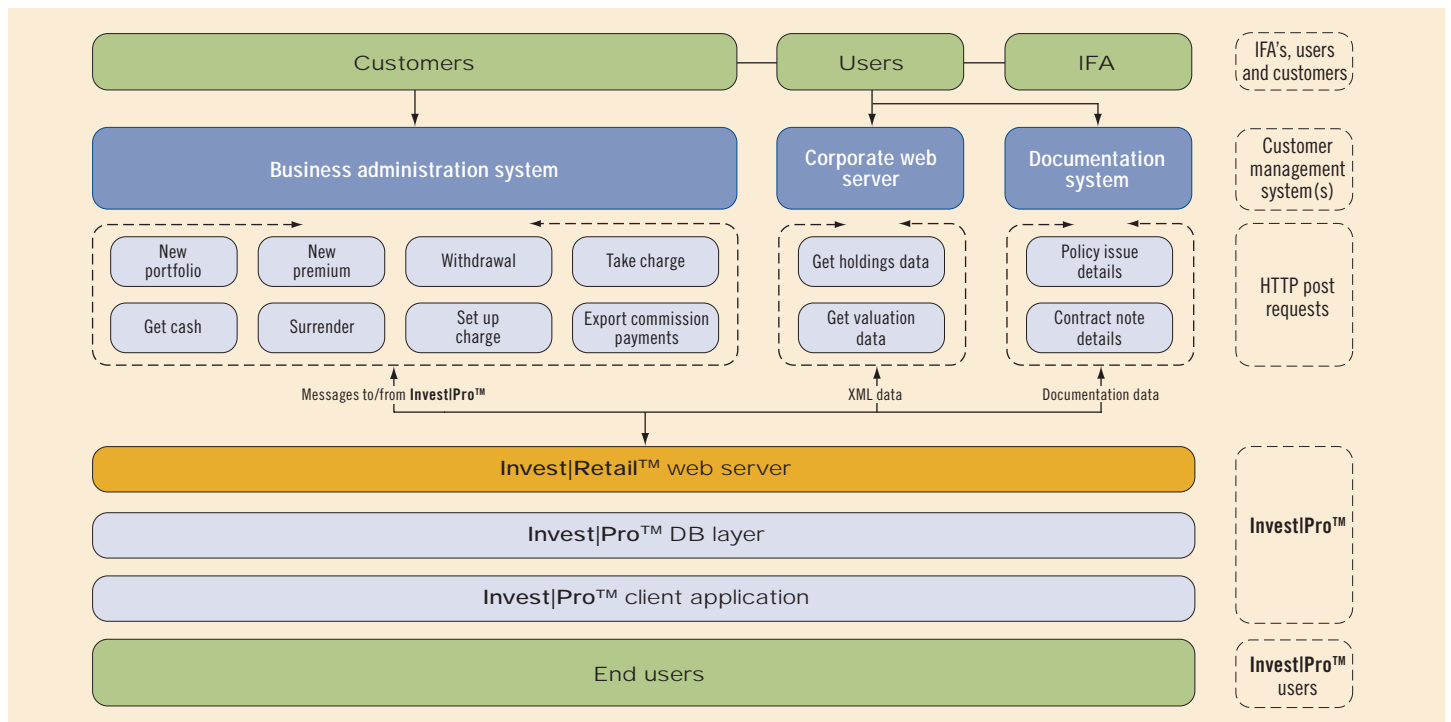




INVEST|PRO™ INDIVIDUAL ACCOUNTS INVESTMENT ADMINISTRATION SYSTEM

Individualised Accounts

Invest|Pro™ is a complete solution for the investment administration of individual accounts such as personal portfolio bonds in life companies, self invested pension plans, discretionary stockbroking accounts, managed accounts and others.



KEY SYSTEM FEATURES:

- Management of all asset classes
- Maintenance of individual account holdings
- Multi-currency cash account management
- Client reporting
- Customisable dealing process and automated trading using Swift messaging
- Automated settlement
- Comprehensive charging functionality, eg, annual management charges, trail commission charges, dealing/custodial charges, flat charges, exit charges etc.
- Multi-currency application.
- Automated addition of interest on multi-currency cash balances at selected frequencies
- Automatic opening of new individual accounts based on messages from the company's CRM system
- Automatic cash application to accounts based on messages from the company's CRM system
- Fully integrated with other business systems, eg, CRM system, corporate general ledger, trading systems, settlement systems etc.
- Native general ledger within the application
- Company financial reports (where the end customer's assets are on the company's balance sheet)
- Management of model portfolios/managed accounts including automated rebalancing
- Strong Controls with full audit trail
- Corporate actions (and reversal of corporate actions)
- Comprehensive management information reports

INVEST|PRO™ INDIVIDUAL ACCOUNTS INVESTMENT ADMINISTRATION SYSTEM

NEW BUSINESS

Invest|Pro™ creates a new individual account based on a message from the company's existing CRM system. A new individual account can also be created through an Invest|Pro™ user interface. Cash can be applied to the individual account based on a message from the CRM system (or through an Invest|Pro™ user interface).

ASSETS MANAGED

Invest|Pro™ manages the main assets classes ie, equities, collectives, EFT's, fixed/floating rate bonds, property, overnight and fixed term bank deposits and exchange traded futures and options. Interest accruals are automatically created at each valuation date on interest bearing securities.

An asset must be authorized by a user with appropriate rights before it becomes available for trading.

Each asset is linked to one or more settlement counterparties. A settlement counterparty must be authorized by two or more users with appropriate rights before transactions can take place with this counterparty.

Products can be configured on Invest|Pro™ so that only defined sets of assets (or the full universe of assets) are available to be traded on each product.

DEALING

Invest|Pro™ manages and tracks the deal status for trades from initial order placement through to settlement. Dealing can be automated using Swift messaging. Trades in the same asset can be aggregated across multiple individual accounts to obtain a single market order. Invest|Pro™ has in-built pre-trade validation, eg, the individual account has sufficient cash to purchase a security or sufficient nominal of the security for a sale. Clients can view contract notes over the web.

See the separate Invest|Pro™ brochure on automated dealing and settlement.

SETTLEMENTS

Invest|Pro™ can automate settlement of trades which settle through CREST or Euroclear.

For assets which require direct settlement with a settlement counterparty Invest|Pro™ can create a settlement extract for uploading to a banking settlement system or to an internal company payment system.

VALUATIONS

Daily individual account valuations can be scheduled to run automatically or can be created manually. The automated process requires that the latest asset price feeds and FX rates are available prior to the scheduled run time. The latest available prices and FX rates will be used otherwise.

MULTI-CURRENCY

Invest|Pro™ is a multi-currency application. The system currency is the currency used for production of the company's financial statements. The individual account currency is the currency in which valuations of the individual account are produced (this can vary by individual account). The asset currency is the currency in which asset prices are quoted (this varies by asset). Each day Invest|Pro™ receives an automated FX feed.

CASH ACCOUNTS

Cash balances can be held in multiple currencies. Interest can be applied to cash balances based on the product to which the account is linked, the size of the balance, the sign of the balance, the currency of the balance and by date. This can be an automated scheduled process or done manually by a user.

Interest, dividends, rebates from external funds etc. are added to and charges and expenses deducted from the individual account currency.

CLIENT REPORTING

Invest|Pro™ has a full range of client reports including valuation statements, transaction reports, charges reports, realized and unrealized gains at security level, performance reports etc. Reports can be made available in xml format for integration with document management tools.

MODEL PORTFOLIOS

Investment advisors can setup model portfolios using any combination of assets. Clients can be linked to model portfolios. Investment advisors can rebalance their model portfolios and automatically create all the trades required for each client account linked to that model portfolio. Client account trades are aggregated to create a single market order for each security.

FINANCIAL REPORTING

GENERAL LEDGER

Invest|Pro™ has its own multi-currency General Ledger. General ledger reports include:

- Revenue account
- Balance sheet
- Trial balance
- General ledger account listing

Invest|Pro™ produces fund accounts and FSA forms 43, 44 & 55 and IFSRA returns forms 12, 13 & 14 from the general ledger trial balances. Reports can be generated for single individual accounts or consolidated across a range of individual accounts. Reports can be viewed in system currency, individual account currency or transaction currency.

AUDIT BACKUP

There is full back up for audit purposes to the financial statements data. For example, schedules showing the opening, closing and movements in book cost, realised gains and unrealised gains at security level are available between any two reporting dates through the Reports module.

CORPORATE ACTIONS

Invest|Pro™ supports the following corporate actions:

- Dividend accrual and payment processing at asset level (including the processing of equalization on UK collectives). Payments can also be processed as scrip dividends. For UK life companies the tax treatment of dividends from UK equity and bond collectives is also catered for.
- Security transformations and splits.
- Bonus issues.
- Rights issues.

SECURITY TRANSFORMATIONS/SPLITS

Invest|Pro™ displays all individual accounts holding the relevant security at the notification date. The system generates the transactions to reflect the post action position.

BONUS ISSUES

Invest|Pro™ displays all individual accounts holding the relevant security at the notification date. For each holding, Invest|Pro™ allows the user to add new units/shares to the holding at zero cost.

RIGHTS ISSUES

Invest|Pro™ produces a report that lists all individual accounts holding the relevant security on the given date. The report will include account cross reference, so that the clients can be contacted to request confirmation of action to be taken.

TYPES OF CHARGES

Management charges are accrued in the daily valuation process. Charges can be deducted monthly/quarterly etc. on a calendar basis or on the anniversary of the individual account start date. Individual accounts can have multiple types of charges comprising, eg,

- Flat administration fees
- Fees based on size of funds under management, eg, annual management charge, fund adviser fees, establishment charges, exit penalties, safe keeping fees etc.
- Transaction charges, eg, dealing charges, custody charges, settlement charges etc.
- Asset based charges/rebates, eg, a rebate from a fund manager in respect of a specific security holding
- Performance fees, eg, 10% of the growth in excess of a hurdle rate.

See the separate Invest|Pro™ brochure on automated dealing and settlement. For further information or for an Invest|Pro™ demonstration please contact; frank.carr@frsltd.com or joel.fox@towersperrin.com

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