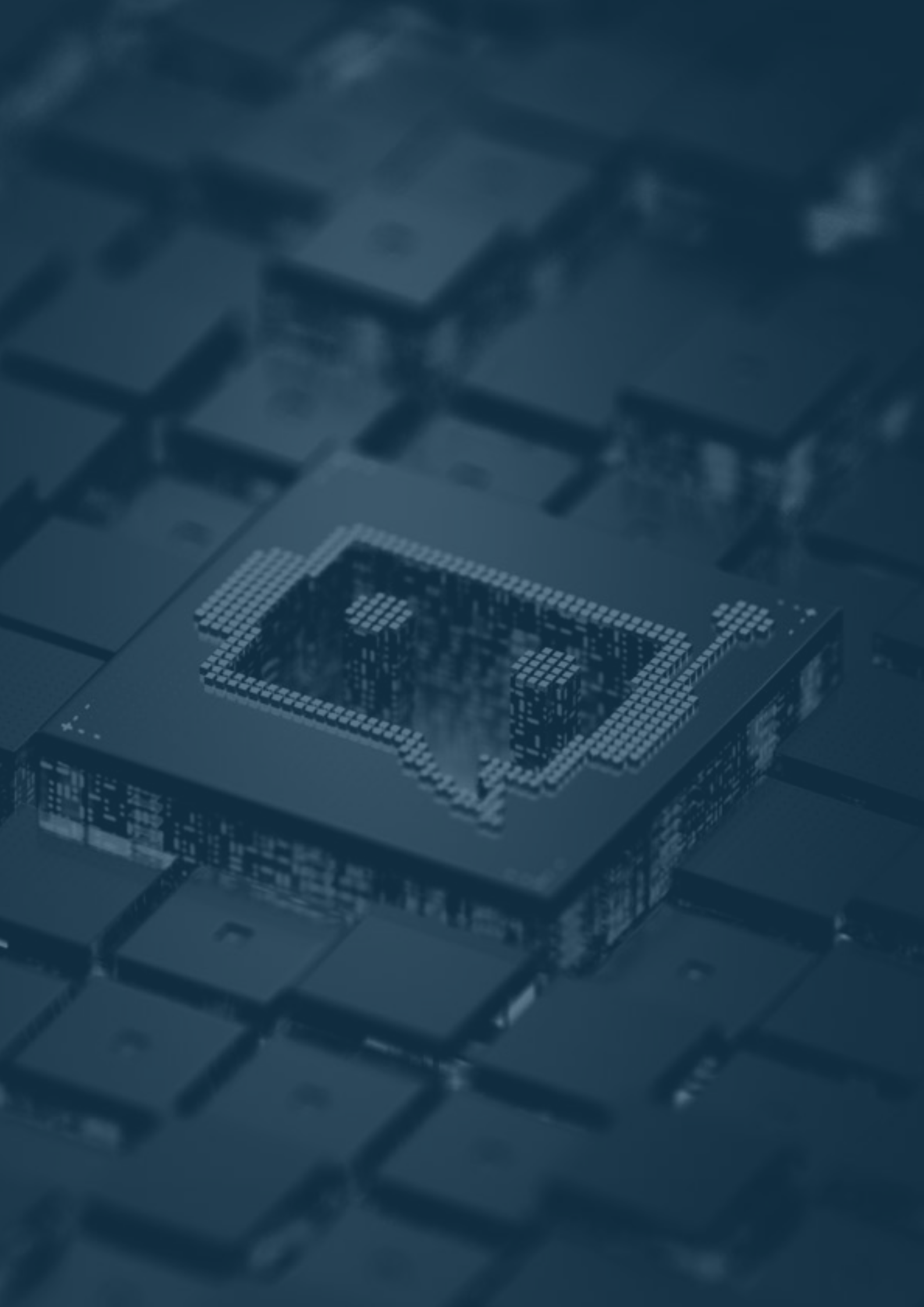
From Data to Deals: AI's Transformation of Alternative Investments Workflows

Unlocking deeper insights in alternative investment with AI

Sinequa by ChapsVision



CONTENTS

Introduction

Artificial Intelligence (AI) is reshaping industries at an unprecedented pace, and private equity (PE) is no exception. Investment managers are now looking beyond AI's impact on individual companies to its broader potential for transforming finance.

Private equity firms sit on vast amounts of underutilized data spread across emails, financial reports, Excel models, CRM systems, and publicly available information such as news articles and regulatory filings. Traditionally, extracting meaningful insights from these fragmented sources has been slow and labor-intensive. With the emergence of Generative AI (GenAI), firms can now unlock new efficiencies, automate complex workflows, and make faster, more informed decisions. A 2024 survey found that 50% of private funds are exploring GenAI, showing rising industry-wide interest in the technology[1].

The promise of GenAI is significant. Accenture estimates that GenAI could drive a **6–7% productivity gain** and a **3–4% revenue uplift** for PE firms and their portfolio companies[2]. AI-powered tools can accelerate every phase of a fund's lifecycle—**from deal sourcing and due diligence to portfolio monitoring and exit planning**. For deal sourcing, AI can screen and shortlist thousands of targets, cutting investment team workload by 50–60%[3]. In due diligence, AI can automate document review, extract key financial data, and summarize risks—freeing analysts to focus on higher-value strategic tasks.

Yet, despite its potential, AI adoption in private equity remains limited. Many firms lack the resources, expertise, or infrastructure to effectively implement AI at scale. KPMG's global tech report reveals that only 24% of PE firms are using AI widely, highlighting a gap between awareness and execution[4]. Early AI deployments often produced vague or unreliable insights, making firms hesitant to adopt it further. McKinsey suggests that while 2023 was a year of AI experimentation, **2024 and 2025 will be**

about scaling AI and driving measurable impact[5].

However, off-the-shelf AI tools often fall short in financial contexts, lacking the depth, precision, and security required for investment analysis. To unlock AI's full potential, firms need a structured approach that ensures that data is reliable, aligns with financial decision-making, and integrates seamlessly into existing workflows. It must also uphold strict security standards. AI models must not only enhance analytical capabilities but also protect confidential financial data, ensuring compliance and mitigating risks of unauthorized access or data leakage. **AI solutions must be specialized for finance and built for accuracy, efficiency, and security to extract deeper insights and drive return on investment**.

This whitepaper explores AI's impact on investment workflows, key implementation challenges, and how PE firms can stay ahead in an AI-driven industry.

[1] https://www.kearney.com/service/digital-analytics/article/the-impact-of-artificial-intelligence-on-private-equity-firms
"According to a 2024 private funds chief executive officer (CEO) survey, about 50 percent of funds are exploring potential use cases for AI implementation."

[2] https://www.accenture.com/us-en/blogs/business-functions-blog/private-equity-generative-ai
"The rise of generative AI brings huge upside potential to private equity (PE) firms that have invested in their data environment and infrastructure. The technology also lends opportunities to portfolio companies (PortCos). Our research estimates a 6–7% productivity gain and a 3–4% revenue uplift. The challenge is figuring out where to start. We recommend a four-step approach to understanding and successfully implementing generative AI."

[3] https://www.accenture.com/us-en/blogs/business-functions-blog/private-equity-generative-ai
"Take deal sourcing. When scoping private targets, a combination of robust data, machine learning and generative AI can help PE firms screen thousands of potential targets and shortlist them. This can reduce time spent by an eye-popping 50–60%"

[4] https://kpmg.com/au/en/home/insights/2024/03/impact-generative-ai-private-equity-firms.html
The KPMG global tech report, however, reveals that only 24 percent of PE firms are using AI this widely and effectively. "We're looking at untapped productivity enhancements across the board," continues Per, "not just by reducing cost, also by driving more volume with the same cost, selling more effectively and making products more attractive". We expect this to be the focus for many PE firms in 2024.

[5] https://www.mckinsey.com/industries/private-capital/our-insights/a-clear-eyed-view-of-gen-ai-for-the-private-equity-industry
Interestingly, before gen AI, most companies failed with advanced analytics or AI transformations because it's hard. It requires a lot of change management to win hearts and minds. You have to measure impact. Making investments calls for patience while waiting for the ROI. Data governance is a major concern, and the list goes on. Gen AI adds even more layers of complexity. If 2023 was the year of experimentation with pilots everywhere, 2024 and especially 2025 will be years of scaling and actually moving impact to the bottom line.

How Generative AI is Reshaping Private Equity Workflows

> *The new generation of AI has the potential to transform companies and industries. The timeliness and effectiveness of its implementation will be determinative of who the winners and losers will be.*
>
> **Stephen Schwarzman / CEO, Blackstone, in S&P Global, 28 August 2023**

ENHANCING DATA ANALYSIS

AI-augmented tools allow firms to efficiently process vast data sets and uncover insights and patterns that traditional methods might miss.

Classical AI models (without genAI) focused on structured data analysis, such as flagging inconsistencies in financial statements based on predefined accounting rules or extracting key financials from SEC filings and earnings reports. However, these models struggle with unstructured text, requiring manual tagging or laborious and rigid rule-based programming to extract meaningful insights. **GenAI eliminates these limitations**, allowing for more flexible and efficient data analysis, which is especially valuable as investment environments become more complex. According to Accenture, 75% of PE leaders surveyed in Q1 2024 agree that investments have become more complex over the past five years[6].

To navigate this, GenAI introduces three new capabilities:

Context-aware document review
GenAI can analyze and summarize large volumes of unstructured text, identifying key contract clauses or financial risks in due diligence reports.

Conversational access to insights
Instead of navigating rigid dashboards, users can ask AI questions in plain language and receive responses synthesized from multiple data sources.

Reliable AI-driven recommendations
GenAI generates insights directly from sourced documents, ensuring traceability and reducing the risk of hallucinations or misinterpretations.

[6] It's Time to Rethink Private Equity Due Diligence Report | Accenture
In short, finding and winning deals that generate alpha is becoming increasingly challenging.
Leaders are acknowledging these challenges. In our survey of 251 seasoned buyout leaders, 75% agree or strongly agree that PE investments have grown more complex over the past five years.

CASE STUDY

PROACTIVE CONTRACT ANALYSIS TO AVOID OVERSIGHTS

In private equity transactions, contractual clauses buried in lengthy agreements can create significant post-acquisition risks.

A PE firm acquiring a mid-sized manufacturing company overlooked a change of control clause in a key supplier agreement, allowing the supplier to terminate or renegotiate terms upon a change in ownership.

Despite a thorough legal review, the clause was only flagged late in the process, after financial projections had been finalized. By the time the deal closed, the supplier exercised its termination rights, disrupting the company's supply chain.

Had the firm deployed an AI-powered contract review system, the issue would have been identified much earlier:

- The system could have scanned all supplier contracts across past transactions, flagging change-of-control risks automatically.
- Identifying the clause early would have allowed the firm to renegotiate supplier agreements or adjust purchase terms in advance.

AI-powered contract analysis improves due diligence and risk mitigation, helping PE firms catch legal risks before they affect portfolio performance.

HOW AI IS POWERING EVERY STAGE OF PRIVATE EQUITY

Private equity workflows are more complex than ever, requiring firms to handle massive amounts of financial, legal, and operational data at every stage of the investment cycle. AI is reshaping these processes by automating time-intensive tasks, enabling firms to extract deeper insights, mitigate risks, and make smarter investment decisions.

AI enhances every phase of the investment lifecycle from capital raising and deal sourcing to due diligence, portfolio management, and exit strategies:

Capital Raising

- **Problem**: finding and engaging Limited Partners (LPs) is a resource-intensive process, requiring targeted outreach and extensive due diligence (DDQ) responses.
- **AI solution**: AI accelerates investor identification, personalizes outreach, automates DDQ prep, benchmarks fund performance, and simplifies subscription management, making fundraising more efficient.

Investment Origination

- **Problem**: identifying high-quality investment opportunities requires constant market monitoring and relationship-building with key decision-makers.
- **AI solution**: AI monitors hiring trends, web activity, and competitor moves to spot early opportunities, identify key contacts, and generate investment one-pagers for faster deal evaluation.

Due Diligence

- **Problem**: Reviewing extensive documentation, assessing risks, and ensuring compliance is time-consuming and prone to human error.
- **AI solution**: AI extracts financial and legal insights from due diligence reports, flags inconsistencies, automates ESG compliance checks, benchmarks performance, and simplifies IC memo preparation, speeding up and improving due diligence.

Portfolio Performance

- **Problem**: Monitoring portfolio performance, tracking synergies, and planning exits require real-time insights across multiple data sources.
- **AI solution**: AI automates financial tracking, benchmarks real-time performance, identifies synergies, enhances ESG reporting, and optimizes exits by monitoring market trends and buyer activity.

Investor Relations

- **Problem**: LPs increasingly demand granular transparency on fund performance, ESG metrics, and investment decisions.
- **AI solution**: AI automates investor updates, centralizes ESG reporting, generates reports, and provides real-time dashboards, improving accuracy, compliance, and LP transparency.

Among the many areas where AI is transforming private equity, one of the most critical is the early-stage evaluation of an investment. Speed and accuracy in deal assessment can mean the difference between securing a winning investment or missing out. To illustrate AI's potential impact on deal assessment, consider this hypothetical scenario based on real challenges faced by PE firms today.

AI-DRIVEN DEAL ASSESSMENT

A private equity firm evaluates a new investment opportunity: a B2B enterprise software company claiming 60% year-over-year revenue growth. At first glance, the teaser looks promising—but is the company truly scalable, or is its growth unsustainable? Before presenting to the Investment Committee (IC), the deal team must quickly validate the opportunity, identify key risks, and refine its investment thesis.

Step 1: Extracting Financial Truths

Traditionally, assessing an opportunity involved sifting through dense marketing language and scattered financial data—a process that could take days or weeks. Now, AI accelerates this step by extracting and structuring key financial metrics from the teaser. It automatically identifies: revenue composition (e.g., new vs. recurring revenue), margin trends (e.g., gross margin stability, operating efficiency), customer retention metrics (e.g., churn rate, net revenue retention) and cash flow dynamics (e.g., burn rate, runway sustainability).

Step 2: Learning from Past Deals

With a single query, AI retrieves data on comparable transactions from the firm's deal history. It surfaces: Previous SaaS investments, their valuation multiples and realized returns, key risks identified in similar deals and analyst notes from past investments. For instance, past deal reviews reveal that a similar portfolio company struggled with high churn due to client concentration—a critical risk to investigate in this case.

Step 3: Detecting Market Signals

Beyond internal data, AI scans external sources to identify real-time market trends that could impact the deal: a major competitor recently launched a similar product, raising concerns about the target's ability to maintain its market share.

Step 4: Structuring the Investment Case

AI consolidates its findings into a **concise, data-driven one-pager**, summarizing the core financials, competitive positioning and key risks and opportunities.

With this foundation, the deal team asks AI to generate tailored questions for management meetings and expert calls, ensuring that critical concerns—like customer concentration risk and innovation strategy—are addressed before moving forward.

What once required days of manual research and fragmented analysis now happens in hours. More importantly, the process is not just faster—it's more structured, data-driven, and insightful. Instead of relying on surface-level growth metrics, the team proactively uncovers risks, enhancing their investment thesis and sharpening the discussion before making a decision.

As this example illustrates, AI is no longer a futuristic concept. It is already transforming how private equity firms assess investments. The ability to process vast amounts of data, identify risks early, and refine investment theses in hours rather than days is not just an efficiency gain; it's a competitive edge. As AI adoption accelerates across the industry, firms that hesitate risk falling behind.

THE COMPETITIVE IMPERATIVE: WHY AI ADOPTION CAN'T WAIT

GenAI is no longer optional in private equity: **it's a competitive necessity**. Firms that don't adopt AI risk falling behind as competitors use automation to generate insights, close deals faster, and mitigate risks more effectively.

> *We are way more than just thinking about it [Generative AI], we are really trying to prioritize certain use cases and then starting to invest in those.*
>
> **Marco Argenti, CIO of Goldman Sachs**

As AI adoption accelerates across the industry, firms delaying investment in GenAI risk missing out on:

Faster, AI-powered decision-making across deal sourcing, due diligence, and portfolio monitoring

Sharper risk detection in both financial and operational assessments

Stronger competitive positioning through better investment sourcing and value creation

The baseline for data analysis and insights is rising. What was once a differentiator is now becoming standard. To stay ahead, firms must move beyond experimentation and implement AI at scale.

Recognizing AI's competitive advantage is one thing. Implementing it effectively is another. Generative AI has clear potential in investment workflows, but many firms struggle to move beyond experimentation. Off-the-shelf solutions like ChatGPT, while useful, lack the precision and depth required for financial applications. To harness AI effectively, firms must navigate key challenges such as accuracy, scalability, and security.

This brings us to a critical question: How can firms implement AI effectively while avoiding incomplete or unreliable solutions?

Beyond ChatGPT: the challenges of implementing AI in Private Equity

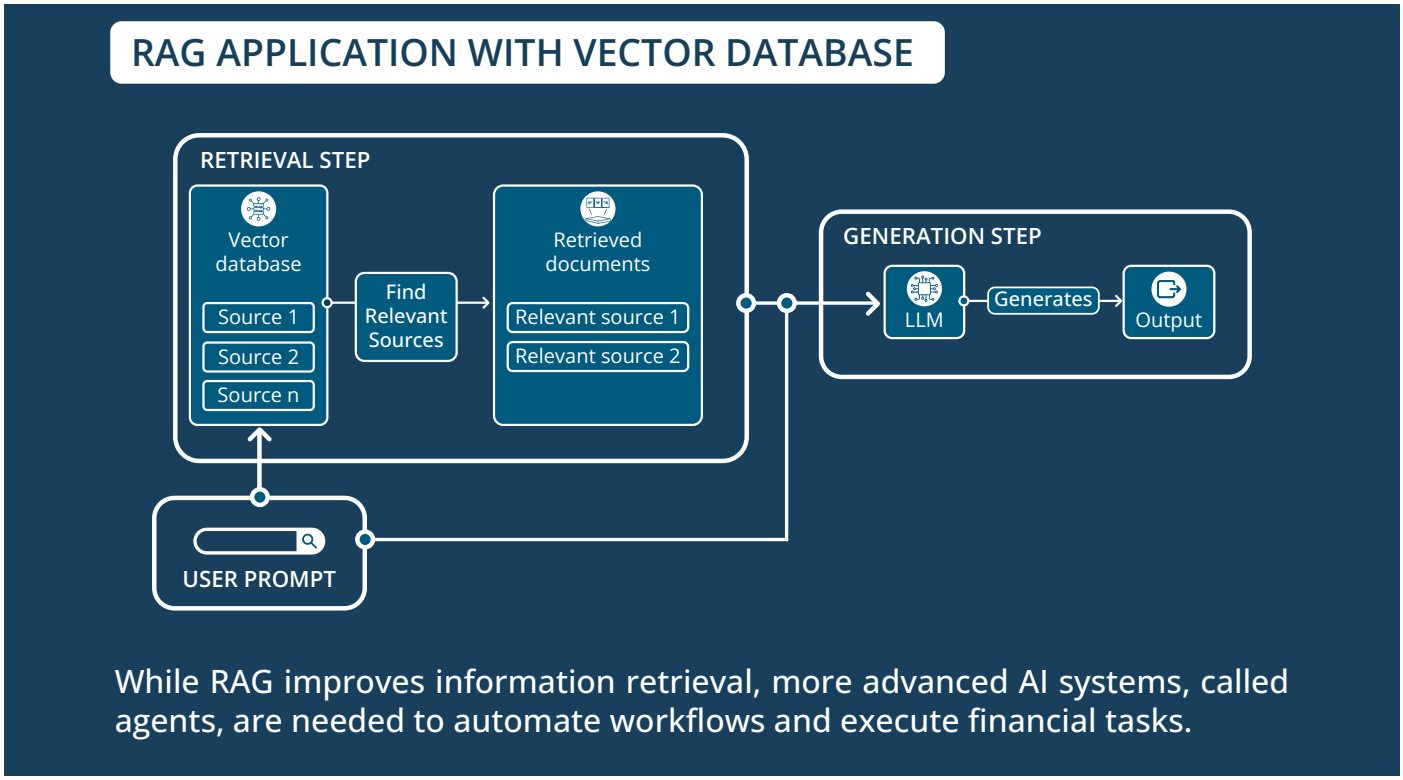
ENHANCING ACCURACY AND RELIABILITY: HOW RETRIEVAL-AUGMENTED GENERATION (RAG) ADDRESSES THE CHALLENGE

One key challenge with Large Language Models (LLMs), which power GenAI tools like ChatGPT, is ensuring accuracy and preventing misleading outputs, known as hallucinations. LLMs work by predicting the next word in a sequence based on patterns they have learned from extensive datasets. This means they can sometimes produce responses that seem plausible but are factually incorrect.

Retrieval-Augmented Generation (RAG) addresses this issue by combining the capabilities of LLMs with trusted sources of information. Rather than relying only on training data, RAG grounds the LLM's response in relevant information from databases or documents, ensuring responses are based on verified sources.

For an LLM to answer questions using proprietary information it hasn't been trained on, you must include that information in the prompt. Due to token limits, an LLM can process only about 50 pages per interaction, making it impractical to include all relevant documents at once.

RAG enhances the LLM by retrieving only the most relevant information needed to answer an interaction. First, the company's documents are broken into smaller sections and converted into embeddings, mathematical representations of words and phrases. These embeddings are stored in a vector database. When a user submits a n interaction, the system retrieves the most relevant embeddings from the database. The retrieved context, along with the original question, is then fed to the LLM. This ensures that responses are based on specific, retrieved data rather than just the model's general knowledge.



While RAG improves information retrieval, more advanced AI systems, called agents, are needed to automate workflows and execute financial tasks.

BEYOND RETRIEVAL: THE ROLE OF AUTONOMOUS AI AGENTS

While RAG improves the reliability of financial data retrieval, many investment firms need more than just document search. They need AI to handle time-consuming, repetitive tasks autonomously. For example:

- Extracting key financial figures and integrating them into fund management systems
- Retrieving external market data for due diligence
- Automating elements of financial modeling, scenario analysis, and sensitivity testing

These tasks require **agentic AI systems**, self-directed systems that interact with multiple data sources, perform tasks, and generate ready-to-use insights. Unlike basic RAG implementations, autonomous AI agents go beyond data retrieval. They execute complex workflows to enhanc decision-making and allow analysts to focus on high-value tasks like deal structuring and portfolio optimization.

SCALABILITY AND SECURITY: WHY EXTERNAL SOLUTIONS OUTPERFORM DIY IMPLEMENTATIONS

Investment firms adopting AI must choose between developing in-house solutions, waiting for financial software providers to improve, or exploring new market entrants. While building in-house may seem appealing for control and customization, it comes with significant challenges.

Building a scalable AI solution that searches across vast data sources requires significant infrastructure and specialized architecture to process large datasets efficiently. Building such a system from scratch is time-consuming and costly, leading to long development timelines and delayed benefits. As a result, in-house efforts may only provide basic search functions across a few dozen documents, far from the deep analysis needed. It's no surprise, then, that only about 5% of portfolio companies have scaled their generative AI initiatives beyond experimentation. Experts attribute this to challenges in change management, data governance, and achivieving a tangible ROI[7].

Security Considerations

Beyond scalability, safeguarding sensitive information and managing access controls require specialized expertise. A critical challenge is balancing security with seamless collaboration: how can firms ensure strict access controls and regulatory compliance without hindering workflows?

For example, in a multi-asset firm, the public investment team should not have access to private equity deal data due to strict regulatory and compliance requirements. Similarly,

[7] https://www.mckinsey.com/industries/private-capital/our-insights/a-clear-eyed-view-of-gen-ai-for-the-private-equity-industry
Brian Vickery: How are most companies approaching these archetypes? Are they initially trying out one? Is anyone adopting all four?
Ben Ellencweig: Yesterday, I participated in a forum with about 65 PE operating partners. I asked how many have portfolio companies that are adopting gen AI, and about 60 percent put their hands up. Then I asked this subset if their companies are not only experimenting but also in production at scale, and only three hands, or about 5 percent, stayed up. I would say this is typical of what we see.

analysts working on a leveraged buyout should not see confidential details from the firm's distressed debt division to prevent conflicts of interest. Managing these boundaries while enabling efficient collaboration requires well-defined user permissions, audit trails, and real-time monitoring.

Restricting access to critical data requires robust security measures, continuous monitoring, and dedicated technical resources. Deploying AI securely requires balancing performance, compliance, and risk mitigation, which is an ongoing challenge. **This is why AI solutions designed for investment professionals, whether built internally or sourced externally, must prioritize compliance, data governance, and domain-specific security standards.**

Data Accuracy and Maintenance Challenges

Finally, data accuracy remains a fundamental challenge. Corporate datasets often contain duplicates, outdated records, and multilingual content, all of which impact AI performance. Without rigorous data validation and governance, AI models risk delivering insights that are incomplete, redundant, or misleading. Staying current with AI advancements adds another layer of complexity to in-house development. In addition, AI models evolve rapidly, and keeping them updated without major overhauls can strain internal resources. This ongoing maintenance is both time-consuming and costly. Without dedicated teams to manage these updates, firms risk falling behind as outdated models may not provide the competitive edge needed in today's fast-paced market.

In summary, developing a scalable, secure, and up-to-date AI solution internally is both resource-intensive and time-consuming. Firms may face long development timelines, delayed benefits, and limited functionality, falling short of the deep analysis and security needed for a competitive edge.

As AI adoption progresses, private equity-focused software providers will refine their solutions to better address industry needs. Meanwhile, new players may introduce alternative approaches, creating further opportunities for more tailored applications. No matter the approach, firms should ensure their AI solutions, whether built in-house or purchased, are designed by experts who understand the complexities of financial analysis and investment workflows.

FINANCE-SPECIFIC AI: UNLOCKING DEEPER INSIGHTS

AI can streamline private equity workflows from deal sourcing and due diligence to portfolio monitoring and exits. However, not all AI solutions are built to handle the complexities of financial analysis. General-purpose AI and basic Retrieval-Augmented Generation (RAG) systems often struggle with the highly specialized language, numerical precision, and regulatory requirements of alternative finance. For example, a generic AI might extract EBITDA from a financial model without distinguishing between Reported EBITDA, Adjusted EBITDA, or Pro Forma EBITDA – a critical oversight in private equity valuation.

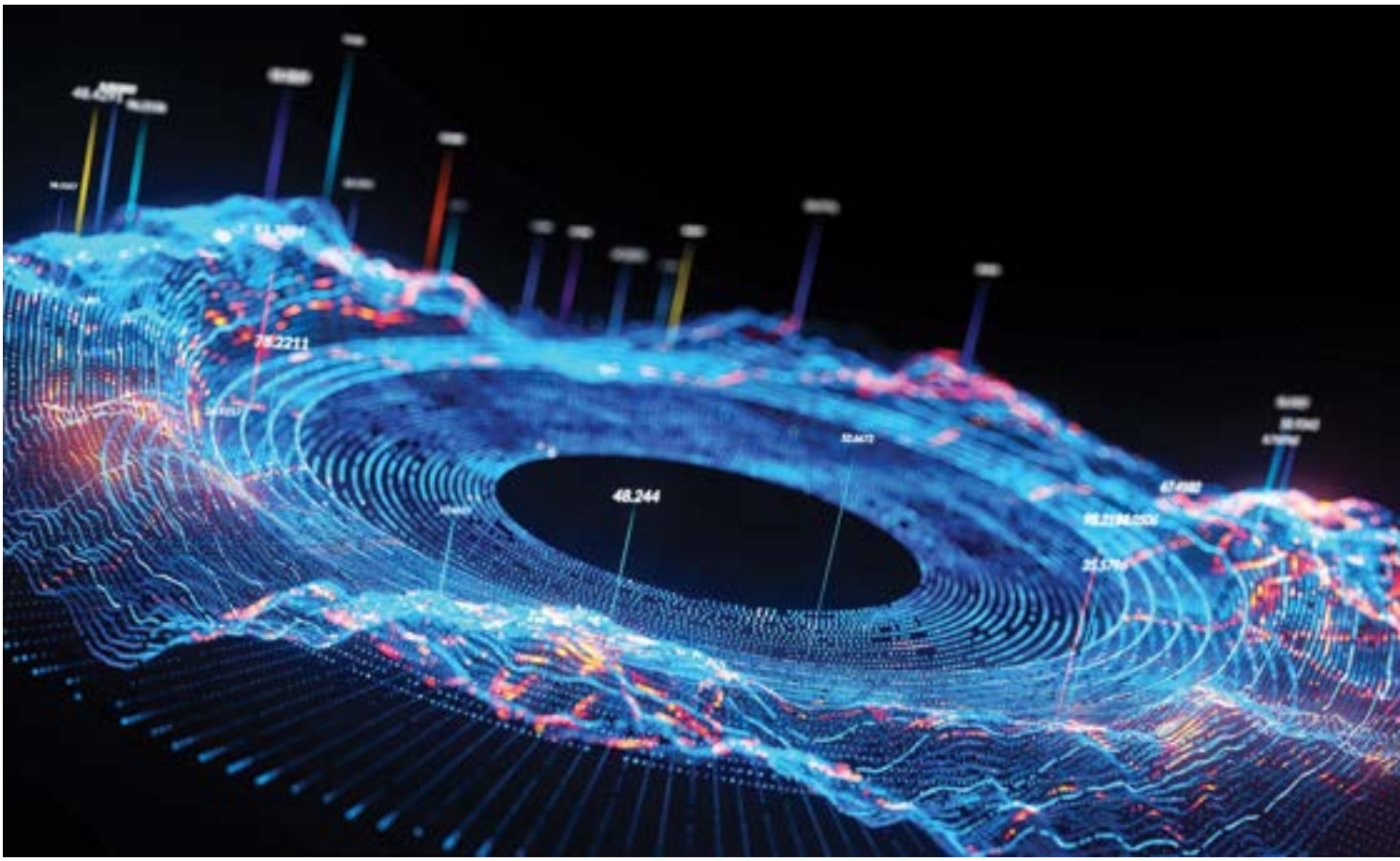
For effective financial analysis, AI must do more than process data. It needs deep financial expertise and the ability to interpret industry-specific documents, data structures, and analytical models. This includes financial statements and models, due diligence documents, investor and fund reports, as well as market and benchmarking data. Additionally, much financial data is presented visually in charts, graphs, and infographics. For example, an AI reviewing an investor pitch deck must analyze not only the text but also financial projections embedded in tables and the competitive landscape shown in charts. If the AI fails to extract insights from visuals, it may overlook key information like revenue trends, customer logos, which indicate major clients and their industries, or broader market positioning.

AI adoption itself is not the biggest hurdle. Successful implementation requires more than just installing new software. Firms need clear governance policies, ongoing maintenance, and continuous monitoring to ensure AI delivers real value over time. Equally important is user adoption. Without clear use cases and proper training, investment teams may struggle to integrate AI into their workflows, limiting its impact.

A finance-specialized AI system is designed to align with industry-specific workflows, regulatory requirements, and the complex financial data structures. By accurately interpreting both structured data (Excel models, financial KPIs) and unstructured information (contracts, expert call transcripts), these solutions help firms generate precise, actionable insights. This improves investment analysis, risk assessment, and operational efficiency—without the overhead of maintaining an AI system in-house. As AI technology continues to evolve, the smartest approach is to adopt and integrate the best available tools, enhancing competitiveness without unnecessary complexity.

Comparison of AI Approaches: Vertical AI vs. Homemade AI vs. Generalist AI

CRITERIA	VERTICAL AI (Specialized for Finance/PE)	HOMEMADE AI (Internally developed)	GENERALIST AI (Broad but non-specific)
Performance	Highly optimized for financial analysis	Varies depending on internal expertise	Lacks financial specificity
Relevance	Built for PE & investment workflows	Can be relevant but requires extensive training	Lacks deep financial context
Security	Designed for financial data protection	Requires dedicated security teams	Higher risk due to general data access models
Cost	Higher licensing fees	High development & maintenance costs	Low-cost, widely available
Implementation Time	Faster than in-house but requires integration	Long development cycle	Immediate access
Maintainability	Supported by vendors with domain expertise	Requires ongoing internal maintenance	Regular updates but not finance-specific
Scalability	Designed for large-scale financial applications	Expensive & complex to scale	Easily scalable but lacks financial precision
Adaptability	Evolves with financial market needs	Customizable but resource-heavy	Adapts broadly but not for finance-specific challenges



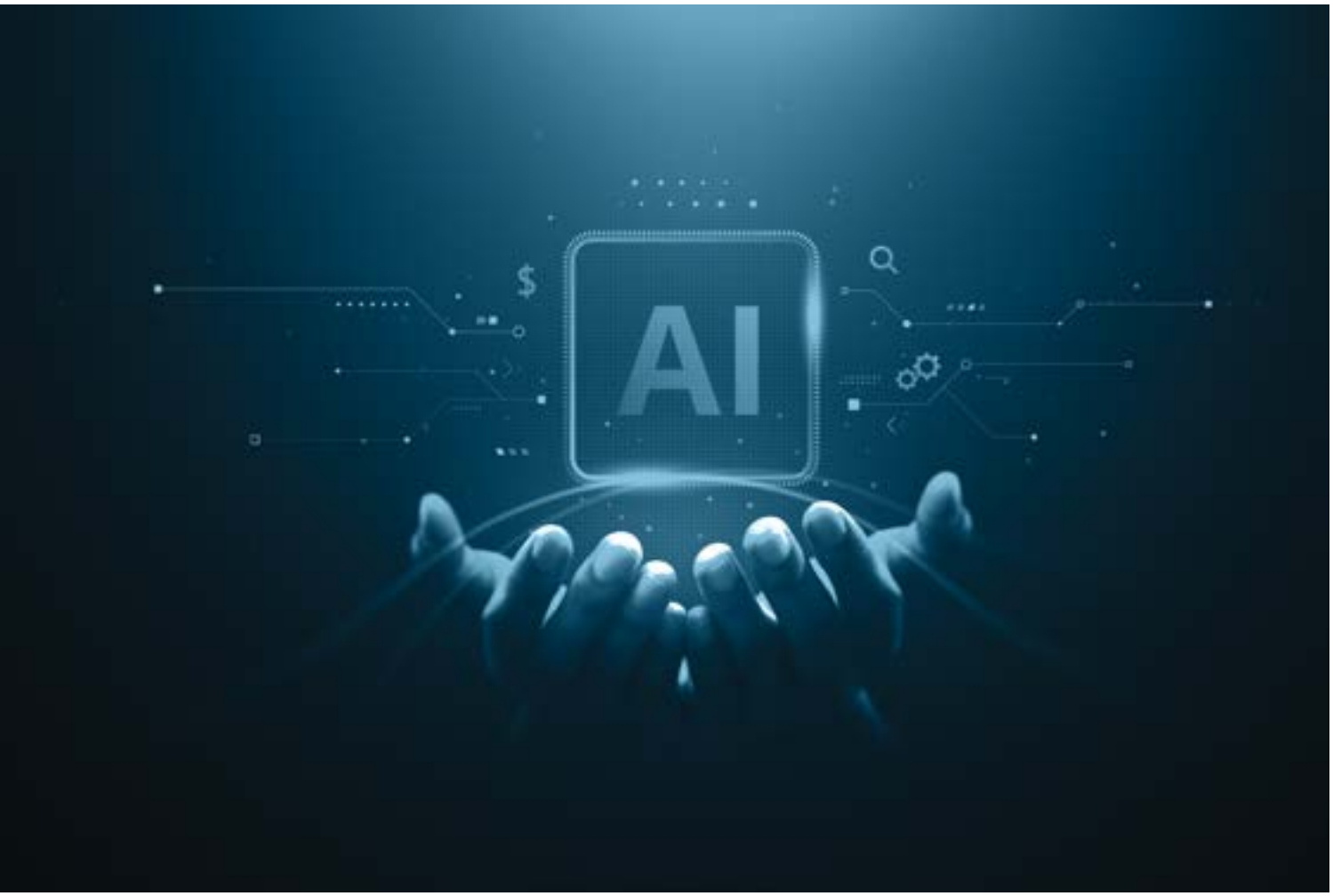
Conclusion

The alternative investment industry is at a turning point. Firms that adopt AI strategically won't just improve efficiency. They will redefine investment decision-making. The challenge is no longer whether to adopt AI, but how to integrate it effectively. With 97% of PE leaders already seeing AI's impact and 62% anticipating fundamental transformation[9], the industry is shifting from experimentation to full-scale implementation.

However, not all AI solutions are created equal. Generic models lack the depth, security, and precision needed for investment decision-making. The firms that gain a competitive edge will be those investing in AI built for finance, capable of handling complex workflows, regulatory compliance, and specialized investment data.

Early adopters will set the new industry standard, while firms that delay risk falling behind in deal execution, risk assessment, and investor trust. Now is the time to rethink data strategies, automate intelligently, and embed AI-driven insights into investment decisions.

The future belongs to firms that make AI a core driver of investment success, turning data into smarter deals, faster decisions, and higher returns.



CHOOSING & IMPLEMENTING AI FOR PRIVATE EQUITY

DEFINE YOUR NEEDS & OBJECTIVES

What is the primary goal of AI adoption?

- ☑ Efficiency & automation
- ☑ Risk mitigation
- ☑ Value creation

Which investment lifecycle stage should AI support?

- ☑ **Deal sourcing**: Identifying & prioritizing opportunities
- ☑ **Due diligence**: Automating data extraction, risk assessment & benchmarking
- ☑ **Portfolio management**: Real-time monitoring, performance tracking & reporting
- ☑ **Exit strategies**: Optimizing timing, valuation insights & buyer analysis
- ☑ **LP relationships**: Enhancing reporting, sentiment analysis & engagement tracking

What key challenges should AI help solve?

EVALUATE AI SOLUTIONS

- ☑ **Integration**: Does it work with your existing tools (CRM, data platforms, SharePoint)?
- ☑ **Scalability**: Can it be applied across all funds and data sets?
- ☑ **External data**: Does it incorporate third-party data for deeper insights?
- ☑ **Transparency**: Is the AI's decision-making auditable & explainable?
- ☑ **Compliance**: Does it meet regulatory & data privacy standards?
- ☑ **Control access rights**

ENSURE A SMOOTH IMPLEMENTATION

Training & onboarding:

- ☑ Are teams equipped to interpret AI-driven insights?
- ☑ What's the learning curve & implementation timeline?

Vendor support:

- ☑ Does the provider offer hands-on assistance & customization?
- ☑ What are the SLA (Service Level Agreement) terms for support?

MEASURE ROI & SUCCESS

Key performance indicators (KPIs):

- ☑ Faster deal closure
- ☑ Cost savings
- ☑ Risk reduction
- ☑ Increased returns
- ☑ User satisfaction

FIRST STEPS TO GET STARTED

- ☑ **Pilot project**: Start with a test case in one investment area
- ☑ **Feedback loop**: Collect user input & refine AI implementation
- ☑ **Security & compliance**: Ensure AI meets all legal & cybersecurity requirements
- ☑ **Scale adoption**: Expand AI usage across portfolio companies

GLOSSARY

A

AI-Augmented Tools – Artificial intelligence-powered applications that enhance human decision-making and automate data analysis.

Alternative Investments – Non-traditional assets such as private equity, hedge funds, and venture capital.

Arbitrage Opportunities – Situations where investors can take advantage of price differences in different markets or securities.

B

Baseline for Data Analysis - The industry standard or minimum level of analytical capability required to remain competitive.

Big Data – Large volumes of structured and unstructured data used for analysis and decision-making.

C

Change of Control Clause – A contractual provision that triggers specific rights or obligations in the event of a change in company ownership.

Commoditized AI – Artificial intelligence technologies that have become widely available and require minimal specialized expertise to implement.

Competitive Edge – The advantage firms gain by adopting AI and advanced data analytics before competitors.

Competitive Necessity – The requirement for firms to integrate AI-driven data analysis to avoid falling behind in the industry.

D

Data Embeddings – A numerical representation of words or phrases that AI models use to identify patterns and relationships in text.

Data Operations – The management, processing, and analysis of financial and investment-related data.

Decision-Making Capabilities – The ability to make informed investment decisions using AI-powered insights.

Deal Monitoring – The ongoing analysis of investment deals to track performance and risks.

Deal Sourcing – The process of identifying potential investment opportunities.

Due Diligence – The process of investigating a company's financial and operational health before investment.

E

Early Adopters – Firms that implement AI technologies before they become industry-standard.

Exit Planning – The strategy for selling or liquidating an investment position.

F

Financial Documents – Structured and unstructured records such as reports, contracts, and statements used in financial analysis.

G

General Partners (GPs) – Investment managers responsible for making decisions on behalf of a fund.

Generative AI (GenAI) – AI technology capable of producing text, reports, and insights based on learned patterns.

H

Hallucinations – AI-generated outputs that are incorrect or misleading due to limitations in training data.

I

Industry-Specific Terminology – Technical terms and jargon unique to the financial sector that AI must accurately interpret.

Information Asymmetry – A market condition where one party has more or better information than another.

Internal Rate of Return (IRR) – A financial metric used to evaluate the profitability of an investment.

Investment Firms – Companies that manage capital and investments on behalf of clients or stakeholders.

Investment Monitoring - The process of tracking and analyzing financial performance within a portfolio.

Investor Expectations - The anticipated performance and reporting standards demanded by financial stakeholders.

L

Large Language Models (LLMs) – Advanced AI models trained to generate human-like text responses.

Limited Partners (LPs) – Investors who provide capital to a fund but do not participate in its daily operations.

M

Market Position – A company's competitive standing within an industry, often analyzed using AI.

Multimodal AI - AI that can process and interpret multiple types of data, such as text, images, and structured tables, making it valuable for analyzing financial reports, pitch decks, and market research.

N

Natural Language Query – A user input in plain language that AI interprets to generate responses.

P

Portfolio Monitoring – The continuous tracking and analysis of an investment portfolio's performance.

Proprietary Data – Internal or exclusive financial data owned by a company.

R

Retrieval-Augmented Generation (RAG) – An AI framework that retrieves relevant data before generating responses.

Risk Assessment – The evaluation of potential financial risks in investment decisions.

ROI (Return on Investment) – A metric used to measure the profitability of an investment.

S

Scalability Issues – Challenges in expanding AI systems to handle large volumes of financial data.

Sentiment Analysis – AI-driven evaluation of opinions and attitudes in financial reports, news, or social media.

Stakeholders – Individuals or groups with an interest in an investment's performance, such as investors and regulators.

Structured Data – Organized data in formats such as tables, spreadsheets, or databases.

T

Token Limitations – Restrictions on the amount of text an AI model can process in a single request.

U

Untapped Data - Valuable financial information that remains unused due to technological or resource constraints.

Unstructured Data – Information that does not follow a predefined format, making it difficult to store, search, and analyze using traditional databases. Unlike structured data (which is organized into tables, rows, and columns), unstructured data exists in free-form formats such as text, images, audio, and video.

V

Vector Database - A type of database optimized for storing and searching high-dimensional representations of data, commonly used for AI-driven document retrieval.

ABOUT SINEQUA BY CHAPSVISION

Sinequa transforms how work gets done. Sinequa's Agent augment your company by augmenting employees with a knowledgeable, accurate, secure work partner so they are more effective, more informed, more productive, and less stressed. Best of all, Sinequa Asgent streamline workflows and automatically navigate the chaotic enterprise information landscape, so that employees can skip the grind and focus on doing the kind of work that makes the most impact. Sinequa's Agent achieve this by combining the power of comprehensive enterprise search with the ease of generative AI in a configurable and easily managed Agent framework, for an accurate, traceable, and fully secure conversational experience. Deploy an out-of-the-box Agent or configure a tailored experience and specialized workflow to augment your people and your company. For more information, visit www.sinequa.com.

www.sinequa.com


Sinequa.
by ChapsVision