



TEMENOS
Fund Administration

Temenos Multifonds

Transform Your ETF Administration

Temenos Multifonds consolidates fragmented ETF processes within a single platform, to drive enhanced automation and reduced cost. The ETF module deploys sophisticated workflow and production control, to deliver a step change in efficiency, oversight and control.

With integrated management of the portfolio composition file (PCF) creation process for Exchange Traded Funds (ETFs), Temenos Multifonds enables all parts of the PCF lifecycle to be highly automated and controlled. It is the only fund administration platform on the market with integrated PCF basket calculation.





Current challenges

The industry has seen an unprecedented growth in the popularity of ETFs in recent years. Many of the usual operational processes for ETFs are simpler, relative to traditional mutual funds, as this is an inherent design feature. However, the daily in-kind subscription/redemption process is driven by the PCF and can be quite bespoke (including by authorized participants distributing broker), resulting in an often manual and spreadsheet driven workflow. As such there is an increased need for the critical PCF processed to be digitized and highly automated, facilitated, and controlled.

To effectively manage ETFs, fund administrators need a sophisticated workflow and PCF calculation tool that can deliver increased efficiency by: generating a default, portfolio or index-based PCF using an algorithm that optimizes the cash and quantity components; automatically pre-processing T+1 corporate actions; allowing and tracking broker-specific exceptions/substitutions; extraction and transmission to appropriate authorized participants, through to the settlement of ETF subscriptions and redemptions; with a basket/trading in kind monitoring feature.

What our solution covers



Supports all ETF requirements

Full coverage for all physical ETF specifications, across multiple regions and jurisdictions, supporting multiple accounting, regulatory and tax methods simultaneously for a single portfolio.



Flexible and adaptable

Can be fully customized to client specifications, underpinned by bespoke reporting in multiple formats, to speed investigating discrepancies and provide fast response to changing regulatory requirements or client requests.



Single, scalable platform

Consolidates fragmented, manual ETF systems onto a single, global platform, to drive enhanced automation and reduced costs. Fully integrated within Temenos Multifonds platform, designed to scale easily as your business grows.



Features



Basket Management

- Unlimited baskets available, built from either a portfolio or an index, with custom baskets possible on agreement with authorized participants
- Projected valuation tool to simulate the estimate basket and potential PCF – all events, corporate actions, trades and capital activity are incorporated into the estimated basket calculation
- Sophisticated algorithm to minimize the cash component of the PCF
- Automated cash and security substitutions based on market or authorized participant restrictions
- Consistent pricing policy with unique price within the basket and ETF fund portfolio
- Supports authorized participant creation redemption orders through bursting of PCF and custom baskets
- Configurable exception-based quality control processes governing basket release

Reporting and data extracts

- PCF data (estimate PCF, trading basket and pricing basket) is available at any time for extraction, in flexible formats (xls, csv, etc.)
- Control center dashboard to streamline workflow and control risk
- Automated distribution and delivery options (SFTP, Email)
- Report dashboard monitors status to completion
- Automated report (outputs) generation in various formats (PDF, Excel, CSV)
- Benchmarking and peer group analysis to validate ETF fund movement to similar investment products



Unit creation and redemption

- Subscriptions and redemptions in-kind or in cash distinguished
- Proper structure and accounting scheme to buy/sell basket components, as well as track settlement and effective ownership transfer
- Processing of ETF capital stock activity based on the bursting PCF

Benefits

Deliver increased efficiency through sophisticated workflow and exception management

Speed up discrepancy investigations with bespoke reporting

Improve oversight and control with unique user profiles





Get in touch

To learn more about Temenos Multifonds visit: temenos.com/fund-administration

Contact us at sales@temenos.com

temenos.com

About Temenos

Temenos AG (SIX: TEMN) is the world's leader in banking software. Over 3,000 banks across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic and AI-driven front office, core banking, payments and fund administration software enabling banks to deliver frictionless, omnichannel customer experiences and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve cost-income ratios of 26.8% half the industry average and returns on equity of 29%, three times the industry average. These clients also invest 51% of their IT budget on growth and innovation versus maintenance, which is double the industry average, proving the banks' IT investment is adding tangible value to their business.

For more information, please visit www.temenos.com.

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