



ACADIA SOFT

FRESH PERSPECTIVES ON COLLATERAL MANAGEMENT

In April 2018, AcadiaSoft hosted a webinar to inform and educate the industry on managing Non-Cleared Margin Rules. This paper provides survey results, our unique analysis, and solutions for Buy-side firms that require a technology response to these challenges.

AcadiaSoft by the numbers:

- Owned & backed by **16** major participants & infrastructures
- Launched the industry standard, MarginSphere, in 2008
- Community of **400+** member firms
- Exchanging **~\$400bn** of collateral and tens of thousands of margin calls every day
- Maintains **150,000** active VM CSA agreements
- And **~100%** of all regulatory IM CSA agreements
- AcadiaSoft Hub receives over **1m** trades and **25m** sensitivities every day

The Rise & Rise of Regulation

For Buy-side firms and their regulatory teams, change and transformation has become the new normal. MiFID II required that they take a lot of their compliance activity back in-house from Banks. Margin-specific regulations like Non-Cleared Margin Rules and FINRA 4210 fuel the need for streamlined straight through processing (STP) in the margin and collateral management space.

Coupled with increases in margin call and collateral movement volumes by as much as 35% since the VM rules came into force last year, standardization of process, automation (where possible), and increased reliance on market infrastructure now sit 'front of mind' for many Buy-side firms.

Introducing AcadiaSoft

At AcadiaSoft, we go beyond tactical, project-based approaches. We know forward-thinking Buy-side firms want strategic solutions that deliver business benefits: increased visibility into portfolios; tailored workflows that combine automation and user validation; more efficient use of collateral; and clear reporting at the end of the day.

In September 2016 we introduced our Initial Margin (IM) calculation and reconciliation service – and launched the AcadiaSoft Hub. A collateral operating system for the OTC industry, the Hub functions in much the same way your smartphone handles access to apps, user entitlements, communications and data handling and security. It, and its 400+ strong community, demonstrate our pedigree of innovation, our reputation across the market, and our ability to improve collateral management for every type of market participant.

The Tech Response to Non-Cleared Margin Rules

Leveraging this heritage, and in response to Non-Cleared Margin Rules, AcadiaSoft has developed a centralized, scalable, exception-based workflow solution for collateral management: **CollateralManager**.

CollateralManager is the product of our deep understanding of the challenges facing Buy-side firms around margin and collateral regulations: a web-based, end-to-end SaaS offering covering all agreement types, enabling firms to move beyond manual, error-prone and opaque processes that regulators are targeting.

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Presenting the Latest Market Data

Our webinar polls showed that firms require information on the rules to understand if they need to comply, when the deadlines are for their firm, and how a low-cost, low-touch collateral management solution could help.

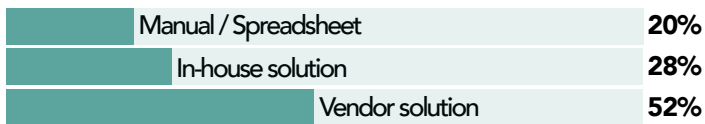
What is the highest priority for your firm?



Is your firm in scope for IM in 2019 or 2020?



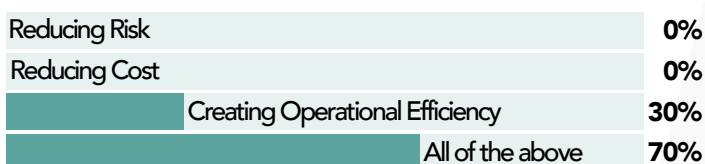
How do you manage your collateral today?



How many agreements do you manage?



As you look to implement a collateral solution, what is the biggest business driver?



Benefits to the Buy-side

Instead, Buy-side firms can leverage AcadiaSoft's fully-managed service, reducing IT costs and operational overhead. Integration with AcadiaSoft Hub provides true STP with the global banking community. Collaboration with these institutions, and global industry experts, ensures that our STP offerings are continuously enhanced.

CollateralManager is designed and developed to enable Buy-side firm's strategic vision – and grow with it. The solution can scale effortlessly across multiple geographies and regulatory jurisdictions. The exception-based workflow and configurable, user-defined dashboard ensures that teams are always deployed to the point of need .

Fit-for-purpose, Future-proofed

CollateralManager is much more than a technology platform: it is a gateway to STP connectivity and market opportunity with a global community of market participants. Enabling firms to comply – and demonstrate compliance – with regulations, to increase efficiency and reduce cost in collateral and margin management, and to benefit from the collective experiences and technical requirements of Banks, Funds and Corporates across the world.

Email us today info@acadiasoft.com to learn more about **CollateralManager**, for analysis and insight on Non-Cleared Margin Rules for Buy-side firms, and to schedule a demo