



Magic FinServ

DRIVING BUSINESS IMPACT FROM INFORMATION



Global Investment Monitoring for Buy-Side Asset Management

Topics Covered

The Magic FinServ Investment Monitoring solution has the capability to assist customers in standardizing, automating, and implementing business workflows related to Buy-Side Asset Management challenges in the Global Investment Monitoring area.



Global Shareholder Disclosure



Position Limit Monitoring



Managing Company Shareholding & Voting Rights values due to Corporate Action event




Private Equity (PE) Investment in Capital Based Fund from Buy side Asset Manager (Act as a Limited Partner 'LP')







Magic FinServ Capabilities


 Process Implementation & Standardization

Data Validation, Automation Reconciliation & Reporting 

 Agile Project Management

Digital Transformation 

 Data Onboarding & Transformation

SMEs/Data Analyst/ Business Expert Support 

Shareholding Data Monitoring & Beneficial Ownership Reporting (Schedule Form 13D-G to SEC)

Shareholding disclosure poses a significant challenge for asset managers and institutional investors who hold multiple securities listed and traded in regulated markets across different jurisdictions. They must comply with specific disclosure requirements under the following conditions:

Sensitive Industry

Investing in a sensitive industry

Takeover Bid

Becoming involved in a takeover bid

Substantial Shareholding

Accumulating a substantial shareholding in a security

Short Selling

Engaging in short selling

Shareholder disclosure is categorized into two sub-modules:

Monitoring Shareholder Information and Calculating % of Disclosure/Threshold

The Shareholder Information which includes company's share capital data and voting rights are required to get from various sources, including exchanges and third-party vendors, in a timely manner. These values are then used as a denominator factor to calculate the holding percentage ownership (Threshold) by the investor corresponding to a particular issuer/securities traded in the public market. If the investor exceeds a certain Threshold as per the corresponding country's jurisdiction, the violation needs to be monitored and reported accordingly.

Beneficial Ownership Reporting

This involves reporting the beneficial ownership reporting against violations as per the country's specified jurisdiction law to their respective NCA (National Competent Authority). For example, if the violation pertains to a security as per US Jurisdiction regulated by the SEC (Security Exchange Commission) regulatory authority body, then the Asset Manager or Institutional Investor needs to report it through Schedule 13G-D to the SEC body.



Position Limit Monitoring

Position Limits represent the maximum number of holdings of future/option contracts corresponding to a given underlying security. The position limit or threshold is defined differently by regulatory bodies (such as the CFTC and ESMA) and exchanges (such as CME and ICE).

Position Limit Monitoring is based on the following criteria:

- Exchange position limits, which are defined by exchanges like CME and ICE
- Regulatory body limits, which are derived by regulatory bodies such as ESMA, who mention the position limit in MiFID 2 Article 58/58.

Schedule 13 Sec Filing

Schedule 13D



Schedule 13D is a SEC filing that must be submitted to the US Securities and Exchange Commission within 10 days by anyone who acquires beneficial ownership of more than 5% of any class of publicly traded securities in a public company.

Schedule 13G



Schedule 13G is an alternative SEC filing to the 13D, which can be filed by anyone who acquires more than 5% ownership of a Section 13 security and meets one of the exemptions available to the Schedule 13D filing requirement. These exemptions include:

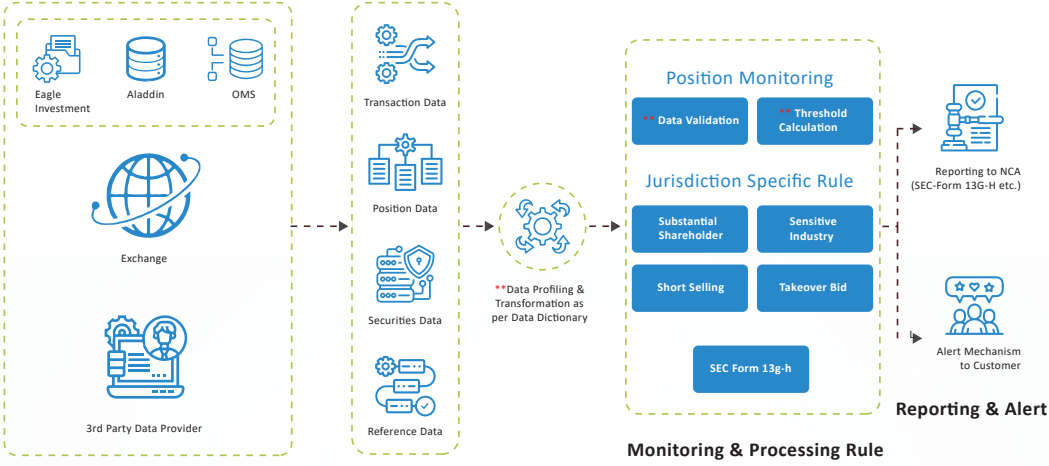
- Rule 13d-1(b): Institutional investors who acquire the securities in the ordinary course of business rather than to control the issuer
- Rule 13d-1(c): Non-institutional investors who are not beneficial owners of 20% or more of the security and have no intent to control the issuer
- Rule 13d-1(d): Securities acquired before December 22, 1970.



MINTAG
ZOSTARA
YOSTART
STAVOPO
STOTART
ZOSTAW
MITEA



Investment Monitoring: Shareholder Disclosure & Position Monitoring Workflow



** DeepSight Automation Solution Capability

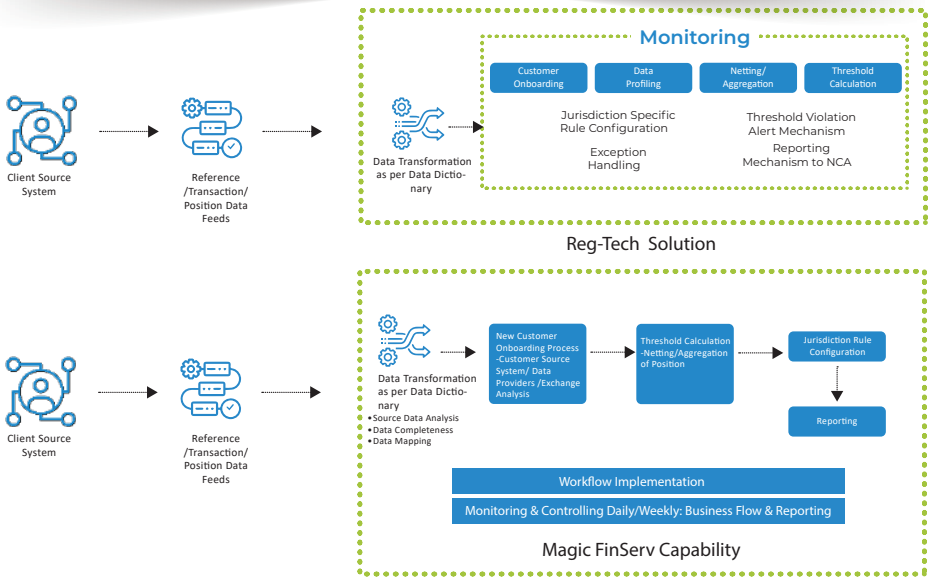


Investment Monitoring Challenges with Magic FinServ Solution -Shareholding & Position Limit

Challenges	Magic FinServ Solution	AI/ML Automation Business Capability
Data extraction and consolidation of company shareholder and voting rights information is conducted from multiple sources, such as different exchanges and news/alerts publications.	Magic FinServ's Deepsight TM AI/ML automation solution has the capability to extract relevant information from multiple sources and reconcile it based on any applicable business rules	<ol style="list-style-type: none"> 1. Data Extraction Capability (Unstructured & Structured sources both) 2. Reconciliation 3. Mathematical Calculation Rule Engine
New customer onboarding requires a lot of manual effort in terms of analyzing customer source systems (OMS, IMS) and transforming raw source data into business-related attributes.	The Magic FinServ Deepsight AI/ML automation solution helps customers with the new customer onboarding process, which begins with source data analysis (i.e., data profiling) and continues with data transformation and configuration of business attributes.	<ol style="list-style-type: none"> 1. Data Profiling 2. Transformation 3. Data Mapping
Incompleteness of Data	Magic FinServ's Deepsight AI/ML automation solution helps to fulfill data requirements based on defined business rules and also creates an alert if the data is not derived from the defined business rules.	<ol style="list-style-type: none"> 1. Validation & Completeness Check 2. Business Rule Engine
Netting & Aggregation of Position Data	Magic FinServ's Deepsight AI/ML automation solution helps to calculate the netting/aggregation of positions on a daily basis based on business rules, as well as gathering and reconciling data from the exchange system for respective investors and individual underlying securities.	<ol style="list-style-type: none"> 1. Business Rule Engine 2. Aggregation 3. Reconciliation
Threshold Violation Alert & Exception Handling	The Magic FinServ Deepsight AI/ML automation solution helps to validate calculated business data against defined threshold limits, providing alerts to customers in case of any violations. It also creates an exception handling mechanism to help customers control risk throughout the process.	<ol style="list-style-type: none"> 1. Risk & Control Mechanism <ul style="list-style-type: none"> ■ Alert Mechanism ■ Exception Handling



Investment Monitoring: Shareholder Disclosure & Position Monitoring Workflow



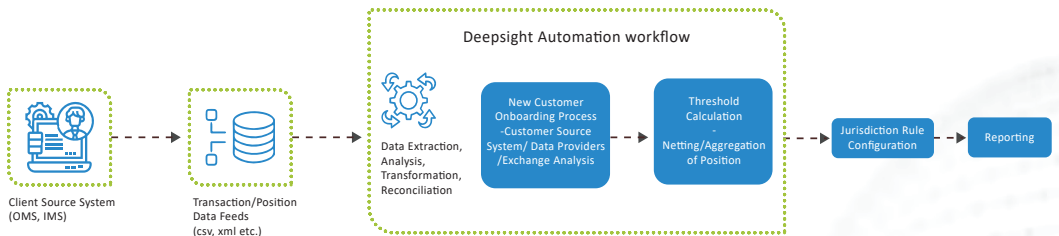
Investment Monitoring Challenges with Magic FinServ solution Proposition-Private Equity(PE) Investment by Limited Partner 'LP'

Challenges	Magic FinServ Solution	AI/ML Automation Business Capability
Standardization Document (Request/Distribution Notice/Capital Calls schedule document/Fund Performance) Repository & Management	Magic FinServ's Deepsight Automation solution helps customers manage all requests and documents in a digital library. The strategy for managing documents is based on the company's investment fund strategy, making tracking, monitoring, and auditing processes easier.	1. Digital Automation Document Repository
Monitoring the Private Equity Investment & Reconciliation report for each private Equity Fund.	Magic FinServ's Deepsight Automation solution helps customers manage and reconcile private equity fund cash flow information, along with other calculated values such as total commitment, funded commitment, recallable capital, and unfunded commitment for each private equity fund.	1. Data Extraction 2. Transformation & Reconciliation 3. Business Rule Engine
Delta or Comparison Reporting & Alert for Limiting Partner 'LP'	The Magic FinServ Deepsight AI/ML automation solution for Private Equity Fund has the capability to create Delta or Comparison reports based on internal data reconciliation and generate reports related to Private Investment cash flow on a timely basis for each fund investment. It also creates alerts in case of any violations.	1. Reconciliation & Reporting 2. Risk & Control
Data Export & Standard Report generation	The Magic FinServ Deepsight AI/ML automation solution for Private Equity Fund has the capability to export information through an API or any other mechanism and can also generate reports using standard metrics.	1. Export 2. Reporting metrics 3. Data Mapping

How Deepsight Help to Automate the Process? Shareholder Disclosure & Position Limit



Deepsight Automation Capability Use case(1): In this use case, the Magic FinServ Automation Solution helps the compliance team with the process of new customer onboarding, netting/aggregating position values based on regulatory rules, and implementing an exception and alert mechanism in the case of any violations of thresholds. The overall process helps to reduce effort estimations and remove all challenges and complexities related to data profiling, transformation, completeness, and lineage in the compliance and monitoring business workflow

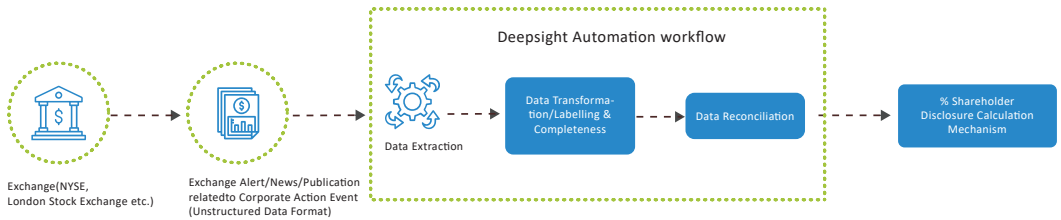


Deepsight Capability & Value Proposition Data Profiling –Based on Customer Input source file.

- Data Completeness- Validate the Mandatory & optional data fields and create the dynamic value based on Business rules.
- Data Mapping/Labelling- As per mapping rule & content information.
- Calculation/Mathematical Rule Engine- Netting & Aggregation on Mathematical business Rule
- Data Reconciliation & Export

How Deepsight Help to Automate the Process? Shareholder Disclosure & Position Limit

Deepsight Capability Use case(2): In this use case, there is a need to maintain the dynamic values of company shareholder data and voting rights due to changes in corporate action. This information is published in the form of news alerts or web links, which are unstructured sources of information. Our Deepsight automation capability can help automate these shareholder managed services and support the compliance monitoring team. This can reduce their effort and estimation by approximately 50%, which was previously spent on major challenging activities such as data extraction from multiple exchange systems within a short span of time, data transformation, validation of information completeness, reconciliation and delta reporting, and calculating the denominator factor of % shareholder threshold value for each investor.

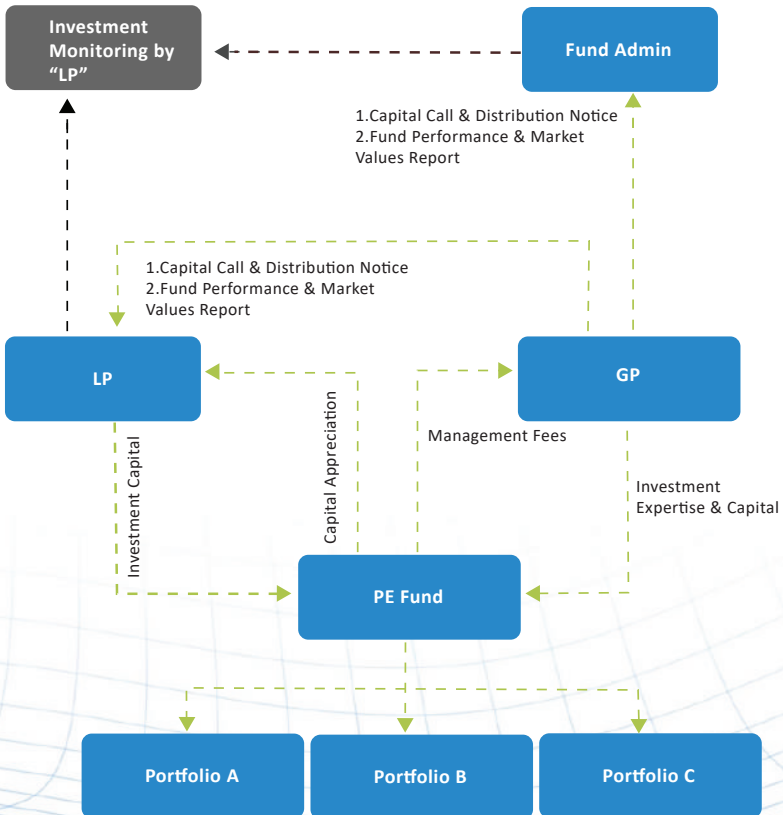


Deepsight Capability & Value Proposition in above Use case:

- Data Extraction- Extraction of Data from unstructured sources.
- Integration from Multiple Exchange System.
- Data Transformation & Completeness
- Data Reconciliation
- Delta Report Generation- Comparison from Last or Master Report and create the Delta.

Investment Monitoring : Limited Partner 'LP' Private Equity Investment

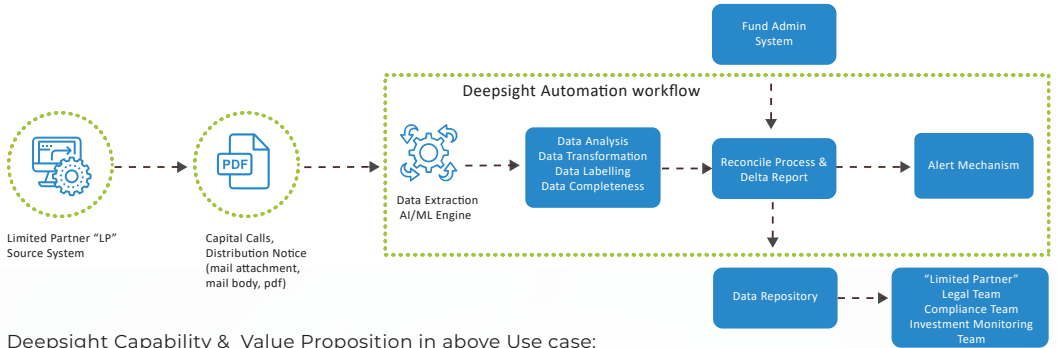
Investment monitoring by the Endowment Investment Institute, which acts as a "LP" (Limited Partner) in **private equity, venture capital, and private market investment funds**, has become a more challenging and complex process. In the case of regulatory compliance, performance management, and investment monitoring by the Limited Partner "LP," private equity investment information such as total commitment, funded commitment, recallable capital, and unfunded commitment is required. This information is typically provided by the GP (General Partner) through a Capital Call or Distribution Notice for the respective private equity fund.



How Deepsight Help to Automate the Process?

Cash Flow & Investment Performance(Private Equity Fund)

Deepsight Capability Use case 3: In this use case, the Magic FinServ Automation Solution (Deepsight AI/ML) helps the Compliance and Investment Performance team to extract and reconcile all the cash flow and investment performance information from unstructured sources, identify the delta, or create an alert if the Fund Administrator missed executing the order on time.



Deepsight Capability & Value Proposition in above Use case:

- Data Extraction- From Unstructured sources
- Data Transformation/Labelling/Mapping
- Reconciliation & Report Comparison.
- Automatic Alert Mechanism
- 3rd Party System Integration with API

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