



GAIN Data Management Use Case

GAIN Golden Copy Platform at Pictet & Cie

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AIM Software implemented a comprehensive golden copy at Switzerland's largest private bankers Pictet & Cie for providing a centralized data hub and for feeding the Avaloq Banking System. The data management solution is used to streamline the processing of financial data from SIX Telekurs, Thomson Reuters and Bloomberg for the entire back office department and beyond.

- GAIN Golden Copy for the Avaloq Banking System
- STP delivery of static data and corporate actions
- Derivation of unique prices
- Certified GAIN | Avaloq adapter
- Extensible platform covers future needs in data management

At the end of 2003 Pictet decided to implement GAIN Golden Copy as central data hub for its back office. The goal of the project was the integration of various external as well as internal sources in order to further enhance the quality of the back office security data management.

Golden copy as future-proof solution

Before implementing GAIN, Pictet had been enriching its back office data with external and internal data feeds within an internally developed application. Due to higher demands from the market, Pictet required a solution to cover all future needs in data management. GAIN's modular approach was decisive for Pictet's decision to take in AIM Software's flagship data management suite. "We were looking for a future-proof and flexible solution that could use pricing and basic data information from SIX Telekurs, Thomson Reuters and Bloomberg to create and manage a central golden copy. After evaluating several solutions on the market, we opted for GAIN because of AIM Software's expertise in the integration of financial data feeds," explains Raoul Cayuso, Project Manager at Pictet.

Close partnership for a tailor made solution

In order to speed up the implementation time and ensure high efficiency, Pictet and AIM Software decided to enter into a very close development partnership for the duration of the project. The final objective of the cooperation was the creation of a central security master file with interfaces to SIX Telekurs, Thomson Reuters, Bloomberg and other sources.

"The pricing module of GAIN is based on an open and flexible architecture, allowing for the receipt of data from external and internal feeds at different time intervals."

Further demands were: the straight through feeding of back office applications with data, the ad hoc opening of new instruments as well as an improved handling of corporate actions and VDF mutation files. Moreover, Pictet required the implementation of extensive data history/audit trail features, a 4-eyes workflow for static data and an enhanced risk calculation process to enrich the golden copy.

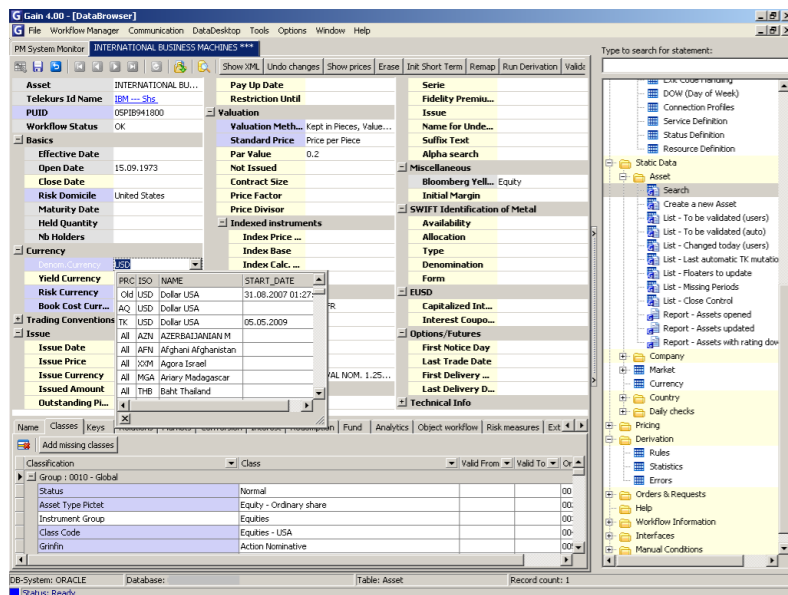


Fig. 1: Comprehensive data administration views

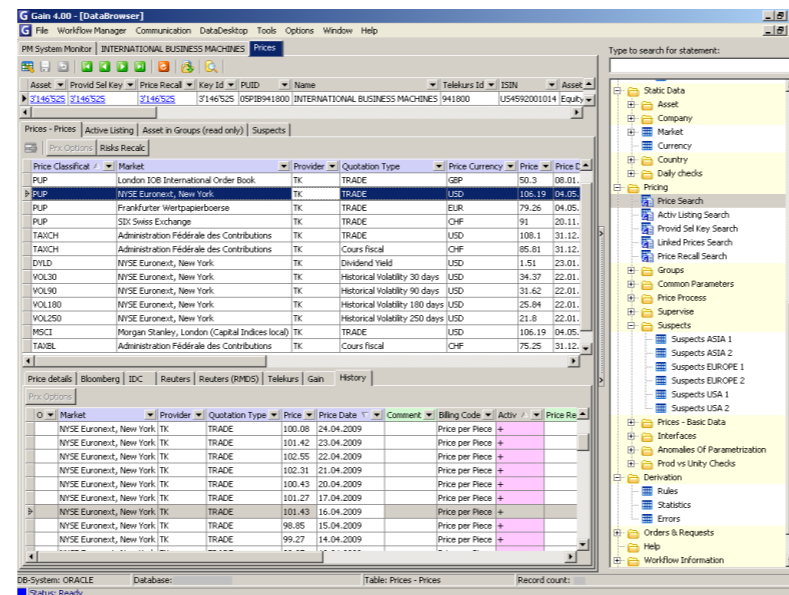


Fig. 2: Easy to handle price checking monitor

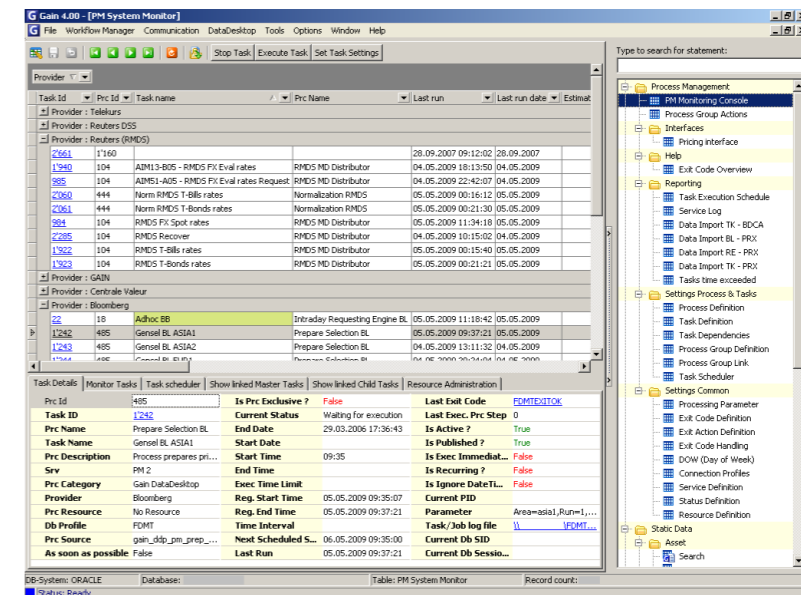


Fig. 3: Easy tracking of process status

Certified GAIN | Avaloq adapter for Pictet

In order to meet Pictet's demands and ensure a smooth data flow into the Avaloq Banking System, AIM Software implemented the certified GAIN | Avaloq adapter, developed in collaboration with Avaloq. The adapter is fully aligned with the Avaloq data model and could quickly be configured to Pictet's specific needs. It handles automatic data checks and the mapping to Avaloq messages, as well as the ad hoc opening of new instruments in Avaloq and the import of daily mutations. Thus, the GAIN | Avaloq adapter significantly enhanced the level of STP at Pictet and ensured a fast return on investment for the customer.

As a result of the project, Pictet can now bank on

- GAIN Golden Copy, a fully integrated central security master file with a comprehensive rule engine for the delivery of static data, price data and corporate actions as well as the handling of mutations and the ad hoc opening of instruments,

- GAIN Risk Management for the delivery of risk figures,
- the certified GAIN | Avaloq adapter fully aligned with the future development of the Avaloq Banking System,
- a future-proof reference data management solution that allows Pictet to add further data feeds and functions of GAIN whenever the need arises.

GAIN for automated data scrubbing

Financial institutions relying on multiple data sources have to ensure the high-quality processing of the data prior to its final use in target applications by filtering and enhancing the source data. Golden copy management platforms such as GAIN assure a high quality data output while at the same time reducing error-prone and time-consuming manual processes.

At Pictet, GAIN handles the entire process from collecting, cleansing, validating, consolidating and reformatting the data to prepare it for business use. The challenge to maximize the degree of automation at Pictet by pro-

viding automatic data scrubbing on the one hand and to combine this with intuitive tools for manual exception handling and validation on the other hand was met by providing the customer with preconfigured modules of the GAIN Golden Copy platform.

“We were looking for an advanced and open solution which could use pricing and basic data information from SIX Telekurs, Thomson Reuters and Bloomberg to create and manage a golden copy.” Raoul Cayuso, Pictet

Comprehensive solution covers Pictet's needs

GAIN covers the whole data management workflow at Pictet, from an automatic or manual request up to the straight-through export of prices, basic data and corporate actions in any format to the connected back office or front office applications. GAIN provides a step-by-step approach for data loading and preparation, validation and distribution of financial data from 15 of the world's leading financial data feeds as well as from proprietary sources (e.g. bank internal data). GAIN facilitates these processes by monitoring facilities and an intuitive user interface.

As shown in Figure 4, before creating the final golden copy, the data is passed through a staging area, containing the full range of raw data of all supported data feeds in an optimized storage structure. The cleansing, validation or rule execution takes place during the transformation of the data from the staging area into the golden copy database. The advantage is that target systems can be supplied with data from both the staging area and the golden copy.

Ad hoc opening of securities

GAIN supports the ad hoc/intra-day opening of securities: GAIN automatically identifies whether the data is already available in the golden copy or if it has to be fetched from a provider. If necessary, the data is then requested in a synchronous process. Thus, it takes Pictet only a few minutes to open new instruments directly in their core banking application Avaloq. GAIN can act both as a master, handling all user interactions, or a slave that will be triggered by the target application. “Our users can now manage the intraday opening of several hundreds of assets per day. Data from various sources are combined and just need to be validated by an employee. Within a few minutes, the asset can already be sent to Avaloq,” explains Raoul Cayuso.

Prices from multiple sources at different times

GAIN's pricing process covers every single aspect for deriving a unique best price per asset/currency combination. By applying automatic rules defined by

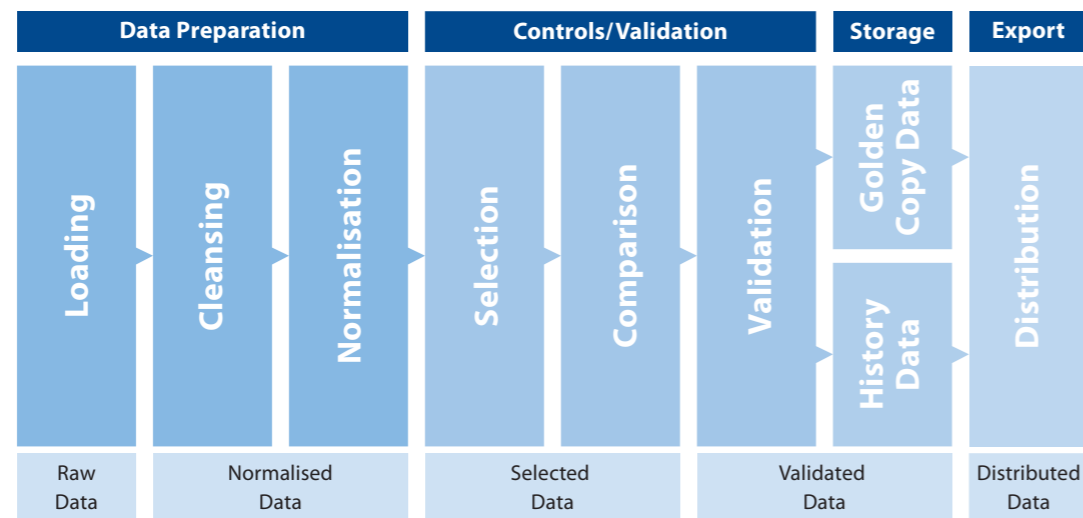


Fig. 4: The golden copy workflow in GAIN

GAIN Functionalities – General Features

- Centralization of functions (extraction of best data source, quality checks, scrubbing, etc.)
- Extensive rule engine for business and validation rules
- Display of exception queues (of errors or rule infringements) and management of suspect lists
- Change tracking and highlighting of data changes / errors
- Full historization and audit trail
- Ability to integrate user specific data and feeds
- Automated opening of instruments
- Manifold options for distribution of data to consuming applications (e.g. Avaloq Banking System)
- Reaction on acknowledgments from target applications to trigger further

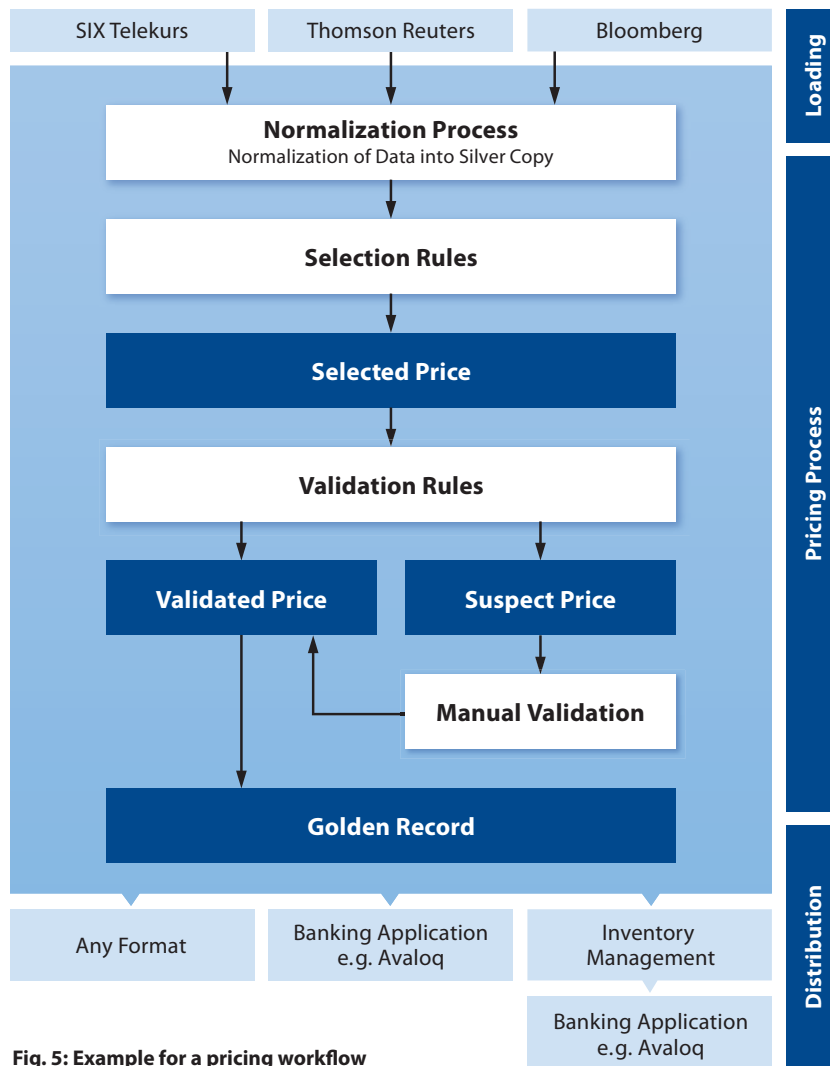


Fig. 5: Example for a pricing workflow

Technologies used at Pictet

- GAIN Workflows
- GAIN Rule Engine
- PL/SQL
- XML
- Oracle
- IBM WebSphere MQ
- BMC PATROL
- BMC Control-M
- Veritas Cluster Server

the bank, an improved data quality and a swift validation of price data can be achieved by Pictet. The pricing module of GAIN is based on an open and flexible architecture, allowing for the receipt of data from SIX Telekurs, Thomson Reuters and Bloomberg and other feeds in batch or near-time mode. Financial data frequently proves to be inconsistent in quality, content and format. The pricing process addresses this issue by using the comprehensive tools of the GAIN platform to identify and eliminate suspect data. Data can be manipulated by using GAIN workflows

which can easily be added through the workflow management module.

Continuation of strong partnership

AIM Software puts a strong emphasis on long-term partnerships with its customers in order to maximize the benefit for the client and the entire user pool. Future steps at Pictet include the unlocking of further functions of the GAIN platform as well as the constant evolution of the business logic that will also be used by Pictet subsidiaries. ■

About Pictet

www.pictet.com

Founded in 1805 in Geneva, Pictet & Cie is today Switzerland's largest private bank, and one of the premier independent asset management specialists in Europe, with over CHF 317 billion in assets under management and custody as at end of March 2006.

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