



Investment mgmt. technology offers 360-degree view

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Fund managers seeking competitive advantage in the three Cs - credibility, confidence, and capital - must constantly maintain a wide-angle view of the investment hierarchy: Above are investors who expect high performance and full transparency; below are individual assets whose performance must be monitored and controlled to the lowest level of detail. Fortunately, today's investment management technology can give them the complete view of a portfolio and its attributes, help them fulfill their obligations fully and on time, and generate the degree of investor confidence that attracts capital.

Software products on the market feature a host of reporting, investment accounting, business intelligence, and investor relations capabilities. They consolidate real-time information into one fully integrated, centralized database and automate portfolio-wide analytics and reporting, even for the most complex deal structures. They also automate valuation, modeling, and forecasting, eliminating the need for spreadsheets and interfaces and meeting frequent asset valuation requirements. Moreover, they automate the complex accounting transactions associated with fund management and deliver fast investment analysis. They support all investment types for small and large portfolio investors and can handle multiple currencies and tax rules in income statements, balance sheets and financial consolidations.

Transparency delivered

Advanced investment management software defines a fund's various investment levels to match the investment's deal structure, then uses real-time risk-return analysis to maximize returns and minimize risks. Fund managers have the tools to consolidate and roll up entities to any level to analyze contributions, track capital, and calculate returns. Meanwhile, investors can see where every investment dollar goes - fees, allocation to each investment, and investment performance.

A key component of transparency is access to portfolio-wide property management information - which can be scattered across different systems and platforms. Top-line software packages can extract, transform and load data from third-party systems (even spreadsheets) into a centralized database where it is instantly accessible for analysis and drilldown to any level of detail.

This tracking, consolidation, and reporting capability adds up to a big advantage when, for example, your largest institutional investor contacts you to express concern about exposure to a particular sector of your portfolio. The software instantly produces occupancy reports, rent rolls, current and forecast values for assets in that specific sector, satisfying the request and assuaging concern.

Along with looking up to investors, fund managers must also look down, far down - to the lowest level of asset performance, and drill down to the root cause of an underperforming asset. Investment management software enables drill-down to the lowest level of detail at the property level - right down to the invoice for the lobby vending machine, if necessary - and helps the fund manager prepare specific requests for improvement to the property manager.

Analysis on demand

Investment management software also helps managers oversee their portfolios and make fast, confident decisions based on real-time key performance indicators. This is enabled by business intelligence toolsets that place financial, portfolio, performance and revenue analytics onto a single-screen fund manager dashboard, along with any number of key performance indicators.

The software also features a flexible attribute set-up (by property type and region) that allows analysis of holdings, returns, and exposure by each attribute. Managers can analyze performance, generate valuations, and prepare years' worth of forecasts of individual assets' value and roll them up to the fund level. And as changes are made to the underlying property database, the executive sees the impact immediately at the dashboard and reporting levels. Full drill-down allows immediate access to an underperforming asset.

Investor communication

Fund managers also use investment management software to communicate easily with investors. For example, they can generate capital call e-mails to hundreds of investors and post them on an investor portal. They can also generate quarterly fund statements, as well as investor statements that provide information in graphic form about each fund in which the investor participates.

Advanced software available on the market today contains the ingredients of investment management success: accurate, timely, detailed information that is available from one source. Establishing a reliable infrastructure that automates tracking and reporting through the entire investment cycle, from initial contribution, performance measurement, distribution, can deliver confidence to investors and success to fund managers.

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