

# Case Study:

Faster, Smarter,  
100% Automated Reconciliations



## Background/ Client Snapshot

- **AUM:** \$30+ Billion
- **Location:** California
- **Asset Classes:** Multiple asset classes that added assets, managers, and managed accounts - Derivatives (Futures, Forwards, Options, Swaps, FX, Commodity, Warrants), Fixed Income, Equity, Debt
- **Strategies:** Convertible Arbitrage, Distressed, Event Driven, Long Bias, Long/Short Credit, Long/Short Equity, Mortgage-Backed Strategies, Multi-Strategy, Opportunistic, Risk/Merger Arbitrage, Special Situations, Specialist Credit, Value-Oriented
- **Prime Brokers:** Credit Suisse, Deutsche Bank, Bank of America & J.P. Morgan
- **Custodians:** State Street, Northern Trust, Brown Brother Harriman, Bank of NY Mellon, Wells Fargo, Continental & J.P. Morgan
- **Fund Administrators:** State Street
- Fund was using a proprietary system that was slow and cumbersome
- Developed manual procedures to bolster current reconciliation tool processes and reporting

## Key Challenge Areas



### Increasing Automation Coverage

- **Before:** Previous system could not handle multiple vendors with varied file formats and layouts; Manual processing exceeded 30% of transactions leading to high costs, more time, and more errors
- **After:** Viteos utilized their relationships and knowledge of street entities to ensure entities sent proper file formats; Developed a data conversion routine; Handles multiple classes, different structures, complex data and rules, and matching parameters
- **Results:** 100% Automation coverage (up from 70%); Enhanced granularity; High efficiency with PB; Reduced risks and cost



### Managing Complex Mapping and Stringent Delivery Timelines with Flexible Reporting

- **Before:** Numerous mapping structures for combinations of asset classes; Manual intervention for recons was necessary on a daily basis; Limited reporting flexibility due to limited technology support
- **After:** Viteos solution handles multiple rules and mappings; Changes are reflected in 24 hrs; Dashboard for reporting contains simple, analytical graphics; Viteos works as an extension of the back office for all recons
- **Results:** 100% mapping with 0% manual intervention; Real time reports; Reduced cost and time savings; 50% improvement in efficiency with reconciliations



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## Enhancing Internal Productivity Using a Service Model

- **Before:** Client's operations team ran the recon tool, performed manual recons, and liaised with technology solution; Daily tasks took up team's time leading to limited focus on innovation and creativity; High team attrition leading to loss of productivity due to training
- **After:** Viteos is an outsourced service partner; Limited burden on in house staff; Viteos deals with all aspects of reconciliations including breaks analysis; Firm now focuses efforts on final output and analytics
- **Results:** Increased productivity by 30%; Break ageing reduced by 40%; Resolution turnaround reduced by 50%



## Viteos Goes the Extra Mile: Benchmarking and Business Insights

- Viteos provide client with ability to benchmark internal operations against a peer group; Sharing of aggregated client data of \$300Bn in assets and over 100 street entities; Suggested changes in potential files; provide data quality and timeliness benchmarks; Published score cards of parties identifying timeliness, accuracy, and responsiveness
- **Results:** Increase operational improvement; Multiple processes efficiencies; Identify core issues and eliminate break sources; Fund struggled with ABS/BMS paydown due to number of factors and interest breaks, but Viteos made changes to bring relevant data into systems leading to timely clearing



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