

Wallstreet Suite

Comprehensive, cross-asset investment and debt management solutions for financial institutions and corporations

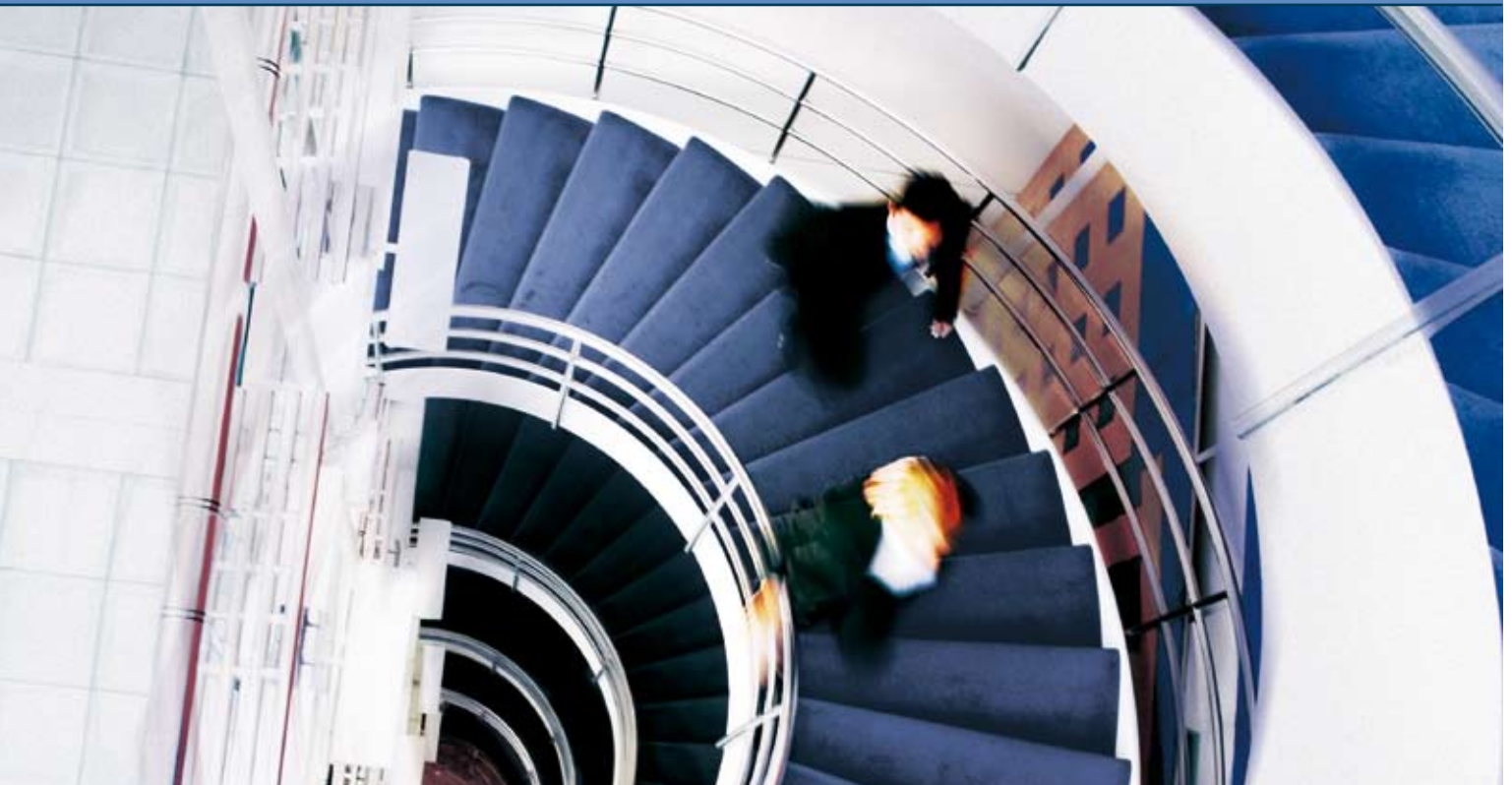
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SYSTEMS

Case Study

LOCAL GOVERNMENT PENSIONS INSTITUTION REDUCES BACK OFFICE WORKLOAD BY 40% WITH WALLSTREET SOLUTION



"We are very happy with the solution Wallstreet has provided. It supports the growth and changes within our business and is a testament to Wallstreet's expertise in the domain of asset management."

Juha Soininen, head of middle office, Local Government Pensions Institution

In 2002, Finland's Local Government Pensions Institution (LGPI) decided it needed added flexibility to trade in new markets and instrument types. It elected to switch from its old legacy system to a new asset management solution and chose the Wallstreet solution due to the wide range of instruments it supports and its automated workflow. Since then, LGPI has continued to benefit from the latest capabilities the solution has to offer, enabling it to evolve with new market developments.

Originally a Government fund, LGPI is responsible for providing and financing employment pensions for local government officeholders and employees. Its 960 member organisations include all Finnish cities, municipalities and joint municipal boards. The LGPI is the largest pension institution in Finland in terms of the number of people covered by the pension scheme and the volume of its contribution income.

WALL STREET SYSTEMS IS AMONG THE LEADING PROVIDERS OF TREASURY AND ASSET MANAGEMENT SOFTWARE FOR BUSINESSES AND FINANCIAL INSTITUTIONS.



THE CHALLENGE

Like all pension funds, the Finnish Local Government Pensions Institution is constantly faced with the challenge of achieving diversification in terms of geographies and instruments covered. While the fund's existing solution was adequate, it did not offer the scope the organisation needed to trade in new markets and instrument types. In 2002, the organisation therefore decided to seek a solution with the agility, scalability and robustness to cater to its current and future needs. As a result, LGPI has been in a position to benefit from the continual developments and latest capabilities offered by Wallstreet. This means that it has the scope to evolve its technology in response to market demands.

Juha Soininen, head of middle office, LGPI, said: "Over the past five years, Wallstreet has consistently met our needs, not only in terms of the initial deployment, but also when there has been a need to realign the system according to the changing demands of the business."

SOLUTION

In 2002, LGPI deployed Wallstreet Suite for asset management. This integrated system supports multi-asset instruments including equities, fixed income, derivatives and structured products. LGPI combined the asset management and treasury and risk management capabilities of Wallstreet Suite to create a solution tailored to its individual needs and eliminate many of its manual processes. This made it easier for LGPI to process increased transaction volumes while reducing back office workload by over 40%.

In 2004, LGPI upgraded the solution, a move that provided additional functionality, mostly in the form of additional instruments and reporting capabilities, and increased the solution's performance. This is crucial for pension funds since the changing regulatory landscape in Europe has increased the types of instruments they can invest in as well as their reporting requirements.

Soininen said: "The performance and real-time monitoring tools are particularly valuable and easy to use. Our management team uses these on a regular basis and they are all very impressed with it."

Because of Wallstreet Suite's inherent flexibility, LGPI has been able to establish and interface with its private equity management application, Private I, and now benefits from real-time interaction.

Throughout the successful, five-year relationship, Wallstreet has been on hand to provide the fund with support as the business develops. Soininen commented: "We are happy with Wallstreet Suite. It supports what we do, even as our business changes and is a testament to Wallstreet's expertise in the domain of asset management."

“Wallstreet has helped us to develop an exceptionally strong asset management solution with long-term benefits. There is so much potential in the system for us to reduce our manual processes and further enhance the way we work. I would recommend it to any asset management firm seeking to achieve growth.”

Juha Soininen, head of middle office, Local Government Pensions Institution

BENEFITS

Since engaging with Wallstreet in 2002, LGPI has been able to adapt to changes in the market as well as meet its own internal targets. The wide range of instruments supported by the Wallstreet solution means LGPI is well placed to move into the new instrument classes and markets demanded by changing market conditions, as well as encompass any further regulatory changes. LGPI's investments are based on long-term real return targets which require diversification of instrument types, markets, sectors and geography. The organisation has also been able to expand the remit of its investments which are now increasingly located outside Finland.

Soininen commented: “Since implementing the Wallstreet solution, we have been able to make a lot of investments in markets outside Europe – both established and emerging. Furthermore, our instrument scale has broadened dramatically since then.”

As well as increasing the scope of its investments, LGPI has been able to improve both transparency and efficiency by creating interfaces with its reporting and private equity systems. It is also currently working on establishing an interface with its global custodian.

Overall, LGPI has been most impressed with the solution. Soininen added: “Our investment environment has changed dramatically since implementing the system and Wallstreet's asset management solution has proved extremely

scalable. As well as upgrading the system twice, we have also moved from a Unix/Sbase environment to Microsoft Windows/MSSQL.”

LGPI can now work with a broader and more complex range of financial instruments than ever before. The organisation has also increased its scope in line with changes in the pension fund market. It is currently making plans to upgrade to the next version of the Wallstreet solution in order to further enhance the system's asset management and reporting functionality and increase its ability to support more complex instruments and derivatives.

Soininen concluded: “Wallstreet has helped us to develop an exceptionally strong asset management solution with long-term benefits. There is so much potential in the system for us to reduce our manual processes and further enhance the way we work. I would recommend it to any asset management firm seeking to achieve growth.”





KEY FACTS

Profile

- A pension fund for local government workers.

Challenge

- Reduce back office workload.
- Increase productivity.
- Increase range and complexity of instruments.
- Widen geographical scope of investments.
- Improve transparency and interaction with other systems.

Solution

- Cash, transaction, settlement, position, performance, risk management and monitoring in one integrated real time solution.
- Asset management capabilities include support for a wide range of instruments, including derivatives, as well as easy interfaces with external systems such as private equity management and reporting systems.
- Scalability and easy implementation of new instruments and tools.

Benefits

- Improved efficiencies and investment opportunities through support of a wider range of instruments.
- Increased business intelligence and transparency through access to real-time reports and portfolio and performance information.
- Improved productivity through larger transaction volumes processed in less time.
- Geographical expansion in emerging markets and other non-European geographies.

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