

## Fund of Funds Shadow Accounting: The Way Forward

With the objective of maximizing operational efficiency while reducing fixed costs without compromising on operational risk, a large Fund of Hedge Fund based out of Geneva partnered with Best Outsourcing (Part of the Systems Plus Group) to offshore its core fund administration tasks

### Business Situation ▶

The client, a large Fund of Hedge Fund based out of Geneva, was having a hard time filling some of its key operations team positions, despite their willingness to pay above market rates. To mitigate the situation Systems Plus and the large fund of hedge fund came up with a strategy to build an extended team from scratch in order to transition the various onsite Back and Middle Office Fund of fund operational processes such as Pricing, Cash and Share Reconciliation, Valuations, Due Diligence Documentation and Data Management to India.

### Our Approach ▶

- Onsite training with the Fund Administration team in Geneva for the India Team Supervisor.
- Document procedures to ensure that the team in India follows the agreed policies, requirements and correct process workflow.
- Access to Webfolio (Client's ERP), Outlook Email Accounts, Document Management System and other supporting applications through a secured Citrix connection.
- Hiring and Training a competent team of MBAs for operational support.
- Transition of Operational processes in a structured manner with pre-determined timelines set by the Client.
- ISO Certification for all offshore operational processes.
- Ensure a Disaster Recovery Plan is in place.
- Commence daily operations in India to suit the Client's Business hours .

### Business Benefits ▶

- Helped the client, a large Fund of Hedge Fund based out of Geneva, outsource most of their operational processes replacing back and middle office functions performed onshore that involved high fixed costs and hard to find profiles. This resulted in the reduction of its onshore operations team by **60% in the first 6 months and 75% in the first year**, thus achieving almost **70% in cost savings**.
- Helped identify share and trade misinterpretations and discrepancies early on into the valuation cycle thus reducing the client's **operational risk**.
- Built, Documented and Implemented specialized **ISO Certified** processes for a large fund of hedge fund resulting in an optimized process flow with increased efficiency, accuracy and turnaround time.

### About the Client ▶

- The client, a large Fund of Hedge Fund based out of Geneva, is an independent investment management company incorporated in Switzerland and wholly owned by one of Europe's largest banks.
- It caters alternative investment management services to large private clients.
- It has a global reach with teams present in Geneva, London, Madrid and New York.

### About Best Outsourcing ▶

- Best Outsourcing (Part of the Systems Plus Group) is an operational outsourcing service provider dedicated to the Alternative Investment community, offering customized solutions for fund of hedge funds.
- Being a strategic vendor that has domain expertise, combined with leading-edge technology and a large service capability, we can offer you a partnership with a bespoke approach that can simultaneously reduce costs.

### Client Speak ▶

"It has been a pleasure working with Best Outsourcing. We started our journey with Systems Plus by having them develop a few key tools to increase efficiency through automation and interfacing between systems - which evolved into them helping us build and deploy a full scale CIO strategy. Today, they are involved in all aspects of our operations, wherein over a 4 month period they even helped us move and are now managing most operational processes off-shore, replacing back and middle office functions within Fund Accounting previously performed on-shore. Systems Plus is a true partner in every sense of the word and I am glad to have them as my trusted advisor and provider"

**Chief Operating Officer,**  
of a large Fund of Hedge

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