



CASE STUDY

KAMCO fuels growth with fresh approach to investment management



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Khalid Owaida

Senior Vice President, IT & Administration,
KAMCO Investment Company

**(THE FUTURE OF
FINANCE IS OPEN**



At a glance

Products

- Fusion Invest



We are leading a full transformation of our business, and we wanted to partner with a world-class provider as we undertake this journey. By working with Finastra, we can learn from their experience and draw on their best practices.”

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About KAMCO Investment Company

KAMCO Investment Company K.S.C (Public) is a premier investment company based in Kuwait, with an office in the Dubai International Financial Centre (DIFC). KAMCO, established in 1998 and listed on the Bursa Kuwait in 2003, is one of the leading investment banking firms in the Gulf region. KAMCO has established itself as a regional leader in providing innovative products and services to its clients, enabling it to increase AUM to over USD 10.4 billion (as of 30 June 2017). KAMCO also has a strong record of accomplishment of completing 95 successful investment-banking transactions worth around USD 15 billion.

The Challenge

KAMCO had an existing growth strategy to substantially increase its assets under management (AUM) and profitability. Achieving this ambition means having the ability to offer new investment solutions quickly and massively scaling up the firm's operations. KAMCO was looking for the right technology platform to support its expansion plans, and drive more efficient and collaborative ways of working.

The Solution

KAMCO will create a single investment management platform, built on Fusion Invest software from Finastra, which will take advantage of increased asset class coverage, highly automated workflows, consistent data and accurate risk analytics—helping them work more productively. KAMCO will also be able to widen its range of investment strategies and solutions, enabling the firm to win valuable new business.

The Result

Centralized trading and risk management will reduce complexity and boost flexibility, enabling KAMCO to effectively manage assets, positions, and calculations as its operations grow both in terms of scale and geographical presence. Expanded asset class coverage will help the firm develop new investment solutions quickly to attract new investors, growing its market share domestically and abroad. Greater consistency across the business will help reduce costs and improve efficiency, while stronger risk management capabilities will boost operational transparency as the firm pursues its growth strategy.

kamconline.com



With our teams able to support more asset classes and process trades in a timelier fashion, we can offer clients a much better investment experience.”

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Senior Vice President, IT & Administration, KAMCO Investment Company

KAMCO will unify trading and risk management on a single platform to drive more agile, cost-efficient investment operations

The Challenge

KAMCO has rapidly risen through the ranks of Kuwait's financial services sector; it is currently the country's top investment management firm in terms of AUM, which stood at USD 10.4 billion as of 30 June 2017.

KAMCO's strategic ambitions range far beyond local leadership. The firm plans to expand across the Middle East and North Africa (MENA), and aims to become one of the region's premier investment managers.

Khalid Owaida, Senior Vice President, IT & Administration at KAMCO, explains: "Technology will form a cornerstone of our growth strategy; we aim to put new systems and processes in place that will enable teams to handle a greater volume and variety of trades in a consistent and efficient way."

"We have a very skilled team of investment professionals, and we were concerned that our existing systems might be holding them back from working at their best, especially as we continue to expand," continues Khalid Owaida.

"The main issue was a lack of integration, which meant that staff had to use manual work arounds between systems for decision-making, to manage more complex asset classes, and to perform certain risk management practices. This was negatively impacting our productivity, and slowing our response to the needs of the business and our clients."

The Solution

Even during global economic uncertainty, KAMCO has achieved impressive business results. The firm wanted a platform that would further enhance performance, especially when combined with other investment considerations such as risk and compliance.

To underpin a more agile and scalable approach to investment management, KAMCO selected Fusion Invest from Finastra.

Khalid Owaida recalls: "We chose Fusion Invest following a rigorous selection process; we believed it was the most suitable solution for our needs, based on its strong core functionality, deep integration, and extensive automation.

"Finding the right software was just part of the picture. We are leading a full transformation of our business, and we wanted to partner with a world-class provider as we undertake this journey. By working with Finastra, we can learn from their experience and draw on their best practices. This partnership will be critical to translating our strategic goals into business success."

KAMCO will unify trading and risk management on Fusion Invest, using the platform to streamline operations from the front to back office.

Khalid Owaida says: "On the back end, Fusion Invest will help us to automate and streamline many processes, empowering our teams to work more effectively. The solution will also bring greater front-end integration, enabling users to access data, perform analyses, and update positions and portfolios with minimal manual intervention."

Sharper Portfolio Management

Up-to-the-minute insight into transactions and positions will help teams to make faster, better-informed decisions around trading and portfolio management.

Khalid Owaida remarks: "Fusion Invest gives our advisors and analysts access to near-real time insight into positions and trades, along with sophisticated portfolio management tools, which will help teams to make better decisions."

In particular, stronger liquidity management will enable KAMCO to deliver a more responsive service.

"In the past, we were only able to offer redemptions to fund investors on a monthly basis," notes Khalid Owaida. "With Fusion Invest boosting efficiency, we expect to develop capabilities to perform daily dealing for most of our funds in the future, enabling clients to redeem their investments in a much more flexible way."

Additionally, highly accurate risk analytics and integrated pre-trade compliance checks will strengthen risk management, helping KAMCO increase transparency and meet evolving regulatory demands.

Khalid Owaida continues: "With a holistic view of risk and built-in pre-trade compliance limits, we will be better-placed to manage the impact of negative market movements. With a world-class system like Fusion Invest, we can make use of asset benchmarking tools and ease compliance with regulators' requirements. These kinds of capabilities make us more attractive to clients, helping us win new business."

As KAMCO gears up for growth, a strong investment management foundation will help the firm keep pace as business objectives and client needs evolve

Growing Strong

Fusion Invest will enable KAMCO to diversify into more asset classes to help further improve risk-adjusted returns and, equally importantly, to enable it to create new strategies and solutions more easily. This will enable the firm to attract new investors—increasing revenues and market share.

KAMCO will also be able to offer clients new digital capabilities, such as on-the-go portfolio access from mobile devices, which will enable investors to gain real-time insight into portfolio performance.

Furthermore, improved consistency and transparency will help the firm to drive a more collaborative investment approach, enhancing client service. In addition, increased automation will drive greater efficiency across the business, reducing operating costs and boosting profitability.

"With our teams able to support more asset classes and process trades in a timelier fashion, we can offer clients a much better investment experience," comments Khalid Owaida. "This will help us grow our customer base and help the business move into new areas, fueling our growth objectives."

A scalable and unified investment management platform will provide KAMCO with the firm foundation it needs to support profitable expansion across the MENA region and beyond.

"Our ambitions are bigger than simply being the top investment company in the GCC [Gulf Cooperation Council]; we want to go global," states Khalid Owaida.

"Joining forces with Finastra will help drive this transformation. We will learn best practices from their deep expertise and experience, and become part of a community of leading asset management companies that leverage Fusion Invest. We will be able to leverage a powerful core platform and centralized data to set up new locations quickly, easily and at a low cost, enabling us to expand smoothly."

He concludes: "With Fusion Invest powering scalable, efficient operations, we will be able to keep pace with rising workload and a growing array of asset classes while keeping costs to a minimum. All of this will help us achieve the growth and profitability targets we have set out in our strategy, taking the business to even greater heights of success."

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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