

## HOLLY H. MILLER, PARTNER

Based in New York and Philadelphia / Wilmington

### SUMMARY

Holly Miller is a Partner and founding member of Stone House Consulting, LLC with more than 30 years in the investment management and hedge fund industry in both Europe and the United States. Ms. Miller has extensive hands-on experience in leadership positions with several asset management firms and hedge funds and significant experience providing strategic, operations and IT consulting services to the world's leading asset management firms. She is a recognized expert in middle- and back-office outsourcing and has an exceptional understanding of the operational and IT challenges faced by the industry. Ms. Miller has a proven track record of designing and implementing large, enterprise change initiatives.

Ms. Miller's experience spans all types of investment vehicles offered in the marketplace today, including traditional institutional separate accounts, open- and closed-end mutual funds, hedge funds, private equity funds and SMA or 'wrap' accounts. Her knowledge includes all aspects of global equity, fixed-income, short-term and derivative instrument types and investment mandates.

Prior to founding Stone House, Ms. Miller was Senior Vice President and Chief Operating Officer for M.D. Sass Investors Services, Inc. In this role, she was responsible for operations, technology, client service and performance measurement across 16 investment management firms and more than 18 investment strategies ranging from traditional U.S. equity, mortgage-back securities and municipal bonds to global distressed securities, high-yield asset-backed securities, Asian long-short equities, funds of hedge funds, tax liens, real estate and a private equity fund designed to launch new investment managers. M.D. Sass' growth and expansion through the launch of new, unrelated investment managers had stressed the firm's infrastructure beyond the breaking point. Ms. Miller was recruited to develop and implement a long-term operational and IT plan for the organization. Within 14 months, the new model was developed and Ms. Miller successfully reorganized and staffed operations, performance measurement, technology, client service and corporate accounting into a shared services model while overseeing the implementation of new systems for investment accounting, partnership accounting and trade matching and communication. Also completed the evaluation and system selection for a new order management and compliance system to replace Bloomberg POMS, resulting in the first-ever implementation of LatentZero's Capstone suite of products without the use of external consultants. Prior to the new systems implementations, Ms. Miller reduced separate account client reporting timeframes by more than 20%. Concurrently, Ms. Miller led the firm through a periodic audit by the SEC of ten of its registered entities while assets continued to grow by an additional 60%. Ms. Miller realigned the firm-wide approach of cost allocation by introducing a service-based model and providing greater transparency to investment teams. In addition to her other responsibilities, Ms. Miller also provided direction and support to the fund accounting and corporate accounting areas at M.D. Sass, particularly during the firm's year-long search for a new CFO in 2007.

Ms. Miller joined Citisoft, Inc., in 2004 as a Senior Vice President and Region Manager to open New York office for the firm's investment management consulting practice. During her tenure at Citisoft, Ms. Miller helped grow the U.S. organization from seven consultants to more than 25 full-time staff and developed sufficient business on the West Coast that led to the opening of a Los Angeles office. Ms. Miller served as a relationship manager for Citisoft's largest U.S. clients including Nuveen Investments, Dimensional Fund Advisors, T. Rowe Price, Citigroup Asset Management, Lord Abbett, DuPont Investment Management, ABN AMRO Asset Management and Bear Stearns Asset Management. She also served as the lead consultant on several initiatives involving strategic reviews, outsourcing, client reporting and performance measurement. In addition, Ms. Miller was a member of Citisoft's U.S. Executive Committee.

Prior to her move to consulting, Ms. Miller was First Vice President and Head of Investment Operations for Bank Julius Baer & Co. Ltd., in New York City. In this role, she was responsible for all banking and brokerage operations supporting the New York branch of Bank Julius Baer & Co. Ltd., a private Swiss bank, and Julius Baer Securities, Inc., its affiliated broker/dealer. This included securities and foreign-exchange settlements, funds transfer, reconciliation, corporate actions, tax, operational risk and all retail functions. Ms. Miller was recruited by Julius Baer to serve as a change agent, realigning the organization in preparation for the implementation of new investment management and custody systems. Her process re-engineering led to a 90% reduction in losses in the departments Ms. Miller managed. In addition, Ms. Miller was a member of Julius Baer's new product introduction committee which oversaw all product launches from a firm-wide perspective covering business rationale and sales/marketing plans; investment strategy and oversight; and trading, settlement, compliance, legal, audit, operational and workflow issues to be addressed prior to launch. Ms. Miller's experience at Julius Baer included extensive work with wealth management clients and hedge funds, including funds of hedge funds.

Ms. Miller was also Head of Investment Administration for J. & W. Seligman & Co. where she oversaw the Middle Office including portfolio accounting, client reporting, performance measurement and attribution, foreign exchange order management and execution, institutional compliance and wrap trading and administration. This included the management of US\$40 billion of mutual funds, institutional accounts and

wrap portfolios as well as the launch of a hedge fund. During her term at Seligman, Ms. Miller was responsible for extensive re-engineering of the operational and systems models.

Prior to Seligman, Ms. Miller spent 10 years with Citigroup Inc. in New York and London. At Citigroup, she held several key leadership positions, including a two-year expatriate assignment in London, managed institutional client service for the investment management arm of Citibank, served as global product manager for an investment accounting software service bureau and project-managed numerous systems implementations on behalf of Citibank and/or its clients.

While in London, Ms. Miller launched the European business of two portfolio products (an investment accounting software service and a portfolio reconciliation tool), including marketing, sales, project management, client support and product management. As Head of Citibank Global Asset Management's North American Client Service, she had total client service responsibility for over 60 institutional clients domiciled in North America or investing in US dollar-denominated securities with assets in excess of US\$18 billion, including client reporting, reconciliation, billing, cash projection activity and client relationship management.

In addition to these experiences, Ms. Miller worked for Nomura Capital Management, Manufacturers Hanover Investment Corporation and Forstmann-Leff Associates in a number of marketing and operational management capacities. Through her various roles Ms. Miller has amassed extremely deep knowledge of global securities processing including product development, marketing, investment research, portfolio management, trading, investment accounting, performance measurement and attribution, risk management, compliance and reporting. Ms. Miller has worked with and/or implemented many of today's leading investment management tools.

## STONE HOUSE CONSULTING ASSIGNMENTS

- **Charles River Review** – Worked with a US investment manager that was dissatisfied with the Charles River application supporting the firm's trading and pre- and post-trade compliance monitoring. Assisted with identifying issues, making recommendations and setting priorities to correct deficiencies.
- **Client Reporting Requirements** – For the ultra-high-net-worth division of a large US broker / dealer, gathered high-level requirements for client reporting to be used in development of high-level solution options and an IT roadmap for delivering improved reporting across the organization.
- **Service Level Agreement Development** – For a US investment operations outsourcing provider, drafted a standard service level agreement (SLA) for the organization to use with new and existing clients, including responsibilities for both parties and key performance indicators (metrics) to assess compliance with the SLA.
- **Operational Review and DDQ Update** – For a US hedge fund manager, reviewed and updated the organization's AIMA due diligence questionnaire responses (both investment and operational) concurrent with a review of the firm's operational and IT capabilities and workflows making recommendations for improvement.
- **Opportunity Assessment for Sales and Marketing Support Outsourcing Services** – For an offshore outsourcing provider, evaluated the market for offering sales and marketing support services to investment managers, including fact sheet production, RFP production and consultant database updates.
- **Due Diligence Review** – On behalf of a private equity fund, conducted a high-level review of all IT and operations functions within a \$100 billion investment management firm prior to negotiating purchase of the asset manager.
- **Sales Assessment Project** – Identified and documented the end-user objectives and requirements for a global client relationship management (CRM) system for a \$25 billion US-based investment manager. The project included assessment of the existing implementation of SalesLogix, defining the future state and obtaining agreement from all the sales teams around the globe that would utilize the application. Also performed a gap analysis between the current state and the agreed future state and established a governance structure for allow the client to manage the implementation. The project culminated in a roadmap for getting the client from its current state to the agreed future state.

## PREVIOUS CONSULTING ASSIGNMENTS

- **Strategic Operational and IT Assessment** – Project director for a large U.S.-based investment manager seeking to develop a long-term operations and IT strategy for the firm's six investment management entities. Each entity had developed its own operations team and IT infrastructure. As new business initiatives were launched and elements of the infrastructure required upgrade or replacement, the existing model was coming under increasing scrutiny. Working with the senior management team at the organization, developed a logical business model, logical application model, target operating model and enterprise data model for the client which embraced a shared-services approach with centers of excellence. This engagement was extended to create an IT roadmap, which ultimately led to several evaluation and selection as well as implementation initiatives.
- **Outsourcing Evaluation** – Project director for the initial phases of an outsourcing evaluation for a West Coast investment manager. The client was enjoying intensive growth over the last several years that was straining its current operational and technology infrastructure. In considering potential application upgrades to support the expanded business growth, the client wanted to evaluate outsourcing as an option. Worked with the client to evaluate options (including a possible combination of outsourcing

and insourcing with new systems) and the client ultimately elected not to outsource. During the operational review, made several tactical short-term recommendations to facilitate later processing improvements.

- **Operational Best Practice Review and Risk Assessment** – Project director in the evaluation of current practices, procedures and supporting applications for a large California investment manager. The client was evaluating outsourcing against the option of upgrading the firm's overall infrastructure and required assistance with a best-practice assessment, recommendations on infrastructure improvements and development of estimated costs. The project included an overall risk assessment for the firm's order management and post-execution activities incorporating indications of how the risk profile would change under two alternate scenarios, specifically outsourcing and infrastructure upgrades.
- **Performance Attribution Strategic Review** – Evaluated the current performance attribution capabilities of the Chicago-based investment management subsidiary of a global financial services organization. The review included evaluating the overall requirements and drivers for attribution and assessing whether the current attribution methodologies were appropriate given the firm's suite of investment products. Recommendations spanned workflow, methodology, systems, organizational changes and training for staff throughout the organization, including marketing, sales and client service professionals, portfolio managers, performance measurement staff and operations.
- **Client Reporting Review** – Assisted the US arm of a global investment management firm with redefining their client reporting needs for standard monthly reporting as well as face-to-face client meetings. This review included creating an inventory of all existing standard and custom reports, identifying all data elements required for reporting and assessing potential opportunities for consolidating reports and reducing the overall number produced. In addition, proposed new client reports and meeting books with an improved 'look and feel' including suggested improved agendas for client meetings.
- **Strategic and Operational Review** – For a Denver-based investment management firm, led a project to review all aspects of the firm's investment philosophy and process, sales and marketing approach as well as trading and operations, making recommendations on organizational, process and systems improvements. This project included identification of target markets, definition of long-term product set, evaluation of outsourcing v. insourcing and development of a long-term tactical and strategic plan to position the firm for future growth.
- **Service-Level Agreement Review** – A New York-based investment management firm, was lifting out a fixed-income team from another organization. The deal included an agreement that the firm from which the team was being lifted would provide operations and systems support to the acquiring organization for up to six months. Participated in early-stage negotiations for the service-level agreement to support this temporary outsourcing arrangement and also with recommendations to ensure the performance track record could be acquired in a manner compliant with AIMR-PPS.
- **Product Evaluation** – Assisted with the evaluation of a custodial/broker-dealer application for possible modification for use in the UK and US investment management marketplaces, including review of the overall marketplace, assessment of differences in requirements between US and UK investment managers and gap analysis of the product.
- **Outsourcing Evaluation** – For the New York-based investment management subsidiary of a major US broker/dealer, reviewed existing operational and systems models in light of their five-year projected growth across a variety of investment mandates and target client segments. The evaluation was commissioned to proactively evaluate the operating model implications of anticipated significant growth in their alternative investment product area, including hedge funds and a fund-of-fund product being introduced. The evaluation included whether the current systems platforms and operational structure could support significant asset and client growth and, if outsourcing was pursued as an alternative, if it would be a more attractive option from a cost and risk perspective. Developed projected headcount estimates and anticipated total costs over a five-year period, comparing these projected costs with indicative pricing estimates for outsourcing. Identified a variety of risks to each alternative and recommended measures for the mitigation of each. Based upon this review, the client determined there was not a sufficiently motivating return on investment (ROI) to encourage pursuit of outsourcing at this time.

## KEY ACHIEVEMENTS

- **Activity-Based Cost Analysis and Allocation** – Evaluated the firm-wide costs for all support services within a global investment manager, defining a new approach to cost allocations. This approach led to a successful analysis of investment team costs as well as a client profitability study. It was leveraged later to assist with establishing priorities for IT initiatives, including the analysis of the overall ROI to proposed projects. In addition, it served to provide a rapid framework for evaluation and comparison of middle- and back-office outsourcing proposals.
- **Advent Geneva, Advent Partner and Lightspeed TDMS Implementation** – In a record-setting four months (from contract signing to sunset of a prior application), implemented Geneva and TDMS across 300+ portfolios and six investment strategies, including global equities, fixed income and derivatives. Advent Partner implementation included more than 50 funds and 1,000 partnership investors. Later phases of the Geneva and Partner implementations included migrating approximately 50 distressed securities portfolios covering hedge funds, private equity funds, separate accounts and several rabbi trusts from Hedgeware onto Geneva and Partner.
- **Global Fixed-Income Product Launch** – Working with the global bond team of a large Japanese

investment firm, launched a new global fixed-income product to the US investment community. This included determination of how to position the product to investment consultants and institutional prospects, development of marketing materials and request-for-proposal (RFP) responses, compilation of investment characteristics and performance results and development of a strategy for best leveraging the firm's strengths in the fixed-income investment philosophy, process and strategy.

- **Product Profitability Study** – For a US investment manager, reviewed all investment products and the middle- and back-office costs to support each product, considering factors such as number of positions per portfolio, annual turnover, complexity of client base and reporting requirements, and the underlying asset types. The study included an assessment of difficulties with pricing, investment accounting and existing current levels of systems support. This analysis included mutual funds, institutional portfolios, separately managed ('wrap') accounts and a hedge fund.
- **Organizational Redesign** – Successfully initiated and managed an 18-month plan to re-engineer systems and operating model for a global investment management firm. This enterprise-level program included extensive change management and implementation of new systems and processes. It included a \$4.6 million budget and a staff of thirty-five.
- **Organizational Redesign and Globalization** – Charged with defining, initiating and implementing enterprise-level change for a large New York investment management firm including restructuring of operations, systems and processes. This enterprise change initiative was designed to re-engineer infrastructure to migrate from a domestic to a global operating model including:
  - identification and prioritization of program initiatives;
  - launch of a foreign exchange order management team that traded over US\$2 billion in its first nine months;
  - comprehensive review of all portfolio accounting, performance measurement, composite tracking and attribution systems;
  - redesign of all internal and external reporting to support the investment process and client
  - communications;
  - company-wide restructuring to support and enable global operations.
- **EMU Conversion Project** – Co-managed the EMU conversion project at CrossMar.
- **Risk/Benefit Analysis of Outsourcing v. System Upgrades** – Initially conducted needs assessment for major investment management firm for all middle- and back-office systems. Reviewed vendor applications against the needs assessment, including buy v. build analysis and whether to adopt a best-of-breed concept. Held in- depth interviews of all finalist vendors and hands-on evaluations of applications. Concurrently evaluated outsourcing concept for the same organization, including which activities in the back office and middle office were candidates for outsourcing, projecting actual expense and headcount reductions of outsourcing alternatives and analyzing service quality issues that might be affected by outsourcing. Recommended organizational changes to enable the firm to manage outsourcing vendor(s) and necessary criteria for inclusion in service level agreements. End product included evaluation of all choices available to the firm, from partial to total outsourcing as well as system upgrades and replacement alternatives and the staffing changes and expenses for each option.
- **Process Redesign** – Developed new workflows for trading, confirmation matching, settlement and valuation of offshore hedge fund investments, including establishing procedures for controlling and monitoring operational risk.
- **Risk Management of Currency Exposure** – Assisted a Dutch plan sponsor with building a customized application to measure and monitor currency exposures in portfolios managed by external investment advisors.
- **Front-End Trading Implementation** – Coordinated all activity between the implementation team and the trading desk for a full-scale global deployment of an order management and trading application for a major investment management organization. Additionally directed all data mapping between the new application and the software systems with which it communicated.
- **Fixed-Income Performance Attribution Application** – Developed a small-scale performance attribution application to support a high-yield fixed-income product for an investment management firm. While limited, it allowed the firm to provide customized reporting to a handful of key clients at a very low cost with a rapid implementation.
- **Investment Accounting System Implementation** – Managed full-scale project for implementation of new investment accounting system with a Canadian hedge fund manager.
- **Performance Measurement Upgrades** – Coordinated and led all end-user software specifications and testing to upgrade a single-currency performance measurement application to support full multi-currency investing and reporting.
- **Report Writer Implementation** – Performed a full-scale implementation of a VAX-based report writer to provide end-client reporting for the vendor of a global investment accounting system. This included all data mapping, creation of a base package of standard reports for the vendor and training of all vendor staff and client staff.
- **Hedge Fund Operational Risk Analysis** – Conducted a full review of operational risks for a broker/dealer and custodian in the processing of their clients' investments in hedge funds. This included identification of data maintenance, accounting, reconciliation, trade processing and settlement, performance measurement, corporate actions, compliance and reporting.

## INDUSTRY AFFILIATIONS & CERTIFICATIONS

- Member, Promotion and Awareness Subcommittee, Global Investment Performance Standards (GIPS®), 2007 – present
- Member, CIPM Examination Review Panel, CFA Institute, 2006 – present
- NASD Series 27 (Financial and Operations Principal), 2002 – 2005
- Editorial Board, *Journal of Performance Measurement*, 2000 – 2005

## PUBLICATIONS AND SPEAKING ENGAGEMENTS

- Conference chairperson and moderator: "What Operational Due Diligence are YOU Performing?" 3<sup>rd</sup> Annual Hedge Fund Operations & Technology Conference, Financial Technologies Forum – New York, April 2010
- Moderator: "Operational Risk Management Challenges Confronting the Buy Side," Financial Technologies Forum 4<sup>th</sup> Annual OpRisk Conference – New York, March 2010
- Speaker: "The Importance of GIPS® in the Hedge Fund World – For Both Managers and Investors," ACA Compliance / Beacon Verification Services Webinar – March 2010
- Moderator: "Women on the Buy-Side: Achieving Transparency and Delivering Superior Returns in 2010," The Glass Hammer Networking Event – New York, March 2010
- Moderator: "Taking It to the Next Level: A Seminar for Hedge Fund Startups and Established Managers Looking for a Competitive Edge," HedgeCo.Net Seminar – New York, February 2010
- Instructor: "Surviving an Operational Due Diligence," Financial Technologies Forum Training one-day intermediate-level course – Boston, March 2010; New York, February 2010, November 2009, June 2009 and February 2009
- Instructor: "How to Launch a Hedge Fund," Financial Technologies Forum Training one-day course – Boston, March 2010; New York, September 2009 and June 2009
- Author: *Hedge Fund Transparency: The Long-Term Implications of Separate Account Management*, CFA Institute's Investment Performance Measurement Newsletter, February 2010
- Speaker: "Buy-Side Industry Trends," Omgeo North American Advisory Board – New York, January 2010
- Speaker: "Cost Allocation and IT Metrics," CIO Roundtable – Boston, January 2010
- Author: *The Glass Hammer – Stone House Consulting Survey of Buy-Side Trends*, The Glass Hammer Newsletter, October 2009
- Moderator: "Women on the Buy-Side: Leaders of the Pack," The Glass Hammer Networking Event – New York, September 2009
- Panelist: "Ethics and Fiduciary Responsibility: What's Next?" 4<sup>th</sup> Annual Hedge Fund Business Operations Association – New York, September 2009
- Panelist: "Firm Management: Where Does Performance Fit?" CFA Institute GIPS Standards Annual Conference – Boston, September 2009
- Panelist: "Insourcing or Outsourcing Back Office Operations and the Impact Each Has Upon the Business," Technology Solutions for Asset Managers Conference – Jersey City, September 2009
- Author: *Managing the Business of Asset Management*, The Glass Hammer Newsletter, July 2009
- Author: *Migrating Toward Multi-Prime: Did Your Manager Decrease or Increase Operational Risk?* The Hedge Fund Law Report, June 2009
- Speaker: "Practical Risk Management...Learning from the Crisis," Financial Technologies Forum Industry Insight Web Event, April 2009
- Speaker: "Performance and Risk in a Volatile Market," Financial Research Associates' Symposium on Performance and Risk – Cambridge, MA, April 2009
- Speaker: "Top 10 List for Mastering Operational Due Diligence," Financial Technologies Forum – New York, April 2009
- Conference chairperson: 2<sup>nd</sup> Annual Hedge Fund Operations & Technology Conference, Financial Technologies Forum – New York, April 2009
- Panelist: "Not Made to Measure: IT Metrics and Productivity," Institutional Investors' Financial Technology Forum Winter Workshop – Coral Gables, February 2009
- Panelist: "Making Multi-Prime Work for You," Advent Software Special Event – New York, November 2008
- Panelist: "Managing Your Prime Broker to Add Alpha," Global Custodian / JPMorgan Chase Hedge Fund Workshop – New York, November 2008
- Panelist: "Automating Reconciliations as a Key Element for Eliminating Barriers to Achieving STP," Financial Technologies Forum 3<sup>rd</sup> Annual Reconciliations & Exception Management Conference – New York, October 2008
- Panelist: "Alternatives at a Traditional Firm: One System or Two?" Financial Technology Forum Fall Workshop – Chicago, November 2007
- Panelist: "Built to Last: Sustainable Infrastructures," Advent Alternative Investment Series – New York, August 2007
- Panelist: "Buy-Side Securities Operations: Challenges and Solutions," Financial Technologies Forum – New York, February 2007
- Author: *Top Tips for ASP Selection*, Hedge Fund & Investment Technology, June 2006 Special SIA Issue
- Panelist: "What Are the Challenges to Managing SMAs and What Are the Opportunities?," Financial

- Markets World 2006 Separately Managed Accounts Forum – Boston, May 2006
- Moderator: "The Outsourcing Boom: Is it Hype or Are There Tangible, Measurable Benefits for the Buyside?" Financial Markets World 2006 Buyside Technology Forum – New York, March 2006 and Separately Managed Accounts Forum – Boston, May 2006
- Speaker: "Where is GIPS Headed: How Can Technology Be Applied?," CFA Institute 9th Annual AIMR-PPS Standards Conference – Philadelphia, October 2005
- Author: *Top Ten Operational Risks for Investment Managers*, Citigroup GTS Client Newsletter, Summer 2005
- Author: *Negotiating Effective Service Level Agreements*, Hedge Fund & Investment Technology, June 2005 Special SIA Issue
- Speaker: "Data Management and Distribution," CIO Roundtable – Boston, April 2005
- Author: *Spend, spend, spend... Fund managers are set to make a number of IT investments*, STP Magazine, March 2005 Issue
- Speaker: "Operational Outsourcing," CIO Roundtable – Boston, October 2004
- Author: *Outsourcing or Not: Five Steps to Greater Middle- and Back-Office Efficiency*, FX&MM Magazine, June 2004 Issue