

MFund-AM

Asset and Funds Management Solution



Add Vigor to Your Investment Management Process

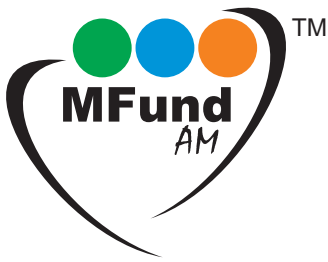
Fund Managers and Financial Institutions (FIs) are finding it increasingly difficult to overcome the innumerable challenges posed by today's highly competitive market environment. Only seeking good returns is not enough to stay on top in these conditions – they also have to move toward technological advancement and enhanced business practices.

For over a decade, organizations across the world are finding MFund-AM, 3i Infotech's Asset and Funds Management Solution, to be extremely effective in successfully coping with these challenges and market demands. **MFund-AM has been deployed extensively worldwide and it has become a benchmark in its class of solutions.**

Enhance all functionality of your investment back office
MFund-AM is a multi-currency, multi-fund accounting and valuation and performance measurement system. It automates the entire gamut of functionality in the investment back office covering post-trade settlements, income and corporate benefits accruals and fee accounting. It adopts accepted practices in portfolio valuation and reports GIPS compliant portfolio performance returns.

The solution streamlines multi-currency portfolios for institutional and retail markets. It can be used as a stand-alone system. Its modules can also be used in adaptable combinations based on your specific requirements.





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MFund-AM – The Salient Features

- Designed specially for Mutual Funds, Unit Trusts, Portfolio Managers, Insurance Companies and Investment Management companies
- Covers a wide range of asset classes including equity, fixed income, money market, asset-backed securities, exchange traded derivatives, interest rate swaps and Forex
- Double entry based built-in integrated general ledger system enables online update of portfolio and related financial accounting
- Facilitates interfaces with a variety of third party front office trading systems, corporate GL systems and price feeds

MFund-AM – The Major Benefits

- Comprehensive functionality enables optimal efficiency in back office operations
- Adaptable to any local market requirements and regulations
- Continual customization / enhancements of Reports
- Ease of implementation and cost-effective maintenance
- 24x7 support provided by specialists

MFund-AM – Asset Classes Covered

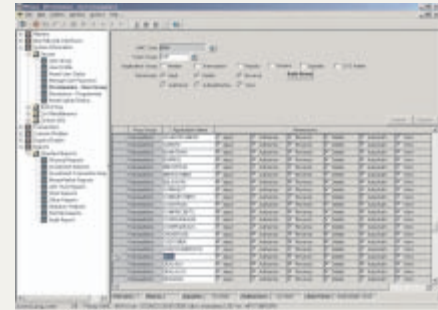
- **Equity Family:** Equity shares, preference shares, warrants
- **Fixed Income / Debt Family:** Bonds and debentures (convertible / non-convertible), bonds (floating / fixed rate, discounted, Government), asset backed securities
- **Money Market Instruments:** Treasury bills, commercial papers, certificate of deposits, call money, term / fixed deposits, floating rate deposits, repos and reverse repos
- **Alternative Investments:** Mutual fund units, real estate fund / hedge fund units, managed lump sum investments
- **Islamic Instruments:** Bonds, deposits

Additional / Optional Asset Classes

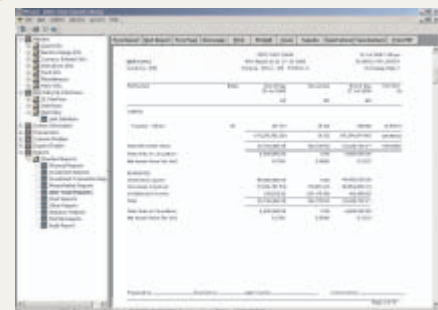
- **Forex Family:** Spot, forward trades
- **Derivatives:** Exchange traded index and stock futures, Exchange trades index and stock options, Interest rate swaps (in roadmap)
- **Term borrowings**

Equity Shares

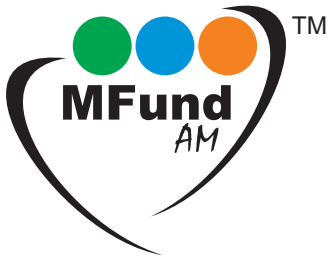
- Trading across multiple stock exchanges
- Settlements as per stock exchange calendars
- Ex and cum benefit trades
- Primary subscriptions and counter party deals
- Corporate actions:
 - Dividends (with tax)
 - Stock bonus
 - Rights entitlements
 - Stock splits
 - Amalgamation & mergers
- Rights trading



MFund-AM's rich and end-to-end functionality, integrated GL, short implementation period lessen the back office burden considerably



MFund-AM is popular amongst Investment Managers because of its accurate fund accounting, valuation and performance measurement features



Add Vigor to Your Investment Management Process

Bonds

- Fixed coupon rate
- Floating coupon rates with margin, floor and cap
- Coupon resets
- Different day count basis
- Bullet and staggered redemptions
- Put / call options
- Cash flows for asset backed securities
- Current coupon settlement
- Ex-interest trades
- Put / call options exercise
- Daily Interest accruals
- Daily discount income accruals (discounted securities)
- Interest dues creation at beginning of period / end of period
- Daily accretion / discount amortization - SLM & YTM methods

Call / Term / Fixed Deposits

- Simple and compounding interest
- Floating rates with margin, floor and cap
- Daily interest accruals
- Pre-maturity withdrawal
- Maturity withdrawal
- Roll-over

Repos / Reverse Repos

- Daily repo income / expense accruals
- Block sale of securities under repos

Islamic Instruments

- Shari'ah classification of bonds and deposits
- Daily profit sharing in agreed ratio

Alternative Investments

- Cash dividends on funds
- Dividend re-invests
- Lumpsum investment accounting

Forex

- Spot trades and daily revaluation
- Forward trades
- Forward trades revaluation on rebate method (roadmap)

Futures and Options

- Auto generation of live series
- Auto compute of initial and variable margins
- Blocking of sale for underlying stocks
- Exercise / expiration accounting
- Daily mark to market valuation

Interest Swaps (Roadmap)

- Hedged positions against underlying assets
- Re-assignment of hedged assets
- Blocking of hedged stocks
- Unwind / expiration accounting
- Daily income / expense accrual
- Daily mark to market valuation



MFund-AM – Funds Administration

Funds / Portfolio Details

- Creation of funds and private client portfolio
- Details of funds / clients
- Classification of funds / portfolios
- Policies definitions (valuation, income and amortization)

Online Maintenance of Holdings

- Online positions maintenance – logical / settled / saleable
- Categories of holdings - HTM / HFT / AFS stocks
- Maintenance of client original cost (PMS)
- Holding reduction on maturity
- Facility to correct holdings

Online Cash Maintenance

- Bank balances maintained online
- Cash flow forecast from investments

Transfers

- Inter-fund transfer of securities / deposits
- Inter-custodian transfer of securities
- Inter-category transfers (HTM ↔ HFT ↔ AFS ↔ HTM)
- Inter-bank transfers



MFund-AM – Funds Accounting

Capital Cash Flow Accounting

- Mutual funds – unit sales, redemption, switches, dividend distribution
- Private clients – capital injection, withdrawals – cash and securities
- Mutual funds - upload of capital movement data from registry system

Investment and Income Recognition (All Assets)

- Secondary market: trade date accounting
- Primary market: on allotment
- Day-end income accruals on all assets
- Corporate actions accruals on ex-dates
- Online realized gain / loss based weighted average cost
- Proportionate costing for staggered redemption
- Day-end unrealized gain / loss recognition
- Day-end revaluation of foreign currency assets

Receivables / Payables Monitor

- Interest / maturity dues creation
- Settlement receipts and allocations

Online Integrated General Ledger System

- Multi funds / portfolio books in same system
- One-time definition of chart of accounts (up to 5 levels)
- One-time definition of accounting entries as per policies
- Online update of account balances
- Account balances view and drill-down view facilities



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MFund-AM – Net Asset Valuations

Valuation of Holdings

- Marking to market (closing price / high / low / average / higher or lower of cost and market price / higher or lower of different stock exchange prices)
- Upload / manual entry of price feeds from different sources
- Preference order definition for different sources
- Unrealized gains / losses

Currency Revaluation

- Revaluation of investments
- Revaluation of receivables and payables
- Upload / manual entry of currency exchange rates

Fees Accruals

- Elaborate fee structure setup covering
 - Fee computation, billing frequency
 - Fixed fee rate or tiered fee rates, flat amount rate
 - Minimum fees, minimum fees period,
 - Base amount-absolute / average assets, exclusions to base amount
- Amortization of pre-launch expenses

NAV Computations

- Asset / liability & revenue method computation
- NAVs for different classes of units
- End of day automatic computations
- Facility to project NAV during day (optional)

MFund-AM – Performance Management

- GIPS compliant computations
- Daily TWRR computations
 - Fund / portfolio
 - Asset class
 - Instrument
 - Benchmarks
- Benchmark setup
- Performance hurdle rate definition
- Performance fees computations

MFund-AM – Interfaces and Reports

Interfaces

- SAP GL system, Oracle Application GL, Sun GL system
- Trades from trading systems
- Other interfaces customizable

Reports & Queries

- 30 content-rich and analytical reports
- 15 online queries
- Facility to run user-defined queries allowing data extracts

MFund-AM – Data Security

Security Highlights

- Database level
 - Password protected database
 - Encrypted password usage for connection
- Application Level
 - Login with user defined password and periodical forced resets
 - Forced password entry for long idle time
 - Portfolio / module level permissions
- Transaction Level
 - '4 eyes' principle for input and authorize stage
 - Deletion of records not allowed. Only reversals allowed.
 - Reversals require authorization



About 3i Infotech

- Global Information Technology company providing software solutions and IT services for Insurance, Banking, Finance, Manufacturing and Distribution
- One of the top 4 Indian software product companies*
- Winner of Asia Insurance Industry Award for the Service Provider of the year for 2 consecutive years -2005 and 2006
- Winner of Frost and Sullivan Award for Growth Strategy Leadership for India ERP Software for SMB
- Winner of Dubai Quality Appreciation Program award
- One of the top 3 ERP vendors in the Middle East & North Africa (MENA) region**
- SEI CMMI Level 5 for its software services and ISO 9001:2000 for its Infrastructure and BPO Services
- Over 500 customers across 45 countries
- Over 2800 employees
- Offices in 15 cities across 9 countries in 5 continents
- State of the art development and delivery centers in Mumbai, Chennai, Bangalore, Kuala Lumpur, Dubai, New Jersey

* Source: Dataquest

** Source: IDC report



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