



WINNER
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TECHNOLOGY: INNOVATION WINNER

Canoe Intelligence

The Drawdown caught up with Mike Muniz of Canoe Intelligence, a financial technology company redefining data management processes for alternative investors and allocators, following their victory at The Drawdown Awards 2021

The Drawdown (TDD): The judges said Canoe's technology is a "Game changer; the solution is a great example of how artificial intelligence can and should be used in private equity." What makes your offering so impressive?

Mike Muniz (MM): We appreciate the feedback from the judges and are honoured to be recognized by *The Drawdown*. It is humbling and inspiring to make an impact in this way.

When we considered the many challenges facing investors and allocators in our private equity and alternative investing world, one really stood out to us: the tracking, reporting and accounting of an investment after committing to a fund. Oftentimes, most of the necessary information is locked up in PDFs delivered in disparate formats, from myriad sources and at varying times throughout the year.

So, we asked ourselves: how can AI and ML address this burden that everyone allocating to alternative investments faces? What resulted was a solution to manage this specific workflow in a fresh, efficient and cost-effective way.

TDD: Canoe spun out of a family office - do you think this positions you differently to other tech providers in this space?

MM: I think it gives us a unique perspective and provides immediate credibility. We can walk into a room with any allocator and say we've been in their position. I have keyed data

manually into a system when I should have been using that time on investment analysis and decision making. We understand the nuances of these investments, and that builds comfort and trust. Ultimately, we've been there; we have a solution we built for ourselves, which we used ourselves.

TDD: Canoe is built for LPs; will you create an offering for GPs?

MM: We are starting to think about other applications for what we do. As we've expanded our client base, we've signed on numerous fund-of-funds and secondaries funds, which are also GPs, as well as fund administrators who service both parties. As such, we've begun thinking about how we can provide value to every constituent within this ecosystem.

An interesting opportunity involves the delivery and transfer of documents and data between GPs and LPs, and broadening our extraction application for these use cases. We're incredibly excited and optimistic about what lies ahead.

TDD: You're clearly thinking a lot about the industry's technological needs; how do you think private equity's adoption of technology has played out so far?

MM: It's still early days. A few years ago, the conversation was around building a system internally, or buying a one-size-fits-all solution. We're just starting to get to the point where firms can go out and select the best solutions and integrate them together. Canoe has been at the forefront of that paradigm shift. We

are system-agnostic, ultimately integrating documents and data with whichever third-party or proprietary systems our clients are using.

TDD: What are your plans for the next 12 months?

MM: Much of our focus is on taking what we have built and expanding to new document types that our clients are processing manually. Now that we've built up shared intelligence across over 125 clients and more than 12,000 funds, there are new opportunities to process different document types that our clients are currently processing manually.

Beyond that, there is an opportunity to drive efficiencies in the transfer of information and in the standardisation of that information.

TDD: There have been numerous attempts to standardise reporting, but could a solution such as yours do away with needing to standardise at all?

MM: From our perspective, this is an unstructured world, and we sit in the middle. We say to the GPs, "Send your reports however you want." And to the LPs, "Tell us what you want to see." Canoe can translate and transform the data into a standardised view in a low-friction, client-centric way. This seems to be what both sides of the industry are craving and a solution like Canoe curbs the need for standard protocols and initiatives. As we integrate more closely with GPs and administrators, alongside our LP clients, we're excited to help the industry solve this challenge. ♦