

# CLIENT

## CASE STUDY

### Profile

**Client:** MainFirst Asset Management, a division of MainFirst Bank AG

**Location:** Headquartered in Frankfurt

**Description:** Asset manager serving mainly institutional investors

**Assets under management:** just under €1 billion

### Background

- ▶ Manages a UCITS III Sicav with four equity long only subfunds, one long/short hedge fund, and a growing number of institutional mandates.
- ▶ Utilized a combination of legacy vendor software and Microsoft Excel spreadsheets.
- ▶ Wanted an industry-leading order management and portfolio management and accounting platform to support its growth.

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Björn Kogler, *Head of Operations, Asset Management, MainFirst Bank*

## Germany’s MainFirst Asset Management Zeroes in on Growth

Since its launch in 2002, MainFirst Asset Management has built a broad client base of insurance companies, pension funds, private banks, funds of funds, wealth managers and family offices, attracted by the firm’s team of highly regarded fund managers and excellent track record. However, to meet the service expectations of its institutional clients and attract new mandates to drive the firm’s ambitious growth plans, MainFirst Asset Management needed to replace its legacy infrastructure with a sophisticated technology platform, says Björn Kogler, Head of Operations, Asset Management at MainFirst Bank. “We are a pure asset manager, and we needed a system from an international vendor with the tools to support that business. Advent’s software fitted those requirements the best.”

## Integrated Efficiency

MainFirst Asset Management’s operating platform previously comprised a combination of legacy vendor software and Microsoft Excel spreadsheets. Instead, the firm wanted an integrated front to back office technology solution to better support its institutional investors. So it turned to Advent’s Moxy® order management system and Advent Portfolio Exchange® (APX).

According to Mr. Kogler, a major benefit of implementing Advent’s software “is the comfort that comes from having a complete and automatic audit trail of all the transactions.” Another stems from Moxy’s pre-trade compliance capabilities. “Moxy’s ability to customize trade restrictions in line with each client’s requirements, and ensure we avoid unintentional short selling and negative cash balances are important capabilities for institutional investors,” says Mr. Kogler. APX then provides clients with the post-trade compliance functionality they require, he adds.

APX is tackling MainFirst Asset Management’s reconciliations headaches as well. Previously the firm relied on Excel spreadsheets,



## Solution

Moxy,<sup>®</sup> Advent Portfolio Exchange<sup>®</sup> (APX) and RIMES Technologies:

- ▶ Fully integrated trade order management and portfolio management solution.
- ▶ Built on a single SQL-based platform, open database architecture.
- ▶ Incorporates pre- and post-trade compliance tools and robust and flexible reporting.
- ▶ RIMES provides a fully managed benchmark data solution for 300-plus databases from 130 data vendors, seamlessly integrated with APX.

## Benefits

- ▶ Integrated order management and portfolio management platforms create front to back office workflow efficiencies.
- ▶ Flexible reporting tools provide comprehensive and customizable outputs, offering better support for institutional requirements.
- ▶ Enhanced performance attribution capabilities.
- ▶ Scalable infrastructure to support future growth.
- ▶ RIMES Technology provides all the relevant data to enable daily performance attribution calculations.

which meant the process was highly manual and error prone. "But by using APX, position and cash reconciliations with our custodian banks have become automated, ensuring the process is much more accurate and efficient," notes Mr. Kogler.

## Flexible Reporting

Another area of improvement for MainFirst derives from the reporting functionality APX offers. "For our segregated mandates in particular it is important to have flexible reporting capabilities," says Mr. Kogler. "With the automated and integrated infrastructure we have with Advent, we can do the reconciliations, calculate up-to-date performance, and then report to clients either biweekly or monthly, depending on their requirements." The APX functionality also allows MainFirst to customize the reports it sends in a format clients like, he adds.

## Performance Calculation

Performance measurement, meanwhile, comes from APX's performance attribution capabilities. It will be aided going forward by the upcoming implementation of Rimes Benchmark Data solution supplied by Advent's Alliance Partner RIMES Technologies, which provides a fully managed benchmark data solution for 300-plus databases from 130 data vendors, covering all main asset classes.

"To conduct the performance attribution and analysis we need the relevant index constituent data," explains Mr. Kogler. "We have now chosen RIMES, which is able to feed the necessary data into APX, from where we can calculate performance on a daily basis."

Furthermore, with Advent it is easy to locate and run historical data for the purpose of performance comparisons, says Mr. Kogler. Integrating the Advent and RIMES solutions should contribute to MainFirst's investment performance since, based on the attribution data, fund managers can improve their investment decisions. That is a far cry from the labor intensive set-up MainFirst previously had, with its reliance on Excel spreadsheets.

## Support, Stability and Security

With only a small operations team, system ease and reliability is a major consideration for Mr. Kogler, but that has never been an issue with Advent. "The implementation process was fast and smooth, with an onsite consultant to handle the original installation," he says. "That was followed by three days of user training to ensure we were up to speed."



“Our target is to double our assets in the near future.

Having Advent means we can do that without adding more operations staff. At the moment our back office accounts for less than 20 percent of our cost base, so we are front office driven, and with Advent we can stay that way.”

Since then, the robustness of Advent’s systems has proved a big advantage, according to Mr. Kogler: “They are very stable systems. We have never suffered any intraday interruptions in either Moxy or APX.” And whenever there is a need to contact Advent’s support team, they have reacted quickly to resolve all the issues, he adds.

At the end of each day MainFirst then conducts a back-up to its business continuity facility, where all its holdings and transactions data is stored. “We like that with Advent’s systems we can do a hot back-up,” says Mr. Kogler. “In this way, should any problems arise we can quickly reorganize and get back to business.”

## Platform for Growth

The Advent platform is central to MainFirst’s growth plans. In January 2010 MainFirst launched MainBlue Asset Management, a Luxembourg-based long/short equity hedge fund targeting high net worth and institutional clients. “With Moxy and APX we can shadow the profit and loss figures of the fund’s prime broker, which gives us control,” says Mr. Kogler. In addition, the scalability of the Advent infrastructure means it can support the fund as its assets under management expand.

The firm also wants to generate organic growth by adding assets to its existing funds, and winning new segregated mandates. “Our target is to double our assets in the near future,” says Mr. Kogler. “Having Advent means we can do that without adding more operations staff. At the moment our back office accounts for less than 20 percent of our cost base, so we are front office driven, and with Advent we can stay that way.”



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