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Money Management Executive Announces Winners of 2008 Fund Operations Awards: J.P. Morgan, PNC, Principal Financial Take Top Honors

NEW YORK, NY--(Marketwire - October 27, 2008) -

J.P. Morgan Investor Services, PNC and Principal Financial have been honored with first-place for Leadership, Innovation and Efficiencies/Streamlining, respectively, in Money Management Executive's 2008 Fund Operations Awards.

Published by SourceMedia, Money Management Executive is the leading print publication devoted to the retail asset management industry.

Now in its sixth year, the awards program recognizes outstanding investment management service providers. As in previous years, the judges for the program noted significant technological strides and achievements that the industry continues to make, particularly in the areas of automation and straight-through-processing.

The following nine winners, below, were selected by a panel of seven leading executives in the industry, including: T. Neil Bathon, managing director of PMR Associates and founder of FUSE Research Network; Peter Delano, research area director, securities and investments at TowerGroup; Ian Frost, senior partner at Boston Consulting Group; Bob Goldberg, president emeritus of NICSA and consultant with Acadient; Burt Greenwald, president of B.J. Greenwald Associates; Charlie O'Neill, principal of Diversified Management Resources Financial; and Kathleen Whalen, managing director, Dalbar.

Leadership

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1st Place Winner, Leadership -- Tom Hierl, Director of U.S. Funds Taxation at J.P. Morgan Investor Services

Serving in this position since August 2006, Tom Hierl and his U.S. Funds Taxation team have presided over tremendous growth in the number of funds for which J.P. Morgan Investor Services provides U.S. tax services, which have risen from 350 to 850. To manage this expansion, J.P. Morgan is implementing automated processes that previously were handled manually, including the production of tax provisions and returns. J.P. Morgan Investor Services currently has \$14.4 trillion in assets under custody and \$5.4 trillion under administration.

2nd Place Winner, Leadership -- Larry H. Goldbrum, Executive Vice President and General Counsel at RG Wuelfing & Associates and the SPARK Institute

As an active industry leader, Larry H. Goldbrum worked with the Securities and Exchange Commission in developing Rule 22c-2 to detect and prevent market timing or other trading abuses, as well as with other regulatory agencies on a number of initiatives to better serve investors, including fee disclosure, fair funds settlement payments and materials to help the 403 (b) plan community comply with new regulations taking effect in January 2009.

3rd Place Winner, Leadership -- Keith F. Hartstein, President and Chief Executive Officer of John Hancock Funds

Keith F. Hartstein set an example with this year's liquidity freeze in closed-end auction-rate preferred shares. Working with John Hancock Funds' board of directors and a broad constituency of senior management from both John Hancock and Manulife Financial, as well as the Investment Company Institute and the Securities and Exchange Commission, Hartstein was able to develop, implement and successfully execute a plan that solved the difficult challenge of providing much-needed liquidity to auction-rate preferred shareholders without negatively impacting the interests of common shareholders.

To date, John Hancock remains the only major asset management firm to have completely refinanced all of its closed-end auction rate preferred shares.

Innovation

1st Place, Innovation -- PNC

PNC is being awarded First Place, Innovation, for its ADVISORport unified managed account platform. Web-based, customizable and available for sponsors to white label, the secure online platform allows financial advisers to make timely changes to clients' portfolios on an ongoing basis, thereby eliminating processing concerns and investment delay risks. Thus, the UMA account is streamlined, can be offered to a broader client base and has the potential to attract more assets.

2nd Place, Innovation -- J.P. Morgan Investor Services

Recognizing the increasing popularity of exchange-traded funds, J.P. Morgan Investor Services'

Exchange-Traded Fund Product Development and Operations Team expanded the capabilities of its ETF platform so that clients may offer not just equity ETFs, but also those that invest in fixed income, enhanced indexes, inverse indexes, enhanced inverse indexes, international and emerging markets derivative products and 130/30 strategies. They also expanded capabilities to offer servicing for ETFs outside the United States.

Of particular concern was the ability to offer clients shortened settlement, cash settlement, customized intraday valuation, cash component forecasting, restricted securities implications and cash in lieu of processing.

3rd Place, Innovation -- BNY Mellon Asset Servicing

BNY Mellon is the recipient of Third Place, Innovation, for expanding its exchange-traded fund servicing beyond fund accounting, administration, custody and transfer agency services to include automated basket creation and dissemination, and order-desk services.

These technologies have added 800 basis points of operating leverage by significantly reducing the headcount to service ETFs. It has also led to an 80% win rate in new business opportunities. All told, this is driving a top-line revenue growth increase of 40% year-over-year.

Efficiencies/Streamlining

1st Place, Efficiencies/Streamlining -- Principal Financial

Principal Financial successfully automated multiple fund administration processes and combined them on a single platform called Unity. This eliminates error-prone manual processes and spreadsheets for clients, while giving them the opportunity to reuse the same data for multiple reporting purposes.

Notably, this reduces the time it takes clients to issue financial statements by 25%. It also brings down a fund's holdings reporting cycle from 20 days to five, and halves the time it takes to create a document. Conversely, clients' financial reporting capacity increases by 30% without expanding staff, and they are able to conduct compliance tests daily, while avoiding the 14-fold increase in payroll costs otherwise required with manual methods.

2nd Place, Efficiencies/Streamlining -- John Hancock Signature Services

John Hancock implemented a process aimed at increasing efficiency and quality performance while decreasing costs for outgoing correspondence to customers. This process, which John Hancock dubbed "straight-through correspondence," creates correspondence from a data bank of standardized form letters, which today handles 40% of customer inquiries.

This new process enabled the team to respond promptly and accurately to more routine inquiries, while allowing them time to focus on more sensitive and complicated customer inquiries.

The new process has increased productivity by 20%, led to a 15% reduction in staff and raised external quality benchmark ratings for John Hancock Signature Services by 10%.

3rd Place, Efficiencies/Streamlining -- Access Data

Rounding out Access Data's enterprise sales reporting application is SalesVision Distributor Compensation. A first-of-its-kind solution, it enables mutual fund companies to automate and streamline their compensation processes for external distribution partners, service providers and administrators.

Distributor Compensation facilitates managing and servicing multiple intermediary and distribution agreements through a flexible rules library that tracks and applies complex payment arrangements to payment calculations. Invoices from financial intermediaries are automatically analyzed and reconciled against payments calculated to identify any disparities.

The cost and time requirements for manual processing and tracking from spreadsheets can be reduced as much as 50%, while the accuracy of payments reported to distributors, regulators and management is increased.

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