

Family Office Uses Solovis' Performance Monitoring to Transition to a Family Foundation

Talin Wauchope, Vice President of Investments at Bardos LLC, a California-based family office, and his team of nine are in the process of transitioning the organization into an entirely philanthropic family foundation.



This effort involves three key initiatives:

1. Actively networking with other limited partners
2. Establishing a digital presence for the organization and its brand
3. Defining and making explicit the overall investment strategy for the portfolio

With these larger initiatives in focus, Talin and his team have found great benefit in Solovis. The platform enables them to concentrate on these larger goals, as it saves them significant time and effort across their day-to-day operations and analytical workstreams. This additional capacity is then reinvested, propelling the organization forward.

The Need for Solovis

The number one priority for Bardos is to sustainably meet the financial needs and grant-making requirements of the foundations it supports. This requires top-tier investment performance on a real, risk-adjusted basis. To help achieve that goal, Talin knew it was important to introduce an institutional quality portfolio management & analytics platform at the organization.

"Due to our small team size and focus on the private markets, benchmark-relative performance, especially at the total-portfolio level, was essentially written-off or de-emphasized due to measurement difficulty. We knew that needed to change. We quickly decided to onboard a platform like Solovis."

Within Talin's first four months at Bardos, he conducted an extensive RFP process in search of a solution. They needed a platform that would facilitate better monitoring of investment performance across multiple different asset classes with minimal

Talin Wauchope, CFA
Vice President | Investments

expenditure of team resources. Talin was confident that Solovis would provide the team with the full scope of what they needed.

"We met with eight different vendors, all claiming to do similar things. While there's a lot of competition in the space, we ultimately selected Solovis because of the robustness and transparency of the analytics it provides. It is a full package performance system, which is what we were looking for."

After selecting Solovis, Talin and the team began the implementation process with their sights set on developing improved investment workflows.

"We believe that there is an old school way of investing versus a more modern, data-centric approach. Prior to technology like Solovis, everything was evaluated at the fund, deal, or relationship-level, and only on an absolute basis. No attempt had been made to measure the opportunity cost of our investment decisions or their contribution to overall performance. Solovis enables these types of analysis and helps us verify and validate whether a given strategy is working within the context of the broader portfolio."

"We genuinely believe that implementing a system like Solovis improves our investment decision-making process, which makes the high level of effort involved worthwhile."

High Standards, High Returns

Talin knew that the successful implementation of Solovis at Bardos would be integral to achieving the goal of superior investment results. With this high standard set, he and his team dedicated their time and attention to learning the ins-and-outs of the platform.

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The team's commitment to onboarding this platform has paid off, as the increased timeliness, accuracy, and transparency of data has prompted many meaningful internal discussions around investment strategy and portfolio construction.

Expanded Capabilities with Solovis

Now that the team is using the platform in their day-to-day responsibilities, their workload capacity has expanded. Prior to using Solovis, it was difficult to get a holistic view of how the portfolio was performing at a given point-in-time. The team had to assess each investment on a standalone basis and most analysis was ad hoc in nature.

"We had a lot of blind spots. It was difficult for us to quantify the impact certain decisions had on our overall performance. Solovis has enabled us to have greater confidence in the data itself, the process to maintain that data, and helps us understand how the total portfolio is doing relative to our benchmarks."

As they transition from a family office to an institution, Bardos is moving away from closing their accounting books quarterly to closing them monthly. With monthly marks, the team can now more properly assess and proactively reposition the portfolio in response to market conditions. This change would not have been possible without the help of Solovis.

"Solovis is pushing us in a direction where we can more proactively assess what's going on around us, helping us steer the portfolio in the right direction and reposition it when necessary. We've learned that having more timely data, as well as taking greater ownership over the data, is important. This huge shift in our thinking was facilitated by our use of Solovis."

What's Next

"Our investment philosophy was much more fixed prior to Solovis. Now, by implementing quantitative hurdles and requiring more data to make decisions, a lot more of the complexity, uncertainty, and nuance associated with investing is preserved. We think this is a good thing."

Moving forward, Solovis will continue to be a central part of the initiatives Bardos undertakes as part of the firm's evolution. Talin and the team carry a growth mindset with them as they continue to explore the platform.

As the team continues their implementation of the platform, they learn more about the extensive capabilities of Solovis. One of their next steps is to add an additional team member that will be solely focused on investment operations and the maintenance of Solovis, so that the firm can take full advantage of all the platform's functionality, including Analyst Services, which they have already decided to add to their implementation.

"Our investment in Solovis is in many ways an investment in ourselves and reflects the longstanding aspirations of the firm: To become a world-class investment organization."