



## CASE STUDY

# Global tier one asset manager achieves full command of high-volume alternative investment assets with Gresham's Control Solution

A Northeast US-based global investment management firm with more than US\$1 trillion in client assets under management (AUM) is using Gresham's Control to establish and manage data and reconciliation controls for the firm's growing, complex alternative investment assets. The firm serves as an investment advisor to more than 2,000 institutions in over 50 countries.

## The challenge

### Legacy limitations and inefficiencies

The firm relied on inefficient, manual processes to support its growing alternative investments business, including OTC derivatives, due to the limitations of its legacy vendor solutions and business-managed applications configured in spreadsheets and other proprietary platforms.

### Complexity and high volumes

With hundreds of people involved in maintaining control of all reconciliations, it became clear that increasing asset volumes and sophisticated products such as OTC rates derivatives and loans, which typically lack a common identifier, required an automated solution. The firm also needed a solution to handle complex fee schedules in terms of duration, position size, number of accounts, and FX variables.

### Operations staffing

To ensure the integrity of its records and to verify the accuracy of its external accounting service provider, the firm had established a large team to perform daily reconciliations between internal and external books of records. As complex derivative asset volumes continued to grow, the company saw a corresponding growth in operations staff due to the limits of its control solutions and cumbersome manual processes. Considering the projected growth in this asset class, the firm decided that it must invest in automation to avoid expensive increases in operations staffing.

### NAV validation

Alternative investments and complicated financial products made validating net asset values (NAVs) – by confirming third-party administrators' values for trades, realised and unrealised P&L, prices, positions, and corporate actions – particularly challenging. Keeping two books of records to ensure synchronisation between its shadow accounting system and custodians, the firm faced the constant risk of errors.





## The solution

The firm went live with Gresham's Control to eliminate manual effort and the many limitations of its legacy technology and proprietary in-house systems.

### Self-sufficient, no-code controls

Control provides complete, rules-based configuration of controls and supports any file or message type with no coding or development required. Using rules to define calculations for matching, which are readily visible and transparent, the firm can quickly and easily create complex data processes, flexibly and on demand.

### Fee and NAV validation

Control calculates and shadow-calculates custodial and depository fees and compares them with fee data from prime brokers and custodians. Using multiple sources of data, such as externally sourced third-party price files, Control performs calculations as part of its controls, allowing for complicated scenarios such as N-way reconciliation. The solution configures tolerances by field and asset class to avoid false positives on breaks.

### Integrated workflow and exception management

Control tracks commentary entered by administrators as they remediate breaks, providing an efficient control environment, while allowing for acknowledged breaks to be hidden from subsequent breaks, if preferred.

## Results

### Faster control onboarding

With Gresham's Control, the firm can implement new controls significantly faster than with its end-user computing tools, and therefore support a higher rate of change at a lower cost. Supporting SWIFT, FIX and

FpML message integration and file-based data loading, and eliminating the limitations of a fixed data model, Control automatically generates a data model based on sample files, enabling fast onboarding of any attribute – versus older solutions which typically take six to eight weeks to add new controls.

### Better matching for complex products

Control's intelligent, automated file onboarding and matching enables the firm to reduce the amount of time to configure new controls, even for the most complex product types. It scans description fields, chooses common values, and creates a match based on many similar fields, regardless of having account, trade or security identifiers in common.

As a result, the firm no longer relies on expensive ETL tools to prepare data for loading into the system.

### Improved efficiency

With automated controls for complex products, the firm saves costs and accelerates workflows due to the reduced manual effort and potential for errors. Dealing with multiple custodians, the firm has mitigated numerous false-positive breaks typically caused by price discrepancies, missing income and other corporate actions, asset classification errors, incorrectly designated expenses, and FX issues.

### High-volume support

By supporting the firm's high volumes (as many as 12+ million records in one month), Control enables the firm to see the results of controls much faster – rather than breaking data into multiple segments, as often required by older solutions. This provides near real-time operation for new control models. In addition, automated controls eliminate the need for the firm to double its full-time operations staff to support high volumes and future growth.

Discover how Gresham's Control solutions are delivering digital integrity to financial institutions across the globe, [here](#)