

The cash drag dilemma

How sophisticated investment teams use Addepar Navigator to plan liquidity proactively.

A silent threat to performance

In wealth management, performance isn't just driven by allocation and timing — it's deeply impacted by how well a firm plans liquidity. Yet many investment teams still rely on reactive, fragmented processes to manage cash across complex portfolios.

The result? Missed opportunities, overcommitted capital and an often-overlooked drag on returns that leads to excess idle cash.

The liquidity blind spot

Sophisticated portfolios — especially those spanning public and private markets — come with unpredictable liquidity demands. Capital calls, redemptions, income events and operational liabilities rarely align on a convenient schedule. Without a clear view of future inflows and outflows, firms take a defensive stance and hold excess cash.

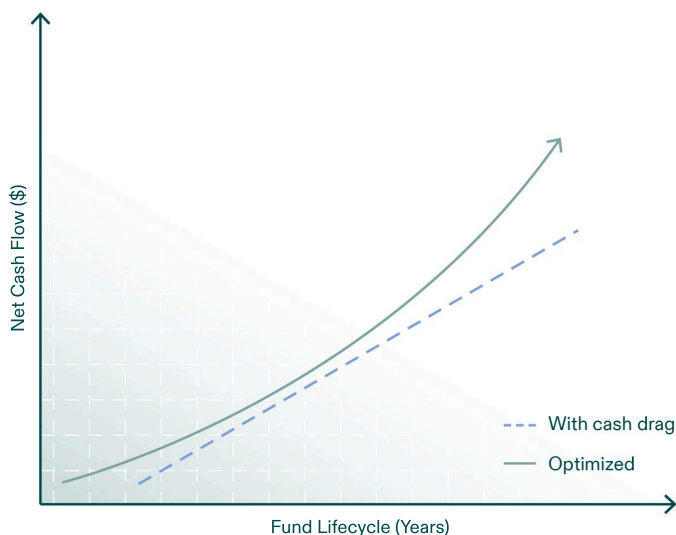
But that security blanket has a cost. Cash drag suppresses returns, particularly when markets are moving or reinvestment windows narrow.

Complex portfolios and disconnected data

Traditional liquidity planning tools haven't kept pace with modern portfolio complexity. Investment teams are forced to:

- Manually consolidate spreadsheets from various custodians, entities and fund managers
- Estimate future liabilities and capital events using outdated assumptions
- React to unanticipated outflows — client withdrawals, margin calls and delayed distributions

Forecast of Private Fund Cash Flows Over Time



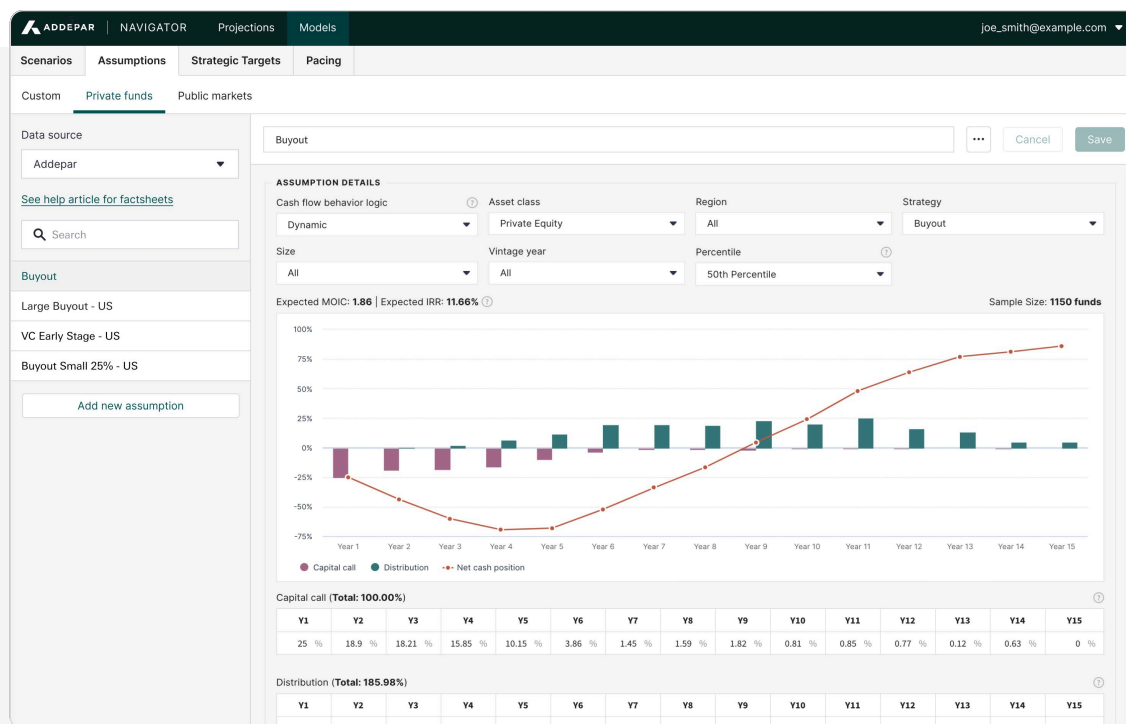
Note: For illustrative purposes only. Not indicative of actual results.

This lack of visibility and automation creates three major risks:

1. Overcommitting capital and triggering short-term liquidity scrambles
2. Holding too much cash which accumulates quietly but steadily erodes long-term performance
3. Misstated expectations that damages trust and decision-making confidence across stakeholders

Structured liquidity planning with Navigator

Addepar Navigator addresses the root cause of poor liquidity management: fragmented, static and disconnected planning tools. By integrating structured forecasting and dynamic reporting into a centralized, intuitive platform, Navigator empowers firms to operate with clarity.



Utilize the Addepar private fund cash flow forecasts to anticipate capital calls, plan distributions, and manage net cash position across vintages.

With Navigator, investment teams can:

- Consolidate cash flow expectations across public and private assets, accounts and legal entities
- Model inflows and outflows dynamically with real-time data, custom assumptions and historical trends
- Run tailored liquidity reports by household, entity or portfolio strategy
- Stress test cash flow scenarios, including redemption delays, capital calls and adverse market conditions

Navigator is fully connected into the Addepar platform, leveraging the same trusted, reconciled data used to drive portfolio reporting, analytics and client communications.

Liquidity as a strategic advantage

The impact of structured cash flow reporting extends far beyond the back office. With Navigator, firms have the insights and tools to drive:

- Reduced cash drag by aligning reserve levels with real liquidity needs
- Stronger capital deployment decisions supported by future-focused, data-driven planning

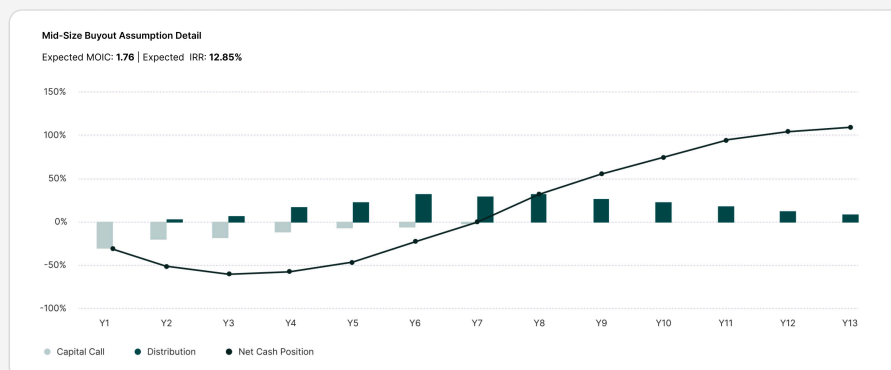
- Operational efficiency as teams move away from manual spreadsheets and redundant reconciliation
- Risk mitigation through better preparedness and scenario modeling

In a market where agility, confidence and performance matter more than ever, proactive liquidity planning is not just a process improvement — it's a competitive edge.

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Navigator's biggest strength is its flexibility and ease of use. When we meet with clients to discuss asset allocation decisions, we can revise projections in minutes as needed to account for future allocation adjustments.

Attinger, LLC



Assumption-based modeling lets you anticipate the full curve of private fund cash flows—before making the commitment.

Explore Navigator

Whether you're managing a \$500M book of business or a multi-billion-dollar portfolio, the ability to forecast liquidity quickly, accurately and deploy capital deliberately is now a requirement, not a luxury.

Explore how leading firms are using Addepar Navigator to reduce cash drag.

Learn more about Navigator today. Connect with us at inquiries@addepar.com

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