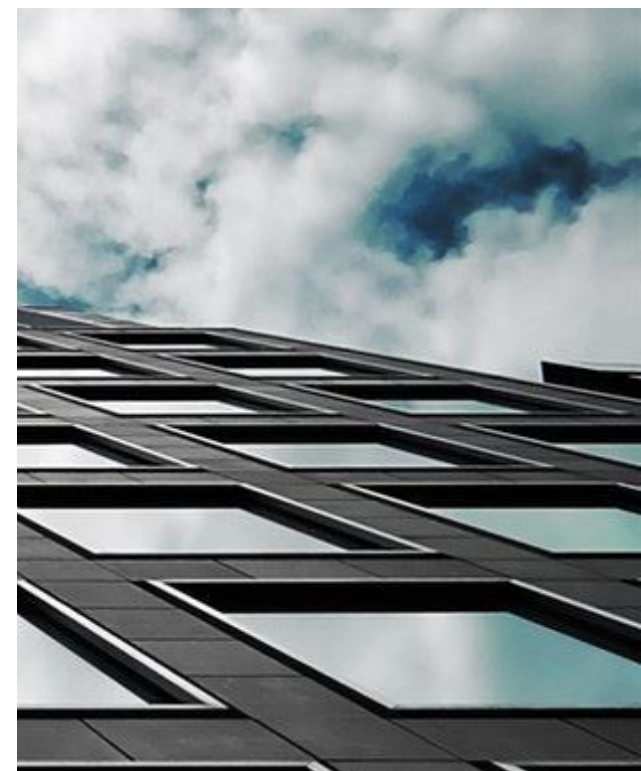




# Investment Management Placemat



# Investment Management Services

There are many benefits to improving performance of investment operations, ranging from protecting the bottom line, through reduced error frequency, to enhancing profitability by integrating Environmental, Social and Governance (ESG) metrics.

## Have you embedded Environmental, Social and Governance (ESG) into strategy and processes

Customer priorities along with investor expectations and regulation make it crucial to keep pace on sustainability and ensure relevant changes are made in business processes. It also comes with growth opportunities for e.g. green products.

*Keep market competitiveness and benefit from new growth opportunities*

## Do you have the relevant controls in place?

Post-trade reporting, such as EMIR or Mifid II, can be overwhelming. With simple controls the completeness and accuracy can be monitored, even if reporting has been delegated, as responsibility for correctness still remains.

*Detect errors and ensure timely mitigation. Minimise potential fines and warnings from regulators.*

## Are you prepared for initial margin phase 5 & 6?

Efficient middle and back-end calculations and processes are required to manage upcoming regulation and rules. There's examples across the investment life cycle, covering topics such as PRIIPs KID and Initial Margin.

*Initial margin (uncleared derivatives) is entering phase 5 (2021) & phase 6 (2022). Expect multiple Danish pension funds and insurance firms to be subject to the challenging requirements of initial margin.*



## Are you reducing expensive errors in the back-end?

Through the implementation of automatic settlement procedures, combined with efficient and scalable reconciliation tools, the back-end can significantly reduce losses and contribute to a solid bottom line.

*Avoid expensive overdraft fees from banks and custodies*

## Are you taking advantage of collateral pools?

By optimizing the portfolios managed by the back-end (e.g. collateral pools), the investment department can gain access to instrument and finance that would otherwise not be available.

*Optimized collateral pools made available for revenue generating business in the front line*

## Are you ready to shift to cleared OTC derivatives?

Moving from uncleared to a cleared derivative portfolio requires a multi-currency framework with the ability to manage and post cash collateral intra-day. It means having to set much more capital aside, and the more diversified a portfolio, the more currencies you have to have on hand at any time for collateral.

*The demanding back-end process of centrally cleared derivatives has forced many pension funds in Europe to start behaving more like banks*

# For more information

## Contact Financial Markets & Risk

[www.pwc.dk](http://www.pwc.dk)

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