

Hedge Fund Accounting Software Paradox - Can a System be Both Sophisticated and Easy to Use?

Software enhancements give funds and administrators expanded performance and productivity. The latest release of TKS Solutions' Penny - It Works system belies the industry truism that in order to handle the arcane nuances of investment partnerships, software needs to have a Rube Goldberg interface.

October 14, 2009 -- The latest release of TKS Solutions' Penny - It Works system belies the industry truism that in order to handle the arcane nuances of investment partnerships, software needs to have a Rube Goldberg interface.

As funds develop increasingly intricate offering memorandums, Penny has evolved its back-end logic to address what would otherwise be unmanageable provisions. At the same time TKS' engineers have developed a bevy of new front-end features designed to make the program even easier to use.

Manage Complex Liquidity Gates

One challenge confronting fund accountants is how to maintain the records necessary for the very sophisticated liquidity gates that have become more prevalent. In the past, you might find provisions that call for an investor to remain in the fund for a set number of years; but after the redemption debacle of 2008, investors are no longer tolerating these sorts of broad stroke restrictions. Instead, it is becoming more common to see gates that call for an investment to be broken down into individual tranches which can be redeemed on separate time frames - such as half the investment being redeemable every 18 months, while the other half is redeemable every 36 months. Through its enhanced liquidity gate functionality, Version 7.0 of Penny seamlessly handles these unwieldy provisions.

Track Illiquid Pools, Side-Pockets, and Complex Commitments

Illiquid side-pockets have also become the norm for many funds. Once the purview of special situation funds, illiquid pools have become commonplace across a wide class of funds. But managing the commitments associated with these restricted classes is no mean feat. The latest release of Penny enables funds to track commitments and the funding of those commitments - and have the system shoulder the burden of adjusting for any assignments. By coupling this feature with the existing investor transfer functionality, back offices can move capital into side pockets based upon commitment percentages (rather than just capital).

Universal Search Speeds Data Entry

It is common for a program to become more difficult to use as its complexity increases, but the developers at TKS have actually made the application simpler to use. With the release of version 7.0, Penny provides universal search. Like Google, the application now offers a single box in which the user can enter any term, code, or name - and Penny will return a window with a listing any item that matches (including investors, funds, accounts, system features, and even pages from the help file).

User-Maintainable Custom Fields Support Tailored Reporting

In addition to universal search and extensive online help, the program now supports unlimited custom fields, which can be assigned to investors, funds, or even individual transactions. These custom fields can be filtered upon or output in a wide-range of reports - making reports more tailored to individual client needs. Last, but not least, users can now select "some" in addition to the prior choices of "all" or "one" items when filtering reports. This time-saving enhancement still retains the dynamic filtering and visual lists that make reporting in Penny the industry standard-bearer for ease of use.

"With the release of version 7.0 of Penny, the TKS' developers have continued to broaden and refine the fund accounting features required to handle the industry's new complexities, while making the program even easier to use" said Ron Kashden, president of TKS Solutions. "Through its deployment at leading fund and administrators, this ongoing evolution in functionality further solidifies Penny's position as the go-to software for partnership and shareholder accounting needs."

About TKS Solutions

TKS Solutions offers unified partnership and shareholder accounting solutions for the financial industry. Its flagship software Penny® helps firm better manage their investment partnerships and funds by providing automated and instant access to detailed investor data. Penny's open architecture and proven features easily integrate with portfolio accounting and customer relationship management systems, data warehouses and in-house proprietary solutions, creating a comprehensive and unified view of all investor data, as well as greater transparency for investors. TKS Solutions works with partners worldwide to serve its customer base of leading hedge funds, fund of funds, private equity firms, administrators and management companies, ranging from \$50 million up to \$20 billion under management. For more information, please visit: PennyltWorks.com.

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