

CASE STUDY – ARIF HABIB INVESTMENTS

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SOLUTION FOR MUTUAL FUNDS & ASSET MANAGERS

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AREAS COVERED

- Investment Portfolio Management
- Unit Holder Accounting
- Financials
- NAV Processing
- Marketing Support
- Business Intelligence
- Interactive Website
- Payroll
- Fixed Assets

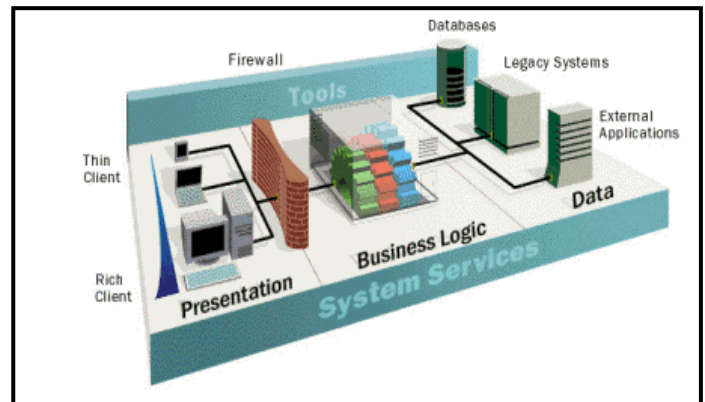
Arif Habib Investments Management (www.arifhabib.com.pk) is an asset management company, which has been incorporated in 2000 and has recently launched a combination of investment plans based on two open-ended mutual funds.

BUSINESS NEED

Being led by a technology focused CEO and management team the entire product and service offering of AHIML was geared towards a software solution that would assist the management in developing and configuring products and conducting daily transactions for sale, redemption, transfer and conversion of fund units.

Also, one of the objectives was to keep the headcount low and out-source operations that do not form part of the core asset management function, thereby contemplating strategic relationships with different entities such as financial institutions, insurance firms, registrar, central depository company, information technology providers and more.

With the investment plan based on a combination of two funds coupled with options for insurance coverage and different market based investment restrictions, this could only have been achieved through an automated solution.



SOLUTION

With a 6-person team, it took 15 months to conceptualize design and develop the application software followed by a long testing cycle before finally going live into implementation.

Microsoft technologies were selected and 3-tier application based on Windows DNA architecture has been developed. The solution methodology was based on different phases comprising of:

- Research on mutual funds solutions
- Requirements specifications
- Prototype development & functional design
- Detail design and Object model
- Development
- User acceptance testing
- Simulation
- Live implementation

SOLUTION COMPONENTS: SIDAT HYDER-FINANCIALS, PORTFOLIO, INVESTOR ACCOUNTING

The complete solution is based on three core functional modules:

Share Holder Accounting is the main transaction processing system for creating and managing investor accounts. All investment plans are configured through this along with required transaction processing interfaces, management reporting and inquiry for all entities and users. This functionality covered in this module are essentially the registrar services and is also deployed at the registrar site.

Portfolio Management covers the requirements of the investment managers. The system provides for an investment approval plan and all investments are monitored to fall within the defined management boundaries. Both money market and stock market operations are supported along with individual fund wise reporting.

General Ledger
The portfolio management module integrates with the Sidat Hyder- FINANCIALS general ledger and provision is available to integrate with

Share Holder Accounting module. The integration module is generic and can also be easily linked with any other solution.

Application Security & Log

The security layers comprise of an application level security followed by operating system and database level security layers. The application security module is geared by a customized security utility (LogMeOn - see more details) providing event level security option.



PRODUCT & SERVICES DEPLOYED

- Sidat Hyder FINANCIALS Suite
- Supply Chain Management Suite
- Human Capital Management Suite
- Sidat Hyder Implementation Support Services

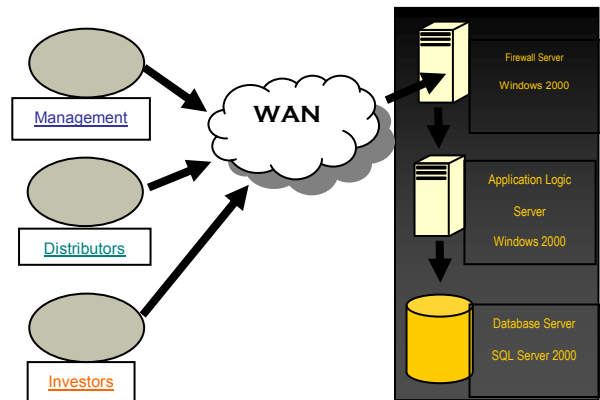
CONNECTIVITY MODEL

The software deployment for Share Holder Accounting is on central server farm deployed at the registrar site where all the core transaction processing takes place. The application configuration and reporting is managed by AHIML at its main office. A connection is also present with the central depository company to access the database as and when required. This was the first phase of deployment.

In the phases to follow, connection is to be made to different networks of banks and financials institutions that will be offering the investment plans through their front offices. A desk will be available at each branch with network connection leading to the main central server for online transaction processing.

The third parallel exposure will be through the Internet. Online form submission is already in place and is to be followed by user account access and transaction processing features.

- MICROSOFT TECHNOLOGIES
- VISUAL BASIC
- C#
- ASP
- SQL SERVER
- ORACLE
- MTS
- WINDOWS 2000



FUTURE OUTLOOK

A complete outsourcing value proposition for Asset management companies worldwide to use the software application and features along with supporting registrar services. Indeed based in an emerging market like Pakistan, with all required communication infrastructure in place, this solution will:

- ☑ **Offer tremendous savings** to all existing and new asset management companies on their existing operations.
- ☑ **Save Management Time** to be used more effectively for business development and growth
- ☑ **Enhance Capability & Capacity** of the asset management company to introduce more investment plans and manage far more transactions, thus generating volume and revenues for the company.
- ☑ **Offer better services to customer** by providing online account access and far more investment options and ability to switch between the same.

INFORMATION & DETAILS

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FEATURES

Some of the core features available as part of this solution include:

- Ability to manage multiple funds
- User defined investment plans
- Investor profiles
- Distributor & facilitator Profiles
- Integrated insurance schemes
- Automated processing options
- Invest in Multiple funds & Multiple plans
- Sale, Transfer, Redemption, Conversion
- Effective unit certificate issuance and pledge handling
- Automatic investment portfolio balancing
- Automatic tax deductions
- Intelligent background processing options
- Alert Manager – define tasks and alerts
- Task Scheduler – schedule tasks for executions, alerts & email
- Robust application level security (see logMeOn details)
- Integration with financial accounting solution
- Effective portfolio management for money & stock market
- Automatic portfolio evaluation
- Broker account management
- NAV calculation

INVESTOR SERVICES

- Initiate transactions from any of the distributor branches
- Individual user defined Investor profile
- Joint Investors
- Periodic Account Statement
- Effective Certificate Handling
- Automatic Dividend Reinvestment & Encashment Options
- Online reporting & transaction processing assistance