

Invest|Pro™ automated dealing and

settlement process

Invest|Pro™ allows real-time straight through processing of trade orders in mutual funds with a wide range of investment management groups using an electronic trading platform.

Invest|Pro™ can also facilitate secure trading in direct equities and bonds provided the dealing counterparty can accept and send SWIFT messages over the SWIFT network.

Trades can be entered directly to Invest|Pro™ using the Invest|Pro™ trading screen or Invest|Pro™ can create trades using in-built algorithms.

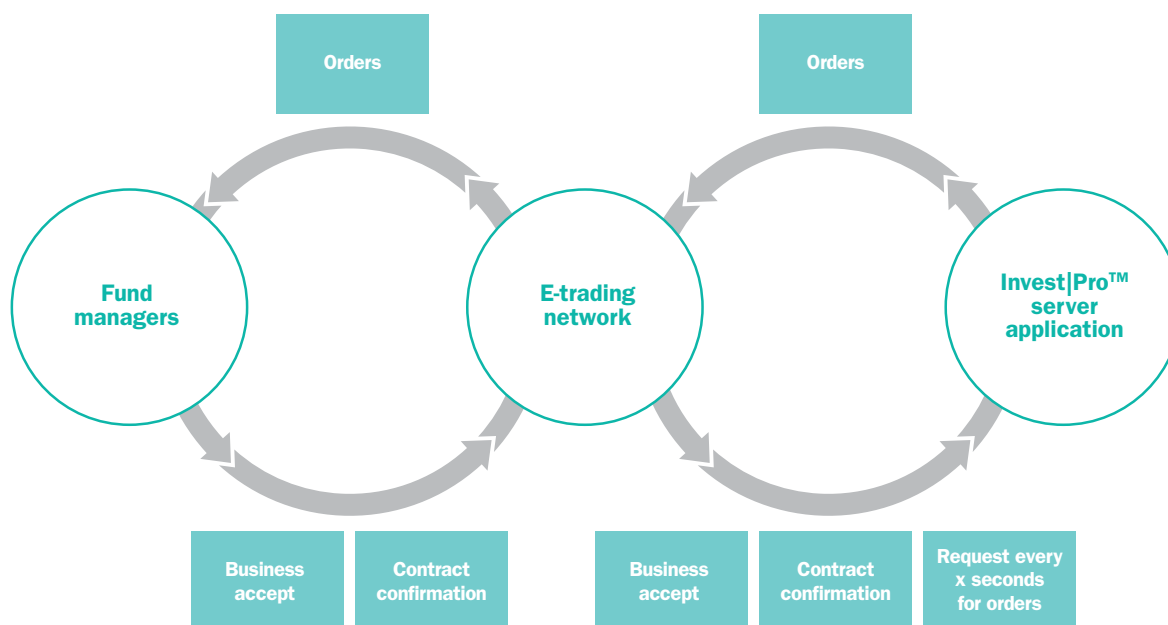
For life assurance companies Invest|Pro™ imports forecast cashflows/unit movements from policy admin system(s) and automatically creates trades based on static data investment splits (“model portfolios”) for the external securities to be purchased/sold by the fund.

Trades can be edited manually (if necessary) by a user with the appropriate system rights prior to being sent to market.

The schematic in **Figure 1** outlines the process:

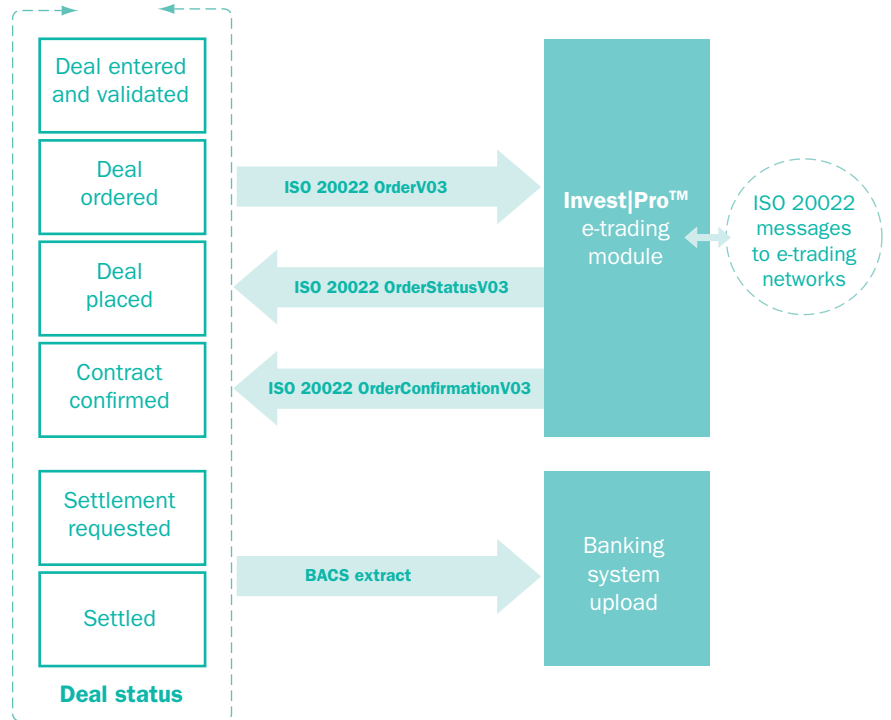
- The E-trading network polls the Invest|Pro™ server application every 30 seconds (this can be varied) to check if orders are waiting to be transmitted to the market.
- Trades are automatically transmitted to the dealing counterparty by the E-trading network using:
 - ISO20022 standard messages or
 - In-house protocols
- Where there are trades in the same security across multiple funds these can be aggregated into a single market order or sent individually.
- The deal status on the Invest|Pro™ database is automatically moved to ‘Deal Ordered’.
- The dealing counterparty will send a ‘business accept’ message to the E-trading network confirming it’s receipt of the trade order. The E-trading network will pass this message to the Invest|Pro™ server application.
- The deal status on the Invest|Pro™ database is automatically moved to ‘Deal Placed’.

Figure 1. Invest|Pro™ automated dealing



- Trades confirmations are electronically received from the dealing counterparty (using similar protocols).
- The deal status on the Invest|Pro™ database is automatically moved to 'Contract Confirmed'.
- Settlement – there are a number of possible approaches to Settlement. Settlement can be automated through CREST or Euroclear or a settlement extract can be created by Invest|Pro™ which is fed into a banking settlement system.
- Invest|Pro™ creates 'Dealing Tickets' for investment managers who are not in a position to trade via an automated trading system. These can be faxed/ e-mailed to the investment manager/administrator.
- Invest|Pro™ automatically creates cash flow advices for managed funds where the investment manager decides the asset allocation and stock selection. Trades confirmations can be electronically received from the investment manager.
- The typical set of trade statuses through which a trade passes for Invest|Pro™ E-trading is shown in **Figure 2**.
- All results are stored in the database, date stamped and archived.

Figure 2. Invest|Pro™ electronic trading message flow



See the separate Invest|Pro™ brochure on individual accounts

For further information or for an Invest|Pro™ demonstration please contact: frank.carr@frsltd.com or joel.fox@towerswatson.com