DATACONVERSION

Creation of a Cash Flow Forecasting System for BNY Mellon

Case Study

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Challenge

BNY Mellon needed to implement a Share Class Hedging solution to support one of its clients in order to allow the administrator to measure the performance of the hedged share classes versus the non-hedged share class equivalent for a range of funds.

Dataconversion was therefore tasked with building a system to automatically allow for reconciliation of Hedged funds and share classes, for reporting to BNY Mellon's largest client.

Solution

Dataconversion built a system for BNY Mellon to allow for automated import, analysis, reconciliation and reporting on large volumes of diversified fund data. The solution services one of BNY Mellon's largest clients with automated fund accounting reports on a daily/monthly basis.

The core objectives of the project were as follows:

- Compare the respective performance (hedged vs. non-hedged) of a reference share class.
- Highlight and quantify the main root causes of the deviance.
- Quantify the remaining unexplained performance gap that would potentially trigger further human investigations.

With these objectives in mind the aim was to provide a fully-automated end-to-end reconciliation system which would incorporate:

- The import of the required data from an InvestOne Fund Accounting System.
- Data analysis including specified calculations.

- Exception handling and reporting.
- The system developed allows for share class hedging data to be imported from the data file to the SQL database.

A series of integrity, consistency & logic checks are performed before imported records are committed for calculations, to ensure that the data is not compromised.

As data is passed from the staging table to the main reporting table it goes through a defined pathway to ascertain the performance variances.

The user interface is web-based with a tabbed menu structure, allowing for easy navigation between different sections of the MIS. The system will be designed to allow regulated integration with other external electronic systems. However, a strict integration regime or policy would have to be adhered to that would not infringe on the operational integrity of the solution in terms of compromising data and functional consistency.

Result

This system was implemented in BNY Mellon's US Data Centres and has proven very successful in automating a previously very resource intensive task, requiring minimal ongoing support/maintenance.