

project case

Automated settlement of trailer fees

“The professional collaboration with Sowatec and the efficiency we are experiencing since introducing calculo, prompted us to invest in the next step – the automation of operational sales control.”

Simone Alanne, Assenagon Asset Management S.A., Munich



Assenagon Asset Management S.A.

Assenagon is an asset manager specialised in the management of capital market risks. Their services are multi-layered and largely automated – including the settlement of trailer fees for sales partners and institutional customers. Sowatec delivered the fitting software.

Our customer and the project

Assenagon is an asset manager specialised in the management of capital market risks. The company offers a fund-based approach to comprehensive risk management and addresses the needs of investors who aim to generate income with predefined risk tolerances. Assenagon was founded in 2007 and employs around 60 staff in Luxembourg and Munich.
www.assenagon.com

Challenge

Assenagon offers tailored contracts via a network of more than 60 sales partners. With the number of sales contracts and funds continuing to grow, a solution was being sought to significantly reduce the amount of time required.

Goal

A flexible and scalable software solution that will optimise and to a large extent automate the time-consuming and complex fee management and calculation processes.

Solution

We automated the settlement of trailer fees. calculo is a “Business Rules Management (BRM)” technology-based software platform that supports the whole calculation process: from data import through settlement and release to reporting. calculo automates fee management and calculation.

The solution’s benefits

- Reduced amount of time required for fee settlement
- Optimised and largely automated fee management
- Automated settlement of all charges, incl. trailer and broker fees
- Traceable and transparent reporting
- Comprehensive monitoring functions for all fee settlements and modifications
- Modular software that can be expanded flexibly

A successful collaboration:

From the beginning of the project until now, Sowatec have distinguished themselves through the professionalism and quality of their operation.

For example:

- During the project phase, we had one central point of contact
- Once the project phase was complete, this support was expanded through the addition of a hotline
- The marginal problems during the launch phase were resolved quickly
- Thanks to a carefully conducted GAP-analysis, a broad and flexible foundation was established
- All reports were created and tested within the project phase
- Import and export interfaces were defined during the GAP-analysis and implemented to our fullest satisfaction

In Conversation

Simone Alanne is responsible for Sales Operations in asset management. Her position includes responsibility for the entire fees management process. She was also the technical project manager responsible for the implementation of calculo for the settlement of trailer fees.

Assenagon is one of the fastest growing asset managers in Europe. How big is the investment volume?

In 2012, Assets under Management increased from EUR 7.4 billion to 12.36 billion. This corresponds to a growth rate of 67 percent. Of this total, 4.32 billion are invested in 16 sub-funds with different conditions applying across the funds. We have also launched 22 share classes for different types of target investors. The fees, minimum investment contributions, currency and dividend policy are aligned with the investment strategy of each group of target investors.

You have individual agreements with around 60 partners – that implies fairly complex fee management.

Our contracts vary to suit the focus of our business partners. Besides differing national practices, we also have to take regulatory aspects into consideration.

The more individualised the contract, the greater the legal review burden for both parties. Defined and structured processes are essential, to avoid errors.

Why do you use three different methods for calculating fees?

In principle, we apply market standard calculation models. But to remain flexible, we offer additional calculation methods.

Another reason is the need to distinguish between share classes for institutional and private customers: trailer fees for I-shares depend on the timing of investments and investment volumes. Because of the predominance of large investment volumes, we use a modified calculation basis for custom calculations.

You have now decided on an automated calculation solution?

Fees management is an important success factor for us because it provides important information for our sales process. With a growing number of sales contracts and funds, our administrative burden was rising. That was critical in our decision to introduce software to automate the calculation and management of fees.

For us it is crucial that we continue to pay partners their fees transparently, accurately and within the agreed timeframe. Thanks to the introduction of calculo, we can now do this better than ever.

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At your request, a differentiation between the accrual and the traditional settlement process was also implemented in calculo. Why was this important?

We wanted a system that calculates the selling fees on both estimated and unreported amounts, as well as on actual assets. Upon receipt of the asset reports, the settlement process is initiated in accordance with the contractual agreements. The actual data can be imported into the system manually or automatically.

Today, we are so flexible that we can represent the entire order flow and the assets of all our customers in the system. We are also able to create simulations based on different models.

What is your next project?

Our next project will be in the area of optimisation and automation of operational sales controlling.