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hareholder II for Windows



Examples of pension funds benefiting from S2W

Dividend Tracking

£700m fund in the construction services industry - three external fund managers

During a re-organisation in 1998, four stocks were incorrectly transferred out with dividend rights. The dividends were paid to the new owner even though the xd date was before the transfer date. Shareholder II identified the missing dividends, totalling £30,000, and they were then retrieved from the other scheme. The fund manager admitted that without Shareholder II these dividends would have been lost.

£1.7bn fund in the distribution industry - 16 external managers

On average, the user tracks between £50,000 and £200,000 of outstanding dividends each month. Shareholder II ensures that all entitlements are received in a timely manner.

Recoverable Tax Tracking

£250m fund in the chemicals industry with a third party custodian

This fund was created from a demerger in 1997. During the first year of its existence three Treasury bonds received dividends against which tax was recoverable. These tax credits of £32,000 remained outstanding for over 18 months until a Shareholder II reconciliation exercise discovered that the custodian was not showing them as outstanding. It was subsequently found that the tax had been recovered, but had been credited to the other pension fund created from the demerger.

Reclaimable VAT

£1.3bn fund in the telecoms industry - five external managers and a global custodian

VAT is reclaimable on administration and custody charges relating to pension funds, and on investment management costs relating to non-EU transactions. The ability of Shareholder II to analyse and report EU non-EU trades allowed this user to recover over £100,000 from Customs and Excise in the first 12 months of using the system in 1997.

Cash Management

£600m fund of a manufacturing company – 2 external fund managers and a global custodian

In August 1999, the user instructed their bank to transfer £450,000 to the fund manager's account. During the Shareholder II cash reconciliation, it was highlighted that the money had not been transferred. Upon proof of instruction, the fund manager corrected the cash position and back dated the interest.

Market Valuation

£440m London Borough fund with three external managers

When reconciling market values in June 1999, the user discovered that two fund managers were using different prices for the same Lafarge stock. As a result of this, one of the funds was undervalued by £206,000. Shareholder II ensures that valuations are accurate and consistent by using independent Exshare price feeds from FT Information.

*'Such monitoring
regularly
exposes errors
of significant
financial
magnitude'*

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