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## UPCOMING EVENTS

July 9 – AMF Swaps Committee – SwapsWire Demo

July 16 – AMF Mid-Summer Update

August 14 – AMF Career Development Workshop – Global Operations Management Strategies

September TBD – AMF Project Management Workshop

October 20 – AMF Accounting Workshop

October 21 – AMF Quarterly Meeting

**\*\*\* Please feel free to forward this newsletter to any interested parties within your firm. \*\*\***

## **AMF Pricing Committee Update**

The AMF Pricing committee held a call last week to discuss three main topics including 1) the Hard-to-Price study for 2003; 2) the TRACE program; and 3) the Auditor White paper that the committee is compiling. The main focus of the committee call was to determine the goals of the Hard-to-Price study. The original goals of the study circled around using the results as a sort of benchmarking effort only. The Committee is hoping to solicit ideas from asset management firms as to what their current difficulties are with pricing and what they would be interested in deriving from a study on hard-to-price securities. The committee has several vendors as members who are interested in assisting the members of the AMF in their study. By focusing the goals of the study on the needs of AMF members, the committee would be able to utilize the assistance of these vendors. If you have not participated in the committee and are interested in sharing your ideas or your firm's ideas on how to make pricing easier, this is a great opportunity to become involved!

Also, the Pricing Committee will soon be finalizing a whitepaper designed to help junior auditors to understand the pricing process. Committee members are encouraged to submit their final comments to Diane Trupia by July 4, at which time the paper will be finalized.

For more information or to participate, please contact Diane Trupia at the AMF at 646.637.9270.

## **AMF Steering Committee Update**

The AMF Steering Committee held their monthly meeting last Friday, June 13<sup>th</sup>. At the top of the agenda was the recent meeting between AMF members and the Operations Council of the BMA, which took place last Thursday. The focus of that meeting was the Common Message hub, a joint initiative between the BMA and the AMF to develop a central base for electronic messaging that could be used by buy-side, sell-side, vendor and custodian firms. Also on the issues agenda was the continuing discussions between the AMF and the BMA on the splitting of Mortgage A-Day Notification and the recently issued FICC white paper on net-out. Based on all the issues discussed, the Steering Committee formulated ideas for utilizing the STP committee to further examine respond to the FICC white paper and to have several Steering Committee members involved in the initiatives regarding the message hub.

The Steering Committee also discussed plans to focus on Repo and Collateral Management in the fourth quarter of 2003 and into 2004, the possibility of conducting various benchmarking surveys, and ideas for future career development roundtables. Finally, the Steering Committee will be holding a mid-summer update via conference call on Wednesday, July 16 at 12:00 ET. More information about this call will be distributed in early July.

*(continued from page 1)*

Liaisons to the Benchmarking, Membership and Marketing, and Editorial Committees offered updates to the work being done by each of their respective committee members with particular attention to the benchmarking initiative and new membership. The Steering committee also addressed upcoming events. Look in these pages for more details.

## **New York Prospective Member Luncheon Being Held Today**

The AMF Membership and Marketing Committee has organized a luncheon for prospective members based in the New York-metro area, which is being held today. The luncheon follows one held in Boston earlier this year, which proved to be very successful in recruiting new members and informing potential members of the benefits of membership and the industry initiative work the AMF is doing. This luncheon will follow a similar agenda with an overview of the AMF and its history, the various sub-committees and the work of those committees on issues such as the splitting of Mortgage A-Day and the FICC white paper which was released recently. Speakers at the luncheon will include AMF Chairperson Steve Mellas of GSAM, AMF Membership and Marketing Committee Chairperson Mike Wyne of FFTW, and Ken Juster, the Executive Director of the AMF. Also featured will be testimonials by member firms describing how they have used their membership in the industry group.

The sister event in Boston contributed to the enrollment of three new members including Wellington Asset Management and Loomis Sayles.

## **Ask the AMF**

"Ask the AMF" is a new feature where members can ask questions, which will be answered by the AMF Steering Committee and Staff. To ask a question, please contact Diane Trupia at [dtrupia@bondmarkets.com](mailto:dtrupia@bondmarkets.com).

Q. There used to be so much excitement about T+1 and STP in the US. Then after it was announced that T+1 was going to be delayed many IT budgets were cut due to profitability concerns. STP seemed to fade into the background a little bit. Is there any progress being made on STP in the absence of the pressure of T+1?

A. Despite the factors that you mention, STP is

quietly making progress on many fronts. Firms are continuing to develop systems which will improve their internal STP. In some cases they are taking feeds from their Alternative Trading Systems and loading the trades directly into their accounting systems. In other cases they are buying middleware to move data from their front-end trading systems to their middle office systems and beyond. ATS's are improving their STP processes by developing API's to standardize the exchange of account allocations to facilitate the development for the investment managers. At the same time, Virtual Matching Utilities are refining their matching processes for both equities and fixed income.

The BMA and AMF are working hard at choosing a vendor for the Common Message Hub which will allow investment managers, broker dealers, custodian banks and vendors to connect to one system and interact with other users who utilize other vendors. For example, an investment manager might transmit all of their trade allocations to their broker through an ATS such as TradeWeb, and one of their counterparties might receive that information through a direct link to the Message Hub or through a connection to Omgeo. This will lessen the need for users to build interfaces to multiple systems and will encourage parties to get involved in STP. The completion of the Message Hub may provide the critical mass to STP. The bottom line is that STP is alive and "stories of its death have been greatly exaggerated".

## **AMF Swaps Committee**

The AMF Swaps Committee will be hosting a demonstration by SwapsWire for all Committee members on Wednesday, July 9 from 12:00 to 2:00 ET. For more information, please contact Diane Trupia at [dtrupia@bondmarkets.com](mailto:dtrupia@bondmarkets.com).

## **Virtual Vendor Update**

The AMF would like to announce the addition of Sage Hill Technologies, Investors Bank & Trust, and Interactive Technologies to the Virtual Vendors Exhibit Hall on the AMF website. Please visit the site at <http://www.theassetmanager.com/virtualvendors.html>.