clients. We'd like to thank Arch, Canoe, and Mirador for participating in this white paper.

AT-A-GLANCE
Founded 2018
Headquarters New York, New York
Employees 15+
AUA $20B+
Website archlabs.com

As stated throughout this report, the world of reporting on alternative investments can be a chaotic one. With data coming from different sources and in different forms, and the amount of manual work needed to process this disparate data, even the best operations staff can quickly become overwhelmed. Arch solves this problem by streamlining the endless flood of data coming into the RIA. As CEO and Co-Founder Ryan Eisenman states, "The high-level concept of Arch, and where we provide value, is instead of having to go to all these different portals, everything flows directly to one location – the Arch platform. [Arch] leverages software and industry leading insights to power private investment operations, saving time while making investing more secure and standardized." And in so doing, they allow advisors to go back to doing what they do and enjoy best – servicing clients.

Arch provides a singular platform where data is safely encrypted and built to be managed, so RIAs can access information on a client's alternative investments in a single portal view. Arch allows RIAs to segment accounts into different permission groups so that advisors, client service representatives, and investment operations personnel will see everything they need and nothing they don't. The platform provides a detailed view of all documents uploaded to Arch -- cash flows and financials, including historical net asset values that can be viewed monthly, quarterly, and annually. '

"Our first feature and still one of our most loved is Arch's automated solution for K-1s", Ryan states. Arch collects K-1s (and now 1099s as well) so RIAs don't have to, giving investors, advisors, and accountants a single place to access all available documents and see which tax documents are still outstanding.

Many clients get the most use out of the platform's cash flow view. Ryan states, "Task management is a big thing for us at Arch. We want to make sure no capital calls are missed." They accomplish this by auto-creating tasks for capital calls, sending automated reminders, and allowing advisors to mark tasks complete when finished. Once complete, the cash flow is automatically accounted for, auto updating the value and unfunded commitment amount of that investment, both on the Arch platform and on partner reporting systems (including Addepar and Black Diamond).

Arch also offers a daily digest email that summarizes all tasks due and incoming activity for RIAs, with links to the Arch platform and direct document links. This allows advisors to receive updates without even having to log into Arch itself. And if advisors ever feel that daily digests are too much, they can turn them into weekly recaps.

As Ryan shares, "We really want to make this an easy experience for our RIA clients, so we emphasize internally making onboarding and the ongoing service as frictionless as possible; our team manages onboarding so clients don't have to. We consistently receive high marks for our level of service."

Arch's platform "is designed to reduce repetitive manual work associated with managing investments and improve productivity, all while delivering a better client experience with deeper investment insights." With the goal of saving time, eliminating costs, and enhancing an investors' ability to understand their data, Arch is leveraged by accountants, investors, and advisors to facilitate private investments across credit, real estate, venture capital, hedge funds, and private equity.

PFI Advisors has no economic relationship or conflct of interest with Arch.

CANOE

AT-A-GLANCE
Founded 2017
Headquarters New York, NY
Employees +50
AUM by Clients $1T+
Website canoeintelligence.com

By introducing automation to historically manual document collection and data extraction, validation and delivery tasks, Canoe offers a simple way for firms to modernize their legacy processes and free up time and resources to focus on higher-value tasks.

Canoe first tackles document collection from GP and administrator portals, as well as email inboxes. Partner and Chief Revenue Officer, Michael Muniz, describes the current manual process many firms implement. "After you make a commitment or subscription to a fund, you are hit with a host of PDFs coming from disparate sources, and you likely need to log into a portal or a GP website in order to download all of the documents required. Simply collecting everything you need to run your reporting is a major challenge. But once you have the documents, you then need to sift through them to determine which ones are important and which data is relevant, repeating this process across multiple investments and multiple systems. All of this is done manually and there is unfortunately room for error in each of those steps; checking and reconciling data becomes this huge exercise. As you put more of your clients into alts, this issue grows exponentially."

Through Canoe Connect, the solution for alternatives document management, Canoe offers firms the ability to directly connect to sources of alternative investments, circumventing the need for manual logins to additional client portals and multifactor authentications. The fintech firm has created connections and integrations directly with GP and admin portals. Next, Canoe categorizes, renames and tags these documents across relevant criteria and saves them centrally in a cloud-based repository.

Unlike common data capture methods like Optical Character Recognition (OCR), Canoe Intelligence employs an advanced blend of proprietary and open-source Natural Language Processing and Machine Learning technologies to reliably extract relevant data from unstructured and complex PDF documents.

"There is currently a very fragmented landscape where the data quality for alternatives isn't clean and can't integrate with the downstream systems RIAs are using," states Michael Purcell, Director of Sales and Business Development.

Once the data is validated, Canoe integrates with or can deliver clean alternative investment data to the clients' downstream reporting, performance or analytics systems of choice.

Michael Muniz explains that many RIAs, whether new breakaways or established businesses, may believe the complexities of reporting on alternative investments are caused by a limitation of their chosen performance reporting vendor. However, that most often isn't the case. Michael says that firms like Canoe can be brought in to be the missing piece of the puzzle and help with their current reporting provider: "Canoe can take a lot off a client's shoulders when it comes to reporting on alts. The output of data is only as good as the data that goes in, and Canoe is the hub for the industry that eases client reporting and alts tracking, regardless of which reporting software the RIA is working with."

Data feeds piped directly into the reporting provider may provide enough information for the advisor's reporting purposes, but another layer of data may be required to provide a more holistic end-client report. Michael Muniz also states that custodians "deal with the same challenges if they want to provide those feeds to RIAs." Even if the custodian can provide the alternative feed data in their reports, "there are still opportunities to improve data quality and reporting speed which will in turn lead to a more accurate and reliable end result and enhance client satisfaction," states Michael Purcell.

Some RIAs hire Canoe solely for their document collection service because they don't want to deal with the endless management of fund administrator portals, however most clients leverage the power of Canoe Connect and Canoe Intelligence together to manage their end-to-end alternatives data management workflows. "Canoe unlocks data to run additional analysis, power investment research teams, and even helps with treasury and cashflow workflows," continues Michael Purcell.

PFI Advisors has no economic relationship or conflct of interest with Canoe.

MIRADOR

AT-A-GLANCE

Founded 2015

Headquarters Darien, CT

Employees >90

AUM by Clients $260B

Website miradorllc.com

Reporting on alternative investments can be a difficult task for RIAs due to the sheer amount of data that needs to be gathered from different sources, the presentation of which has nearly infinite permutations, depending on the provider of said data. Mike Gault, Partner at Mirador, echoed this by stating, "The problem starts from the disparate sources that are providing information, including record keepers, fund administrators, or the fund company itself." Another crucial piece of the puzzle, as described by Mike, is a lack of proper "reference data that is needed to describe what these funds are composed of, which is not always readily available. And even more difficult, trying to tie in all of that information into a standard methodology that hasn't been agreed upon among all of these various data providers."

Mike also mentions the infrastructure and significant manpower being thrown at these alternative investments by larger financial institutions: "There are teams of hundreds, if not thousands, of people to support all the various components of these products – whether it be Sales, Compliance, Legal, or ongoing supervision. Each of these functions require bodies to normalize the data, again, without a centralized database that everyone subscribes to. Anytime you can't automate with technology and data, you need to supplement with manpower, and that's the biggest challenge the RIA industry has."

Although alternative investment positions can be listed on the custodial statement, Mike points out that, "The custodians define these as 'below the line' items, where they are simply adding the value of the position to the statement...they are not obligated to have or provide detailed information on the underlying transactions." It ultimately falls to the RIA to make sense of those pieces and, as Michael states, "derive an experience that treats an alternative investment in the same manner, visibility, and transparency as a liquid investment." To do so, RIAs may use Optical Character Recognition ("OCR") technology to pull transaction data from the fund manager's statements, but without standardized reporting requirements, certain statements may not "provide enough accuracy, reliability, or transparency" that some RIAs want to present to clients. Mike adds, "technology is just a set of rules performed in sequence," and sometimes it will miss the intricate nuances of alternative investment reporting.

Mirador aims to tackle the issue of reporting on alternative investments by providing a comprehensive view of a client's financial picture, and by making sure their proprietary technology fits into the entire infrastructure of the RIA, giving them a holistic solution. When an RIA partners with them, Mirador will be added as an interested third party with each fund company, allowing them to securely receive and store data, enter the data into the RIA's reporting tool, and reconcile the positions, transactions, and performance. By freeing the RIA principals and staff from the necessary legwork involved in properly reporting on alternative investment transactions and positions, it allows firms to refocus capital and human resources on business performance, client service, and growth.

Mirador believes there is a difference in being "a performance reporting expert, as opposed to an expert in a performance reporting technology." They see performance reporting as a domain that is separate from middle office functions and considers their services to be a comprehensive solution in performance reporting administration. They specialize not only in processing alternative investment statements on behalf of clients but also build the performance reporting exhibits and templates and troubleshooting data feed breaks and issues, whether the data is delivered via direct data feed, manually entered, or automated through the use of screen-scraping tools, which itself presents their own set of issues.

Mike Gault sums up the value Mirador offers, by stating, "A well-defined workflow of how you are processing the data goes a long way."

PFI Advisors has no economic relationship or conflct of interest with Mirador.

PFI Advisors was founded in 2015 with the following mission in mind:

> To further evolve the RIA industry from a collection of practices to businesses, and to be a continued voice in validating the industry as a legitimate landing spot for billion-dollar teams and their clients.

PFI Advisors is an operational consulting firm that supports the unique back office, technology, and operational needs of RIAs in growth mode. PFI Advisors conducts Technology Assessments, manages Technology Conversions, and provides M&A Preparation and Integration Services to RIAs seeking growth support. COO Resource is an ongoing retainer-based service in which RIAs and their Chief Operating Officers can leverage PFI Advisor’s knowledge and expertise.

Through its popular podcast, The COO Roundtable, and its operations coaching and community, The COO Society, PFI Advisors strives to educate the RIA industry on how to build more impactful and profitable enterprises.

For breakaway advisors, PFI Advisors manages full RIA set up and transition to independence, including office buildout, development of RIA infrastructure, client transition, and billing services – all for a simple consulting fee. There is no complicated long-term AUM fee structure or equity stake required to build the firm’s future and provide advisors financial independence.