

Success Story - Migration & Reconciliation

Fund Migration of BNP Paribas Investment Partners (formerly Fortis Investments Management) funds to BNP Securities Services, Luxembourg (GP3 to Multifonds)

Executive Summary

The BNP IP Fund Migration from GP3 to Multifonds was the first of its kind in the market and after 18 months is coming to a successful conclusion. The project marked a milestone. It was the first time cloned funds were migrated to a pooling structure. The complexity of these funds' structure, untested nature and aggressive time schedule, on top of the challenging requirements of a normal migration, demanded the specialty knowledge of acarda's business and IT specialist.

The migration was made possible by acarda's specialty tool, the acarda Migration and Reconciliation Suite (amicon). amicon sat at the core of the migration. It not only automated the main tasks of the process but provided BNP's fund accountants with increased transparency and control. The dashboard feature gave each accountant an individualised view of the progress of their respective funds. A customisable and extensive reconciliation report served as the main tool to understand and resolve discrepancies.

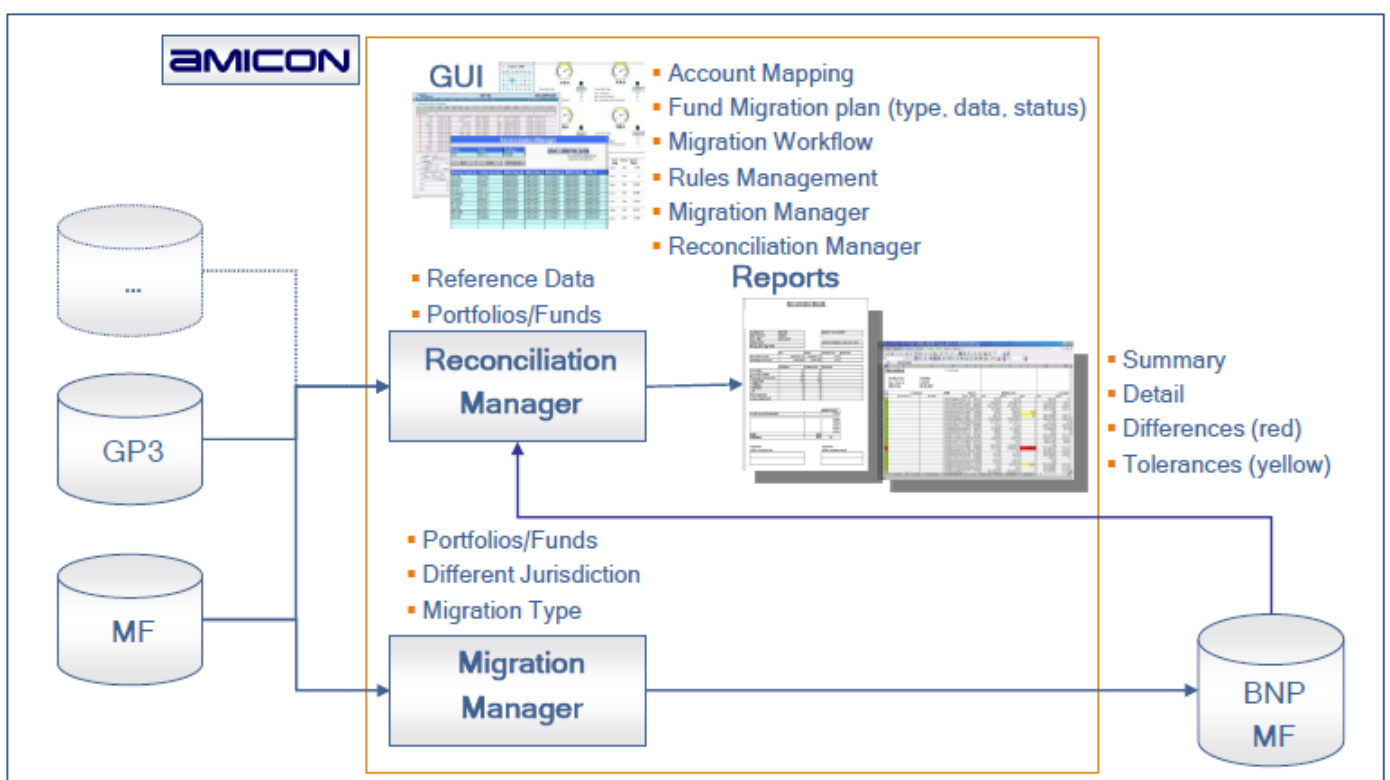
The numbers of migrated and reconciled funds speak for themselves:

- 362 Luxembourg funds
- 201 Third Party funds
- 36 funds with master-segment-structure

With amicon deployed, tested and optimised, BNP is ready for the next round of efficient fund migrations in Europe. Even new source systems, formats and requirements can be integrated and parameterised into the already proven and familiar system.

amicon is not the whole story. acarda's experts played a leading role. Our participation extended beyond not only supporting our tool during every migration event but working in close partnership with BNP's project teams across every aspect of the migration. BNP benefited from acarda's accumulated knowledge made possible by its deep and varied history of successful migration projects.

Project execution : 02/2010 - 06/2011



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Project description

1. Migration and reconciliation of complex pooling-cloning-structures

These funds represented a significant proportion of the overall number of funds migrated. The structure involved many individual pools mutually interlinked with an even larger number of sub-funds. This dependent relationships among the individual funds meant that a problem in one fund would ripple through the entire set and grind the entire process to a halt. Only a tool as robust, automated and transparent as amicon could cope with this level of complexity. Supported by acarda's consultants, BNP successfully migrated and reconciled multiple large sets of pooled funds into Multifonds. This is remarkably successfully, considering this was the first attempt at such a migration.

The definition of these structures reflects the complicated requirements for the migration:

- **Cloning** allows for the globalisation of the management and administration of assets belonging to legally independent funds, called clones, through the management of pools, called CSA (Consolidated Statement of Account). The sub-fund invests a special ratio of its NAV in the pool and receives, in relation to the invested ratio, the single instruments.
- **Pooling** allows the funds to invest a special ratio of their respective net assets in internal pool(s) and receives in this case, in relation to the invested ratio, not the single instruments but shares of the pool (like shares of an investment fund).
- In Both cases the funds can directly invest for instance for hedging purposes into other instruments as well.

2. Business support of project task force team and development of automatic plausibility checks

In preparation for each migration event, in particular for the pooling-cloning-structures, a multitude of checks and tests on the parameterisations in Multifonds were required. A manual process was not practical. acarda quickly developed and deployed a solution to this problem. This underscores the support acarda's experts delivered to the project task force team. This team was responsible for the analysis and set up of every migrated fund. The team played a pivotal role in the parameterisation of the booking rules, account charts, fees and valuation.

3. Migration and Reconciliation of third party funds

The third party funds demonstrated the flexibility of acarda's approach towards migrations. The client decided at short notice to move to the new fund administrator. The quantity and contents of the funds remained unclear till this late decision. Even with this ambiguity, acarda was able to meet the migration timeline via the robustness and flexibility of amicon and acarda's specialised fund accounting know-how.

4. Migration and Reconciliation of master segment-structures

acarda's consultants introduced this new structure to BNP Securities Services Luxembourg, parameterised the master-structure in Multifonds and oversaw the actual migration. The unique structure was necessary, due to the restriction that for every share class of a fund there must be a single cash account. The normal share class structure in Multifonds was not able to handle this.

Contact

Germany

acarda GmbH
Wilhelm-Leuschner-Straße 68
60329 Frankfurt am Main

Gerhard Jovy
Tel: +49 69 2444881-0
Fax: +49 69 2444881-99
gerhard.jovy@acarda.de
www.acarda.eu

Luxembourg

acarda S.à.r.l.
23, Boulevard Charles Marx
2130 Luxembourg

Bernhard Bittner
Tel: +352 20 99 26 11

bernhard.bittner@acarda.eu
www.acarda.eu