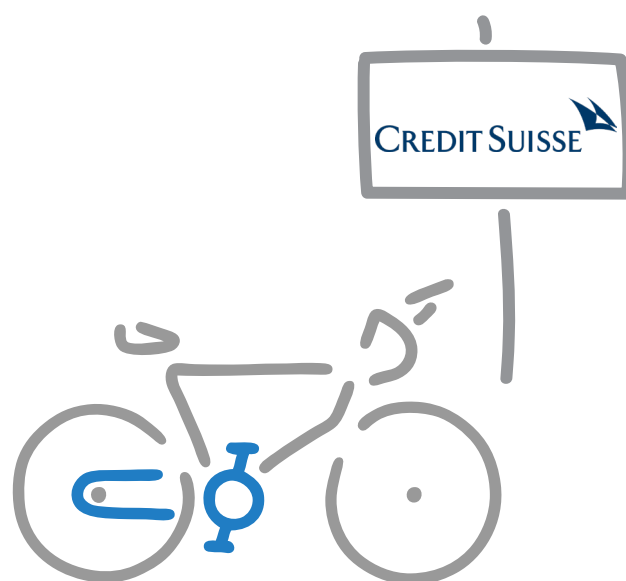


project case

Introduction of calculo for calculating the
Rate Card

*"Sowatec has convinced us of the ease and flexibility with which
our Rate Card Services can be reproduced in calculo"*

Jork Vervloessem, Credit Suisse Investor Services, Luxemburg



Credit Suisse Fund Services S.A.

Introduction of calculo for calculating the rate card -
For automated fee settlement in the fund business, Credit Suisse Investor Services relies on Sowatec's platform calculo.

Our customer and the project

Credit Suisse Investor Services (CSIS) operates as a competence centre for fund services. The tasks of the CSIS cover the entire spectrum of the fund business, from fund administration to fund management and from transfer agent to custodian bank fees. To calculate and consolidate the many different fund-related fees, CSIS were looking for an audit compliant and efficient software solution – and found it in calculo.

Challenge

Credit Suisse calculates and implements around 30 types of fees for Luxembourg and Switzerland. Calculating and consolidating the many different types of fees is a challenge, as each fee type is settled in accordance to a number of different parameters.

Goal

To implement an auditable fees management software which collates and calculates the fees from different sources on a daily basis.

Solution

We introduced an auditable fees management software. calculo is a "Business Rules Management (BRM)" technology-based software platform that settles all types of partner and product fees for you. calculo imports master and transaction data via freely configurable interfaces and automates data import, calculation and reporting.

Follow-up projects are planned:

We will integrate further calculations into calculo. For example, we plan to break down and allocate fees from the umbrella fund to the sub fund level. Furthermore, we want to automate the calculation and payment of contractually-agreed fund fees.

Customer benefits

- Costly manual calculations are eliminated
- Fees are calculated and validated within 24 hours
- Data can be easily adapted and managed by the user
- Auditable and transparent reporting
- Comprehensive control functions for all fee calculations and modifications
- Modular software that can be expanded flexibly

An efficient project time frame

We began with vendor assessments in February 2010. The live implementation of the software then followed in December 2010. During the implementation phase, the few mistakes which occurred were corrected within a day and the software was tested again the following day. So we were able to do the first full calculation of our Rate Card Services in the third quarter of 2010.

In Conversation

Jork Vervloessem, Billing & Payments – Institutional Clients, Credit Suisse Fund Service S.A., talks to Sowatec about the introduction of calculo for Rate Card calculations.

CSIS handles fund administration for both Credit Suisse Asset Management and a large number of third party funds. Tell us about the scope of your activities.

Basically our services cover launching new funds, corporate secretariat activities, funds and deposit accounting, net inventory calculations, transfer agency services and the whole area of reporting.

What are the challenges for IT in such calculation intensive processes?

In the funds area, there are numerous different fees that are based on diverse parameters. You have fees that are based on both the net asset volume and on sub-divisions into share classes. Deposit bank fees are based primarily on the value of the portfolio positions and on the transactions. Then, fees for services in the corporate secretariat realm are usually event-driven – i.e. dependant on the number of services rendered. Finally, you have the transaction fees. Calculating and compiling all these different fees in an audit compliant fashion is a daily challenge.

How was the data gathered and how did you do the calculations in the past?

The underlying data was taken from a number of different systems: the accounting system, the transfer agency's system, the deposit bank's system and some other satellite systems. Then the fees were calculated manually in an Excel worksheet.

What services have been automated now?

With the implementation of calculo, we can now calculate around 30 different fees, based on volume, number of events and transactions – including the associated services. The required data is imported via interfaces from the various internal systems.

What about data security issues?

calculo allows us to create and efficiently manage various user profiles so that we can control the read and write privileges of each user and fund or group of funds.

System speed: What can you say about that?

After we have imported the transaction data, calculo allows us to calculate and validate the fund fees in less than a day.

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Were you spoiled for choice when you were looking for the right software?

We asked a number of software houses to show us how our current manual “Rate Card” calculations could be represented in an automated system. We also required flexibility with regard to handling future changes. Sowatec was clearly a step ahead: they were able to demonstrate the implementation of the majority of our fees during the presentation process itself. Furthermore, their system is so flexible that new fees can be implemented in-house – i.e. often without any intervention by the service provider.

In other words, the system can be used with very little help?

You have to distinguish between a “Standard User” who conducts periodic calculations and the “Power User” who maintains the system parameters. A “Standard User” needs two to three days of training to master the system whereas the “Power User” needs a minimum of one week of training.