

# Pioneer Investment, €240 billion of AuM transferred on **ALTO\***

**The performance of IT in the Asset Management industry is not only based on the quality of its systems but also the capacity of the teams to perform change quickly, in a secure manner, and answering the business needs.**

**The migration of Pioneer Investment on ALTO\*, from a market-leading software, in less than 2 years, has proved both the solidity and business coverage of ALTO\*, but also the agility it provides.**

Before the acquisition by Amundi, Pioneer Investment was a world-class asset manager that has a highly complementary business and geographic profile with Amundi.

With €240 billion of assets under management<sup>1</sup>, a majority being retail assets, Pioneer Investments has a unique franchise with specificities such as US instruments, emerging markets and multi-asset base on a global and proven product expertise.

In 2017, Amundi announced the finalization of the Pioneer Investments acquisition. From this date, a migration project has been started to integrate all Pioneer funds from a market-leading solution on ALTO\*, the Amundi Portfolio Management System.

In the meantime, between June 2017 and Q1 2019, the Pioneer Investments AuM increased by €18 billion thanks to inflows and mark to market.

**The successful completion of this project resulted in the migration onto ALTO\* of all Pioneer assets, 8 country migrations and 800 Funds migrated in less than 2 years.**

## Challenges

### **New ALTO\* functionalities, GTOM implementation and teams training.**

Amundi Asset Management and Pioneer Investments faced several challenges during the implementation project.

The first challenge: migrate all Pioneer Investments portfolios onto ALTO\* while improving the platform with new functionality.

The second challenge: implement a Global Target Operating Model (GTOM) that impacted all business areas across all investment locations. The implementation of GTOM included both Pioneer and Amundi funds i.e. €1.4 trillion of funds went live over one single weekend. Middle office and execution activities were insourced as part of the new Target Operating Model.

A third challenge: train Pioneer Investment teams and onboard them as soon as possible as part of the project implementation and go live including portfolio managers, traders, IT, risk, compliance and operations.

## Solution and strategy

### **Migration framework definition and parallel run approach.**

To achieve this important migration, business and IT teams from both entities worked together to define the migration framework including target systems, target operating models and early identification of the gaps between the two entities.

A dedicated transversal, agile and simplified governance process was implemented to enable quick decision making and issue resolution. Amundi and Pioneer used a best market practice onboarding framework and approach to manage the migration that included plain vanilla and highly complex instruments.

In order to simplify the go live process, a bespoke parallel run strategy was used for each of the portfolio migrations.

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1. Total Pioneer Investment AuM as of Q1 2019

\* ALTO: Amundi Leading Technology & Operations

## Key achievements and lessons learnt

**Amundi Services is fully prepared for upcoming migrations with a dedicated and ring-fenced team of experts ready to lead and execute any external clients onboarding.**

The Pioneer Investment migration was very complex with multiple instruments and geographies. Due to the unique Amundi methodology and framework, the onboarding was successful.

Amundi used best market practice governance and tracking tools that ensured timeliness, no business interruption and no operational losses. The Project team used an efficient and transparent governance that involved all business functions and enabled a pragmatic bottom-up approach and quick decision-making.

Within this migration experience, the same methodology and resources are working for Amundi Services' external client integration.

Amundi Services continues to improve the migration approach and framework to build additional capacity and capabilities through a market leading continuous improvement process.

Amundi Service is building a strong capability to manage large and complex Migrations through the lessons learnt from the multiple client integrations. The ALTO\* platform is increasingly customisable and agile with a continuous innovation team spirit in Amundi.

## Focus on main locations<sup>1</sup>

| Country                 | Migration duration <sup>2</sup> | AuM     | # funds | # users |
|-------------------------|---------------------------------|---------|---------|---------|
| Germany                 | 6 months                        | 22 bn€  | 104     | 150     |
| Ireland, UK & Singapore | 6 months                        | 53 bn€  | 112     | 400     |
| Italy (2 phases)        | 5 months                        | 69 bn€  | 233     | 285     |
| Austria                 | 5 months                        | 20 bn€  | 180     | -       |
| USA (2 phases)          | 7 months                        | 75 bn€  | 183     | 400     |
|                         |                                 | 239 bn€ | 812     | 1 235   |

1. Source: Amundi as of Q1 2019

2. Excludes preparatory work. The Duration is really an approximate duration for the execution phase of the project.

## ALTO\* Portfolio Management Systems

**ALTO**, is an acronym for: **A**mundi **L**eading **T**echnologies & **O**perations. ALTO is Amundi's Portfolio Management System (PMS) covering the entire Asset Management value chain and providing a 360° portfolio view for all asset classes.

Amundi Services offers outsourced solutions for technology & operations and makes the ALTO\* platform available to external asset managers and institutional investors.

ALTO\* users can, for example, analyse and manage portfolios, simulate the impact of orders, make investment decisions, perform middle office operations, measure performance, monitor exposures and risks.



Front-office



Performance



Reporting



Compliance & risk



Middle-Office



Data management

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