



ABOUT HERITAGE GROUP

Founded in 1986, Heritage Group is a venture capital firm headquartered in Nashville, TN. The firm has approximately \$700M assets under management across three funds in the healthcare industry.



THE CHALLENGE

- Lacked compelling presentation needed for their upcoming fundraising
- Required more up-to-date and customized information
- Inefficiency with monitoring and reporting on companies



THE SOLUTION

- Attractive, easy-to-use, platform
- Customized, interactive, and transparent reporting
- Detailed view of personal capital, profits interests, and growth



THE RESULTS

- Detailed reports with precise calculations of investments and returns
- Real-time intelligence on their portfolio companies
- Fund cash flows are entered directly by administrator; all return calculations use the same formulas and data

Heritage Group Better Serves Limited Partnerships with Increased Transparency

Firm increases reporting transparency while reducing manual processes

THE CHALLENGE

For more than three decades, Heritage Group has been a leading partner and investor in healthcare companies, counting more than a dozen healthcare systems, providers, and insurance companies as strategic partners. After joining the Heritage Group as Chief Financial Officer, Jason Young led the decision to adopt Cobalt GP for portfolio monitoring. Prior to implementing Cobalt, Heritage faced challenges with fundraising, investor requests, and reporting.

THE SOLUTION

Why did you decide to start using a portfolio-monitoring solution?

"I joined Heritage as we were raising our third fund. I knew from past experience that a portfolio monitoring platform would eliminate a lot of manual recordkeeping and give us consistent access to better information. It was going to be easier to put it in place before we expanded. It would also save time while we are fundraising and help us present our track record to prospective investors in a much more digestible format."

How did you select Cobalt from the options you looked at?

"Our fund administrator, who has experience with clients using Cobalt, recommended it. That validation from a group we trust gave me a lot of confidence. So, we met the Cobalt team, called references, and got a good sense for the look and feel of the product itself. Everything checked out."

What stood out to you about the Cobalt product?

"At my prior firm, we used a product designed by our fund administrator, and it lacked the aesthetics and functionality that we ultimately required. Cobalt looks great. Our partners can navigate and understand the product seamlessly following a brief training. And it's malleable, so I can get it to do exactly what I want. At the same time, Cobalt doesn't have the complications and unnecessary bells and whistles of some of the competition. In the end, Cobalt just had a lot of what we needed and little of what we didn't."

THE RESULTS

How is Cobalt changing how you work with your investors?

"Our LPs want more than the information provided in the standard quarterly reporting package, which is focused on the entire fund. They want to know the specifics of involving their individual investment in the fund. To accomplish this, they had to do oneoff calculations, or they asked us for information, which resulted in ad hoc investor requests. Now, we can provide them with individualized reports that detail their investment amounts, contributions, distributions, realized value, unrealized value, and a lot more. When the LPs have additional questions, our investment professionals now have an interactive dashboard to find the answers quickly. The LPs have more transparency, and our people have a lot more time in the day to spend on higher-value activities."

What will Cobalt do for your investment professionals?

"Besides saving them time with fundraising and serving LPs, Cobalt is going to start giving them a way to monitor portfolio companies on a more frequent basis. It also gives them a deep and detailed view of the personal capital they have committed to the fund, along with their profits interest, and how it has grown over time."

And what about the finance functions?

"I'm saving a lot of time because our fund administrator can load and verify all of the cash flow information. Since they have experience with Cobalt, I have confidence in their knowledge of the system and that the data is accurate. This, combined with certain controls we have in place, allows me to fact check the information and perform an efficient review."

What advice would you give a general partner considering portfolio monitoring software?

"The most common mistake made by people in my position is to wait too long to implement something like this. Then it becomes more difficult to do. I know we all have limited time and resources, but all of us are seeing more requests for information from outside investors. So, my recommendation is: Do it sooner rather than later."

DISCOVER SOLUTIONS

FactSet creates data and technology solutions for investment professionals around the world, providing instant access to financial data and analytics that investors use to make crucial decisions.

FactSet Benchmark Datafeed Solutions

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