Case Study

"Being able to trust the SS&C Advent solutions and not have to second guess the output will help free us to get on with running our business."

Varun Sukthankar, Head of Operations, Polunin Capital Partners

PROFILE

Client: Polunin Capital Partners Ltd

Location: London, UK

Description: Manages assets for professional clients, including pension funds, endowments and commingled investment funds, with a focus on emerging and frontier market equity securities

AUM: $5.5 billion

BACKGROUND

- Relied on Excel for many tasks
- Wanted to automate and strengthen its processes to support AUM growth

SOLUTION

- SS&C Advent's front-to-back technology suite, spanning trading and compliance, portfolio management, accounting and reporting, and NAV management

Growth brings welcome benefits. But it can create challenges too.

London-based emerging market investment specialist Polunin Capital Partners runs a mix of long only and long/short equity funds. Polunin invests in emerging market and frontier market securities, using a value-oriented style bias to deliver medium to long-term investment outperformance for its professional clients. As the firm and its assets under management grew, Polunin found some of its processes weren't sustainable.

"We wanted an environment that was future-proof," explains Varun Sukthankar, Head of Operations at Polunin. "The idea is to get rid of key man risk, where the processes are not all dependent on one person and anybody could pick it up effectively."

Excel Reliant

Like many asset managers, Polunin had remained heavily reliant on Excel to support its business. The firm has been an SS&C Advent client since 2005, with on-site implementations of Moxy and Rules Manager for trading and compliance, and the Advent Portfolio Exchange (APX) portfolio management, accounting and reporting platform. However, Polunin continued to employ old, inefficient workflows, rather than exploit the full capabilities of the solution suite.

"We use Moxy primarily as an order management tool, but APX had served more as a database," Sukthankar explains. "We were then using Excel to query the database, and conduct all the reconciliations and our reporting."

Empowering the Front Office

SS&C Advent's multicurrency and multi-asset class trade order management system Moxy has become a critical part of Polunin's infrastructure, and the firm's success.

Moxy integrates all aspects of the investment management process, from portfolio modeling through to trade creation, execution, confirmation, allocation and settlement. Configurable order creation tools enable users to create trades for single portfolios or groups, built on basic or advanced strategies. Built-in FIX connectivity to multiple custodians and trading venues further streamlines processes, and allows firms to track trades from creation to settlement through a single platform.

As a fairly low volume fund manager, Polunin doesn't have any traders, with the function carried out by its portfolio managers instead, notes Sukthankar. "For them, if it's as simple as possible that is best."

Conducting program trades is a case in point. "Our portfolios consist of around 150 to 200 names," he says.

"When clients deal in or out of our funds, we have to send around 200 orders to the broker. So Moxy is extremely helpful there."

Moxy interfaces to the Omgeo CTM central trade matching system, which automates the trade confirmation process and catches any exceptions. Once matched, transaction details are sent to the relevant custodian, reducing Polunin's settlements workflow by 80%.

Advent Rules Manager—a comprehensive pre- and post-trade compliance solution that works seamlessly with Moxy—further simplifies the portfolio managers' lives. Through Rules Manager, users can implement the proactive controls demanded by regulators, manage clients' complex restrictions to prevent rule violations and determine whether trades will affect portfolio composition. An automated audit trail shows which rules were applied, when and by whom.

"Rules Manager allows us to systematize and set up rules," says Sukthankar. "The compliance functionality is very powerful, so we do like that."

Enhancing Workflows for Accounting and Reporting

Collaborating with SS&C Advent's support teams during solution upgrades has enabled Polunin to understand APX better as well, and see how the system's integrated portfolio management, accounting, reporting and performance analytics capabilities can improve the firm's workflows.

"We're now using the APX functionality a lot more," says Sukthankar. "In many cases it is the little things that might not seem much but add up in our day, especially from an operational perspective. It's enabling us to become far more streamlined."

Reporting is one area. Over time, Polunin has expanded how it uses APX for processing tasks. But it is only more recently, especially with the latest upgrade, that the firm has begun using the APX functionality—with its library of standard reports, flexible custom reporting and automated report packaging—to better support Polunin's internal, client and regulatory reporting.

"For example, APX's static data capabilities around holiday controls and corporate actions are very useful for us," notes Sukthankar. "It allows us to create the reports we want from within the platform, which shortens the time they take."

Sukthankar's aim with the technology is to give everybody in the company the confidence to complete their work. "We are reaching that point, but I'd like to go even further," he says.

Automated NAV Pricing

An important step towards that goal will be implementation of SS&C Advent's NAV Management Utility, an APX module that simplifies and automates the net asset value pricing process from start to finish. With the tool, users can set up fixed, percentage and performance fees and associate them to their funds without any additional configuration in APX, making managing fee structures simple while minimizing the risk of error.

"We were trying to work out management fees and the way to accrue them," says Sukthankar. "Previously we put the management fee data into Excel, ran macros, then imported that into APX. The aim with implementing the NAV management tool, is for this to be done automatically. We will be able to set the management fee within APX and the NAV

management tool, and the system should do all the heavy lifting."

Precise recording of the data should bring Polunin's performance calculations into line with the fund administrator's book of records, Sukthankar notes. "The idea with the NAV Management Utility is that, once implemented, we can rely on our data to give to clients. They get their statements from the fund administrator, while we send them performance and attribution data. We want those two to match as closely as possible." Having agreement in the data would then save the time it takes Polunin to resolve queries stemming from any discrepancies.

Invisible Backbone

Automation is paramount for Polunin, and has become a defining attraction of the SS&C Advent platform.

"The solution suite offers sophisticated tools that should help us do what we need to do," says Sukthankar. "Being able to trust the SS&C Advent solutions and not have to second guess the output will help free us to get on with running our business."