



**Invest | Pro™**

a Constellation Software Inc. Company

"The measure of intelligence  
is the ability to change".

**Albert Einstein**

# Resilience in Unit Pricing

## Why Readiness Defines the Future of Fund Operations

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This paper is best suited to: Finance, Investment Operations, Technology and Risk Professionals.  
This paper is adapted from a keynote speech delivered by Mr. Cian O'Driscoll from Financial Risk Solutions (FRS)  
at the IBR Conference Unit Pricing Forum, August 2025, in Sydney.

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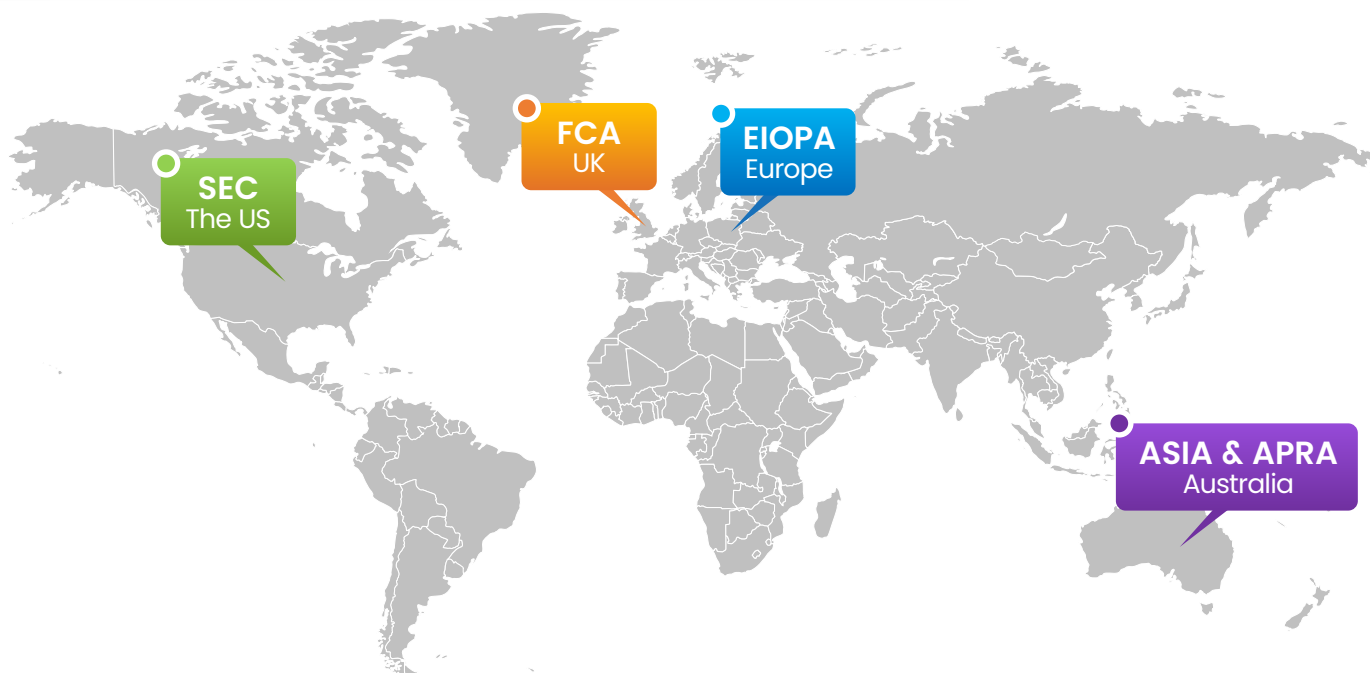
# Resilience in Unit Pricing

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## Introduction

In today's financial landscape, operational resilience is no longer an abstract regulatory aspiration, it is a business imperative. The Global Financial Crisis, the COVID-19 pandemic, and a series of high-profile cyber incidents have highlighted the fragility of financial infrastructures. At the heart of these challenges lies a critical function: fund operations.

Accurate, timely NAVs are essential to fund operations. Yet they remain vulnerable to outages, cyberattacks, data integrity failures, and operational bottlenecks. Increasingly, regulators from APRA in Australia to the SEC in the U.S. and EIOPA in Europe are demanding not just risk management, but evidence of resilience: the ability to continue delivering accurate outcomes even under severe stress.



This paper explores why NAV resilience matters now more than ever, the risks of inaction, and the technological solutions shaping the future of fund administration.

## The Regulatory Imperative

Regulators around the globe are converging on common resilience themes:

### Greater Accountability

Boards and senior management must own oversight.

### Identification of Critical Activities

Firms must map dependencies across people, technology, and third parties.

### Impact Tolerances

Clear, measurable thresholds for acceptable disruption.

### Scenario Testing

Proof through real-world stress events, not theory.

### Transparent Communications

Ensuring customers are kept informed during crises.

For example, APRA's CPS230 elevates operational resilience to the boardroom agenda, requiring that backup processes for critical functions like NAV's are not only documented but tested and auditable.

## When the Lights Go Out

A key test of resilience is this: what happens when your core pricing system fails? Questions firms must answer include:

How quickly can you strike unit prices?

What's your acceptable outage period—1 hour, 24 hours, longer?

Do you have an alternate NAV process, and is it more than a spreadsheet?

How do you manage fees, charges, and tax accruals during disruption?

What is your remediation strategy when systems return?

## When the Lights Go Out: What's Your Backup Plan?

**A**

Everyone in the industry should start from the assumption that your core systems are down. So—what now?

**B**

Do we know what our acceptable outage period is? Is it 1 hour/48 hours? What's the tolerance level before it becomes a reportable breach?

**C**

How do we strike our unit prices? Do we have an alternate NAV process? And if so, what does it look like in practice? Are we approximating prices? Using benchmark indexing? And for how long?

**D**

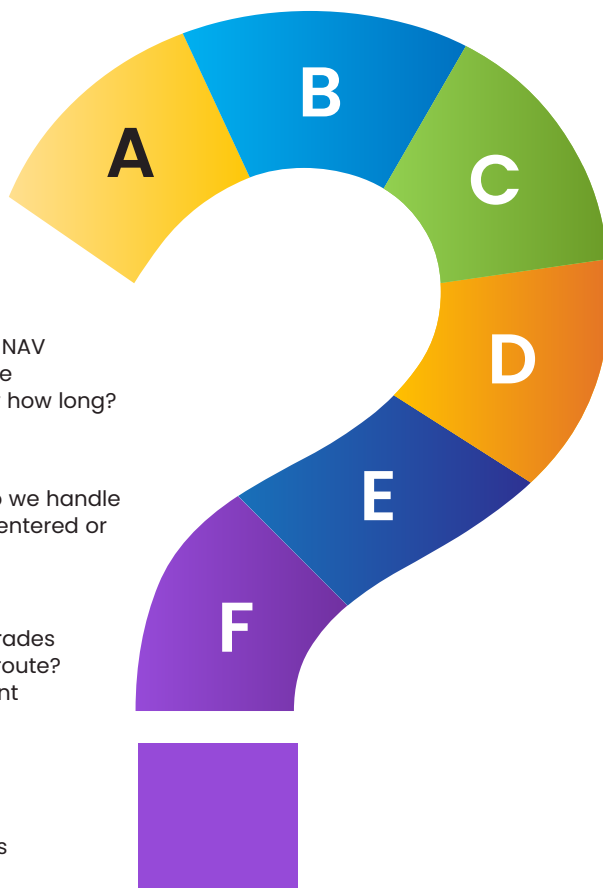
When the main pricing system comes back online—how do we handle remediation? Will we need to compensate members who entered or exited the fund based on estimated prices?

**E**

What about trade execution? How do we continue to get trades to market during a disruption? Do we have an alternative route? And what happens if there's a significant market movement during the downtime?

**F**

Let's not forget about fees, charges, and tax accruals. Are your backup systems calculating them correctly using the right methods, assumptions, and are these frequencies in line with your existing pricing framework?



These are not theoretical concerns. Outages force firms to make difficult trade-offs between speed, accuracy, and regulatory compliance. Without resilient processes, firms risk breaching thresholds, delaying trades, damaging the brand, and eroding investor trust.

### Options for NAV Resilience

Traditionally, firms have relied on spreadsheets as their fallback. While low cost and familiar, spreadsheets are difficult to audit, govern, and scale. As resilience expectations rise, they fall short.

#### Alternatives include:

- **Contingent NAV:** Uses previous NAV and independent data (e.g., indexes, benchmark prices) to produce timely and reliable approximations when the main system is down.
- **Shadow NAV:** A full replication of the book of records, providing the highest accuracy and independence, but this is often costly and resource-intensive.
- **Technology-led oversight platforms (e.g., InvestPro):** Automate daily NAV validations, allow for contingent NAV generation, and provide audit-ready evidence of resilience.

The choice is not binary. Many firms adopt a tiered approach, shadowing high-value processes such as fee accruals while relying on contingent NAV for broader resilience.



### The Cost of Inaction



Failing to build resilient NAV processes exposes firms to four interconnected risks:

#### 1 Regulatory

Breaches, fines, and heightened supervisory scrutiny.

#### 2 Operational

Errors from manual workarounds and slow recovery.

#### 3 Financial

Compensation to investors, penalties, or exclusion from key distribution platforms.

#### 4 Reputational

Loss of investor trust, fund outflows, and strained partnerships.

The cost of remediation after a failure is far greater than investing in readiness today.



# Resilience in Unit Pricing

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## Resilience as Readiness

True resilience is not just about recovery—it is about readiness. That means:

- Establishing tested, auditable NAV contingency processes.
- Ensuring board-level governance and ownership of resilience.
- Using technology to provide automation, transparency, and scalability.
- Treating operational resilience as a core expectation from investors, regulators, and the market.

At its heart, NAV resilience is about preserving credibility in times of disruption. The firms that invest in readiness will not only meet regulatory expectations but also build lasting trust with their stakeholders.



## Conclusion



Disruption is no longer a question of if but when. In the age of CPS230 and increasing global scrutiny, operational resilience in unit pricing has become central to sustainable fund operations.

Platforms like Invest|Pro™ are purpose-built to provide the oversight, automation, and contingency required for this new era. By moving beyond spreadsheets and manual processes, firms can transform resilience from a compliance checkbox into a strategic advantage.

Because resilience is not just survival—it is readiness for what comes next.

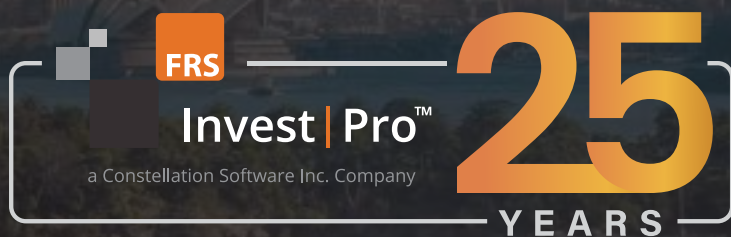
## About Financial Risk Solutions Ltd (FRS)

The award-winning\* Invest|Pro™ platform is relied on by blue-chip financial services and BPO clients to reduce operational costs, increase efficiencies and mitigate risk in the manufacture and management of investment products. More than 150,000 funds are managed on the Invest|Pro™ platform today.

Delivered cloud-hosted or on-premise, Invest|Pro™ securely automates multiple complex fund administration processes including unit-pricing, cash allocation and rebalancing; oversight and validation of operational activity performed by outsourced partners; and in Europe monitoring and reporting for PRIIPs, KID requirements, and Pillar III asset reporting for Solvency II.

FRS is part of the Constellation Software Inc. group and headquartered in Dublin, Ireland, with offices in London, Boston and Melbourne.

For more information visit [frsltd.com](https://frsltd.com) or follow FRS on LinkedIn at [www.linkedin.com/company/frs-ltd](https://www.linkedin.com/company/frs-ltd)



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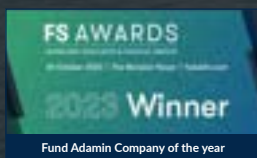
2024 – Pensions Technology Provider of the Year – Irish Pensions Awards •

2023 – FS Awards Fund Admin Company of the Year • 2023 – Global WealthTech 100 List •

2021 – Xcellent Technology Award 2021 • 2020 – GRC Product of the Year – Asia Risk.Net Awards •

2020 – Pensions Technology Provider of the Year – Irish Pensions Awards •

2020 – Best Back Office Solution – • FundTech Awards 2020



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