



Mobius Life Invest|Pro™ Case Study – June 2015

How Invest|Pro™ assisted the growth of a fund-of-funds life assurer while reducing their operational risk

Case study: FRS Client Success Story

How Invest|Pro™ assisted the growth of one fund of funds manager's business

Adrian Swales, CEO Mobius Life:

"The FRS team and the Invest|Pro™ system have transformed our fund-of-funds business. It has allowed us to move to a true forward pricing basis for some funds while maintaining the existing processes for other funds – with tight risk management control. Within 5 months of implementation Invest|Pro™ has allowed us to double our funds under management year-on-year and expand our range of funds with only a modest increase in the number of staff we employ. And with more robust technology and fewer systems now required for our investment accounting function. We continue to achieve operational efficiencies as we move our business forward."

What Mobius have achieved since implementing Invest|Pro™ in March 2015

- 1 The flexibility of Invest|Pro™ allows Mobius Life to manage a complex range of hierarchical fund of fund structures on different pricing bases, while significantly reducing operational risk;
- 2 Mobius Life has grown its business without a corresponding increase in costs; the technology has assisted Mobius in winning new clients;
- 3 Mobius Life is assured of maintaining its leading edge in technology by availing of the Invest|Pro™ upgrades provided by FRS at no increase in license fee.

Background

Mobius Life is an authorised unit - linked UK life insurance company. They are an independently owned business committed to helping UK institutional pension schemes and asset managers implement their investment strategies, and meet their investment objectives.

They offer clients access to an investment platform operating within a life company structure, supported by a wide range of investment services. Uniquely, they do not represent proprietary funds and therefore avoid conflicts of interest associated with proprietary fund providers.

Services include investment administration, creation of blended and white-labelled funds, trigger monitoring, transition management and pension scheme reporting. Working

closely with their clients, they create tailored investment solutions to fit their unique requirements. See - www.mobiuslife.co.uk

In Q4 2014, following a rigorous evaluation process, Mobius Life chose to implement FRS's Invest|Pro™ system to manage its Fund of Funds ("FoF") investment administration.

The challenge

Mobius Life was using a number of systems to manage the different parts of the overall investment administration process, i.e. different systems for unit pricing, unit dealing and cash allocation, order management and investment accounting. This combination of systems was subject to significant operational risk which required management time to mitigate.

The challenge for FRS was to convert from the existing systems and business processes into the Invest|Pro™ system with revised business processes designed to improve efficiency and reduce operational risk.

Mobius Life operate a complex range of unit-linked FoF's with nine layers in the fund hierarchy. The base layer had 130 funds with another 770 funds in the hierarchy.

A fixed deadline was put in place for the go-live of Invest|Pro™ which corresponded with the date, pre-advised to policyholders, that some funds were moving to a true forward pricing basis. Meeting this deadline required very rigorous project management from both the Mobius Life and FRS project teams through weekly project assessment meetings.

The solution

In September 2014 Mobius Life met with consultants from FRS to rigorously map out every aspect of their business processes and investigate how Invest|Pro™ could help improve, re-design and in some cases eliminate them. This developed into an extensive framework covering every aspect of their business including:

- Data import of cashflows/deals from policyholders
- Configuring the rules for cascading the cashflows down through the fund hierarchy
- Agreeing fund hierarchical rebalancing rules and processes
- Creating trade orders in external assets
- Transmitting orders to the market and importing contract confirmations
- Fund accounting
- Market pricing data links with Telekurs
- Fund valuations and unit pricing

- Custodian reconciliations
- Charging structures
- User groups, user permissions, maker/checker processes etc.

This provided the project team with a clear view of the requirements and targets associated with the project and how these targets would be met.

There were three major aspects of the project once the requirements phase was completed:

- a) The data conversion process
- b) Systems integration
- c) The roll-out of Invest|Pro™ across the company including staff training and documentation of new procedures.

Data Conversion

The data conversion process involved capturing point-in-time balances and in-flight transactions from the existing systems, loading these onto the Invest|Pro™ database and reconciling the Invest|Pro™ valuation to the valuation from the existing systems. This process commenced in November 2014.

Three data take-on iterations were ran between December 2014 and February 2015 to reorganise data configurations and ensure consistent valuations between Invest|Pro™ and the existing systems. March 2015 was used as a parallel run for those funds remaining on the existing pricing basis and also to new test the new forward pricing business processes.

Invest|Pro™ went live on the targeted go-live date of 30th March 2015. FRS staff were on-site in Mobius Life for the first week following go-live. Subsequent support when required was provided.

Systems Integration

Mobius Life needed robust controlled communication between their outsourced member administration systems and Invest|Pro™. These were managed using the Invest|Pro™ data import tool.

Accounting extracts were produced to feed into Mobius Life's corporate general ledger.

The Invest|Pro™ data import tool was used to import security prices from Six Telekurs and contract confirmations from fund managers.

Training

FRS provided consultants as a full-time resource on-site who worked in conjunction with a team of experienced Mobius Life staff assigned to the project. Staff training was carried out in parallel with the UAT phase of the project. Training was carried out on a 'train the trainers' basis where FRS trained the project implementation staff and the project staff subsequently trained the wider user group.

Laura Catterick, COO MOBIUS LIFE

"Following a Mobius Life systems evaluation process it became clear that FRS's Invest|Pro™ system, which is specifically designed for the life industry, was the only potential proprietary solution for the complex set of requirements Mobius Life had for their unit linked funds in a hierarchical structure. Business processes are now faster, cost less, and are carried out in a more controlled environment – the ideal way to operate an investment business under the current regulatory regime."

