

## **CASESTUDY: MUNDER CAPITAL MANAGEMENT**

### **BACKGROUND**

Munder Capital Management is an institutional investment management firm based in the Midwest. The company currently manages around 1,000 portfolios with an AUM of over \$34 billion. They use the GIM™ II software for portfolio accounting and performance measurement. To initially achieve compliance with the AIMR-PPS®, Munder relied on spreadsheets to track portfolios on a quarterly basis.

### **SPREADSHEET INEFFICIENCIES**

Given that there was one worksheet for each discipline for each quarter, worksheets were rapidly multiplying. Any change to composites because an account had switched styles, fallen below the minimum size for the composite, or violated some other composite criteria, required that notes be made in multiple spreadsheets. It became increasingly difficult to follow the history of an account. Tracking portfolios within and between composites was difficult enough, but calculating composite results added another layer of complexity. Pulling market values and returns together, managing the data in different spreadsheets and reporting information from various sources proved time-consuming. Those responsible for preparing composite results became increasingly concerned about the lack of built-in checks and balances.

### **A PROCESS-ORIENTED SYSTEM**

With the revised AIMR-PPS® standards taking effect in 2002, Munder Capital realized that they needed a better solution. They looked at different composite systems in a quest to replace multiple spreadsheets with a process that allowed them to efficiently control all aspects of composite construction, maintenance and reporting. After careful review of features and cost, Munder Capital chose the CAPS software system.

### **THE IN'S AND OUT'S OF COMPOSITE MANAGEMENT**

CAPS was implemented in less than a week at Munder, combining a download of historical data from the accounting system with the information previously captured in spreadsheets. For the first time, they were able to take a comprehensive look at their entire population of accounts and perform a robust analysis of all composites using built-in CAPS reports on unassigned assets, composite codes, dispersion, asset allocation, cash flows and a variety of other measures. All portfolios are now easily tracked and fees are automatically calculated. In addition, CAPS provides alerts when portfolios are ready to be added to a composite or have violated composite criteria. Explanatory notes stay with the account even if it changes composites.

### **VERIFICATION AND REPORTING**

An added benefit of the CAPS software is that Munder can easily run reports to provide its auditors and verifiers with the details they need to confirm Munder Capital's compliance with GIPS®.

**“WITHOUT CAPS, I DOUBT THAT WE WOULD BE IN A POSITION TO CLAIM GIPS® COMPLIANCE. IN ADDITION TO THE BENEFITS OF THE SOFTWARE ITSELF, THE SERVICE THAT COMES WITH CAPS IS OUTSTANDING.”**

— Ann Putallaz

V.P. and Director of Data & Communication Services,  
Munder Capital Management