

HOW AN INSTITUTIONAL ASSET MANAGER MAKES PROGRESS



OTC DERIVATIVES STP USING CALYPSO AND STATE STREET OTC HUB

An institutional asset manager with approximately US \$500 billion in client assets under management serves as an investment advisor to more than 1,600 institutions located in more than 40 countries.

CHALLENGE

The asset management firm was implementing a new infrastructure to support and accelerate trading of OTC derivatives. It had chosen the Calypso Trading and Risk Management Platform as the centerpiece of this infrastructure. The customer needed to integrate Calypso with its existing internal infrastructure, which included security master, compliance, trade allocation, and portfolio management and accounting systems. The customer also had to provide an interface to State Street's OTC Derivatives Hub processing platform.

SOLUTION

The customer adopted the Financial products Markup Language, FpML, as a common model for communication between internal and external systems. To enable each system to communicate using FpML, the customer selected the

Progress® Data Services platform and its Data Services FpML Standards Library. Using these Progress products, the company mapped the Calypso API to FpML and created mappings between FpML and the internal systems.

As a result, there is now data interoperability across the trade process. The firm models and enters a block OTC derivative trade into Calypso at which point the block trade disseminated from Calypso to the rest of the firm in FpML. The block trade is stored in the security master, where it can be accessed by the trade allocation system. The trade allocation system, in turn, sends an allocated trade to the compliance system for review. Once the allocated trade has passed compliance, it is forwarded in native FpML to the State Street OTC Derivatives Hub for confirmation and custodian notification. The OTC Derivatives Hub communicates the confirmed trade back to the company in FpML. As a last step, this trade is passed to the portfolio management and accounting systems.

PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

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