

A6FNDAD: Fund Administration

Module Code:	A6FNDAD
Long Title	Fund Administration APPROVED
Title	Fund Administration
Module Level:	LEVEL 6
EQF Level:	5
EHEA Level:	Short Cycle
Credits:	10
Module Coordinator:	JONATHAN BRITTAIN
Module Author:	TARA CLEMENTS
Departments:	School of Business
Specifications of the qualifications and experience required of staff	
Learning Outcomes	
<i>On successful completion of this module the learner will be able to:</i>	
#	Learning Outcome Description
LO1	Demonstrate knowledge of the nature and operations of the investment funds market and the instruments traded in funds.
LO2	Differentiate between different types of funds, the nature and structure of different fund categories, and their investors and investment strategies
LO3	Demonstrate an understanding of the role of the various parties to a Fund the Promoter, the Investor, the Fund Manager, the Trustee, the Administrator, the Transfer Agent and the Custodian.
LO4	Apply the procedures and mechanisms at work within fund accounting and valuation to calculate realized and unrealized profit & loss using different methodologies and Net Asset Value.
LO5	Explain the role of regulation and control environment in the funds industry and evolution of same in a European and global context and assess the international mutual funds arena and the factors that govern where a domicile is located
LO6	Describe the function of technology in improving the quality of processes and enhancing the regulatory framework applicable to the funds industry
Dependencies	
Module Recommendations	
No recommendations listed	
Co-requisite Modules	
No Co-requisite modules listed	
Entry requirements	

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Module Content & Assessment			
Indicative Content			
Introduction to the Funds Industry • Introduction to Funds, Advantages and Disadvantages of investing in Funds, Types of Funds • Mutual Funds and Alternative Investment Vehicles, • Main Domiciles: Cayman Islands, Luxembourg, the US, the UK & Ireland			
Funds Industry in Ireland • History and Growth of Funds Industry in Ireland against the global backdrop • Factors for choosing fund domicile • Setting up a Fund in Ireland Regulations, Tax Implications, ISE Listing Requirements for Custodian, Auditor and Administrator			
Regulation of the Fund Industry • Introduction to the Regulations and Rulebooks – UCITS, non-UCITS & AIFMD • Overview of regulatory reporting • Introduction to Fund Financial Statements • PRISM and the risk-based approach to regulation • Outsourcing – the conditions applied under Annex II (UCITS/non-UCITS notices)			
Fund Types and Structures • Definition of Fund types - Open-ended and Closed-ended funds, • Other Legal Structures - Unit Trust, Company & Partnership, • Specialist Fund structures - Umbrella Funds, Fund of Funds, Master Feeder Funds, • Alternative Investment (Hedge) Funds, Private Investment (Equity) Vehicles			
Roles and Duties of Fund Counterparties throughout the Fund Life-cycle • Role of the Regulator, the Central Bank of Ireland • Reporting Function of Promoter and Distributor • Function of Transfer Agent, Dealing: Subscription, redemption, transfer, switching Registration Procedures, Dividend Distributions, Types of Investors • Function of Investment manager – trading and asset allocation • Function of Custodian – settlement of trades – trade life-cycle – keeping title • Function of Administrator, Calculation of the Net Asset Value, Keeping books and records of the fund's transactions, reconciliations with the Custodian, preparation of financial statements • Function of Trustee – fiduciary duty to investors – liaison with the Regulator • Role of Stock Exchange • Role of Corporate Secretary – board papers and minutes from meetings – approval of financial statements • Role of the Auditor			
Transfer Agency and Registration • Types of transactions and the documentation required for each transaction • AML and the documentation required for regulatory purposes • Record retention requirements • Data Protection Act and its application to shareholder files • Importance of client files and proper archiving • Calculation of sales charges and front-end loads • Settlement of deals – cash and in-specie transfers • Fund mergers • Registration of share-holding • Calculation of Distributions – types of units and shares and how the distribution is applied • Redemptions – notice periods and "gates" • Performance fees • Good Customer Service – professional writing (emails and letters) and telephone skills			
Fund Management • Key Trading Concepts - Arbitrage, Leverage, Buying, Short-selling, Liquidating positions, Primary and Secondary Trading Markets, Buy Side/Sell Side - Market players - Investors, Issuers, Investment Banks, Brokers & Dealers, Derivatives and Leveraged Trading, Portfolio Management Styles - Active, Management, Consensus, Asset Allocation - Top Down and Bottom Up - Compliance			
Lifecycle of a Trade • Front Office, Middle Office and Back Office, Order Management, Allocation and Compliance • Security identifiers – primary versus secondary listing • Role of Fund Administrator in executing middle office functions, in particular trade capture • Clearing and Settlement - Central Securities Depositories - local and international, • Settlement of Transactions, Importance of Pre-settlement Functions, • Custody and Record Keeping, • Interaction with Administrator - reporting & reconciliations of cash and asset positions			
The NAV Lifecycle • Review of trade inputs reconciliation processes and application of controls • Pricing – sources – levels of confidence – controls and validations applied • Preparation of a NAV - controls and processes and use of the Trial Balance • Calculation of Net Asset Value per Share (Assets less Liabilities and the Capital Statement methods)			
Fund Accounting and Valuation • Accounting for Share Capital transactions - subscriptions & redemptions • Accounting for Instruments - Equities, Bonds and Coupon, Accruals & Money Market Instruments • Valuing Assets denominated in foreign currencies, • Accounting of Income - Interest, Dividends, • Accounting for Fees and Expenses – fixed and NAV-based – Fund budgets – Performance fees • Calculation of Realised and Unrealised P&L, • Accounting for Corporate Actions			
The Control Environment • Segregation of duties – the 4-eyes principle (maker/checker) • Use of checklists and sign-off (manual and computerised) • The importance of documentation and the retention of records • Information classification and the Data Protection Act • AML documentation and controls • Organisation charts and the allocation of responsibility (definition of roles within hierarchy) • Identification of Risks and the mitigation of those risks through controls and awareness training.			
Technology in the Funds Industry • Interface with Investment Manager, • Portfolio systems - components & functions, • Price feeds from exchanges and other sources • The maintenance of the Securities Master Database • Fund Accounting systems - components & functions, • Share registration systems - components & functions, • Communications with other parties - investors, regulators • Disaster Recovery and Business Continuity			
Assessment Breakdown			%
Coursework			40.00%
End of Module Assessment			60.00%
Assessments			
Full Time			
Coursework			
Assessment Type:	Formative Assessment	% of total:	Non-Marked
Assessment Date:	n/a	Outcome addressed:	1,2,3,4,5,6
Non-Marked:	Yes		
Assessment Description: Formative assessment will be included by the provision of class case studies and short answer questions. Feedback will be provided individually or as a group in written and oral format, or on-line through Moodle. In addition, in class discussions will be undertaken as part of the practical approach to learning			
Assessment Type:	Assignment (0350)	% of total:	40
Assessment Date:	n/a	Outcome addressed:	1,2,3,5
Non-Marked:	No		
Assessment Description: Presentation to Fund manager eg outlining the range of fund structures available to investors in Europe including a table highlighting the advantage and disadvantages of Ireland as a domicile versus Luxembourg			
End of Module Assessment			
Assessment Type:	Terminal Exam	% of total:	60
Assessment Date:	End-of-Semester	Outcome addressed:	1,2,3,4,5,6
Non-Marked:	No		
Assessment Description: 4 questions, 2 calculations based and 2 theory questions			
No Workplace Assessment			
Reassessment Requirement			
Coursework Only <i>This module is reassessed solely on the basis of re-submitted coursework. There is no repeat written examination.</i>			

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Module Workload				
Module Target Workload Hours 0 Hours				
Workload: Part Time				
Workload Type	Workload Description	Hours	Frequency	Average Weekly Learner Workload
Lecture	Learners will have 39 hours a semester of college-based classroom contact (3 hours per week). Of these, 13 hours will be whole-class lectures and / or other tutor supervised learning activities. There are 14 week teaching timetabled within each semester, with a 'reading week' approximately half way through this period in which there will be no formal classes but in which learners will be engaged in tutor supervised independent learning, typically in preparation for assessments or other learning	26	Every Week	26.00
Tutorial	No Description	13	Every Week	13.00
Independent Learning	No Description	137	Every Week	137.00
Workbased learning	No Description	60	Every Week	60.00
Directed Learning	Directed elearning	14	Every Week	14.00
Total Weekly Contact Hours				113.00

Module Resources	
<i>Recommended Book Resources</i>	
<p>Michael Simmons. Securities operations, Chichester, West Sussex, England ; J. Wiley, c2002., [ISBN: 9780471497585].</p> <p>Pozen, R., Hamacher, T. and Phillips, D.T. (2014), The Fund Industry: How Your Money is Managed, 2nd. Wiley [ISBN: 9781118929940].</p> <p>Brian O'Loughlin. Fundamentals of Investment. by Brian O'Loughlin, Frank O'Brien, Gill & MacMillan, [ISBN: 9780717149780].</p> <p>Robert A. Strong. Practical Investment Management, South-Western College Pub, p.640, [ISBN: 9780324359367].</p>	
<i>This module does not have any article/paper resources</i>	
<i>This module does not have any other resources</i>	
Discussion Note:	