



CASE STUDY: FUND ADMINISTRATION

Theorem Fund Services

Theorem Fund Services is a multi-service fund administrator based in Chicago that provides cost-effective middle- and back-office solutions to hedge funds, investment managers, family offices and other investment professionals.

The Challenge

Theorem wanted to expand its fund administration platform to include multiple services for which fund administrators provide the data yet do not benefit from the revenue. To capture these lost revenue streams, they needed software capable of soup-to-nuts support for portfolio accounting, fund accounting, investor reporting and other financial reporting in one integrated system. In addition, the software vendor had to be highly responsive and able to quickly deliver on special software development requests.

The Solution

Theorem needed no introduction to FundCount. Managing partners and co-founders Stephen Giannone and Mikhail Davidyan had worked with FundCount while at another firm and were already familiar with the capabilities of the software. By leveraging the flexibility of FundCount for further software development in key, untapped areas, they knew they could offer clients a unique service that combined traditional fund administration, accounting and investor reporting with comprehensive tax solutions. What's more, this service could be priced aggressively to appeal to fee-sensitive fund managers who were under pressure to control expenses.

FundCount's open-minded approach and willingness to commit to specific programming changes to support Theorem's new bundled services clinched the deal. →

The Results

FundCount integrates in one system all core portfolio accounting and financial reporting functions an administrator performs. The software's flexible data handling enables Theorem to easily input data into FundCount from external sources and upload it into various formats, including Excel or other systems, as clients require. With information aggregated on one platform, Theorem can trace transactions from start to finish and quickly gather tax and other critical data to send to clients. "Technology that relies on spreadsheets and disconnected systems will never be as accurate and as efficient as FundCount, which has everything consolidated in one place," said Davidyan.

Consolidated information also helps Theorem streamline the audit process, saving clients time and money. The firm can prepare partnership returns, K-1s, GAAP/IFRS financial statements for annual audits and deliver tax-related reports more quickly. Auditors have what they need in minutes, not hours or days, as is typical with other firms.

The ability to complete work more quickly, efficiently and accurately is a significant competitive advantage in a market that competes on price. "We can provide clients with a comprehensive service package for about the same cost usually associated with fund administration alone," said Giannone.

Flexible reporting is critical to the work Theorem does for its clients. Davidyan likes that FundCount is simple to use and does not require programming knowledge. "It lets us build any type of custom report ourselves." Once reports are created, Theorem uses FundCount's online portal to publish reports directly from the accounting application for users and investors.

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—Mikhail Davidyan
Co-founder

Theorem continues to work closely with FundCount to add functionality that supports new asset classes and strategies as they emerge. "FundCount loves new ideas to tackle," said Giannone. "We know we can count on FundCount to help us meet the evolving needs of our clients."

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FundCount

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