



STREAM FAIL MONITOR

Manage fails across asset classes efficiently and in real-time

Settlement fails can increase risk and exposure and create errors. Yet current procedures are often not equipped to efficiently manage fails. The inefficiencies of the settlement process and the resulting fails are now leading to penalties, as recently enacted in the U.S. Treasury market.

SunGard's Stream Fail Monitor, a powerful browser-based software tool, can help firms proactively manage commitments throughout the day with real-time updates as fails are updated or cleared. Ultimately, it can reduce the time and errors involved in resolving exceptions while helping staff to identify and track different types of fail events and quickly manage settlements throughout the day.

Complementing any back-office securities processing application, Stream Fail Monitor automates existing disjointed and manual procedures for managing fails and extends the use of operations data to help firms improve straight-through processing.

Stream Fail Monitor helps users:

- Manage today's settlements
- Manage actual fails across all asset classes
- Measure fail exposure by CUSIP and counterparty
- Create fail accruals, receivables and payables
- Create and track counterparty claims
- Identify opportunities for stock loans and borrows as well as specials for repurchase agreements

How It Works

The event and claims management features allow firms to generate the documentation they need to efficiently bill counterparties and keep track of outstanding fails. For example, the solution calculates a daily charge on any open fail and then generates events for each counterparty, allowing users to track the total daily charge and the accumulated charge.

A dynamic user interface makes this information readily accessible while also providing the ability to process and take multiple business actions on

open fails. For instance, users can update status and priority and attach notes on events. Another screen allows them to adjust the accrued charges for a particular counterparty and track the adjustments as part of the event detail. Staff can also create billing letters by counterparty that provide details similar to those available through the online screen.

Because the solution alerts users to fail exceptions automatically, there is no need for custom fail reports and printouts.

TMPG Fails

Stream Fail Monitor covers all asset classes, so it can help firms comply with the recommendations of the Treasury Market Practices Group (TMPG) regarding the reduction of fails in the U.S. Treasury market.

Following a series of significant fails in the U.S. Treasury market, the TMPG recommended a penalty to encourage brokers and the buy side to settle their transactions on a more timely basis. The TMPG, an industry initiative that is supported by the U.S. Department of the Treasury, believes that imposing penalties will reduce inefficiency and errors.

According to the TMPG's recommendations, a buyer who fails to receive Treasury securities (bond, notes, strips and collateral on financing transactions) on the originally scheduled settlement date of a transaction should be able to claim a "fail charge" from the failing seller. However, for the broker-dealers and buy-side firms involved, tracking fails and calculating penalties presents new challenges for their processes and infrastructure. That's where Stream Fail Monitor can help.

Stream Fail Monitor automatically calculates and tracks daily fail charges and provides tools to manage and resolve the resulting claims. Fail accrual events are created on the evening of settlement date for all failing transactions and will accumulate daily or monthly fail charges, depending on the relevant rule, until the fail is resolved. Users can update fail accrual events to adjust the total amount.

Claim payable and receivable events are raised according to industry standards for U.S. Treasury securities and allow users to track the collection and payment of outstanding claims. Users can generate claim letters from the claim events, save them and send them to their counterparties to facilitate fail charge collection. Users can also manually create claim events in order to generate claim letters and for claim tracking and resolution. Claim letters can be generated for a specific transaction or across an account.

In addition, users can view fail accrual summary, detail and pending claim information by entity, security or counterparty.

Stream Fail Monitor's intuitive design helps users organize, prioritize and navigate their work to reduce the time and errors involved in resolving exceptions and completing tasks.

KEY BENEFITS OF STREAM FAIL MONITOR:

- Provides real-time updates throughout the day as fails are updated or cleared
- Allows firms to generate the documentation needed to efficiently bill counterparties and keep track of outstanding claims
- Automates current procedures, helping to increase efficiency and support straight-through processing
- Automatically alerts users to fail exceptions
- Helps reduce the errors created by manual processes
- Is designed to help firms comply with the recommendations of the Treasury Market Practices Group
- Processes all buy-side and Fixed Income Clearing Corp. fails according to existing guidelines
- Features an intuitive user interface to help users navigate this new model

NEED MORE INFORMATION?

Contact your sales representative at +1-800-825-2518 or visit us at www.sungard.com/streamcore.