

AEW Goes to the Next Level with APX®

PROFILE

Based in Boston with offices in Los Angeles, London and Singapore, AEW provides real estate investment management services worldwide. Founded in 1981, AEW and its affiliates manage more than \$41 billion of real estate assets and securities (as of June 30, 2007), including \$8.4 billion in publicly traded real estate investment trusts (REITs) and related securities.

BUSINESS SITUATION

A user of Advent's Axys® portfolio accounting system since 1997, AEW's securities business had grown to a point where it needed faster access to portfolio data, better audit capabilities, and more restrictive security features. Technically, the firm felt it would be better served by a database system than a flat-file structure.

SOLUTION

In 2007, AEW's Securities Group migrated to APX, Advent's comprehensive, integrated portfolio management solution built on a SQL platform. Managers now have easier access to portfolio information, while controllers are better able to trace changes to data and the IT group has more flexibility in limiting system access.

KEY BENEFITS

- Improved operational efficiency
- Improved audit and compliance readiness
- Enhanced security
- Seamless integration with Advent Moxy®

Rich Moreschi got his first look at Advent Portfolio Exchange® (APX) at the 2006 Advent Conference, and he liked what he saw. "APX really piqued our curiosity," he recalls. "We thought it could do a lot for us, both operationally and from a technical point of view."

As Director of Securities Operations at AEW Capital Management LP (AEW), Mr. Moreschi is a long-time fan of Advent technology. For nearly ten years, the group had been using Advent's industry-leading Axys® accounting and reporting platform to help manage its growing portfolios of real estate-related securities. But as its asset base grew to around \$9 billion, and with additional employees needing access to the system, the firm was definitely ready to advance to the next generation. In April 2007, AEW went live with APX.

Greater Efficiency, Tighter Security

APX runs on a scaleable SQL database platform that makes the importing, exporting and retrieval of data much faster and easier than in a flat-file system. "From an operations standpoint, after using APX for six months, I can see that it has allowed us to become much more efficient," Mr. Moreschi reports. "What I'm hearing from my controllers who use APX day-to-day is that it's easier to navigate, it's easier to run reports, and it's easier to find performance files. In using APX myself, I believe that it is faster. We get information more quickly and we can more easily locate files now that we can do searches in the database."

Another key deciding point in favor of APX was its enhanced security features, which enables a firm to allow limited user access to designated individuals. "Security is extremely important to us," Mr. Moreschi says. "With APX, I don't have to worry about certain individuals seeing or doing something other than what they're authorized to do."

Follow the Audit Trail

With APX audit capabilities, it's far easier to trace data changes back to their source. "I can see what happens day-to-day, what's changed, who made the changes and why. If I want to find out who's responsible for a particular account or what happened on any given day, it allows me to do that. As the Director of Securities Operations, it enables me to make sure things are happening as they should be."

Integration with Moxy

On the trading side of the house, AEW's Securities Group uses Advent's Moxy trade order management system. While there were never issues between Axys and Moxy, Mr. Moreschi believes the link between portfolio management and trading is even stronger with APX.

"For us, the most important thing is making sure the information that we get to our clients is accurate. With APX, we haven't had any issues whatsoever."

*Rich Moreschi, Director of Securities Operations
AEW Capital Management LP*

"It's a seamless integration between the two systems," he says. "In the morning we make sure all our cash and our holdings are correctly updated from the previous night, and we import that data over to Moxy. Throughout the day, portfolio managers enter trades into Moxy, and at the end of the day, we export those trades over to APX. The process is seamless and efficient. We also run preliminary performance each night, so we have a Bloomberg file with all the prices of the securities held, which we import into APX. This process has also become more efficient than it was before."

"By being more efficient, we can take on new business and new clients."

Making the Transition

To make sure the transition to APX would be successful, AEW brought in Advent consultants to work with the in-house IT team and operations staff.

Advent's proprietary implementation methodology begins with a pre-planning workshop to define goals, assign responsibilities and align the transition team. "That was very helpful for us, giving us an understanding of what we need from a technical and operational perspective," says Mr. Moreschi.

The main issue in the transition, Mr. Moreschi says, was data conversion. "Having used Axy's for almost ten years, we had no idea what it would entail to convert all that accumulated data to APX. Advent consultants came out and did a preliminary scope of what it would require. We spent a lot of hours here making sure that our data was ready to move to APX." Mr. Moreschi added, "We had some hurdles, but were glad to see that after a three week parallel period, we could go live with APX."

Ultimately, Better Service

The efficiency gains and the greater assurance of accuracy are well worth the effort involved in migrating to APX, Mr. Moreschi believes. "For us, the most important thing is making sure the information that we get to our

clients is accurate," he says. "We work for our clients, so I have to be able to rely on our systems. With APX, we haven't had any issues whatsoever."

With offices and clients around the world, accurate multi-currency accounting at the head office level is critical. "AEW is a global investment manager," says Mr. Moreschi. "We had multi-currency capability before, but with APX, it seems easier to use the multi-currency report for our foreign accounts and get all the information for our U.S. dollar reporting requirements."

With the system's highly scalable architecture, Mr. Moreschi sees APX as the right system to support AEW's growth strategy. "By being more efficient, we can take on new business and new clients."

Not Just a Product—A Partner

After previewing APX at the Advent conference, and knowing a change was due, Mr. Moreschi and his colleagues took the opportunity to review some other options. "You always want to do your due diligence," he says. "But after all the analysis we did, it came back to the reliance we have on Advent's products. We know how to use them, we know how they work, and we know Advent is by far the most efficient application for us to use."

Indeed, for AEW, part of the value of Advent solutions is the relationship with Advent itself. "Advent has been a great partner for AEW over the last 10 years," Mr. Moreschi concludes. "I certainly see that continuing for many years to come."

"What I'm hearing from my controllers who use APX day-to-day is that it's easier to navigate, it's easier to run reports, and it's easier to find performance files."

To read more case studies, visit www.advent.com/casestudies.

About Advent

Advent Software, Inc., a global firm, has provided trusted solutions to the world's leading financial professionals since 1983. Firms in 60 countries use Advent technology. Advent's quality software, data, services, and tools enable financial professionals to improve service and communication to their clients, allowing them to grow their business while controlling costs. Advent is the only financial services software company to be awarded the Service Capability and Performance certification for being a world-class support organization.



Innovative ■ Responsive ■ Reliable

Advent Software, Inc.

600 Townsend Street, San Francisco, CA 94103, USA
+1 800 727 0605 +1 415 543 7696

Level 8, Two Exchange Square, 8 Connaught Place
Central, Hong Kong
+852 2297 2280

One Bedford Avenue, London WC1B 3AU, UK
+44 20 7631 9240

www.advent.com



Copyright © 2007 Advent Software, Inc. All rights reserved. Advent, the ADVENT logo, Advent Portfolio Exchange, Axy's and Moxy are registered trademarks of Advent Software, Inc. All other products or services mentioned herein are trademarks of their respective companies. Information subject to change without notice.