

Case Study

Asset Manager – NAV Optimisation Programme



Profile

Client:

AIMCo - Large Asset Manager

Location:

Canada

Description:

The Company manages large scale funds, including government funds, across a diverse range of assets and global markets

Business Challenges

- Excessive NAV run-times
- Performing Pre-NAV validations was challenging
- Issue resolution was not always possible to complete within existing internal SLA's
- Wanted to implement a pre-NAV validation process to enable more timely validated data to consumers

Company Profile

AIMCo, one of the largest investment managers in Canada with over CAD\$115 billion under management. The company manages investments on behalf of 31 pension, endowment and government funds across a diverse range of asset classes and global markets.

Business Challenges

Due to the system configuration of the Net Asset Value (NAV) solution in the client's accounting platform, SimCorp Dimension (SCD), the client was consistently experiencing growing NAV run-times throughout their reporting year. This impeded their ability to perform comprehensive NAV validation activities and issue resolution within an acceptable time-frame given their existing internal deadlines.

The organisation required an improved NAV process that delivered reduced and consistent NAV run-times to enable the implementation of pre-NAV validation processes, facilitating timely delivery of validated data to downstream consumers.

Why Axxsys™ Consulting were an ideal partner for this project

Axxsys™ were selected by the client to conduct a comprehensive review of the Net Asset Valuation (NAV) Process, identifying areas for potential optimisation. We were chosen on the strength of our:

- Extensive Buy-Side expertise in fund accounting and the valuation process including industry best-practices;
- Industry-leading experience with SCD and enhancing its efficiency;
- History of successful implementation of similar initiatives globally.

Solution

The review process encompassed:

- Cross-functional and workstream-aligned workshops with client technology and business resources;
- Analysis of business process flows;
- Examination of upstream/downstream system & data architecture and flows;
- Deep-dive analysis of SCD configuration, including proof of concept testing on recommendations within client development environments.



Solution

- Cross functional workshops analysing business process flows
- Review of system data architecture
- Thorough review of SCD NAV configuration
- Recommendations to streamline the NAV configuration in SCD
- Identified additional tools that could help with the NAV validation process

Benefits

Detailed plans were provided that would:

- Reduce NAV runtime by 30%
- Remove redundant processes
- Achieved improved return on investment from SCD implementation
- Deliver clearer processes and workflows
- Post implementation - 40% reduction in NAV runtimes

The outcome of the review provided a list of detailed recommendations particularly with regards to NAV configuration within SCD. The main driver, which was also recommended by SimCorp, was to be able to move away from using performance intensive period calculations to using more efficient balance calculations to deliver runtime reduction.

Benefits/Realisation

Axxsys™ delivered four in-depth recommendations to the client, contained within each was a detailed implementation plan including estimated work efforts and the potential gains to be realised post-implementation:

- Estimated reduction in NAV runtime by approximately 30% based on a smaller proof-of-concept;
- Removal of inefficient and redundant processes executed within the NAV process resulting in a more streamlined solution;
- Leveraging existing functionality within SCD to reflect industry best-practice;
- Clearer delineation within SCD between NAV critical-path functionality and post-NAV reporting functionality.

The implementation and delivery of the recommendations was a collaborative exercise with AIMCo Business Technology and the Axxsys team.

The results exceeded expectations. NAV runtime was significantly reduced to 70 minutes, resulting in over **40% improvement** in the processing time. In addition, this time reduction allowed the introduction of pre-NAV validation processes and a dedicated team to perform them without the time pressure of a delayed NAV.

Contact Information

If you want to hear more about the services we can provide at Axxsys™, please don't hesitate to contact us.

+44 (0)20 7526 4900
info@axxsysconsulting.com
www.axxsysconsulting.com



<p>✓ New Broad Street House, 35 New Broad Street, London, EC2M 1NH, United Kingdom</p>	<p>✓ First Canadian Place, 100 King Street West, Suite 5700, Toronto, ON M5X 1C7, Canada</p>	<p>✓ Flæsketorvet 68, 1711 Copenhagen, Denmark</p>	<p>✓ 616 Corporate Way, Suite 2-4684, Valley Cottage, NY 10989, United States</p>	<p>✓ Fax: +44 (0) 20 7526 4901 ✓ axxsysconsulting.com ✓ info@axxsysconsulting.com</p>
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✓ +44 (0)20 7526 4900 ✓ +1 416 915 4186 ✓ +45 78 74 62 32 ✓ +1 845 459 2626