

Addressing the growing challenges faced by life insurers, annuity and retirement service providers

// ***Fusion Invest computes risk analytics across all investments, from vanilla to complex derivatives products. Analytics are available in pre-trade to front office teams enabling them to quickly simulate, assess impact and validate investment or hedging decisions.***

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An increasing number of individuals are seeking to secure their financial future and are recognizing the benefits of planning for retirement through annuity investments.

Organizations that provide retirement services such as annuities or insurance / re-insurance are often held back by inadequate, siloed systems that are not scalable and create operational risk as their business expands. The ageing population drives significant growth in these sectors, resulting in higher trade volumes that strain legacy technology.

Market trends have changed significantly, in line with socioeconomic factors and the emergence of more powerful, cloud-based technologies.

Not only are firms operating in unpredictable conditions, but they also need to deal with an unstable outlook that affects both assets and liabilities. Geopolitical conflict and instability trigger uncertainty and servicers need to rely on robust, timely and transparent risk solutions to identify and hedge properly.

Fierce competition for clients from traditional peer organizations and new sector entrants is making it even more important to provide a competitive service, tailored contracts, and the best client experience.

Meanwhile, regulators are looking for greater transparency and reporting from providers. Regulation and inflationary environment are causing employee, infrastructure and operating costs to increase.

Firms can only struggle for so long with these challenging factors while using expensive, legacy, IT systems that are difficult to develop and scale.

Innovation, such as AI, must make providers more efficient. The time to invest in technology is now, to reduce costs and reap the benefits as early as possible.

There's a clear need to achieve more with less, increase profitability, and reduce risks by becoming more efficient, resilient, while expanding product offerings.

The solution

That's why Finastra has developed Fusion Invest, which offers an integrated portfolio management solution (front, middle / risk and back) that can manage any type of derivatives: in particular the index-linked structured derivatives that annuities products are modeled with.

Fusion Invest has an unrivalled ability to meet customer specific requirements, such as proprietary pricing models, specific templates to model liabilities.

Fusion Invest's scalable architecture is designed to fit any business size. The solution's automation and extensibility allow it to accompany clients on their growth path.

Fusion Invest has a fast-growing client base, is fully cloud ready, and agile. Its availability as a cloud managed service provides scalability, security, and efficiency so that clients can focus on their core business and what they do best. Fusion Invest is a comprehensive solution that is used by front office, compliance officers, risk managers, middle office and operations teams and finance / accounting teams. It is built on a single database to ensure consistency of data. The same solution can be used across the business, and while the solution is integrated technically, the licensing is modular.

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In order to free up front office time for higher value tasks, Invest automates most pre-trade scenarios, being risk / cashflow hedging simulation, order generation, pre-trade compliance and order execution."

The benefits provided by Fusion Invest, from pre-trade analytics to managed services

Pre-trade analytics, automated hedging and portfolio optimization

Traders are under-equipped to support simple to complex derivatives and monitor and hedge risks.

With Fusion Invest, the front office and risk officers can assess the impact of investments or new liabilities and gain better insights via comprehensive analytic tools. Informed investment decisions can be implemented through analytics and what-if / simulation capabilities.

Order-building tools trigger front office efficiency for hedging/overlay and free up time for activities with more added value. Hedge links between the hedging derivative(s) and the hedged contracts or liabilities enable precise hedge efficiency monitoring and dynamic hedging.

Fusion Invest's pre-trade simulation tools allow investment managers to monitor the potential impact of a trade – and / or a market data change – on portfolio exposure, investment limits, projected cash flows, and risk scenarios in real time.

Managing large volumes of operations efficiently

Fusion Invest is built with agility in mind, so that users can deploy all or a subset of functions, with scalability and elasticity to meet the needs of any organization - no matter its shape or size - and integrate with any existing system landscape.

Automation is key to this scalability, seamlessly connecting Fusion Invest services with inhouse or third-party systems needed for static and market data feeds, order execution, matching and confirmation /payment and settlement messages or inventory data for reconciliation and collateral management.

Fusion Invest streamlines operations with straight-through-processing and offers robust exception management with control and alerts.

Cloud and managed services

Fusion Invest's modern technology stack is available with options: The same components are deployable on premise, on private cloud or on public cloud to adapt to your strategic needs.

Fusion Invest is built around the following essential pillars of cloud deployment and managed services:

- **Continuous delivery** with SAFE adoption, single branching and daily builds through automation to support you during your projects in the best possible way (delivery quality, time and expected content).
- **Security** includes OpenID Connect, Checkmarx, and OWASP SAMM implementation.
- **Monitoring** is based on open-source technologies such as Prometheus for alerting and Graphana for reporting.
- **Containerization and Orchestration** is available through Docker, Nomad and Consul.
- **REST APIs** support light clients, digital reporting and innovation.
- **Performance services** include data caching and grid computing.

As cloud becomes the norm, organizations benefit from increased security, scalability, elasticity and cost optimization.

Why choose Finastra to support your business?

Finastra addresses the four main headwinds facing life insurance, pension and annuities service providers:

Tighter regulation

- Fully audited and controlled investment process through pre- and post-trade compliance to reassure management, clients and regulators.
- Experience and solutions to support and reduce cost of regulatory compliance and reporting (for instance solvency capital, collateral management or cloud requirements).

Challenging market conditions

- Intraday and pre-trade analytics to provide timely risk transparency.
- Hedging automation to maximize front office efficiency.

Increasing volumes generating stress on operations and technology

- Automation and exception-based management to support business growth without overhead.
- Scalable platform with grid computing and cloud to optimize user experience and batch computations.

Increasing product complexity

- Equity derivatives and structured product specialist (with native clause builder) to configure, test and release new products within a short timeframe.
- Customizable solution to provide agility and support your business over time.

Insurance companies are at an exciting juncture; with a contemporary, cloud-based, and API-enabled core system, they now have the opportunity to thrive in their modernization efforts and to achieve the growth they are looking for.

To find out more about Fusion Invest, or to book a demo, please visit finastra.com/contact.



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Fusion Invest offers the broadest multi-asset support while covering the investment chain end to end. It is recognized for its strong positioning on front office and analytics enabling portfolio informed and efficient decision making.

Contact us

About Finastra

Finastra is a global provider of financial services software applications across Lending, Payments, Treasury and Capital Markets, and Universal (retail and digital) Banking. Committed to unlocking the potential of people, businesses and communities everywhere, its vision is to accelerate the future of Open Finance through technology and collaboration, and its pioneering approach is why it is trusted by ~8,100 financial institutions, including 45 of the world's top 50 banks. For more information visit finastra.com

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