

Factsheet

Empowering insurance asset managers to make the best decisions and tackle regulatory changes

Fusion Invest aims to increase confidence in investment decisions, improve productivity and operational efficiency, and provide a single comprehensive solution for insurance asset managers.

The transformation of the asset management industry has resulted in increased regulatory reporting and capital requirements, which have led to low returns and changing client demands. In today's uncertain market conditions, there is a need to adapt quickly and confidently.

Fusion Invest is tailored to benefit insurance asset managers, helping them to meet the demands of regulations such as Solvency II and accounting standards including IFRS9.

Providing investment accounting analytics and an integrated solvency risk solution, Fusion Invest is a single investment platform for better decision making.

It allows firms to trade on solvency ratios, realized P&L under multiple accounting frameworks and projected yields and durations.

Our FusionFabric.cloud Open API platform offers competitive product coverage through platform partners and allows our solution to seamlessly connect to other components and microservices.

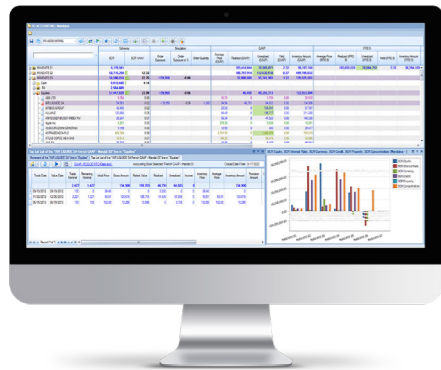
This connectivity applies to solutions offered by Finastra and those developed by third parties. The solution also integrates future-proof capabilities for diversification and agile decision-making.

// **An industry-leading solution for real-time data on positions, exposures and simulated trades across front offices - increasing growth and profitability."**

A comprehensive solution to meet regulatory requirements

With support for current and future regulations and regulatory reporting requirements, Fusion Invest offers simpler risk control and decision-making.

Portfolio managers have a complete, 360-degree view of the business, giving them the ability to collaborate more and make better decisions



Portfolio monitoring

From a single portfolio view, Fusion Invest models insurance portfolios (life and non-life), segregated accounts, mandates, pension funds and unit linked portfolios. It relies on a flexible portfolio tree structure to easily view and analyze managed asset holdings, both internally and externally. Fusion Invest can handle single and multiple portfolio analysis across currencies and asset classes with easy distinction of asset categories.

Accounting metrics

Fusion Invest replicates in real time an estimate of the P&L figures similar to that generated by the accounting system, allowing the portfolio manager to make informed decisions immediately. The solution provides a regular reconciliation and realignment with the accounting system via an import that becomes the new baseline for computation.

Solvency II capital requirement

Relying on its transparent pricing and analytics engine, Fusion Invest can compute the SCR/MCR components (Solvency Capital Requirement and Minimum Capital Requirement) of the market risk module, allowing the portfolio manager to closely control the effects of investment decisions on each module of the market SCR. Fusion Invest also takes into account C-ROSS and other worldwide capital-based regulatory constraints.

These capabilities are also supported by market data such as the regulatory risk-free discount curves, built according to EIOPA's recommendations with liquid market swaps or bonds and interpolated/extrapolated using a Smith-Wilson methodology.

The model is fully flexible and evolutionary, allowing asset managers to customize the level of the main parameters, such as the UFR rate, convergence speed, tolerance, credit and volatility adjustments.

Investment decision support

In addition to providing accounting P&L figures and solvency capital requirements, Fusion Invest helps portfolio managers to reach their P&L targets while monitoring their capital consumption. By providing pre-trade accounting and risk indicators, the solution offers the ability to simulate orders and compute their simulated effects at all levels, from the whole accounting book to the tax lot level.

Yield projection

Monitor the accounting yield and duration of the portfolio and its projection over the coming years by anticipating the portfolio's future reinvestment yield and duration. This projection is built from the accounting P&L figures, duration and cash flows of the portfolio computed by Fusion Invest.

Portfolio optimization

Fusion Invest's optimization plugin, combined with its pre-trade simulation workflow, enables portfolio managers to optimize their portfolio according to several dimensions, for example solvency requirements, constraints on taxes and realized P&L under different accounting rules, or their own business constraints and views on the market forecast.

Future-proof technology

Using Open APIs, Fusion Invest offers access to fintechs and ability to interface with third parties for portfolio management and order raising. As insurance asset managers look for more agility and cost optimization, Fusion Invest can be deployed on private and public clouds.

Fusion Invest: An integrated front-to-back-to-risk solution

- Consolidate all insurance portfolios and contract types in one single view, with broad geographical and cross asset coverage
- Utilize live or time-series data for a wide range of analytics (i.e. accounting, risk and performance including Solvency SCR estimates, C-ROSS and other worldwide capital-based regulatory constraints). Fusion Invest is delivered out of the box with regulatory stress tests and pre-configured regulatory standards.
- Benefit from decision support tools for what-ifs and simulation (i.e. pre-trade actionable accounting metrics and capital charges, available directly in portfolio dashboards)
- Portfolio managers can benefit from cutting-edge portfolio optimization tools
- Open APIs allow connectivity to a growing platform partner ecosystem, facilitating innovation
- Flexible deployment with cloud delivery and managed services options

Business benefits include:

- **Portfolio managers:** Improve control through a 360-degree portfolio view, to help you make better and more efficient investment decisions
- **Risk managers, compliance officers and portfolio managers:** Collaborate and make the investment process more efficient by sharing a common view of portfolios
- **Risk managers, C-suite and regulators/investors:** Gain insurance with transparent analytics delivered quickly and in compliance with regulatory standards
- **IT departments:** Gain a competitive edge through a prepackaged, open and future proof solution

For more information contact us at capitalmarkets@finastra.com or visit finastra.com/fusion-invest

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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Corporate Headquarters

4 Kingdom Street
Paddington
London W2 6BD
United Kingdom
T: +44 20 3320 5000

