



A real estate investment fund sponsor approached Phoenix American with concerns about their back office operations. The sponsor was handling operations in-house using Excel spread sheets. The sponsor was having problems with data accuracy, tracking and limited reporting capabilities and foresaw problems only compounding as the fund grew.

Back office operations can severely impact investment sales.

THE SPONSOR'S BACK OFFICE PAIN POINTS

- The manual entry process was producing a high rate of human errors.
- No controls were in place to prevent them and corrections were causing considerable frustration and wasted time in the sponsor's office.
- The system was operationally difficult to manage and track. There was no record of who did what in the database. No user names or time stamps were available to track changes.
- The fund suffered from Excel's limited ability to produce useful reports.
- The spread sheet process was basically inefficient and inflexible for the fund's purposes.
- The sponsor was concerned about the vulnerability of their procedures and the liability that created.
- The difficulties would only increase as the fund grew.
- The sponsor was also unsatisfied with the look and functionality of the fund's investor web portal.
- The sponsor was also hoping to gain access to an industry platform accessible by broker-dealers.

OUR SOLUTION

1. Phoenix American established a service team for the sponsor and wrote programming to convert the investor data files from the Excel spread sheets to the STAR-XMS transfer agent system. (For more information on STAR-XMS, please go to www.pafsi.com/star-xms.)
2. The sponsor's new service team at Phoenix American worked with the sponsor to develop a customized package of services that would most efficiently address the needs of the sponsor, the investors and the financial advisors. The sponsor elected to outsource

all operational functions to Phoenix American so that sponsor staff could focus more closely on investments and sales.

3. 3STAR-XMS functionality and the sponsor's service team streamlined the new investment entry process dramatically reducing the error rate and speeding the admit date on investments to the benefit of the investors and advisors. New investment entry, customer service, distributions, transfers and tax were all streamlined and simplified by integrated STAR-XMS functionality. Sponsor staff was given user names and passwords with which they could log into their STAR-XMS database from anywhere an internet connection was available.
4. The sponsor was assigned a knowledgeable and friendly phone team to handle investor calls. They would be able to answer most investor and advisor procedural questions while referring any sensitive matters to the sponsor's service team as needed.
5. Phoenix put the sponsor's fund on the Alternative Investment Products (AIP) platform for greater exposure to global participants throughout the alternative investment industry.
6. Phoenix built and deployed a customized web portal for the sponsor, as an extension of their website, so that the investors could securely access and review all their investment, tax and profile information without ever appearing to leave the sponsor's site. The web portal could also be used for profile changes, notifications and marketing of new products.

THE RESULT

The sponsor is extremely happy with the smoothness and efficiency with which his operations now run. The liability inherent in the sponsor's reliance on spread sheets for shareholder record keeping is eliminated. All activity in the STAR-XMS database is now time stamped and trackable by user name. Controls in the STAR-XMS system have dramatically reduced new business input errors. Because of the advanced web portal, investors and advisors are better informed, better served and have greater confidence in the sponsor's brand. The sponsor is now in full compliance with all regulations and prospectus commitments. Sponsor staff is more productive, focusing without distraction on their

core competencies. Sponsor employees are no longer distracted by continuous incoming investor calls. The sponsor's participation in the AIP platform has encouraged more broker-dealer relationships and as a result appreciably boosted sales. The sponsor has also enhanced sales using the robust sales reporting capabilities of STAR-XMS. Scalability problems are eliminated. Sponsor productivity is now unaffected by the growth in the fund's investor base.

Sponsor staff enjoys a productive day-to-day working relationship with its service team at Phoenix American. The sponsor is so pleased with the technology and service level that sponsor staff regularly recommends Phoenix American to other funds.