

Buy Side

TECHNOLOGY WEEK

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Y2K COMPLIANCE

Harold C. Brown Installs FMC, Kicks Out Non-Year 2000-Compliant WinDX

With Advent Software essentially abandoning its WinDX portfolio management and accounting system by not providing Y2k compliance, officials at Buffalo, N.Y.-based Harold C. Brown realized that they needed a replacement. Passing over a number of other vendor-supplied systems, including Advent's next-generation AxyS, Brown officials tapped Toronto-based Financial Models Co. for a handful of offerings. Eager to bring the system online as soon as possible, the investment manager already has two modules in full production.

Brown is an investment adviser with some \$1 billion in assets under management—all of which will be supported by FMC's product suite. Brown brought FMC's Pacer portfolio management and accounting system and Recon automatic reconciliation product live at the beginning of this year.

"We will use Financial Models mainly for portfolio management, performance measurement and trade modeling," says Barbara Klucik, chief information officer at Brown. "However,

*Continued on page 3***UPGRADES & ENHANCEMENTS**

John McStay Investment to Roll Out Latest Flavors of Advent's Moxy, AxyS

John McStay Investment Counsel will soon install the latest releases of Advent Software's AxyS portfolio management and accounting system, and Moxy order-management product. Based in Dallas, John McStay is an inde-

pendent investment adviser using Advent's software to support some \$4 billion in assets under management.

Dan Hockenbrough, business manager at John McStay, says the investment adviser will soon test Moxy 3.0. "We

are currently on schedule to upgrade to the Moxy 3 beta version and expect to install the final version when Advent completes its set dates for issuance to the general public," he says. "At that time we

*Continued on page 2***INTERNET-BASED TECHNOLOGIES**

Ford Using Passport for Web-Based Reports

New York-based Ford Foundation's financial services and investment division has started using a browser-based tool from its custodian, Northern Trust, to access monthly fund performance reports. Northern recently launched a Web-enabled component, called FundAnalytics, as part of its Northern Trust Passport perfor-

mance analysis, risk management and reporting system, which was developed in conjunction with SunGard Investment Systems.

One of Northern's first clients on Passport, the asset management division of Ford's \$11 billion charitable fund, went into full production

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McStay

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will also upgrade to Axys 3." Advent plans to release Moxy 3.0 later this month.

Officials at John McStay—an Advent user since 1992—have good reason to keep a watchful eye on the firm's IT and its ability to support the firm's growing business. "Our assets have grown tremendously over the past two years, more than doubling," says Hockenbrough.

With its swelling asset base placing greater demands on the firm's investment technology, John McStay's IT staffers haven't hesitated to field their concerns to Advent systems developers—especially when it comes to trade-

order management.

"Going back to manual entry isn't a consideration," says Hockenbrough. "Therefore, we've chosen to work closely with the Moxy tech group to communicate our needs—so that this product will continue to make our trade-flow process easier and quicker."

This latest release of Moxy will feature access to a FIX server for Internet-ready electronic order routing—functionality Advent secured through a deal inked late last year with New York-based Javelin Technologies (BSTW, 12/14/98). With Javelin's Coppelia server, investment management traders using Moxy will be able to route trade orders, receive execution notices and indications of interest, and

send allocations to FIX-compliant broker/dealers. Advent clients will also use Coppelia to route orders and receive fills from alternative trading systems.

Axys 3 will feature an enhanced Depository Trust Co. interface, including a "matching wizard" designed to walk users through the process of matching affirmation and posting each transaction. Additional improvements to Advent's portfolio management and accounting system includes enhanced support for variable-rate securities, full tracking of accrued interest across rate changes for any date-to-date reporting period, and full performance reporting.

While the enhancements to Moxy were essential for John McStay, improve-

Ford

Continued from front page

nearly one year ago, after providing input to developers and acting as a beta tester, says Julie Martin, the group's senior portfolio administrator. "A great deal was client-driven, such as the system's trade date basis and having a central database that drops numbers down to accounting, reporting, data and performance levels," she says.

Users can now access a variety of reports that are supported by Passport's Performance Analysis Calculation Engine (PACE). For starters, daily performance data is available through the Management Reporting feature of Passport, a feature critical to the division's internal portfolio managers, Martin says. Other reporting functions include: Alerts, which spotlights possible violations of fund mandates; Atlas, which retrieves country regulatory information, market practices, agent and subcustodial information; Sherlock, a drill-down function that filters data for comparing various investments, e.g., specific securities held in American Depository Receipts across all domestic portfolios for comparison with similar holdings in international portfolios; and Fundamentals, a customiz-

able analyzer of total risk within a portfolio that breaks down the portfolio by asset class and compares various rates of return against benchmarks and other analytics.

Also, via e-mail or hard copy, Martin receives the more macro type performance data—for the total picture needed for quarterly reports—in a Northern report called FundStrategy. Finally, Martin accesses the more micro monthly data with Web-based FundAnalytics.

Within the next two months, Northern will complete the task of migrating the remaining 6% of its client base to Passport and dismantling its mainframe-based architecture. The new server and network-based system will also be rolled out this year to 68 branches of the bank, which manages \$236 billion in trust account assets.

At Ford, the Passport system replaced an earlier performance software from SunGard. After trying Passport on its Microsoft 3.1 network, the foundation upgraded to an NT network, connected to a leased 56K line for speed, says Martin. "The Northern system was meant to run on a high-level network. It works great on the desktop now."

Northern plans to release several enhancements to Passport this year, including more Web-based tools and

FundDimensions, a three-dimensional desktop graphical display package. Northern promises display will "distill the complexities of multiple currency and multiple manager funds into a single screen." Martin plans to implement it when it's released.

—Maureen Nevin Duffy

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ments to Axys were just as important. "Advent's interface with International Depository Company and DTC are absolutely necessary in our daily process of running macros and distributing reports to our management," says Dan Hockenbrough. "We use them extensively."

Meanwhile, John McStay officials are eager to get their hands on the latest version of Advent's software, in part to ease anxieties with looming Y2k issues. "There is no doubt that Y2k has posed some important questions, and our concern for reporting timely and accurate informa-

tion to clients is our first priority—in addition to just being able to accomplish the daily workload," says Hockenbrough. "Therefore, it is of great importance to us that we maintain the most current versions of Axys and Moxy." ●

INTERNET-BASED TECHNOLOGIES

Apodaca Investments to Install Sectorbase

After testing Sectorbase.com's Web-based market segment-specific researching tool for investment professionals, officials at Apodaca Investment Group Inc. plan to install the vendor's fledgling product. The rollout, at the investment adviser with some \$200 million in assets under management, is slated for April when Sectorbase officially launch the product.

Combining an investment research database, an analytical tool and reporting capabilities, Sectorbase enables comparisons of companies and peer groups based upon specific product areas within any industry sector. Users are able to select unique criteria sets and search the detailed company and product segmentations.

"Other indices and databases don't break it down into the different sectors," says Jerry Apodaca. "What Sectorbase does is break it down into these micro-industries. It would take a week to two weeks, sometimes even longer, to figure out who all the players in

a certain industry group are. With Sectorbase you can figure it out in 30 minutes."

While the firm tests Sectorbase, and plans to ink a licensing deal with the vendor, Apodaca says he has yet to explore every component of the system. The parts that he has seen, though, have impressed him enough to sign on.

"Take an industry like the Internet," says Apodaca. "Other products and databases right now have an Internet index where all the Internet-related companies are lumped together. Sectorbase is going to break those down into different sectors, from portals to software, e-commerce to electronic banking," he says. "You have to break those down because those are totally different industries."

Full access to the system is available for \$900 per month for the first user, with discounts available for multiple users or site licenses. ●

Brown

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the trade modeling features were the most attractive aspect of the suite for us because we have a large number of clients and tax lots and need a product robust enough to handle that."

Brown uses Pacer to manage some 4,000 portfolios, and Recon to automatically reconcile over 60,000 tax lots. With the main components in place, Brown officials have laid out a deployment schedule for a number of FMC's other modules, including Pivot for portfolio modeling, Sylvan for performance measurement and Pages for client statement generation.

"Within another six weeks or so, we expect to have Pivot available to our portfolio managers," says Klucik. "We plan to have the performance product

online within the next couple of months. The Pages reporting product, which is very slick, really requires all the other pieces to be in place, so we'll roll that out later this year."

Brown officials were forced to launch evaluations last year when they realized Advent would not develop Y2k functionality for its WinDX product. Furthermore, Klucik says she was not interested in Advent's flagship Axys portfolio management and accounting offering. "Advent has abandoned . . . WinDX," says Klucik. "They don't offer a relational database product, and I wasn't interested in moving in another direction."

Klucik says that during evaluations Brown officials were set on gaining all the necessary functionality from a single software provider. "We hoped to reduce the amount of confusion that would result from interfacing different products," she

explains. "I know of instances where other firms have tried to integrate a new portfolio management product with an existing trading module, and that almost always leads to nightmares. I've got enough on my plate without dealing with that sort of thing."

Turned off by their experience with Advent, Klucik says Brown officials were not only looking at the strengths of the various systems they evaluated, but of the vendors behind those products as well.

"During evaluations we were looking for stability," says Klucik. "So many vendors in this business are developing and promising functionality, and may have great products, but are just not there yet. The things that FMC has, work now, and they're pretty careful about not rolling out new versions until they know they're working." ●