



C O N F L U E N C E

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**THE CONFLUENCE 2012 VISION: TECHNOLOGY CRITICAL TO SUCCESS IN GOOD TIMES AND BAD**

**(Pittsburgh, PA – January 31, 2012)** Against the backdrop of an uncertain market, fund administrators will need to embrace technology in order to operate efficiently in good times and bad, according to Confluence, the leading provider of automated data management solutions for the investment management industry. Confluence believes that 2012 will be an important year for fund administrators to transform their operations through technology to meet market demands today and in the future.

**The Confluence 2012 Vision**

Confluence has been a leading innovator in fund administration automation and has helped companies with their greatest challenge – gaining control over their fund administration data. This is the foundation for fund administrators' success in tough times as well as during periods of growth. Technology is, in fact, the great equalizer in the fund administration sector because it allows companies to automate data resources to efficiently produce reports with accuracy and control.

"The events of the past year have shown us that market uncertainty is the new norm," said Kirk Botula, President and Chief Operating Officer of Confluence. "In this environment, fund administrators need new ways to work more efficiently in difficult times and to scale for growth in good times. The foundation for accomplishing this is to have centralized control of their fund data in order to meet whatever demands are placed on them by regulators and investors."

**Confluence has identified three major industry trends that will drive the acceleration of technology use by fund administrators and service providers in 2012 and beyond:**

- **Data control is the ultimate challenge.** Today's global marketplace is now a world without boundaries where the sun never sets on financial markets. In this global environment, fund administrators will be vulnerable to data errors which could impact investor confidence as well as regulatory reporting. Data needs to be rock solid whether it's published on the NASDAQ or in the *Financial Times*. The key to data control in a global environment is automation.

For example, Russell Investments ([www.russell.com](http://www.russell.com)), a leading international financial services firm, currently manages over 330 investment products with \$140 billion in assets, and serves 2,300 clients in 35 countries. Russell has implemented a “follow the sun” automated global workflow system that collects data, calculates performance, confirms its accuracy and delivers performance reports and data feeds sequentially from one time zone to another. The automation and integration of critical back-office processes has helped Russell to centralize control over data, achieve efficiency and scale with the flexibility to meet localized needs.

- **Fund administrators need to do more with less.** At the same time that regulatory and investor demands are increasing, human resources available are shrinking. In 2011, tens of thousands of jobs were eliminated in the financial sector; accordingly, fund administrators must introduce efficiencies in their data management processes that enable their organizations to do more with less.

In the challenging times we are experiencing today, automation technology delivers efficiencies that make it possible to reduce costs, and accomplish more, all while eliminating risks of reporting errors. When market conditions improve, this technology will provide the ability to scale for growth and meet the reporting requirements of new regulations without adding staff. In short, technology is the great equalizer regardless of the economic environment.

- **Administrators need to rise to the challenge of increased scrutiny as everyone from investors to regulators looks more deeply into fund data.**

We are living in an era of increased transparency which promises to continue to have a profound impact on disclosure and reporting requirements. Consider, as an example, the SEC’s Money Market Mutual Fund Reform Rule, which required funds to dramatically change the frequency, content and format of holdings reporting. Fund administrators were given short timeframes to comply and provide this information to investors. The lesson here is that organizations must be prepared to efficiently handle the rapid onset of regulations both domestically and internationally.

Further, a recent Confluence survey of the hedge fund leaders and administrators showed that the number one concern of this group is the ability to meet current and future regulatory demands.

”These industry trends speak to the need for fund administrators to accelerate their use of technology regardless of market conditions in order to achieve data control. As such, technology adoption will be a competitive differentiator in the months and years ahead,” said Kirk Botula.

## **About Confluence**

Founded in 1991, Confluence is a global leader in fund administration automation. 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. 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 U.S. mutual funds. The Unity® platform from Confluence 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. Headquartered in Pittsburgh, PA, Confluence serves the international fund industry with key locations in San Francisco, CA, London and Luxembourg. For more information, visit [www.confluence.com](http://www.confluence.com).

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