Synaptic

Pathways

Due Diligence Overview

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Introduction

Any firm that invests in research software must ensure that the tool they choose is independent, unbiased and is capable of carrying out the research that is required.

To help you carry out your due diligence, we have put together the following responses to the most commonly asked questions. We are happy to carry out more detailed due diligence on request.

The Company

Synaptic Software Limited (Synaptic) is a limited company, established in 1995. Synaptic is wholly focussed on the creation of software, services and tools for the advised market with products for Risk, Protection and Investment.

Synaptic hold the ISO27001 certification and are audited by an independent third party (Lloyds Register).

Synaptic Pathways

Synaptic Pathways is a set of modules built and managed by Synaptic and delivered on the Salesforce Platform. It is available for existing Salesforce.com users through the AppExchange. Synaptic Pathways is also available for non-Salesforce users, and the application along with the basic Salesforce functionality are provided within the single licence provided by Synaptic.

Data Privacy & Security

Synaptic Pathways operates a single-tenanted architecture. This ensures that all data resides only in your instance of the software and cannot be accessed by any other organisation. Synaptic may, from time to time, request limited access to your software to facilitate support queries – it is at your discretion to grant this access and any access will avoid accessing any data unless it is impossible to provide support without doing so.

All Synaptic staff undertake annual audited training around privacy, data protection and cyber security.

Multi-factor authentication is required by default for Synaptic Pathways users.

Salesforce provide a full and detailed overview of their security and privacy at a dedicated security site: https://security.salesforce.com/ and in their compliance site at: https://compliance.salesforce.com/en

Additional services and tools are available to purchase to further enhance your privacy and security on the salesforce platform if you deem the services you are outsourcing to be critical or important and require these additional levels of compliance – further information is available at https://www.salesforce.com/products/platform/products/shield/. Synaptic are happy to facilitate conversations with Salesforce on pricing, availability, usage and roll-out of these additional services.

Synaptic APIs are used to access additional data outside Salesforce – for example calculations or data from the valuations service. All communications are secured in transport (TLS 1.2 or higher) and authentication is handled using the OAuth 2.0 framework.

Disaster Recovery & Resilience

Synaptic make use of the Salesforce platform, and all data relevant for the day-to-day use of the tool resides within Salesforce. Salesforce have robust disaster recovery (DR) and resilience measures in place. In addition, if required by your business, additional tools can be purchased to assist with the recovery of data, more frequent backups and any other data resilience you require. Synaptic can act as a consultant on your behalf if you determine any additional tooling is required.

Salesforce provide documentation and process for their own Business Continuity Planning (BCP)/DR processes: https://compliance.salesforce.com/en/disaster-recovery-bcp

For Synaptic APIs all data is held in 5-minute incremental backups, and API platform services are scaled in Azure for built-in resilience and applications are spread across multiple 'availability locations' to ensure no single reliance on a data centre. In case of full-scale disaster (ie, loss of the entire Microsoft Azure UK South regional capability) the disaster recovery plan targets a rebuild of all services in a new Azure location within 1 working day.

Data Update Frequencies and Resilience

Synaptic utilise a range of data sources both from internal proprietary research capability along with external sources of data to create a series of static data resources accessed by our APIs and Synaptic Pathways. This data is refreshed through a combination of manual and automated routines. All data is checked before release either through manual regression testing, test-automation or a combination of the two.

Previous cycles of static research data are held in case of need to roll-back at any time. Any roll-back decision will be taken through the Synaptic Change Approval Board (CAB).

Data Type	Brief Description	Refresh Frequency	Validation
Risk models	Risk engine provided by Moody's Analytics, supporting investment strategies and asset allocations against risk categories	Quarterly	Manual and automation testing fed into Change Approval Board
Funds	Performance and asset allocation data across the Synaptic Fund Universe	Daily (on success), but always at least once per week	Automated checks in place. If these fail the import is abandoned for that day
Cost and Charges	Platform and product charging data and other structured and unstructured platform and product data	Monthly	Manual and automation testing fed into Change Approval Board
Risk service	Risk rating of discretionary managed portfolios and multi-asset funds for the Synaptic Risk Rating service with asset allocation data approved by fund managers	Quarterly	Manual and automation testing fed into Change Approval Board
MiFID II	MiFID II disclosure data for funds within the Synaptic Universe	Daily (on success), but always at least once per week	Automated checks in place. If these fail the import is abandoned for that day

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Notes on Research Data for Comparison Research (Comparison with Ex-ante module)

Is Comparison Research free from all provider influence, including funding?

Response - Yes.

Providers can license Synaptic Pathways but this will not affect their inclusion or results. They can use this for market/competitor research. This is not compulsory and does not affect them being represented on the software or how they appear/feature. It has no bearing on the data or format of the software whatsoever.

All charge data is generated by Synaptic and submitted to providers for sign off as correct. Only signed off data is presented to the end user.

Are all charges included in the calculations?

Response - Yes

All charges including actual cost, charging structure and transparency of charges associated with the platform are taken into account when calculating the results for platforms, wrappers and funds.

Can Comparison Research define the total solution cost as per FCA DP10/2?

Response – Yes

In DP10/2 the FCA requires independent financial advisers (IFAs) to be able to explain to their client the total solution cost. This is the real cost of the provision of the specific services on an individual client basis.

The following charges will be used to produce the 'real Reduction in Yield (RIY)' when comparing platforms:

- Platform (including cash account and interest rate turns)
- Wrapper (may be different per platform even for the same wrapper)
- Fund (TCO/OCF/TER)
- Adviser fees (configured for each client segment per platform)

All charges are validated by the providers, giving you the ability to recommend a platform while confidently disclosing the 'total solution cost' associated with the platform

Does Comparison Research offer unrestricted access to all providers from the whole marketplace?

There are no restrictions (or costs) to providers being included in the software dataset but for every provider and product represented Synaptic will always insist on a named point of contact with whom they can work to ensure the charge data is accurate and subsequently maintained.

The vast majority of providers work with Synaptic regularly to verify their data is still accurate or notify Synaptic of changes. Synaptic monitor this and if, after several attempts they feel that the provider is no longer working to validate their data, they will temporarily remove them to ensure license paying users are only using up to date and accurate information.

Fortunately, this is a rarity as most providers have specific resource set aside to work with Synaptic and they understand the benefits and importance of being accurately represented.

How do you track and obtain updates to the software? How do you ensure that the most up-to-date charges are being utilised by all users of the system?

Synaptic has a maintenance schedule to ensure all providers are prompted to update all their charging data on at least a quarterly basis. Reports are run to identify any charge that is older than a specified period.

Providers are prompted and if necessary, chased until the charge data has been re-verified. As mentioned above, ultimately, if charges are not verified by a provider, Synaptic will remove them from the dataset that is published.

Does Comparison Research have unrestricted access to all providers?

Response - Yes.

Any and all providers are free to have their data included on the system subject to satisfactory verification and sign off of their individual dataset.

How do users of the software receive training?

Synaptic Pathways is an intuitive application, designed in conjunction with and for advisers. The Synaptic Knowledgebase is embedded within the software which contains articles, videos, frequently asked questions covering every aspect of the software.

For new users, demonstrations are available from their Synaptic account manager which can be booked directly from our website here. For existing customers our support team are available via e-mail support@synaptic.co.uk or phone 0808 164 5463.