

Advent Portfolio Exchange Facilitates Myriad Functions

NEW YORK — Focusing on providing portfolio managers and marketing personnel the higher level of compliance and operational controls necessitated in an investment management application under today's business and regulatory requirements, Advent's software engineers have fused accounting, reporting, and client relationship management into a single platform called **Advent Portfolio Exchange**.

"Originally called Next Gen, for the next generation of our core products, it runs on **Microsoft** Windows and SQL servers," says Bill Penney, Senior Director for Product Marketing, Advent Portfolio Exchange (APX). The infrastructure behind APX is designed around an appropriate level of control, but also a flexible one.

"We are using it for everything from macro trends in investment products all the way down to end-user viability," adds Penney. Advent has 4,500 customers today, many of whom use the firm's **Axys** platform, a portfolio management, reporting and accounting solution. "We saw a need in our product suite for a platform that didn't necessarily have the global reach of Geneva, but had more enterprise technology for larger and growing multi-location firms for whom **Axys** is a core component but wasn't solving enough of the problem. Those firms use APX to replace **Axys**."

Sterling Capital Management, Charlotte, N.C., an investment management company with just under \$10 billion in assets under management, was a beta

tester for APX, says Cathy Sawyer, Director of Operations at Sterling Capital. Sixty percent of the money manager's assets are in fixed-income and the balance in equities. The firm also has a smaller, private-client high-net worth business.

"The main reason we chose to work with Advent on APX was because a big piece of our business is fixed-income," says Sawyer. "We wanted some improvements made in the accounting for fixed-income investments and came quickly to the conclusion that APX would be the platform where Advent would make the enhancements. It was important for us to be involved with that since we are a large fixed income shop. We wanted to have input as the product was developed."

Client relationship management (CRM) is a more prominent component of the investment management business today than it has been, Penney explains. "CRM is obviously different for investment managers than it is for a sales force," he says. "CRM for the asset management firms is more about service and customized reporting. Our system allows clients to combine relationship management and contacts, including the seasonal addresses for high net worth accounts. It also tracks interested party relationships. When that is paired with a standardized or a customized report package, an analytics component and a research component, it gives clients a lot of freedom to automate production of reports and information that they can make available to their clients. It can

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reflect the performance of the investments.”

Penney explains that Advent provides APX to independent advisors, mid-size investment management firms and some large institutional and high-net worth firms managing \$20 billion to \$60 billion in assets under management.

The decision on what product to use largely depends on how global the investment products are. “APX works in an environment where you generally have a single currency of custody,” says Penney. “We have about 13 to 15 new clients a year that are moving onto APX and then we have about 50 clients that have migrated to it from the Axys product.”

APX’s front- and back-office functionality is a core benefit, Penney explains. Advent is getting a lot of requests for more seats (more licenses of seats within firms) on APX. “Automating back offices of investment management firms is our bread and butter work,” says Penney. “The request for more seats on APX really speaks directly to this connection of front to back office.”

The size and scale of these firms have grown beyond their original expectations in many ways, according to Penney. “So when they are looking at CRM, they looking at a product like APX that adds a layer of CRM and contact management to consolidate that information into one platform,” he says. “It provides a level of security and control over what is increasingly sensitive information, especially in the high-net worth space.”

APX’s use of the SQL platform is a feature that Sterling likes, says Sawyer. “We like that we have the security and control over who is allowed to do what in the system,” she says. “We can control that. We can also control our users experience by customizing the look of the product for them. Our equity managers need to see their equity accounts.” They are not concerned, however, with the fixed-income side of the business and don’t need to see it.

On the breadth of product coverage, Sawyer says Sterling is a domestic shop. “APX covers all of our products,” she says. “We are looking forward to APX 2.0 which will have significant enhancements for handling mortgage-backed securities.”

Penney notes that there is continuity between Advent’s installed base of Axys customers, for example, and APX. “Firms don’t need to re-invent everything to use this new platform,” he says. Users of Axys and other Advent software who move to APX can continue to reconcile to their key custodian and retain all the transaction histories. “We allow them to use all customized reports they have created in our report-writing tools. Those are all compatible with the new APX platform. We heard loud and clear from our clients that no business interruption was acceptable when they moved into a new system.”

The reporting component is robust and flexible, Sterling’s Sawyer notes. “We have been an Axys user since 1998 and have a lot of customized reports,” she says. “It was very important that those reports still work for us in APX, because we had significant time and investment in them. Advent brought them all into APX for us and also made them look very similar to what users were used to. When we were ramping up for APX, only minimal training was needed. Portfolio managers have certain reports they like to run and ‘boom,’ there they were and off they went. So that was important for us. We were very pleased they were able to do that.”

Since there is a database in APX that was not a part of Axys, Sterling personnel have access to a lot of very powerful query abilities on the portfolio, client, contact and security levels. “We can customize queries,” Sawyer says. “Once you get the results of your queries, you can take action and run a report, create a group or create a mailing. That is a feature that we did not have in Axys.” □