

# OPERATIONAL TASKS AND REPORTING VALUE

## Summary of Operational Tasks at a Hedge Fund

TASK DATA			Origin of Data - if not automated					Financial Stack Value				
Category	Process	Task	Timeframe	Resource	Source(s)	Done in Acct System?	Type	Table	Report	In Demo?	Value to Client of Reporting Application	Value Quantifier
Trading	Trade Order Management	Trade Execution	Daily	Executing Broker, Trade Assistant	Order Execution System		.CSV, emails	Prices & Quotes	Best Execution Report	iReport	History of Trade Executions & Best Execution Comparisons	High Value
Trading	Settlement	Trade Confirms	Daily	Executing Broker, Fund Accountant	Order Execution System							
Trading	Settlement	Trade Breaks	Daily	Fund Accountant, Prime Broker	Prime Broker Portal		.CSV, emails					
Trading	Trade Order Management	Determine Borrow	Daily	Trader, Trade Assistant	Prime Broker		.CSV				Consolidated List of Borrow across multiple Prime's - Reduce Borrow interest by borrowing from the least expensive Prime.	Medium Value
Trading	Trade Order Management	Determine Borrow - Hard to Borrow	Daily	Trader, Fund Accountant	Prime Broker Portal		.CSV		Hard to Borrow Report			Medium Value
Trading	Trade Order Management	Find Borrow	Daily	Fund Accountant	Phone Calls							
Research	Research Management	Model New Deals	As-needed	Trader, Trade Assistant	Models, Data Mgmt System						Ability to supplement trading models by being a repository of historical data.	High Value
Research	Performance Analytics	Analyze Existing Deals	Daily	Trader, Analyst	Models, Data Mgmt System						Trade History over time, using reporting tool to analyze data from specific deals	Medium Value
Research	Portfolio Management	Analyze Existing Positions, Weights, Contributions	Daily	CIO or Trader, Analyst	Models, Data Mgmt System						Portfolio History over time, analyze current vs past attribution risks, performance	High Value
Regulatory	Compliance	Create 13F for SEC	Quarterly	CFO, CCO	spreadsheet, Document						Time savings	Medium Value
Regulatory	Compliance	File 13F with SEC	Quarterly	CFO, Legal, CCO	Document						Potential to bring in 13Fs from other hedge funds into reporting system	Low Value
Portfolio	Trade Order Management	Determine Daily Trades - Orders and Order Type	Daily	Trader, Trade Assistant	Models, Order Execution System						Historical Repository of Orders vs Fills	Low Value
Portfolio	Portfolio Management	Determine Leverage & Exposure	Weekly	CIO, Risk Manager	Models, Data Mgmt System						Repository on Leverage, Exposure, and components over time	High Value
Investor	Investment Management	End of Year Price & Positions	Annual	Fund Accountant	Acct System	X		Trade Table	Price & Position Report		Historical Price & Positions	Medium Value
Investor	Investment Management	Return Discussions with Investors	As-needed	CIO	Data Mgmt System, spreadsheet						Investor Portal	High Value
Investor	Investment Management	Update Marketing Materials	As-needed	Marketing	spreadsheet						Investor Portal	High Value
Investor	Investment Management	Update ADV	As-needed	CFO or CIO	Document							
Investor	Investment Operations	Wire redemption funds to customer accounts	As-needed	CFO	Documents, Acct System							
Investor	Investment Management	Send DDQ, Subscription Agreement, etc for new prospect, articles of	As-needed	Marketing								
Investor	Investment Management	Send Marketing Information to potential investors	As-needed	Marketing	Powerpoint, Spreadsheets		.PPT, .XLS				Marketing Dashboard/Investor Portal	High Value
Investor	Investment Management	Send AML (anti-money laundering) etc for new prospect	As-needed	Fund Accountant								
Investor	Investment Operations	Send Signed Redemption/Subscription Docs to Administrator	As-needed	Fund Accountant								
Investor	Investment Operations	Determine MTD, YTD Return	Monthly	Fund Accountant or CFO	spreadsheet			Return Table	Performance		Historical Returns over Time. Comparison to benchmarks.	High Value
Investor	Investor Accounting	Send Monthly Performance to Investors	Monthly	CIO	Acct System, Models		.PDF				Investor Portal	High Value
Investor	Investor Accounting	Create Investor Letter	Monthly	CIO	Acct System, Models		.PDF				Investor Portal	High Value
Investor	Investment Management	Update various Fund Tracking Sites (e.g. HFRX, Credit Suisse)	Monthly	CFO or Fund Accountant	spreadsheet							
Investor	Investor Accounting	Send Monthly updates to Investor Return Tracking spreadsheets and/or	Monthly	CFO or Fund Accountant	spreadsheet				Return by Investor		Investor Portal	High Value
Investor	Investor Accounting	Send NAV confirmation to investors	Monthly	CFO or Fund Accountant	Document							High Value
Investor	Investor Accounting	Determine Total Positions for month (profitable and unprofitable), new added positions, and closed	Monthly	CFO or Fund Accountant	Data Mgmt System, Acct System				Monthly Dashboard		Monthly Dashboard. Historical perspective of monthly gains, losses, and new deals.	Medium Value
Investor	Investor Accounting	Determine Unit Value of share per investor & Units	Monthly	Fund Accountant	spreadsheet, Data Mgmt System						Investor Portal	High Value
Investor	Investor Accounting	Monthly Investor Allocation Reports	Monthly	Fund Accountant	Data Mgmt System, spreadsheet						Investor Portal	High Value
Investor	Investment Management	Review Illiquid Positions Ratio - Gross & Net	Weekly	CFO	3rd party data provider (e.g. Bloomberg), Data Mgmt System				Illiquid Positions		Ability to quickly review illiquid positions. Access historical report if needed.	Medium Value
Investor	Investment Management	Review Concentration Ratio - Gross & Net	Weekly	CFO	3rd party data provider (e.g. Bloomberg), Data Mgmt System				Concentration by Sector		Quickly Report on concentration by industry sector.	Medium Value
Investor	Investment Management	Review Geographic/Market Position - Ratio	Weekly	CFO	Data Mgmt System				Concentration by Geography		Quickly Report on concentration by geography according to fund, managed account constraints.	High Value
Investor	Investment Management	Weekly Return Expectations	Weekly	CIO	Models, Data Mgmt System						Repository of Weekly Return Expectations over time	Low Value
Investor	Investor Accounting	End of Week NAV	Weekly	CFO	Acct System	X					Maintain Weekly NAVs	Low Value
Investor	Investor Accounting	Process Weekly Investments/Redemptions - Managed Acct	Weekly	Fund Accountant	Documents							
FX	Investment Operations	Re-balance FX Cash	Daily	CFO or Fund Accountant	Acct System							
Fund Admin	Investment Operations	Pari Passu reallocation of portfolio	As-needed	Fund Accountant or CFO	Data Mgmt System, Acct System							
Fund Admin	Investment Operations	Disclosure to UK takeover panel on UK positions > X size	As-needed	Fund Accountant	spreadsheet							
Fund Admin	Investment Operations	Process Redemption with holding bank and wire	Monthly	Fund Accountant	spreadsheet, Acct System						Historical Record of redemption activity	Low Value
Custody	Corporate Actions	Corporate Actions	As-needed	Trader, Trade Assistant	Data Mgmt System						Resitory of Corporate Actions	Medium Value
Custody	Investment Operations	Close Deal - Acct for Closed Pricing	As-needed	Fund Accountant	Acct System							
Custody	Corporate Actions	Update Corporate Actions Calendar	As-needed	Trader or Fund Accountant	Data Mgmt System						Calendar and historical record	Medium Value
Allocation	Investment Operations	Change Equity to Swap Position	As-needed	CFO or Trader	Spreadsheet							
Allocation	Compliance	Review Breach of Investment Restrictions - from Managed Account	As-needed	CFO, CIO, CCO	email, spreadsheet						Managed Account Platform - MAP Constraint Dashboard	High Value
Allocation	Investment Operations	Re-allocate based on breach of Investment Restrictions - from Managed	As-needed	CIO or CFO	Acct System, spreadsheet						List of trades that were done to reallocate.	Low Value
Allocation	Investment Operations	Review Borrow Amounts and look for excess Borrow (FX Equities only)	As-needed	Fund Accountant	Prime Brokers, Acct System						Consolidated view of borrow. Save on interest charged on overborrowed equities.	Medium Value
Allocation	Portfolio Management	Allocate Trades across Funds	Daily	Fund Accountant	Executing Brokers - Order Management Systems, Acct System						Potential to upload allocation of trades and perform based on daily NAVs. This should be done by Acct System rather than BI tool if possible.	Low Value
Allocation	Investment Operations	Allocate Trades across Primes	Daily	Fund Accountant	Executing Brokers Order Management System, Acct System						Potential to upload allocation of trades and perform based on daily NAVs. This should be done by Acct System rather than BI tool if possible.	Low Value
Allocation	Investment Operations	Review Long/Short Ratio for paired deals	Daily	Trader	Data Mgmt System, Models							
Allocation	Investment Operations	Adjust Long/Short Ratio for paired deals	Daily	Trader	Data Mgmt System, Models							
Allocation	Compliance	Review Covenants for MAP - (e.g. MAP funds cannot exceed 2/3 of total	Monthly	CFO	Data Mgmt System, Models							
Accounting	Investor Accounting	End of Year Payables, Receivables (Due upon settlement - trades not yet	Annual	Fund Accountant	Acct System	X						
Accounting	Investment Operations	Special Pricing List - Used for valuation of positions	Annual	Fund Accountant	Acct System						List of Non-standard prices could be kept in report for access purposes.	Low Value
Accounting	Investor Accounting	Prepare Financial Statements for Audit (Balance Sheet, Income	Annual	CFO	Acct System							
Accounting	Investor Accounting	Prepare YTD Annual Reports - Div Income, Interest Income, Interest Exp	Annual	CFO	Acct System							
Accounting	Investor Accounting	YTD Dividends on Sec Sold Short	Annual	Fund Accountant or CFO	Acct System	X						
Accounting	Investor Accounting	Update Cost Roll Forward for Audit	Annual	Fund Accountant or Auditor	Cost Roll Forward spreadsheet		.XLS				Reconciliation - Fund Accountant vs Auditor	Medium Value
Accounting	Investor Accounting	Calculate Trial Balance	Annual	Fund Accountant and Administrator	Acct System						Reconciliation - Fund Accountant vs Administrator	Medium Value
Accounting	Investor Accounting	Reconcile Trial Balance with Administrator	Annual	Fund Accountant and Administrator	Acct System	X						
Accounting	Investor Accounting	Year End Cash Reconciliation	Annual	Fund Accountant and Administrator	Acct System						Reconciliation - Fund Accountant vs Administrator	Medium Value
Accounting	Investor Accounting	W/Auditor - Send out Form 8621 (Return of passive foreign investment corporation)	Annual	Fund Accountant or Administrator	??							
Accounting	Investment Operations	Review Margin Call	As-needed	Fund Accountant	Prime Broker Emails		.XLS					

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Accounting	Investment Operations	Reallocate for Margin Call	As-needed	Fund Accountant or CFO	Prime Broker's Portal	.CSV			Review Margin Across Multiple Prime's. Single view of data. Match funds with short positions/borrow lowering overall interest charges.	Medium Value
Accounting	Investment Operations	Review Pairs (Deals) at Prime's for lower margin reqs	As-needed	Fund Accountant or CFO	Prime Brokers Portal	.CSV			Matched pairs often not done automatically at Prime's. Single view of data. Lower interest costs at Prime's.	Medium Value
Accounting	Corporate Actions	Maintain Corporate Action Calendar	As-needed	Fund Accountant	Calendar spreadsheet	.XLS			Cross-Enterprise Calendar available	Low Value
Accounting	Corporate Actions	Record Dividends	As-needed	Fund Accountant	Acct System		X			
Accounting	Investment Operations	Determine Management Fee	As-needed	Fund Accountant or CFO	spreadsheet	.XLS			Immediate view of Mgmt and Performance by Fund, Investor, Platform over time.	High Value
Accounting	Investment Operations	Determine Performance Fee	As-needed	Fund Accountant or CFO	spreadsheet	.XLS			Immediate view of Mgmt and Performance by Fund, Investor, Platform over time.	High Value
Accounting	Investor Accounting	Reconcile Management & Performance Fee with Managed Account &	As-needed	Fund Accountant or CFO	spreadsheet	.XLS			Reconciliation of Manager vs Investor Calculations	Medium Value
Accounting	Investment Operations	Determine Residuals after deals close and sell off residuals	As-needed	Fund Accountant	Acct System		X		Price and Position Report - shows closed deals	Low Value
Accounting	Investment Operations	Unwind Swap Positions and Record	As-needed	Fund Accountant	Acct System		X			
Accounting	Investment Operations	Send Trades to Administrator	Daily	Fund Accountant	Acct System		X			
Accounting	Investment Operations	Position Reconciliation with Primes	Daily	Fund Accountant	Prime Brokers, Acct System				Reconciliation - immediate price and position differences between Acct System and Prime's	Medium Value
Accounting	Investment Operations	Cash Reconciliation with Primes	Daily	Fund Accountant	Prime Brokers, Acct System				Reconciliation - immediate price and position differences between Acct System and Prime's	Medium Value
Accounting	Investment Operations	Calculate NAV	Daily	Fund Accountant	Acct System		X			
Accounting	Investment Operations	Review Margin Accounts	Daily	Fund Accountant	Prime Brokers	.CSV			Consolidated view of margin accounts across Prime's	Medium Value
Accounting	Investment Operations	Review Closing/EOD Prices	Daily	Fund Accountant	3rd party data provider (e.g. Bloomberg)	Direct Feed or .XLS	X			
Accounting	Portfolio Management	Generate Daily Price & Position Report	Daily	Fund Accountant	Acct System or Data Mgmt System			Trade Table Price & Position Report Ad Hoc	Access to Historical Price and Position Report by date or ticker over time.	High Value
Accounting	Investment Operations	Determine Add Monthly Borrow Charges (Borrow Charges)	Monthly	Fund Accountant	Prime Broker	.CSV			Ability to monitor (daily) borrow charges across Prime's....Lower Borrow costs, especially on hard-to-borrow tickers.	Medium Value
Accounting	Investment Operations	Determine Add Monthly Interest Charges (Cash Holdings)	Monthly	Fund Accountant	Prime Broker	.CSV			Ability to monitor (daily) interest charges across Prime's....Lower interest costs.	Medium Value
Accounting	Investment Operations	Reconcile Divs/Other Cash Items (Redemptions), charges to Prime's	Monthly	Fund Accountant	Prime Broker, Acct System	.CSV				
Accounting	Investment Operations	Send Monthly Estimated NAV to Administrator	Monthly	Fund Accountant	Acct System		X			
Accounting	Investment Operations	Receive Monthly Estimated NAV, Investor Allocations, & NAV Pack from	Monthly	Fund Accountant	Administrator					
Accounting	Investment Operations	Reconcile Differences with Administrator	Monthly	Fund Accountant	Acct System, Administrator					
Accounting	Investment Operations	Determine Final NAV	Monthly	Fund Accountant	Acct System		X			
Accounting	Investment Operations	Determine Total AUM for all funds under management by advisor	Monthly	Fund Accountant or CFO	spreadsheet, Acct System		X		Repository of AUM	Low Value
Accounting	Investment Operations	Send Early Return Estimate (unaudited) to Investors that require	Monthly	Fund Accountant	email				Investor Portal	High Value
Accounting	Investment Operations	Process Swap Resets	Monthly	Fund Accountant	Prime Brokers	.CSV	X			
Accounting	Portfolio Management	Review Leverage Ratio	Weekly	CFO, Risk Manager	Prime Brokers, Data Management System	.CSV		Trade Table Leverage Ratio	Repository of Leverage over time. Ability to view components of leverage	High Value
Accounting	Investment Operations	Allocate FX trades	Weekly	Fund Accountant	Executing Brokers - Order Mgmt Systems, Acct System				Consolidated Cash Balances across Prime's. Better Management of Cash Balances. Lower overall interest.	Medium Value
<b>OTHER TASKS NOT CURRENTLY BEING PERFORMED:</b>										
Investor		3WAYNAV (NAV pricing based on multiple prices - This would be utilized for illiquid assets (Level 2, 3).								