

Performance, Risk, and Analytics Case Study

Meradia

LAST UPDATED
4 MIN. AGO



BALANCE SHEET

| | |
|--------------------|--------------|
| ASSETS | 1,478,900.00 |
| Current Assets | 1,238,700.00 |
| Non-Current Assets | 2,899,776.00 |

| | |
|-------------------------|--------------|
| LIABILITY | 478,787.00 |
| Current Liabilities | 2,551,565.00 |
| Non-Current Liabilities | 2,899,776.00 |

| | |
|--------------------|--------------|
| EQUITY | 1,000,112.00 |
| Current Equity | 254,312.00 |
| Non-Current Equity | 745,800.00 |

CASHFLOW STATEMENT

Meeting Demand: Using Tactical Resources to Drive Strategic Results

BACKGROUND

Forward-thinking mutual fund companies recognize their fiduciary responsibility to shareholders goes beyond adhering to investment selection criteria and mandates and includes the firm's organizational structure and operating efficiency. A large, global mutual fund company engaged Meradia to provide subject matter expertise with mutual fund performance, system conversions, index performance, and systems associated with querying and reporting performance data.

The firm's Performance Group was understaffed and needed the equivalent of two analysts to meet increasing daily demands, facilitate a smooth conversion and document procedures. By providing a consultant with expertise and proficiency with systems conversions, mutual fund performance, and attribution and knowledge management, Meradia satisfied multiple key deliverables and stakeholders, leading to a successful engagement.

ANALYSIS

The client needed to provide minimal training due to Meradia's knowledge and experience – a key success factor for this project which allowed it to move forward quickly and seamlessly. Since the client's performance group was short two analysts, it was unable to meet daily production and facilitate a fast approaching "go live" of a new outsourced fund accounting system. The "go-live" component required parallel testing to ensure the accuracy of calculation methodologies.

The rapidly-approaching deadline for the accounting system conversion posed a significant challenge to the client. Testing between the two systems required fast manipulation of large sets of data to safeguard integrity and single out tolerance breaks. Meradia's consultant had the required fund accounting and operations expertise to pinpoint why breaks were happening. Tolerance checks that extended to the transaction level (for example, stock purchases) were essential to ensure the accuracy of calculation methodologies between the two accounting systems.

Another challenge was documenting the firm's performance attribution group standard operating procedures, as none existed. To meet this deliverable, Meradia's consultant had to tap into proficiency with mutual fund performance, index performance, and all the systems required to query and report performance. A big picture view along with a tactical focus was necessary to deliver formal written procedures for daily return discrepancy reports, an in-house performance attribution system, and IC analyst compensation.

(continued)

SUMMARY

Meradia was retained by a mutual fund company to help its performance team address BAU gaps, document procedures, and assist with testing for an accounting system conversion.

CHALLENGES

- Gather information on workflows, processes, and business requirements for performance team
- Coordinate with various stakeholders for parallel testing supporting conversion
- Address gaps in BAU processing covering multiple aspects of performance team's daily responsibilities

SOLUTION

- Define workflows and processes to draft working procedures document
- Provide testing support for accounting system conversion
- Meet daily demands on performance team by driving completion of BAU tasks

Meeting Demand: Using Tactical Resources to Drive Strategic Results

ANALYSIS (continued)

Additionally, the client needed assistance with BAU performance functions. This included fund performance, attribution performance, (contribution to return), index performance, and global ad hoc performance requests on tight deadlines. Along with producing daily returns for mutual fund products and benchmark performance, the group had to manage a massive volume of client-related sales literature and presentations. As such, quality control checks covering every fund performance detail had to be verified prior to client distribution.

RESULTS

Meradia's expertise with mutual fund performance and investment operations resulted in a successful project that improved the fund performance group's firm's operating efficiency by documenting procedures and helping with BAU efforts. By providing a consultant with relevant, practical, and forward-looking experience, Meradia delivered a key resource that enabled the firm to meet the daily demands of the performance group. With the consultant's efforts and assistance, the accounting system conversion was delivered on time and within budget. Meradia addressed an operating gap by fully documenting the performance team's procedures, which provided day-to-day guidance, as well as a training tool for new team members.

ABOUT MERADIA

Meradia specializes in strategic advisory and implementation services for the investment management industry.

Since 1997 we have helped our clients enhance their processes, productivity and profitability through improvements in operations and technology. Meradia leverages its time-tested methodologies to solve business challenges, including strategic assessment, workflow optimization, vendor selection, and system implementation.

Our extensive client portfolio includes seven of the top 10 global asset managers, institutional asset managers, OCIO, wealth, trust, and global insurance companies. We pride ourselves on our 93% client re-engagement rate.

Driving innovation to achieve clients' strategic goals — Meradia delivers results.



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