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Oracle FLEXCUBE Investor Servicing

Enhance Your Transfer Agency and Asset Management
Businesses

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With the advent of regulations such as Common Reporting Standard, the Markets in Financial Instruments Directive II, and general data privacy related regulations, asset managers and consequently fund distributors and transfer agents have been on their toes. Increased regulatory compliance has a direct bearing on cost and it affects profitability since these costs can seldom be passed on to investors.

Increase in operational efficiency has become marginal in nature and there is not much that transfer agents can do to increase it further. Achieving economies of scale is the only way to increase profitability and hence transfer agents are rethinking their business models by servicing larger product ranges and even expanding into retail segment.

The evolving marketplace

The most successful firms will manage their business the way owners would. They will tightly manage costs and reinvent the savings.

Geographic diversification also matters. The metamorphosis of regional markets in the global order is accelerating. Domestic players are rapidly innovating-often in partnership with fintechs- and experiencing explosive growth.

BCG



As the business models are realigned to enhance profitability, the need is for a solution that enables cross-border transfer agency capabilities and comprehensive lifecycle processing, employs a business-friendly platform, and is highly scalable to support any new business needs.

Oracle FLEXCUBE Investor Servicing delivers comprehensive functionality for all business processes and manages complex workflows involving transfer agency and fund distribution on a common platform, using industry standard tools. The application supports processing of various hedge funds, mutual funds, investment linked products, and pension funds across distribution and transfer agency businesses.

Oracle FLEXCUBE Investor Servicing has state of the art capabilities for transfer agents, mutual fund registry service providers, fund distributors, and asset managers. It helps transfer agencies and asset management companies achieve their business goals faster with its rich features:

- Support for multiple fund structures
- Broad and deep functional expertise with multi-multi capabilities across geographies, currencies, and time zones on the same platform
- Support for complete life cycle processing for different transaction types
- Support for corporate actions/income distributions/commission processing out of the same platform
- Support for both retail and institutional investors
- Support for straight through processing of trades coming via SWIFT/external channels
- Extensive parameterization with support for extensibility framework

The multi entity solution can be easily deployed across time zones and geographies. Globalization with local customization as per specific geography needs is one of the biggest expectations from transfer agencies. The solution offers support for a global operating model that can be fine-tuned on a regional or local need basis to respond rapidly to market changes. The extensible framework enables rapid deployment of changes to address local requirements with quick turnaround time.

To cater to ever changing regulatory requirements, the solution enables support for variety of regulations including Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard (CRS), Retail Distribution Review (RDR), and data privacy.

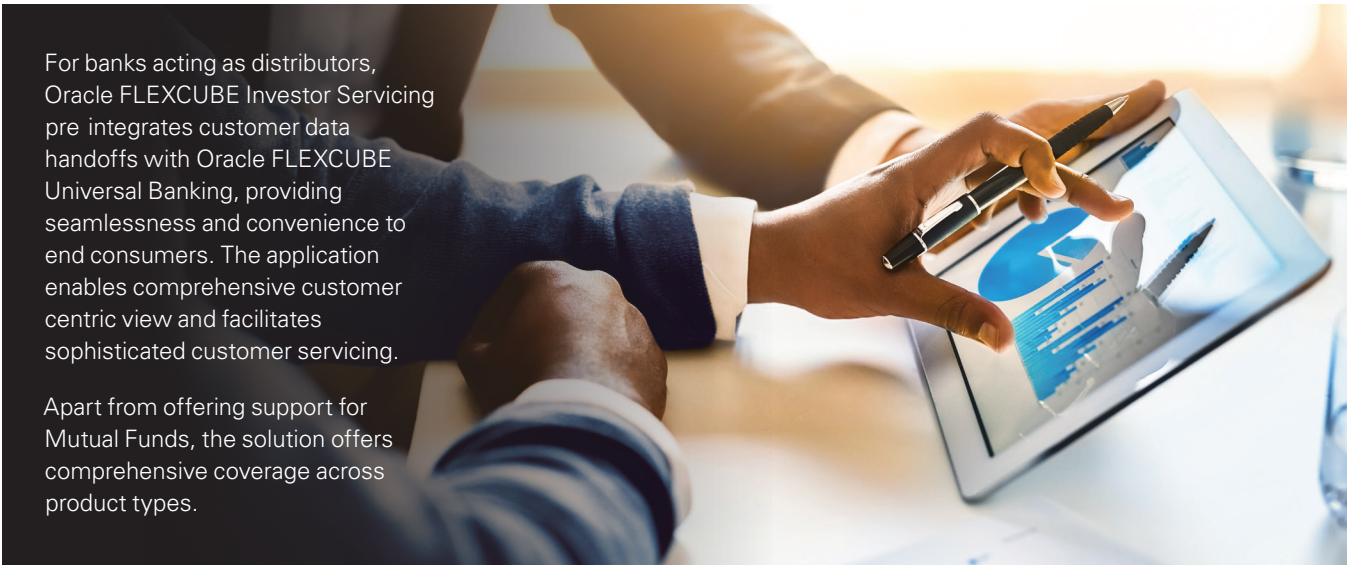
Some of the biggest business benefits of Oracle FLEXCUBE Investor Servicing are:

- Enhanced customer service and improved cross-selling
- Reduced time to market with rapid launch of funds
- Reduced operational costs
- Increased operational efficiency
- Multi country support
- Future-proof investments



Oracle FLEXCUBE Investor Servicing uses advanced technology to deliver efficacious results to users. It is built on an open standards-based platform and is designed to deliver increased efficiency and streamline business processes. With its advanced integration capabilities and a wide range of Web Services, the solution can be easily integrated with any legacy or third-party solution, thereby enabling businesses to renew and transform their systems to keep pace with market demands.





For banks acting as distributors, Oracle FLEXCUBE Investor Servicing pre integrates customer data handoffs with Oracle FLEXCUBE Universal Banking, providing seamlessness and convenience to end consumers. The application enables comprehensive customer centric view and facilitates sophisticated customer servicing.

Apart from offering support for Mutual Funds, the solution offers comprehensive coverage across product types.

ORACLE FLEXCUBE INVESTOR SERVICING FOR UNIT LINKED INVESTMENT AND INSURANCE PRODUCTS

This module provides comprehensive support for unit linked insurance product requirements. It allows users to define life, annuity, retirement, and endowment products and supports capturing policies and plans and associated life cycle processing for these transactions.

The Unit Linked Insurance Products module is designed to provide support for administering a variety of Retirement and Annuity products. Users can set up different products using variety of rules such as rules related to single/ recurring premium, single/ recurring annuity, available list of funds, various set of fees/commissions, and types of policy/ plan transactions allowed, life cover details, and other product specific details.

ORACLE FLEXCUBE INVESTOR SERVICING FOR HEDGE FUNDS

This module helps set up and transaction processing for different hedge fund structures like simple hedge funds, master feeder structures, side pockets, and series funds etc. Specific rules related to hedge funds can be maintained which include performance fee percentage, performance fee equalization computation method, frequency of accrual and payment of performance fee, and type of hurdle rate applicable for the fund etc.

ORACLE FLEXCUBE INVESTOR SERVICING FOR PENSION FUNDS

As the market for pension funds continues to grow, the defined contribution business presents a new growth area for Transfer Agents. This module helps transfer agencies to handle recordkeeping for Defined Contribution business. Using this, users can set up master trust schemes along with associated rules. Further, they can set up employers and employees and handle contribution processing with support for both mandatory and voluntary contributions. The complete lifecycle processing for these investments can be handled within this module.

Apart from workplace pensions, this module also has the capability to handle lifecycle processing for private/individual pensions.

Growing Transfer Agency Market

Global Mutual Fund Transfer Agency Market is projected to be over US\$ 16 Bn by 2021.

Pnewswire- Global Forecast to 2026



Asset Management lags behind in technology usage

Looking back 20 years, technology has had less impact on AWM than other financial services sectors. So, while 74% of banking and capital markets CEOs believe it has 'completely reshaped or significantly impacted' competition in their sector, only 53% of AWM CEOs say it has.

PwC

SUPPORT FOR EMERGING TECHNOLOGIES

Upcoming technologies such as Machine Learning and Blockchain are reshaping the Transfer Agency industry.

Blockchain makes the entire fund processing and distribution lifecycle more efficient and hassle free by removing intermediaries and automating processes. Moreover, verifying and tracking information also gets easier with Blockchain, thereby increasing the operational efficiency of transfer agencies.

Machine Learning is another technology that is finding relevant use cases in the asset management and fund servicing industry. Customer churn, for example, can be studied better with the help of underlying data and intelligent decisions can be taken on customer lifecycle value and next best offers. The solution makes use of data analytics to gain actionable intelligence.

Oracle FLEXCUBE Investor Servicing is continuously evolving to help modern transfer agents and asset managers meet the dynamic market needs by making use of emerging technologies that are fast making inroads into the financial services industry.

LOOKING AHEAD

According to a report by PwC, technology has had less impact on Asset Management and Wealth Management businesses in the last 20 years as compared to the rest of the financial services industry. In future, however, technology is predicted to cause major changes in the industry. Not all the players are prepared for this game changing evolution brought about by transforming consumer behavior and shifting market dynamics.

The only players who will thrive in the upcoming wave of change will be the ones who not only look at running the business but also focus on transforming their products, services, operations, and customer service. It will be an imperative business requirement to embrace the challenges with ready technology and business strategies. Oracle FLEXCUBE Investor Servicing brings on board its expertise of both business and technology to help you gain increased market share and profitability in this competitive marketplace.



Technology is the key

Looking forward five years, AWM CEOs anticipate technology will cause more disruption. Some 65% see it completely reshaping or significantly impacting competition.

— PwC

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