

Buy Side

TECHNOLOGY WEEK

Volume 2, Number 2 • January 11, 1998

IN BRIEF:

- ▶ *Baltic bank Rietuma Banka licenses Princeton's PAM for Securities and PAM for Mutual Funds*
- ▶ *BISYS Group announces brokerage services division introducing multi-family mutual fund wrap program*
- ▶ *First Call Corp. announces successful conversion of earnings, pricing data to euro*
- ▶ *Thomson's Fund Reports and Tip Sheet now available to Regions Bank customers*

Oppenheimer Rolls Out Thomson Portfolio Management, Accounting

Oppenheimer Capital is rolling out Thomson Investment Software's (TIS) Portia portfolio management and accounting system. The New York-based asset management firm owned by Pimco Advisors is deploying Portia to support at least part of the firm's some \$63 billion in assets under management.

For a time, it appeared Oppenheimer Capital would turn to Pimco to furnish it with outsourced investment management and accounting support. However, two years and two major IT deployments later that

seems highly unlikely.

In early 1997, with Pimco still mulling over the Oppenheimer Capital acquisition, Pacific Mutual Life Insurance Co., owner of almost half of Pimco, was in the midst of a major back-office technology project. Analysts at the time were saying that it was more than likely that Pimco, and any investment firm it acquires, would purchase processing services from Pacific Mutual.

Officials at Pacific Mutual were primarily targeting insurers, but offered enough func-

Continued on page 2

New York State Teachers' Retirement System Finds Portia a Better Fit

New York State Teachers' Retirement System is installing Thomson Investment Software's (TIS) Portia portfolio management and accounting system. The Albany, N.Y.-based public retirement plan sponsor intends to bring TIS' system

into full production by June 30 to support some \$62 billion — the majority of its total \$76 billion in assets under management.

NYS Teachers' is rolling out TIS' flagship product and planning to bring Portia live in March. Following par-

allel testing with existing investment technology, officials at the plan hope to bring Portia into full production in time for the fiscal year-end functions it performs in June. NYS Teachers' is a cost-sharing,

Continued on page 3

Advent Poll Reveals Top Info Service Picks

As IT officials demand links to more and more market-driven services, portfolio management and accounting system vendors are recognizing the value of keeping an eye on what's on the client's desktop. San Francisco-based Advent Software surveyed some of its 4,800 clients last quarter to get a handle on which sys-

tems and services its users are using.

Advent provides standalone and client/server software products, data interfaces and related services to investment management organizations. Advent's survey questionnaires were mailed to 3,200 firms, including investment advisors, financial

Continued on page 2

PUBLISHED BY:

Wall Street & Technology

Buy Side Technology Week is protected by copyright. It is illegal under federal law (17USC101) to make copies or faxes of this newsletter without permission. Violators risk criminal penalties and \$100,000 in damages per offense. Please contact BSTW for information about its reproduction policy and multiple copy discounts.

Oppenheimer

Continued from front page

tionality to appeal to investment advisors as well. The services included investment accounting, performance measurement, reporting, analytics, asset-liability tools, trade-order management software, electronic trading and data mining.

Oppenheimer Capital officials did not return calls seeking comment, therefore their opinions of Pacific Mutual's outsourcing services could not be ascertained by presstime. In fact, it's uncertain that Oppenheimer ever really benefited from Pacific Mutual's efforts. In a published statement, Oppenheimer

Capital Managing Director Graham Mellor says the firm is deploying Portia to replace a 12-year-incumbent system, with no mention at all of Pacific Mutual's IT project.

It's safe to say, however, that even if they did try to implement Pacific Mutual's technology, it couldn't have lasted very long. Less than a year after being acquired by Pimco, Oppenheimer Capital launched an extensive due diligence in early 1998 in a search for a new portfolio management and accounting system, including an on-site, three-week trial.

Meanwhile, at the same time they were looking for a portfolio management and accounting system,

Oppenheimer Capital officials were installing Financial Models' FMCNET, the dominant electronic trade confirmation (ETC) supplier in Canada (see BSTW, Oct. 12, 1998). Oppenheimer was the first FMC client in the U.S. to use FMC's Delivery Instruction Database, which appends detailed settlement instructions to transactions through FMCNET. Financial Models also markets a portfolio management and accounting system (Pacer).

In giving TIS the nod, Oppenheimer officials cited Portia's customizable database, user-defined reporting capabilities, dependable client support and accounting expertise as key areas of functionality. ●

Advent

Continued from front page

planners, banks, trust companies, broker/dealers, professional service firms and individual brokers. Of those contacted, 701 responded.

When asked which information services their firm uses, respondents indicated the following — with many checking off more than one choice.

Morningstar, an online provider of mutual fund, stock and variable-insurance investment information, led the pack with 51% of responses. ValueLine, known for its Value Line Investment Survey as well as electronic data services for individual and institutional clients, came in a close second with 50%.

Bloomberg Online, drawing content from the Bloomberg service and other Bloomberg sources, garnered a 42% response. Featuring First Call Notes, the electronic, real-time delivery of commingled morning meeting comments, intraday research broadcasts, special equity notes and corporate financial news releases, First Call registered 21% of responses. Reuters rounded out the

top five with 14% of responses.

The survey also showed 76% of respondents are using some version of Microsoft's Internet Explorer to access the Web, followed by Netscape, with 64%. A meager 3% reported using a rival browser.

Meanwhile, 5% reported they are using the 'Net to communicate

account information to clients, 29% plan to do so in the near future, and 65% have no plans for utilizing the 'Net. While this seems to imply that financial institutions place little emphasis on utilizing the Internet as an important business tool, only two years ago 95% of firms had no interest in the Internet. ●

BuySide TECHNOLOGY WEEK

SENIOR ASSOCIATE EDITOR **Craig McGuire**cmcguire@mfi.com
 EDITOR-IN-CHIEF **Ivy Schmerken**lschmerken@mfi.com
 DEPUTY EDITOR **Justin Data**jdata@mfi.com
 SENIOR VICE PRESIDENT **Annie Feldman**afeldman@mfi.com
 GROUP PUBLISHER **Peggy Schecter**pschecter@mfi.com
 ASSOCIATE PUBLISHER **John Ecke**jecke@mfi.com
 MARKETING MANAGER **Bob Bohn**bbohn@mfi.com
 MARKETING MANAGER **Jennifer Kreshtool**jkreshtool@mfi.com
 CIRCULATION MANAGER **Michael Bennett**mwbenett@mfi.com

Contact Craig McGuire for news development, comments and questions. He can be reached at 212.615.3074, faxed at 212.279.3958 or e-mailed at cmcguire@mfi.com

EDITORIAL OFFICE

One Penn Plaza, New York, NY 10119-1198
 Phone: 212.714.1300

Buy Side Technology Week is published by **Wall Street &**

Technology magazine. Corporate offices: Miller Freeman Inc.

(MFI), 600 Harrison Street, San Francisco, Calif. 94107;

(415) 905-2200. MFI is a member of United News & Media.

All rights reserved. Periodicals postage paid at San Francisco, Calif., and additional mailing offices.

ADVERTISING SALES OFFICE

One Penn Plaza, New York, NY 10119-1198

John Ecke Phone: 212.615.2797

Mike McCaffery Phone: 212.615.2603

FOR REPRINT INQUIRIES

Shelley Johnson 415.9052783 sjohnson@mfi.com

Wall Street &
Technology

un Miller Freeman
 A United News & Media publication

New York

Continued from front page

multiple-employer, public-employee retirement system that was established to provide pension benefits for the teachers in New York state (excluding New York City).

As is always the case, the deployment of new investment technology marks the impending departure of an incumbent system — in this scenario the IMS-2000 global portfolio management and accounting system from Marlton, N.J.-based QED Information Systems. The difference here, though, is that NYS Teachers' wasn't exactly dissatisfied with QED's system.

In fact, NYS Teachers' assistant finance manager Anthony Chromczak says his office was quite happy with the core functionality of QED and probably would not have replaced it, had it not been a Unix-based system. The plan has used QED since mid-1996.

"We are an IBM shop with very little Unix specialties in-house, so most of our folks are not familiar with Unix," says Chromczak. "Without this talent in-house we had to rely heavily upon QED, and quite honestly they do a really effective job with Unix. However,

gies where the investment accounting is performed by the plan's custodian bank. Over the last 20 years or so, straight custody has become more of a viable option as many large-scale plan sponsors have seen their coffers swell into the billions of dollars.

"As a straight custody operation, we plan to use Portia as most of Thomson's other clients use it, for portfolio management and accounting," says Chromczak. "But we plan to use it for more than that, although we may not use all of the systems' different modules at once, we know they are already there and working."

Chromczak says after NYS Teachers' completes its rollout of Portia, IT officials at the plan will begin to look at a number of modules including performance calculations and a link to the Depository Trust Company. "At this point we are looking at the connection to the DTC and are either going to buy the Portia module, or link directly to DTC, but we are definitely moving along the lines of growing into more of an electronic format," says Chromczak.

Portia's utilization of Sybase's Adaptive Server Enterprise on a Microsoft NT platform and the system's ability to import and export multiple data formats were deciding

DTC, NYS Teachers' plans to link Portia to a number of applications it runs internally, including Barra and CMS Bondedge. "We want to have an easy import/export facility to these kinds of packages which our in-house people feel more comfortable using," says Chromczak. When NYS Teachers' officials decided to remove QED last year, they contacted some of the same vendors they evaluated back in 1996.

"We dusted off some of the old files and re-connected with some of the top vendors to see what they were doing," says Chromczak. "We already had some experience with Thomson as we used them to support some of our mainframe operations back in the [19]80s."

In the contest for NYS Teachers' business, TIS bested the likes of rivals Princeton Financial Systems [PAM for Securities] and SS&C Technologies [Camra]. TIS' presence among large-scale plan sponsors was a pivotal factor for NYS Teachers'.

In vendor-oriented literature, TIS claims to be installed at least 46 of the 50 largest plan sponsors. In a segment of the marketplace as close-knit as plan sponsors, it wasn't that difficult for Chromczak to investigate TIS' boasts.

"Since we are in the upper tier of pen-

"As a straight custody operation, we plan to use Portia as most of Thomson's other clients use it, for portfolio management and accounting. But we plan to use it for more than that, although we may not use all of the systems' different modules at once, we know they are already there and working."

this is the only Unix platform we would be supporting and eventually we got to the point where we realized this really doesn't fit."

NYS Teachers' investment operations are straight custody, meaning portfolio management and accounting functions are performed internally. That's opposed to the majority of plan sponsors that operate master custody strate-

factors during evaluations.

"QED worked well for what we bought it for, but now we really need a Windows NT platform with a Sybase open relational database . . . that any programmer can handle without being a Unix expert," says Chromczak. "We do a lot of volume and just can't have the extra processes."

In addition to the eventual link to

sion systems, it's very easy to call up other pension systems and ask them what they are using," says Chromczak. "We found Portia to be in the top tier and were comfortable going with Thomson because we have had a good experience with them in the past. We knew what we were getting already as opposed to some of the other ones like PAM or Camra." ●