

time for TPV<sup>\*</sup>  
to drive STP

\*Total Portfolio Valuation

**MFS is a premier global money management firm with investment offices in Boston, London, Mexico City, Tokyo and Singapore. The firm's history dates back to March 21, 1924, and the establishment of the first "open-end" mutual fund.**

Over the past year, the International Securities Association for Institutional Trade Communication (ISITC) Reconciliation Working Group has been working on building the first globally accepted message based solely on accounting requirements. ISITC's Total Portfolio Valuation (TPV) message aims to provide straight-through-processing (STP) in an area of the securities and investments business that has previously been left out of STP discussions.

While STP has gained significant momentum over the years in both the front and middle offices, the back office has largely been left out of the conversation. ISITC is facing the issues of the back office head-on by developing a message, under the ISO 20022 standard, based on the needs of an accounting user.

#### **Setting the Standard**

Since its official kickoff meeting held in June 2006 in Toronto, the group has actively been working with key players in the securities and financial services industries ensuring that the details of portfolio valuation and its associated accounting are considered within the scope of its message development efforts. S.W.I.F.T. Standards, as a member of ISITC, has been facilitating the discussions and is assisting on development of the message as well as the standard itself.

#### **According To ISITC — Five Reasons Why You Need TPV**

1. **Reduced Risk:** By enabling STP and globally accepted standards into the back office environment, firms will be able to reduce risk associated with processing delays, errors and oversights.
2. **Reduced Cost:** Years of practice indicate that enabling STP often aids in operational and risk-related cost reduction.
3. **Security:** Ensure that sensitive valuation data is no longer subject to security and data protection concerns associated with nonstandard paper delivery of statement data.
4. **Timely Data:** With automation of portfolio valuation data, firms will see an opportunity to reconcile valuation on a more frequent basis than what is sometimes normally accepted in today's markets.
5. **Efficiency:** Enabling STP of portfolio valuations will allow back-office accounting departments to spend less time on repetitive manual data-gathering exercises and concentrate efforts on more complex issues. ○○○



#### **Dayle Scher, Vice President, Global Investment Support, MFS Investment Management**

*Dayle Scher manages a team at MFS that is responsible for the reconciliation of daily cash and position assets for retail mutual funds, separate institutional and sub-advised funds as well as acting as a business sponsor for the various reconciliation automation initiatives. She is currently serving as an investment manager representative on the executive board of the **International Securities Association for Institutional Trade Communication — International Operations Association (ISITC-IOA)**, the global working committee of securities operations professionals, where she also sponsors the Reconciliation Market Practices working group.*

*Scher has been presenting on Total Portfolio Valuation and its broad-reaching effects on the industry at various conferences and events. She continues to provide market participants with an update on ISITC's efforts to align and automate portfolio valuation within the global financial services sector.*