



U.S. Bancorp CASE BRIEF

Automating Holdings Reporting



By streamlining holdings reporting processes, U.S. Bancorp reduces errors, improves turnaround time by 65 to 75 percent, and has the scalability to add funds.

The Challenge

Increased disclosure regulations imposed upon the financial services industry by the U.S. Securities and Exchange Commission (SEC) demand more accountability, and more frequent and transparent reporting.

Before automation and the development of Unity™ Holdings, U.S. Bancorp Fund Services (USBFS) relied on disconnected and redundant business processes that caused unnecessary steps in report creation and introduced risk.

- USBFS previously created their clients' holdings reports using a manual process involving spreadsheets
- As USBFS' business grew and reporting and accountability requirements became more frequent, USBFS required a more automated infrastructure and processing environment. The existing infrastructure and manual processing environment could not support the more frequent reporting and accountability requirements.
- The process to create the quarterly Schedule of Investments (SOI), various holdings reports and monthly third-party surveys from start to finish took several weeks

This prompted USBFS to seek an automated solution for creating the SOIs. To foster industry-wide best practices in automated holdings, USBFS participated in a research project that enabled Confluence to examine the financial reporting workflow processes for multiple mutual funds and, as a result, develop an automated solution to revolutionize financial reporting across the fund industry. This research led to the development of Unity Holdings.

The Results

U.S. Bancorp has implemented Unity Holdings to automate their financial reporting needs. "Confluence has the best solution for automating the reporting process while maintaining flexibility," said Eric Falkeis, Vice President of Fund Administration. Prior to implementing Unity Holdings, it took up to a day to create an SOI for an equity fund; now it takes an average of four hours.

Reduce Costs

By reducing the amount of time it takes to create the SOIs, USBFS expects annual savings. "The scalability of the system is tremendous, so that as funds are added, additional people may not be required," said Falkeis.

Eliminate Risk

"With Unity Holdings, there is less manual effort, which results in less errors and gives the reviewers more comfort," said Falkeis. "Unity Holdings reduced the number of errors found in the review process." This error reduction is directly attributable to the automated mapping and notification features in the system.



Elevate Service Levels

With Unity Holdings, USBFS can now customize their service offerings more quickly and comprehensively than ever before, enhancing their status as a leading service provider in the marketplace. “The product is extremely flexible, which is important to us as a service provider. We needed a solution that could support the whole gamut,” said Falkeis. “We are now doing SOIs for clients that did not utilize our Fund Administration Service in the past.”

Increase Scalability

Because Unity Holdings automates the collection, creation and confirmation of the SOIs, USBFS can quickly and easily create these reports. “Unity Holdings gives USBFS the ability to grow by bringing on new clients and adding additional portfolios,” said Falkeis.

Company Profile of US Bancorp

Headquartered in Milwaukee since 1969, U.S. Bancorp Fund Services, LLC currently provides services to more than 250 fund families, with over 1,500 portfolios and 1,900 fund classes and administers 3.8 million shareholder accounts with \$718 billion in client assets. U.S. Bancorp Fund Services’ clients include mutual funds, investment partnerships, hedge funds, separately managed accounts, fund-of-funds, and offshore funds. It is a subsidiary of U.S. Bancorp, the 6th largest financial holding company in the United States. Visit U.S. Bancorp Fund Services on the web at usbfs.com.

About Confluence

Founded in 1991, Confluence is the global investment management industry’s leading provider of automated data management solutions. Confluence helps investment management companies gain unprecedented control by automating every step of the fund administration process—including the collection, creation, confirmation, and delivery of investment product data—while maintaining control of the process. Results are lower costs, reduced risk, decreased reporting turnaround times, and the scalability to automate more processes without additional resources. Confluence solutions are used by 40 percent of the leading global investment managers, and more than 60 percent of US mutual funds. Unity™, the Confluence platform, addresses a wide range of problems from performance measurement to customized reporting for a full array of domestic and international managed investment products, including mutual funds, funds of funds, collective funds, separate accounts, and variable products, as well as hedge funds and other alternative investments. Major fund companies and service providers like PFPC and Bank of New York rely on Confluence. Confluence, headquartered in Pittsburgh, PA, serves the international fund industry with key locations in London and Luxembourg.

For more information on any of Confluence’s products, call today at 412.802.8632 or visit us online at www.confluence.com.