



T. Rowe Price CASE BRIEF

Performance Reporting



Automated reporting replaces the “ruler and eyeball” approach for dramatically improved turnaround time, fewer errors and greater scalability - all while providing increased performance calculations with just one hour of staff time instead of 40 hours.

The Challenge

For many years, T. Rowe Price depended on its legacy mainframe system to calculate and store standard rates of return for all T. Rowe Price funds. The mainframe also provided data feeds for their portfolio accounting system and a multitude of other processes, including supporting T. Rowe Price's Web site, VRU, e-mail updates and 401(k) retirement plan statements. However, as the number of portfolios and share classes offered increased, and demands for performance calculation became more frequent and complex, the drawbacks of the mainframe system became increasingly apparent:

- Even with the mainframe handling calculations, spreadsheets were still required. The manual spreadsheets were used for “ruler and eyeball” comparisons with the mainframe calculations to ensure accuracy.
- The manual spreadsheets were also required to manage other data not provided by the mainframe, such as gross of fees calculations, load and redemption fee returns, rolling monthly performance, and ad hoc requests.
- The Securities Exchange Commission's (SEC's) after-tax reporting requirements exasperated the already over-burdened fund administration group, since it was an extremely difficult problem to solve within spreadsheets and they did not want to commit to additional development of their legacy system to handle the calculations.

The Results

In 1996, T. Rowe Price introduced Unity™ Pricing to automate the delivery of pricing information to NASDAQ as well as to their internal mainframe system. Four years later, they implemented Unity™ Performance as the system of record for performance calculations. Today, T. Rowe Price's fund performance back-office operation is delivering dramatically improved turnaround times and achieving unparalleled scalability - all while requiring just a fraction of the staff time and at less risk.

“Unity Performance has allowed us to tear down antiquated processes and replace them with sophisticated processes that have automated monitoring and checking procedures built around them.”

*Karen Malloy
Performance Analyst*

Reduce Costs

Month-end performance that had previously required 40 man hours to complete now takes just one hour. By adopting FundStation, “ruler and eyeball” verification has been virtually eliminated. That is because all data is compared via file transmissions between FundStation and the mainframe system. Now only exceptions are flagged for manual review.



Eliminate Risk

By eliminating a multitude of manual spreadsheets, T. Rowe Price also eliminated the redundancy of performance calculation processes and the inherent risk of human error.

Elevate Service Levels

By implementing Unity Performance, T. Rowe Price has been able to incorporate daily performance calculations and after-tax calculations into their processing without impacting staff levels or delivery time. All performance numbers - including gross of fees, redemption fee calculations, load and after-tax returns - are now delivered next-day instead of over a five day span. Ad hoc requests are no longer a burden and can be turned around quickly.

Increase Scalability

Best of all, T. Rowe Price has been able to reduce their performance delivery time without additional staff even as the number of fund classes has grown from 100 to 350.

FundStation provided a much-needed solution that enabled T. Rowe Price to consolidate performance calculation and data feeds into one process and ensure that the data integrity was consistent, while meeting the demands for new performance calculations and increased frequency at the same time.

Company Profile of T. Rowe Price

Founded in 1937, Baltimore-based T. Rowe Price (NASDAQ: TROW) is a global investment management firm with \$400 billion in assets under management. The firm provides a broad array of mutual funds, sub-advisory services, and separate account management for individual and institutional investors, financial intermediaries, and retirement plans. The company also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. More information is available at www.troweprice.com.

About Confluence

Founded in 1991, Confluence is the global investment management industry's leading provider of automated data management solutions. Confluence helps investment management companies gain unprecedented control by automating every step of the fund administration process—including the collection, creation, confirmation, and delivery of investment product data—while maintaining control of the process. Results are lower costs, reduced risk, decreased reporting turnaround times, and the scalability to automate more processes without additional resources. Confluence solutions are used by 40 percent of the leading global investment managers, and more than 60 percent of US mutual funds. Unity™, the Confluence platform, addresses a wide range of problems from performance measurement to customized reporting for a full array of domestic and international managed investment products, including mutual funds, funds of funds, collective funds, separate accounts, and variable products, as well as hedge funds and other alternative investments. Major fund companies and service providers like PFPC and Bank of New York rely on Confluence. Confluence, headquartered in Pittsburgh, PA, serves the international fund industry with key locations in London and Luxembourg.

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