

Case Study

DTCC

The Depository Trust & Clearing Corporation

TRUSTON ASSET MANAGEMENT & CTM™



Truston Asset Management (Truston), headquartered in South Korea, is an independent, leading asset management firm specializing in Korean equities. Its Assets Under Management (AUM) totalled USD 6.7 billion as of April 2016. The company manages domestic and cross-border equities, bonds, derivatives, foreign exchange and alternative investments with transactions primarily being executed in Japan, Hong Kong and the United States.

Mr. Chang Eon Ko, Head of Fund Accounting, and Ms. Sohn Mihye, Assistant Manager, Fund Accounting, discussed the benefits of automating its post-trade process.

CTM TO HANDLE INCREASED TRADE VOLUMES

Truston implemented the CTM solution to support its growing domestic equity trading volumes for offshore funds and to reduce the operational risk associated with manually sending confirmations to brokers and settlement notifications to global custodians. By introducing automated central matching and settlement notification capabilities, the firm eliminated manual intervention and improved operational efficiency. It is now able to easily manage increased trade volumes without the need for additional back office workforce.

REPLACING INEFFICIENT MANUAL TRADE CONFIRMATION PROCESSES

Before adopting the CTM solution, confirmations from brokers were sent via fax or email. Trade details such as settlement amount, commission and tax were manually matched. Now with the CTM service, Truston is also able to achieve same-day matching rates of over 95% - lowering the cost and risk associated with trade failure.

USING ALERT® TO COMMUNICATE SSIs

In addition to the CTM platform, Truston has adopted ALERT – allowing it to share account and standing settlement instructions (SSIs) with its counterparties. ALERT automatically enriches CTM trades with accurate, compliant SSIs, resulting in improved data quality and a smooth, reliable and transparent settlement process.

AUTOMATING SETTLEMENT NOTIFICATION

As Truston's trade volume increased, it had to work with multiple custodians, each using different formats for the communication of settlement data.

To address this challenge, Truston subscribed to the CTM Settlement Notification functionality – a feature that allows settlement instructions to be automatically generated in industry standard formats.

“Previously, it took us up to 30 minutes to cross-check and match confirmations from brokers. Today, we are able to match, confirm and reconcile trade details as well as check the trade status within seconds, with no occurrence of failed trades.”

— Ms. Sohn Mihye, Assistant Manager, Fund Accounting, Truston Asset Management

Prior to implementing the CTM Settlement Notification functionality, Truston adhered to a three-step manual process to match trade settlement details:

- One team initially “copied-and-pasted” trade settlement details on a spreadsheet formatted to the specifications of each custodian.
- A second team checked the accuracy of the settlement details before uploading them onto each custodian’s web site.
- Manager-level staff downloaded the trade settlement details from each custodian’s web site for a final check against the original “copied-and-pasted” trade information.

The entire process was time consuming, costly and prone to human error.

With CTM Settlement Notification, settlement instructions are now automatically sent to its overseas custodians and interested third parties.

EXPANDING BUSINESS OVERSEAS

With Truston rapidly expanding its business overseas, the CTM service is relied upon to streamline and process cross-border trades, enabling it to connect with over 2,000 trade counterparties globally.

FOR MORE INFORMATION

Please email us at solutions@dtcc.com or visit us on the web at dtcc.com/ctm

“Aside from operational efficiency, the single biggest benefit of using the CTM solution is its central matching platform that allows us to process our transactions automatically and connect with our counterparties and global custodians outside of Korea.”

— Mr. Chang Eon Ko, Head of Fund Accounting, Truston Asset Management

ABOUT TRUSTON ASSET MANAGEMENT

Truston Asset Management, founded in 1998 and headquartered in Seoul Korea with a representative office in Singapore, is an independent, leading asset management firm specializing in Korean equities. Truston offers a wide array of products for both domestic and foreign individual and institutional investors including managed accounts, private placement funds, and publicly offered funds, hedge funds and fixed income funds.

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