



Client Case Study

When a Growing Firm Hits the Technology Wall

Newgate Capital Invests for Growth with Advent Portfolio Exchange

CUSTOMER PROFILE

Founded in 1982 and based in Greenwich, Connecticut, Newgate Capital manages over \$3 billion for large institutions and more than 2,000 separately managed accounts. Their primary products are an emerging markets and a global resources portfolio, as well as global fixed income and municipal fixed income portfolios.

BUSINESS SITUATION

In 2005, Newgate found itself rapidly outgrowing its portfolio management system, in terms of functionality, performance and capacity. As a result, the firm felt compelled to explore a whole new direction in technology.

SOLUTION

Newgate switched to Advent for Asset Managers Solution, built around Advent Portfolio Exchange, the portfolio management solution that integrates accounting, reporting and client relationship management on a scalable SQL database platform. The solution also includes Advent's Moxy trade order management system and Advent Custodial Data (ACD) for straight-through processing (STP).

KEY BENEFITS

- Scalability to take on more clients and assets without adding staff or straining the system
- Increased efficiency and productivity
- Single-vendor accountability
- Smooth implementation with Advent Professional Services

With a strong track record in emerging markets and global investments, Newgate Capital Management LLC is well positioned for growth—so much so that, in 2005, the firm undertook a total review of its technology infrastructure. “We did not feel that the systems we had could carry us with the growth of our business,” says Dr. Sonia Rosenbaum, Newgate founder and a Managing Director. “We were concerned about capacity and issues like performance calculations taking too long,” she adds.

“In the past we have used other systems, including Indata and IDS, and ultimately we needed a platform that had tremendous capacity for us to grow in terms of number of clients and account sophistication.” Advent understood Newgate’s pains. Outgrowing technology is a big challenge for growing firms—one that Advent has helped many firms resolve with Advent Portfolio Exchange, the next-generation portfolio management solution.

Through the detailed sales discovery process, Advent concluded and demonstrated that Newgate really needed an integrated solution: Portfolio Exchange, with its scalable architecture, SQL database platform and browser interface; Advent’s Moxy® trade order management system, which feeds trade data automatically into Portfolio Exchange; and Advent’s suite of straight-through processing (STP) modules, notably Advent Custodial Data® (ACD), which automates custodian feeds and makes daily reconciliation a reality.

The overall result, in Dr. Rosenbaum’s words: “It’s terrific and we love it.”

Advent Professional Services and Project Management: A Highly Valued Process

Faced with the major task of converting their current system to Advent’s leading-edge solutions, Newgate did the smart thing: the firm hired Advent Project Management to oversee the implementation.

Advent Project Managers are experienced, trained and certified on Advent technology and implementation best practices. They apply a proprietary methodology that has proven to deliver projects successfully, on time and on budget, in thousands of installations. Using Advent Project Management mitigates the risk of costly errors, delays and business disruption and brings all the benefits of Advent solutions online faster.

“The conversion team was sensational,” Dr. Rosenbaum says enthusiastically. “Very professional, very efficient, very knowledgeable. That was all a joy for us, because I’ve done conversions on my own without any support from the vendor, and it’s always very difficult. I felt that our project manager was an integral part of my team for many months, looking out after us and often foreseeing problems.”

“The Advent people became like members of our shop. They knew our accounts, knew what we cared about, knew what our concerns were. They were speaking our language.”

*Dr. Sonia Rosenbaum, Managing Director
Newgate Capital Management LLC*

Joe Rivera, Newgate's Director of Operations, agrees. "I used to be a project manager at a software firm, and have gone through many conversions and reconditioning of systems. This was actually one of the smoothest I've ever encountered. It was very detailed and we were helped every step of the way. I really was impressed."

"I have nothing but praise about the whole process," agrees Dr. Rosenbaum. "It was an exceptional experience: very careful, experienced, knowledgeable people getting us through what would otherwise have been a difficult and tedious process. After a long and demanding first session, Advent's project management team led us through the maze for the next several months with great skill."

Advent's experience in the investment industry is a particular advantage in getting the project team up to speed quickly. "One of the things that was most impressive is that the Advent people became like members of our shop," Dr. Rosenbaum observes. "They knew our accounts, knew what we cared about, knew what our concerns were. They were speaking our language so early in the consulting process that I was surprised."

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Joe Rivera, Director of Operations

The Advent relationship does not end when the system goes live. "We're very happy with the results, and I'm a proponent of Advent's support desk," says Dr. Rosenbaum. "Any issues that we've had, even ones that have taken time to resolve, the client support people have been very attentive, efficient, very knowledgeable. What can turn into the Achilles' heel of any organization, Advent has solved. We have on our side a big pool of talent to get us through the inevitable issues that arise with a complex investment firm."

Unprecedented Efficiency

The combination of Portfolio Exchange, Moxy and STP has helped Newgate improve its operational efficiency. The increased automation enables Newgate to manage its business in ways it couldn't before. "We're importing our positions and cash, and updating information from Portfolio Exchange into Moxy every evening without any hitches," says Dr. Rosenbaum. "With approximately 98% of our custodians represented in Advent Custodial Data we can reconcile our data, import into Moxy daily, and run daily performance reports."

Mr. Rivera amplifies this point. "At month end right now, we can get the majority of accounts reconciled within two days," he explains. "In the past, the coverage just wasn't there. There were times when we had to wait 30 days to get the month's end reconciliation done." The coverage with ACD is very powerful."

All Together Now: Integration vs. Patchwork

Newgate is a strong proponent of the benefits of truly integrated solutions, as opposed to a so-called "best of breed"

approach that results in a patchwork of systems from different vendors and frequent compatibility issues.

"We've never liked 'best of breed' as an idea," Dr. Rosenbaum states. "We never considered a solution that didn't have integrated back office and trading. Our philosophy has always been integration. I don't want to have to call up 10 providers to figure out where the problem is."

"The last company I worked for subscribed to the 'best of breed' mentality," Mr. Rivera adds. "And just trying to get the interfaces to work, or when something broke down was time consuming, the vendors just pointed fingers at each other. It's really refreshing to work with one group at Advent to resolve issues."

Investing for Growth

Newgate views Advent Portfolio Exchange as a critical component of its growth strategy. "That is one of the reasons for making the investment—the scalability of the system," says Dr. Rosenbaum. "If we add a couple billion in assets, or if we take on another 10,000 wrap accounts, we won't miss a beat functionally or operationally. We can do it with Advent very efficiently."

Switching to the Advent platform was a major step and a major investment for Newgate, but Dr. Rosenbaum sees it paying dividends. "I look at how many people I have on staff, how much we're managing in terms of accounts and assets, and I realize there are another two or three or even ten people that I don't have to have on board. I have a powerful system that lets me work efficiently."

"We have a relatively small back office operations staff," Dr. Rosenbaum concludes. "With the assets and the number of accounts we have, we couldn't do it without the kind of technology and automation that we now have with Portfolio Exchange, Moxy and STP."

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Dr. Sonia Rosenbaum



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