

Case study:

Seamless administration service for the DC market



SUMMARY

Global custodian

\$7.1tn assets under custody

\$8.9tn assets under custody/management

\$1tn assets under management

Figures as of 31/03/17

BACKGROUND

Northern Trust is a leading provider of asset servicing, asset management and banking services to corporations, institutions, affluent families and individuals. Founded in Chicago in 1889, Northern Trust has offices in the United States in 19 states and Washington, D.C., and 22 international locations in Canada, Europe, the Middle East and the Asia-Pacific region.

For more than 125 years, Northern Trust has earned distinction as an industry leader for exceptional service, financial expertise, integrity and innovation.

THE TASK

Northern Trust has long provided investment administration services to defined contribution (DC) pension funds globally. As part of plans to further develop its range of services for United Kingdom (UK) pension schemes, its team identified a requirement to develop additional straight-through-processing capabilities based on the ViaNova Industry Standards for sending and receiving electronic messages.

As DC pension funds across Europe continue to grow in size and complexity, many are expected to require varying types of solutions from their service providers, from enabling the co-mingling of DC and DB assets to enhancing the investment options available to members. Enhancing these capabilities for sending and receiving ViaNova messages was part of Northern Trust's strategy to further evolve its solutions for the UK pension market.

"Altus helped us construct and implement an STP solution for sending and receiving ViaNova messages within a tight project timescale. This has enabled us to significantly enhance our DC administration offering."

Caroline Diggines, Head of Asset Owner Product Solutions,
EMEA – Northern Trust

ALTUS ENGAGEMENT

Northern Trust selected Altus following industry research and receiving testimonials from its clients.

In particular, Altus's experience in assisting with the ViaNova market practice was integral to its selection. Altus was able to demonstrate its ability to deliver a high standard of technical service to Northern Trust within a tight project deadline.

To hit the ground running and deliver the right solution for Northern Trust, Altus organised a full day workshop, which enabled it to first of all clearly define the technical and operating requirements, and ultimately to build and implement the desired solution.

THE SOLUTION

Northern Trust required a solution capable of supporting the following messages:

- Subscriptions (cash/units)
- Redemptions (units)
- Switches (units / percentages)
- Prices
- Holdings

Northern Trust and Altus worked in partnership to implement a solution including the following aspects:

- The Altus Funds Gateway (AFG) to:
 - ⇒ Handle all electronic dialogue with the third party administrator (TPA)
 - ⇒ Maintain client fund holdings
 - ⇒ Orchestrate cash payments to and from the TPA.
- The Altus Investment Gateway (AIG), in order to handle any manual orders sent by the TPA
- An interface layer to orchestrate the data exchanges between AFG Northern Trust's 'Smart Allocation' and fund accounting systems.

THE OUTCOME

Altus was able to deliver and implement the solution within the timescale that Northern Trust required. The project was delivered in six months, meeting Northern Trust's targeted timescale and "go-live" date.

The solution also met Northern Trust's pricing and technical requirements, and has allowed it to enhance its investment administration DC services.

This has resulted in significantly streamlined processes across its DC administration offering, from cash flow receipts to investment requests, price distribution and end-of-day reporting.

"Working with Altus, we have developed a streamlined investment administration solution that will help us provide DC clients with the flexibility and choice they and their members require as their pension schemes evolve."

Caroline Diggins, Head of Asset Owner Product Solutions, EMEA, Northern Trust

Find out more

www.altus.co.uk
+44 (0)1225 438 000
enquiries@altus.co.uk