

**FusionCapital** Sophis  
Software overview

The system of choice for  
equity and commodities  
**derivatives** and  
delta one

Bringing **trading,**  
risk management  
and operations  
closer together



# More agility, better risk control

## FusionCapital Sophis: a comprehensive solution for a wide range of assets.

The increasing sophistication of the trading environment has created a diverse financial ecosystem that is constantly evolving and changing shape. The need for systems flexibility and transparency must be continually weighed against the requirements for operational stability, meeting regulatory requirements and integrated risk management. How do you bring it all together?

FusionCapital Sophis offers a single solution to the many challenges faced by modern derivatives trading desks. It brings an integrated approach to the complex challenges of derivatives trading, risk management and trade processing.

With its unified functionality, FusionCapital Sophis empowers a bank to manage its books operationally and also from a trading and risk perspective. Unrivalled portfolio management allows traders to stay one step ahead of the market, confident in the knowledge that they also have the most advanced risk and collateral management tools.

As an integrated solution, the same data is used across all assets and functions to offer true front-to-back pricing, risk, processing and reporting. Many of the world's top banks rely on FusionCapital Sophis to handle their equity and commodity derivatives and Delta One trading activities. Why?

Because FusionCapital Sophis works the way traders, sales, risk managers and product control users do. From market-leading portfolio management through to comprehensive risk analytics, hedging capabilities and lifecycle management, FusionCapital Sophis drives business growth and profitability.

Benefit from our experience. Misys has over 20 years of practical expertise gained at the heart of the capital markets. Banks that choose FusionCapital Sophis benefit from a short implementation time and instant access to our market specialist and best practice methods.

# FusionCapital Sophis in action

KBC FP keeps trading up to speed with new products.

“FusionCapital Sophis is able to react immediately to the changing concerns of the financial industry. Each year they offer new tools and enhance their system in order to optimally support all needs of our business.”

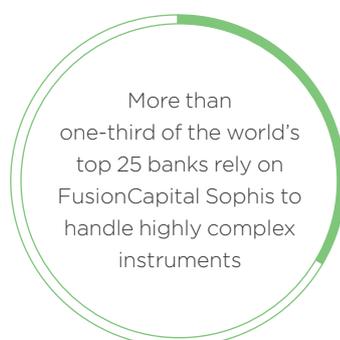
**Jan De Spiegeleer**

Managing Director at KBC  
Financial Products

KBC Financial Products is a world-class player in equity derivatives trading, specialising in exotic options and complex structures. It needs to be able to respond rapidly to new client demands and to offer customised products that reflect a client's particular situation.

Since 1994, KBC FP has relied on FusionCapital Sophis to support its global trading activities and to handle all the risks of all products. As well as offering true straight-through processing from front to back office, FusionCapital Sophis drives product innovation and shortens time to market for new products.

Using the FusionCapital Sophis Toolkit, a new multidimensional equity-linked model can be built and is ready to be traded in less than a week. KBC FP continues to collaborate with Misys to increase automation and further integrate the system into the bank's wider operations.



# FusionCapital Sophis **advantage**

FusionCapital Sophis combines rigour with **flexibility**. It promotes operational efficiency and cost control through automated transaction processing for over the counter (OTC), listed securities and structured products while supporting a broad spectrum of trading strategies.

“We chose FusionCapital Sophis not just because of the commitment by Misys to implement the system in three months but also because it was the only system that met our needs for cross-asset coverage capability, transparency and full client reporting.”

**Michael Hartweg**

Partner, Leonteq Securities AG

**One strategic platform:** supports the full value chain of client-facing equity and commodity derivative activities such as volatility arbitrage and commodity hedging services, as well as Delta One activities such as synthetic prime brokerage and synthetic repo.

**Broad asset coverage:** a wide universe of instruments is supported, including listed securities, OTC and OTC cleared derivatives, as well as structured products, that is constantly expanding to meet the needs of world-class trading desks.

**Integral pricing and risk computation:** pricing models and risk computation for all asset classes are provided and managed by a Misys in-house quantitative research team and include Delta One risk views, interest rate risk and security inventory.

**Full flexibility:** customisable pricing and market data models, analytics, scenarios and instruments help our clients to meet specific business opportunities as they arise.

**Simple lifecycle management:** includes event diary, cash flow reconciliation and hedge automation functions to streamline workflow and to support payments, settlements and confirmations.

**Firm-wide risk control:** increases transparency and control over market risk and collateral management for risk managers, augmented by risk analytics, such as Value at Risk (VaR), and stress testing. For consistency, risk controls use the same prices as the front-office, with the ability to drill-down into the risk analysis and up to the market data level.

# Product capabilities

FusionCapital Sophis is a **proven** trading, risk management and operations solution that offers **unparalleled** coverage and flexibility across equity and commodity derivatives and Delta One trading activity.

## Front office

### Comprehensive support across all asset classes

The ability to trade equity, credit, interest rate, fixed income, inflation, commodity and foreign exchange (FX) derivatives, Delta One products and hybrids for comprehensive hedging capabilities.

### Structured products support

Rapid time-to-market when structuring and trading new exotic products, including equity derivatives, FX and commodity derivatives, hybrids and convertible bonds.

### Real-time

Position monitoring and P&L calculation with marked-to-market and theoretical prices. P&L attribution based on market data changes and P&L explanation with Greeks and Taylor expansion.

### Flexible

Virtually unlimited model and instrument customisation.

### User-friendly

Intuitive hierarchical structure with slice and dice grouping, filtering capabilities and risk sources, with easy export capabilities to Excel.

## Market risk management

### Analytics

Full range of real-time risk analytics, cross-asset risk management with versatile dynamic stress tests open to customisation.

### Value at Risk (VaR)

Historical and Monte Carlo VaR with results displayed in real-time to provide an insight into each step of the calculation process including shocks, tails and modelling parameters.

### Reporting

Comprehensive and integrated reporting capabilities with the ability to produce custom reports.

## Collateral management

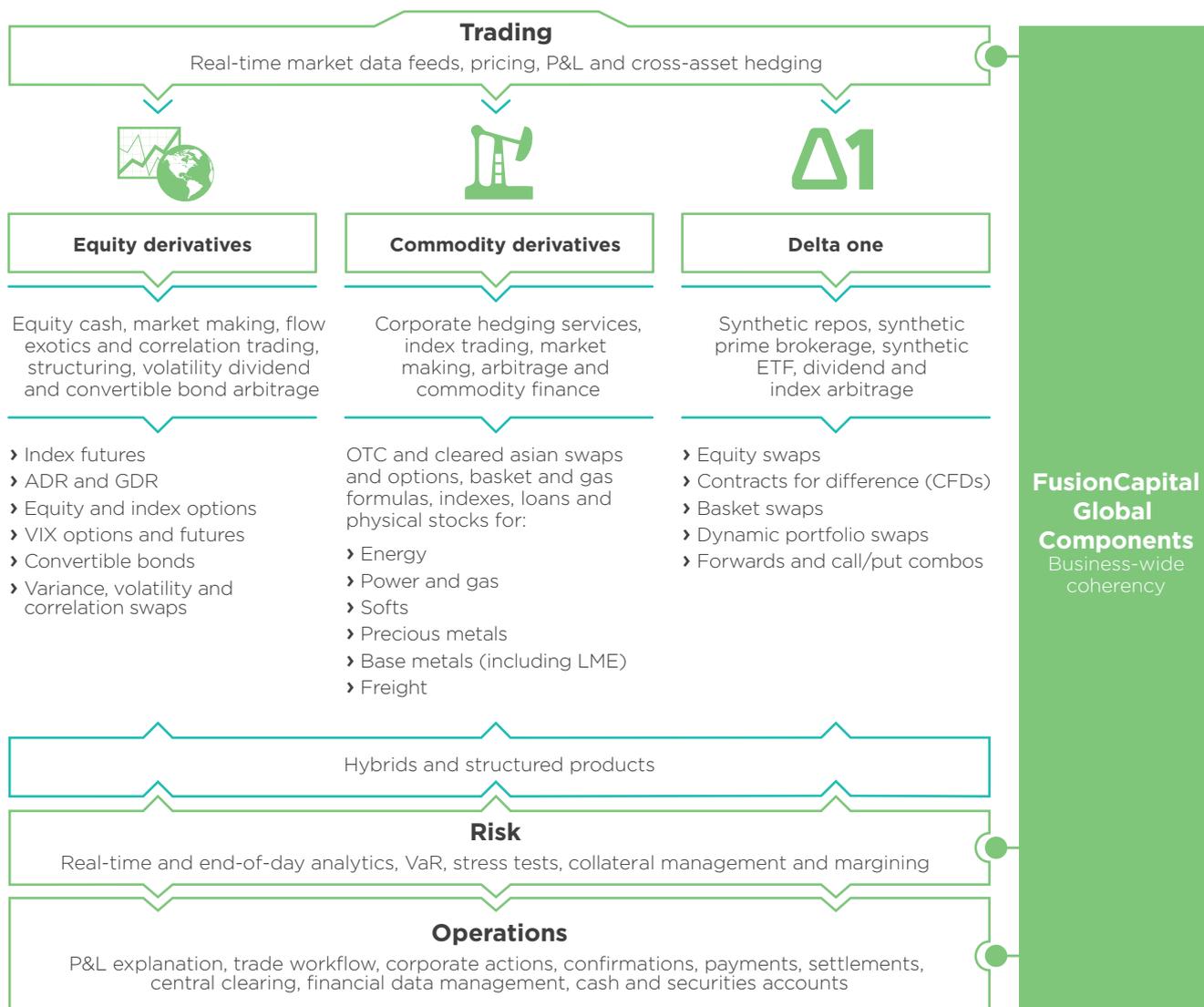
### Risk calculation

Fully integrated solution to calculate initial and variation margin requirements across all bilateral and OTC cleared derivatives.

### Risk mitigation

Credit support annex (CSA) discounting with portfolio margin import functionality.

## FusionCapital Sophis



# Product capabilities

FusionCapital Sophis combines processing power with flexibility to accommodate complex trading strategies while tightening control.

## Regulation

### Regulatory reporting

Complete solution to solve the challenges of trading OTC derivatives under EMIR and Dodd-Frank regulatory reform.

### Standardised trading

New identifiers management with connectivity to execution platforms and standard interfaces with affirmation platforms.

### Transparency

Valuation reporting to trade repositories with robust and flexible extract, transform and load (ETL) solution to export transaction information.

## Trade Processing

### Trade and position lifecycle

Business rules can be defined to automate processing of corporate actions and lifecycle events, which are then instantly reflected in the position keeping system.

### Confirmation and payments

Generation of template-based validation and notification messages to third parties, such as depositories, brokers and clearing agents.

### Clearing

Clearing data models with process automation and link and termination functionality to ease the compression process.

### Settlement instructions

Generation of all settlement messages with generic and bespoke user interfaces.

## Operations

### Comprehensive and secured workflow

Operations are managed by an event diary, which provides a comprehensive view of events, actions to be taken, updates to be validated and errors to be fixed.

### Data management

All the system's functionality is linked to the same data, integrated front-to-back and across all asset classes. In addition, security and data masters are updated automatically from external data sources.

### Accounting

Seamless integration of accounting entries in the general ledger, marked-to-market revaluations and corporate actions management, to provide true straight-through-processing.

## Technical highlights

### Connectivity

Robust APIs, using market standard formats such as FpML, to facilitate connectivity to external applications and other Misys solutions.

### Enterprise data fabric

Deployment of an in-memory NoSQL-oriented data fabric improves the performance of the system firm-wide by reducing the time to access data objects and distributing trades and portfolio calculation results in real time.

### Grid computing

Compute complex, resource-heavy calculations in short time frames to free up desktop capacity during computation. The system achieves near-linear performance scalability for customers running hundreds of nodes. Calculations can also be distributed on a shared grid infrastructure managed by TIBCO DataSynapse or IBM Platform Symphony.

### Misys real-time data access

A scalable service that gathers streaming market data from multiple sources, such as Bloomberg or Reuters and provides real-time quotes to front-office systems.

# Professional services and customer support

An industry proven **best practice** approach – that’s the guiding principle of our professional services and support model. Misys clients benefit from our long track record of successful implementations.

“FusionCapital Sophis has been established as a market leader in the equity derivatives space for over 20 years and has won many awards.”

## Professional services Best-practice delivery

The Misys delivery model is incorporated into our entire product lifecycle. We leverage best practice business processes in the design, development and quality assurance of all of our products. While we acknowledge that one size doesn’t fit all in financial software, we know that a delivery approach that focuses on industry proven best practice methods help save clients time and money.

All of our clients benefit from our practical business and technical expertise, which means:

- **Faster implementation:** Repeatable delivery means projects are shorter and more predictable.
- **Reduced total cost of ownership (TCO):** Clear focus on project management avoids unnecessary expenditure and a shorter time to business benefits.
- **Lower risk:** A standardised, proven approach means many risks have already been mitigated and an implementation can follow a realistic timeframe with clear milestones.

## Centre of excellence

Co-located with our development teams, the 200-strong Misys Service Delivery Centre ensures that we share best practice both internally and with partners. It enables us to refine implementations offsite before taking them back to the client.

## Customer support

Misys clients benefit from the expert knowledge of 1000+ resources worldwide, with FusionCapital Sophis expertise available locally. Our aim is to provide professional, software support from pre-sales to ongoing support and maintenance.

## Deep domain expertise

Our technical and application support people have strong industry and product knowledge with continuous technical and industry training programs to ensure that Misys support teams can meet your evolving business needs.

## Scalable support model

As a Misys client, you can choose from a standard, professionalised support model or a specialised, premium support package depending on your needs. Because Misys support has a broad, global footprint that operates in all time zones and regions, Misys teams can scale to your requirements.

## Proven, award-winning solutions



### **Risk Technology Rankings 2013**

Overall winner: Enterprise Risk Management  
Winner: Trading Systems Equities  
Winner: Pricing and Analytics Equities  
Winner: Regulatory Compliance  
Winner: Reporting, System Support and Implementation



### **FS Tech Awards**

Risk Management software of the Year Award



### **Structured Products Technology Rankings 2013**

Number One Trading System - Cross Asset  
Number One Trading System - Credit  
Number One Trading System - Foreign Exchange  
Number One Trading System - Rates  
Number One Risk Management System - Collateral Management

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## About Misys

Misys is at the forefront of the financial software industry, providing the broadest portfolio of banking, capital markets, investment management and risk solutions available on the market. With more than 2,000 customers in 130 countries our team of domain experts, combined with our partner eco-system, have an unparalleled ability to address industry requirements at both a global and local level. We connect systems, collect data and create intelligent information to drive smarter business decisions. To learn more about how our Fusion software portfolio can deliver a holistic view of your operations, and help you to solve your most complex challenges, please visit [misys.com](http://misys.com) and follow us [@MisysFS](https://twitter.com/MisysFS) on Twitter.

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