

## XTAL Launches the Private Fund Forward Exchange (PRIFFE), to Better Address Illiquidity and Market Risk of Private Market Funds

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### **LONDON and MILAN**

XTAL, a fintech innovator in the global private market industry, is pleased to announce the official launch of the Private Fund Forward Exchange (PRIFFE), the first all-to-all, institutional derivative risk transfer platform for private market fund interests.

PRIFFE introduces and facilitates risk transfer transactions, like forwards, swaps and OTC option contracts, on unlisted private market fund portfolio allocations as well as interests in individual funds.

PRIFFE bridges the private market functionality gap represented by the lack of derivative solutions. For every other asset class, derivatives complement and amplify secondary liquidity and primary issuance, improving access, portfolio and, critically, risk management.

Till today, private markets' traditional practices have prevented the possibility of developing derivatives to trade expected returns, to give investors certainty to meet future liquidity needs or hedge portfolios. This fact has left private market portfolios defenseless, exposed to changes in economic and market conditions, like the current events, facing the risk of cash imbalances and shortages, and denominator effect spirals.

PRIFFE exploits XTAL's proprietary IP to overcome private fund cash flows and NAVs' opacity and non-fungibility. It translates them in intelligible bond-like yields, transparently and easily exchangeable with derivatives over any future maturity, ultimately shaping private market funds' yield term structure.

Adopting established capital markets' standards for derivatives trading and counterparty risk mitigation, PRIFFE enables all private market participants to better achieve their business objectives. LPs and asset owners, which aim to optimise their private fund allocations, lock-in expected returns, streamline income generation, optimize the J-curve of cash flows or manage market and funding risk, investment/disinvestment pacing and denominator effects. Intermediaries, which launch new products and manage existing ones. Liquidity providers, which target diverse risk exposures and return pickups. GPs, which have a vested interest in providing LPs with a wider suite of asset allocation solutions.

Massimiliano Saccone, CFA, XTAL's founder and CEO, commented: "Leveraging the strong foundation of XTAL's domain expertise, its intellectual capital and vision, PRIFFE delivers industry participants the missing risk transfer toolkit to harness the full liquidity potential of the private markets. In parallel, PRIFFE addresses the related crucial instances of valuation transparency, which are high on the agenda of regulators and broader segments of market participants demanding tradeable products that are impeccably designed, efficient and accessible. By allowing investors to trade future return expectations, PRIFFE creates an objective framework to explicitly price the fairness of current private fund NAV valuations, increasing multi-asset comparability, trust, and possibility of wider, risk-aware acceptance of the asset class".

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## About XTAL

XTAL Strategies is an innovative fintech company, developing private market analytics, indices, pricing, trading technology and solutions for private market industry participants. PRIFFE is a brand and division of XTAL Markets Ltd, which is the wholly-owned subsidiary of XTAL Strategies and is an appointed representative of Alpha Key Capital which is authorized and regulated by the Financial Conduct Authority. XTAL has offices in Milan and London team and is led by seasoned executives with an unrivaled track record in indexing and exchange traded private equity investments vehicles, building several “first-ever” solutions and pioneering private market democratization products.