



## CASE STUDY: PRIVATE EQUITY

# MBG Capital

Established in 2011, MBG Capital is a boutique investment advisory firm that provides consultancy and financial advisory services to select asset allocators, high net worth individuals, institutional investors and offshore alternative investment funds. The firm serves as investment adviser to a Philippines-focused equity fund domiciled in the Cayman Islands.

### The Challenge

---

A strong proponent of technology and disciplined accounting, MBG Capital's CEO, Michael Garcia, was intent on implementing a back-office accounting system that could support the firm's sophisticated products. A preliminary search led to FundCount, whose integrated partnership and portfolio accounting software appeared to be an excellent fit.

Although early discussions with FundCount were positive, MBG Capital was a new firm with limited resources. The search for an accounting solution was put on hold until a later date. In the interim, MBG Capital relied on an external fund administrator, whom they shadowed, for accounting and reporting.

### The Solution

---

As MBG Capital evolved and grew, the firm sought an Investment Company Advisor license in the Philippines so they could add mutual funds to their mix of offerings. Meticulous accounting was imperative to meet the stringent compliance and risk management obligations of this highly regulated business. "Excel was no longer a viable solution," said Garcia. It was time to find an accounting and reporting software solution that MBG Capital could implement in-house.

Several criteria were key. From a functionality standpoint, the system needed to handle fee accounting. Flexibility and adaptability were also important to accommodate calculations such as fixed income yields and maturity, which are done differently in the Philippines. And, since MBG Capital was a growing firm, the system had to be scalable. →

Once again, Garcia reached out to FundCount. By this time, FundCount offered even greater capabilities and had conveniently opened an office in Singapore. After several demonstrations, Garcia was convinced that the software successfully addressed everything MBG Capital needed and a deal was signed.

## The Results

---

Since MBG Capital did not have an existing in-house accounting system there were no legacy applications to integrate. That made for a smooth implementation and meant the groundwork could be laid properly from the start. Spreadsheets, once the backbone of the firm's operation, were replaced by FundCount.

MBG Capital now runs their end-of-day processes, values mutual funds and publishes a net asset value (NAV) quickly and easily with FundCount. The firm uses the software's powerful partnership accounting functionality to allocate gains and produce portfolio performance reports, including equalization. As the only mutual fund in the Philippines that charges performance fees, FundCount's fee calculation functionality has been invaluable in helping MBG Capital to better manage fee sharing with the firm's sales force.

"FundCount has been instrumental in streamlining our back-office accounting processes and bringing a disciplined, auditable approach to accounting," said Garcia. "But where the software truly excels is in its reporting capabilities." FundCount's flexible reporting enables MBG Capital to provide its sales agents with a customized report by clients and portfolios, so agents can easily track client performance as well as their fee share.

MBG Capital also uses FundCount Portal, which allows clients to log in directly to their account to see all statements and communications. "This type of capability is unusual for mutual funds. It has been extremely well-received by our clients," Garcia said. The portal, which is branded with MBG Capital, brings a level of professionalism to the firm and is a powerful marketing tool that helps them stand out from competitors.

When asked for advice to other firms looking for a software solution, Garcia recommended keeping an open mind and adapting to what the system can do. "FundCount did things differently but still addressed all critical issues that were important to our firm and that had all the elements of best practices. By adapting to FundCount's processes rather than trying to implement our concept of a processing environment, it made life easier."

Although MBG Capital is currently a specialized asset management house for high net worth and institutional clients, the firm's future plans include expanding geographically, entering new markets and offering more kinds of funds. "FundCount is incredibly flexible, so we're confident that it can be adapted to any environment or market going forward," Garcia said. "Plus, the company has proven to be very responsive from both an ongoing development and support perspective. FundCount is a good partner to have in a growing business."

North America: +1 617 586-3365

Europe: +44 (0) 7507 641-036, +41 43 215-5780

Asia-Pacific: +61 2 8320-083, +65 6813-2470

**FundCount**

[fundcount.com](http://fundcount.com)