

**CASE STUDY OVERVIEW: *INVESTMENT MANAGER***  
**OPERATIONAL REVIEW OF INTERNATIONAL & SYNTHETIC INVESTMENTS**

**CLIENT:**

- *Investment Manager* with over \$7 billion of assets focused on equities, equity derivatives and Credit Default Swaps. *Investment Manager* has over 1,400 managed accounts and 14 funds both onshore and offshore.

**CHALLENGES:**

- Increased international and derivative exposures required the need for greater controls and capacity throughout the organization.
- Current settlement and reconciliation practices for international securities and FX currency facilitation were non-standard and needed to be re-engineered.
- Cash and collateral management responsibilities were not centralized. Added functionality and recommendations needed to be employed.

**DELIVERABLES:**

**Phase I**

- Performed comprehensive review of trading and middle office functions for current investments in international securities (G8 countries and emerging markets).
- Reviewed OTC derivatives and FX trading flows for all middle office functions, settlement, reconciliation, cash and collateral management, and accounting.
- Reviewed all counterparty documentation for OTC (ISDA) Derivative business and outlined all legal, credit, middle office risks and best practices.

**Phase II**

- Recommended appropriate courses of action for each category in Phase I, its impact to middle office operations, trading, finance, portfolio accounting and risk management.
- Provided guidance and education on the implementation of recommended best courses of action.
- Negotiated and implemented all OTC (ISDA) Derivative counterparty documentation for the *Investment Manager*.

**RESOURCES:**

- One Senior Project Manager.
- *Investment Manager* Operations and Accounting Staff.

**DURATION:**

- Eight weeks plus negotiation time with counterparties.

For more information on HC services, please contact:

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