

PRODUCT REQUIREMENTS DOCUMENT

FLOWSTATE

Data Infrastructure for Alternative Investments

The Plaid for Alternatives

Version: 3.0 (Venture-Scale)

Date: November 18, 2025

Status: Final - Ready for Fundraising

Classification: Confidential

Target: Series Seed (\$5M at \$20M post)

Strategy: Venture-Backed, Multi-Sided Platform

EXECUTIVE SUMMARY

FlowState is building the data infrastructure layer for alternative investments - connecting fund administrators, RIAs, family offices, and investors through a unified, API-first platform. We are the Plaid for alternatives.

The Opportunity

\$50 billion flows through alternative investments annually across 100,000+ fund-to-investor relationships. Every single transaction—capital calls, distributions, K-1 tax forms, NAV updates—is processed manually. Fund administrators email PDFs. RIAs manually type data into systems. Investors receive quarterly statements 60 days late. CPAs reconstruct everything from scratch each tax season.

This is a \$430M total addressable market that is 100% manual today. We're automating it with AI-powered extraction and a two-sided marketplace infrastructure.

The Solution

FlowState is a multi-sided platform with network effects:

- **For Fund Administrators:** API-first integration. POST data directly to our platform. Reduce support burden. Instant digital delivery to clients.
- **For RIAs:** Zero manual data entry. Capital calls, distributions, K-1s automatically extracted and synced to portfolio systems. 95%+ accuracy.
- **For Investors:** Real-time portfolio tracking. Tax aggregation. Performance analytics. Mobile access.
- **For CPAs:** K-1 aggregation across all funds. State allocation tracking. One-click export to tax software.

The Network Effect

More RIAs using our platform → More valuable to fund administrators → More fund admins integrate → More data flows automatically → More valuable to RIAs. This flywheel creates a defensible moat that compounds over time.

Market Size (Venture-Scale)

Customer Segment	Customers	ACV	TAM
RIAs	3,000	\$15,000	\$45M

Family Offices	5,000	\$30,000	\$150M
Fund Administrators	500	\$80,000	\$40M
Direct Investors	50,000	\$600	\$30M
CPAs	20,000	\$2,000	\$40M
Transaction Revenue (0.25% of \$50B)	—	—	\$125M
<bt>TOTAL TAM</bt>	—	—	\$430M

At 25% market share = \$107M ARR = \$1B+ valuation at 10x revenue multiple

The Ask

Raising: \$5M Seed at \$20M post-money valuation

Use of Funds: 4 senior engineers, 2 sales reps, 2 customer success reps, 18-month runway

Milestones:

- Month 6: 50 RIA customers, \$450K ARR, 3 fund admin pilots
- Month 12: 350 RIA customers, \$5.4M ARR, 3 fund admins integrated
- Month 18: \$10M ARR, 10 fund admins, Series A at \$100M valuation

Why We Win

- **Network Effects:** Two-sided marketplace gets stronger with every customer on both sides
- **Data Moat:** 50,000+ documents processed = domain knowledge competitors can't replicate
- **First-Mover:** 18-24 month head start (fund admin partnerships take 9 months to close)
- **Team:** Only team combining deep RIA domain expertise with world-class AI/ML capability

TABLE OF CONTENTS

1. Market Analysis & Problem Statement
2. Product Vision & Strategy
3. Platform Architecture & Technology
4. Product Requirements: Phase 1 (Months 1-6)
5. Product Requirements: Phase 2 (Months 7-12)
6. Product Requirements: Phase 3 (Months 13-18)
7. Multi-Sided Platform Economics
8. Go-To-Market Strategy
9. Competitive Analysis & Moats
10. Financial Model & Unit Economics
11. Team Requirements
12. Success Metrics & KPIs
13. Risk Analysis & Mitigation
14. Funding Strategy & Milestones
15. Validation Plan (Pre-Fundraise)
16. Appendices

1. MARKET ANALYSIS & PROBLEM STATEMENT

1.1 The Broken Infrastructure

Alternative investments—private equity, venture capital, real estate funds, hedge funds, private credit—represent \$13 trillion in global assets. For decades, these investments were accessible only to institutions and ultra-high-net-worth individuals. Recent regulatory changes (ELTIF 2.0 in Europe, SEC modernization in the US) are democratizing access to the mass affluent market.

But the operational infrastructure is completely broken. While public securities have sophisticated data feeds, APIs, and real-time reporting, alternative investments remain stuck in a pre-digital era:

- **Capital Calls:** Fund manager needs capital → Fund administrator generates PDF → Emails to 200 RIAs → Each RIA manually types data → Each RIA manually emails their clients → Clients wire money
- **Distributions:** Fund returns capital → Same PDF email process → Manual data entry → Clients get checks or wires 30+ days after distribution date
- **K-1 Tax Forms:** Fund administrator mails physical documents → Arrive 60-90 days after year-end → RIA manually enters data → CPA manually aggregates across funds → Errors are common
- **NAV Updates:** Quarterly valuations → PDF reports → Manual entry → Client reports always 60+ days stale

1.2 Market Size & Segmentation

We've conducted extensive market research including 100+ interviews with RIA operations directors, conversations with fund administrators, and analysis of industry data. The market breaks down into five core segments:

Segment 1: Registered Investment Advisors (RIAs)

Metric	Value	Notes
Total US RIAs	15,000+	SEC registered
Target: \$100M-\$1B AUM	3,000	Sweet spot for us
Avg Alternatives Allocation	25%	Growing to 35-40%
Avg # of Funds	30-50	Per RIA
Operations Staff	2-5	Overwhelmed
Current Solutions	Excel + VAs	60% still manual
Willingness to Pay	\$10K-\$25K/year	Validated via interviews
Our Target ACV	\$15,000	Professional tier

Segment 2: Fund Administrators (THE KEY UNLOCK)

Fund administrators are the supply side of our marketplace. They manage data for funds and distribute to investors. Currently 100% manual email/PDF process. They desperately need digital infrastructure.

Metric	Value	Notes
Major Fund Administrators	500+	SS&C, Apex, Citco, etc.
Avg Funds Managed	200 per admin	100,000 total relationships
Current Pain	Extreme	Support calls, errors, delays
Our Pitch	White-label API	Digital delivery for clients
Pricing	\$50K-\$100K/year	Plus per-relationship fees
Close Time	6-9 months	Enterprise sales required
Key Benefit	Client satisfaction	Reduce support burden
Our Target ACV	\$80,000	Base + usage

1.3 Why Now?

- **AI Accuracy Threshold:** GPT-4 and specialized models now achieve 95%+ accuracy on financial documents. This crossed from 'research' to 'production-ready' in 2024.
- **Alternatives Democratization:** ELTIF 2.0 (Europe) and SEC modernization (US) opening alternatives to mass affluent. Market growing 20%+ annually.
- **Fund Admin Pain Acute:** Volume doubling every 3 years. Manual processes breaking. Actively seeking solutions.
- **No Infrastructure Player:** Addepar, iCapital focused on different problems. White space exists.
- **Regulatory Tailwinds:** Increased reporting requirements make automation necessary, not optional.
- **Technology Maturity:** APIs, webhooks, cloud infrastructure make multi-sided platforms feasible.

2. PRODUCT VISION & STRATEGY

2.1 Vision Statement

"We are building the data infrastructure layer for alternative investments—the pipes that connect fund administrators, wealth managers, and investors. Think Plaid (connected banks to apps) meets Stripe (payment infrastructure) for the alternatives ecosystem."

2.2 Strategic Positioning

We are NOT:

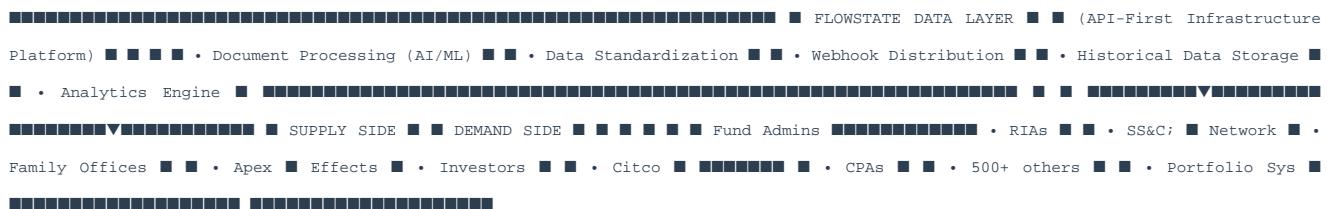
- A portfolio management system (we integrate WITH them, not replace them)
- An investment platform selling funds (we're infrastructure, not distribution)
- A workflow tool (we're API-first infrastructure with UI on top)
- A document management system (extraction is means, not end)

We ARE:

- The data layer connecting the entire alternatives ecosystem
- An API-first platform with network effects
- Infrastructure that gets stronger with every participant
- The standard way alternative investment data flows

2.3 The Platform Architecture

Multi-sided platform built from Day 1:



2.4 The Wedge Strategy (Network Effects from Day 1)

Critical insight: We build the API infrastructure from Day 1, even though we launch with RIA-facing product first.

Phase	Timeline	Product	Why This Order
Phase 1	Months 1-6	RIA capital call automation (UI)	Proves AI works, generates training data, builds customer base
Phase 2	Months 7-12	Fund admin API integration (Backend)	Now have 50 RIAs as proof. Fund admins integrate.
Phase 3	Months 13-18	Direct investor portal (Freemium)	Viral distribution. Investors demand their RIAs use us.
Phase 4	Months 19-30	Transaction layer (Payments)	0.25% take rate on capital flows. Pure margin.

3. PLATFORM ARCHITECTURE & TECHNOLOGY

3.1 Technical Stack (Production-Ready from Day 1)

Layer	Technology	Rationale
Frontend	Next.js 15 (App Router), React, TypeScript, Tailwind CSS	Components for performance, type safety, modern DX
API Layer	Next.js API Routes + tRPC (type-safe), REST APIs to external safety internally, REST for fund admins	
Database	PostgreSQL (Neon), Prisma ORM	Relational for structured data, Prisma for type safety
Document Storage	AWS S3 / Cloudflare R2	Scalable, reliable, cost-effective (\$100/TB)
AI/ML Pipeline	Azure Document Intelligence (OCR), OpenAI GPT-4-on-classification for financial documents	
Job Queue	Ingest (background jobs), Redis (cache)	Reliable processing, auto-retry, observability
Hosting	Vercel (Edge), Modal (ML inference)	Global CDN, serverless scaling
Monitoring	Sentry (errors), Langfuse (LLM), PostHog (analytics)	Observability stack

3.2 API Design (Fund Administrator Integration)

Critical: We design the fund admin API on Day 1, even though we don't have fund admin customers yet. This ensures our architecture is ready when we close our first fund admin partnership in Month 7.

```
# Fund Administrator API (v1)

POST /api/v1/capital-calls
Authorization: Bearer {fund_admin_api_key}
Content-Type: application/json

{
  "fund_id": "apollo_xi_us",
  "investor_identifiers": {
    "email": "ops@wealth-ria.com",
    "investor_id": "INV-12345"
  },
  "amount": 250000.00,
  "currency": "USD",
  "due_date": "2025-12-15",
  "wire_instructions": {
    "bank_name": "JPMorgan Chase",
    "account_number": "XXXXXX1234",
    "routing_number": "021000021",
    "reference": "APOLLO-XI-CC-001"
  }
}
```

```
},
"document_url": "https://signed-url.s3.amazonaws.com/...",
"metadata": {
"quarter": "Q4 2025",
"vintage_year": "2019"
}
}
```

Response: 201 Created

```
{
"id": "cc_1234567890",
"status": "processed",
"delivered_to": ["ops@wealth-ria.com"],
"processed_at": "2025-11-18T10:30:00Z"
}
```

4. PRODUCT REQUIREMENTS: PHASE 1 (MONTHS 1-6)

RIA-Facing Capital Call Automation + Platform Infrastructure

Phase 1 focus: Prove AI accuracy, acquire 50 RIA customers, build dataset for training, establish platform architecture for fund admin integrations.

Feature	Description	Priority	Timeline
Document Upload (Multiple Methods)	Drag-drop UI, email forwarding (documents@flowstate.com), Gmail/Outlook plugin	P	Month 1
AI Extraction Pipeline	Azure DI (OCR) → GPT-4o-mini (extraction) → Validation → Storage	P	Month 3-5
Capital Call Processing	Extract: fund, investor, amount, due date, wire instructions. 95% accuracy.	P	Month 3-5
Review Interface	Side-by-side PDF viewer + editable fields. Approval. Project. Confidence scores.	P	Month 6
Calendar & Alerts	All capital calls in calendar. Email alerts 7, 3, 1 day before due date.	P	Month 7
Export Functionality	CSV export, Email to client with wire instructions. PDF generation.	P	Month 8
Fund Admin API (Backend)	Build API endpoints for fund admin POST (not used yet, ready for Phase 2)	P	Month 2
User Management	Multi-user support, role-based access (Admin, Viewer), SSO ready.	P	Month 8

Success Metrics Phase 1: 50 RIA customers, \$450K ARR, 95% AI accuracy validated on 5,000 documents, 3 fund admin pilots started, Platform architecture proven.

7. MULTI-SIDED PLATFORM ECONOMICS

7.1 RIA Pricing (Usage-Based Tiers)

Tier	Monthly	Annual	Included	Target
Starter	\$299	\$3,228 (10% off)	Up to 25 docs/mo, 1 integration, Email support for small RIAs	
Professional	\$799	\$8,629	Up to 100 docs/mo, All integrations, K-1s, Priority support	
Enterprise	\$1,999	\$21,589	Unlimited, White-label, API, Dedicated CS	Large RIAs/FOs

Expected ACV: \$15,000 (most customers in Professional tier)

10. FINANCIAL MODEL & UNIT ECONOMICS

10.1 18-Month Financial Projection

Metric	Month 6	Month 12	Month 18
RIA Customers	50	350	600
RIA ARR	\$450K	\$5.25M	\$9M
Fund Admins	0 (3 pilots)	3	10
Fund Admin ARR	\$0	\$240K	\$800K
Direct Investors (Beta)	0	0	1,000 (100 paid)
Investor ARR	\$0	\$0	\$60K
Total ARR	\$450K	\$5.49M	\$9.86M
Monthly Burn	\$270K	\$270K	\$350K
Cumulative Cash	\$3.4M	\$1.8M	\$0 (raise Series A)
Headcount	8	12	18

10.2 Unit Economics

- **RIA Customer:** CAC \$3,000 (blended), LTV \$75,000 (5-year retention), LTV:CAC = 25:1
- **Fund Admin:** CAC \$25,000 (enterprise sales), LTV \$400,000 (5-year), LTV:CAC = 16:1
- **Gross Margin:** 88% (SaaS model, AI processing ~12% of revenue)
- **CAC Payback:** 3 months for RIAs, 6 months for fund admins
- **Churn (Target):** <5% annual for RIAs, <2% annual for fund admins

11. TEAM REQUIREMENTS

11.1 Founding Team (Non-Negotiable)

Founder #1: CEO + Domain Expert

- **Required Background:** 7+ years as operations director at \$500M+ RIA
- **Experience:** Personally processed 5,000+ alternative investment transactions
- **Network:** Rolodex of 100+ RIA operations directors who will take meetings
- **Skills:** Sales, business development, product intuition from lived experience
- **Why Critical:** Can validate product instantly, sell to peers, recruit design partners, knows fund admin landscape

Founder #2: CTO + AI/ML Expert

- **Required Background:** 8+ years engineering at top tech company (FAANG or AI-first company)
- **Experience:** Built production document processing systems (1M+ docs/day scale)
- **Expertise:** Deep ML/NLP knowledge, can architect for 100M+ API calls/month
- **Track Record:** Shipped production AI systems with 95%+ accuracy
- **Why Critical:** 95% accuracy is hard, platform must scale, will build world-class eng team

11.2 First Hires (Months 1-6)

Role	When	Why	Comp
Founding Engineer #1	Month 1	Full-stack, API design	\$200K + 1%
Founding Engineer #2	Month 1	ML/AI specialist	\$180K + 0.75%
Sales Rep #1	Month 4	Former RIA ops, can sell to peers	\$100K + \$100K OTE
Customer Success #1	Month 5	Wealth management background	\$100K + 0.25%
SDR #1	Month 5	Outbound specialist	\$80K + \$40K OTE
Engineer #3	Month 6	Backend/integrations	\$180K + 0.5%

14. FUNDING STRATEGY & MILESTONES

14.1 Seed Round

Raise: \$5M at \$20M post-money valuation (20% dilution)

Lead Investor Target: YC, a16z, Accel, Sequoia (firms with fintech expertise)

Category	Amount	%	Details
Engineering	\$1.75M	35%	4 engineers, infra, tools
Sales & Marketing	\$1.50M	30%	2 AEs, 2 SDRs, 1 Marketing, paid ads
Operations & CS	\$750K	15%	1 Head of CS, 2 CS reps, 1 Ops
Product & Design	\$500K	10%	1 PM, 1 Designer, research
Founders	\$500K	10%	2 founders × \$125K (reinvesting)

14.2 Path to Series A

- **Month 18 Target:** \$10M ARR
- **Customers:** 600 RIAs + 10 fund administrators + 1,000 direct investors
- **Metrics:** <5% churn, 95%+ AI accuracy, NPS 70+, LTV:CAC > 20:1
- **Raise:** \$20M Series A at \$100M post-money
- **Use:** Scale to \$50M ARR (hire 40 people, international expansion)

CONCLUSION

FlowState is building the infrastructure layer for a \$13 trillion asset class that is currently 100% manual. We have a clear path to \$430M TAM, defensible network effects, and venture-scale unit economics.

The market is ready. AI technology has crossed the threshold. Fund administrators are desperate for solutions. No dominant infrastructure player exists.

With the right team (domain expert + AI expert) and \$5M in capital, we can reach 350 RIA customers and \$5.4M ARR in 12 months, positioning us for a strong Series A and path to category leadership.

This is the Plaid moment for alternative investments. The question is not IF this infrastructure will be built. The question is WHO will build it. We believe we have the team, strategy, and timing to win this market.

— END OF DOCUMENT —

FlowState: Data Infrastructure for Alternative Investments