

## BEHIND THE CODE: MODERN TECHNOLOGY POWERING END-TO-END ACCOUNTING INTEGRATION



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As portfolios grow more complex, the demands on accounting systems are changing, and the systems underpinning books and records must evolve with them. Accounting is no longer treated as an operational byproduct, but as a strategic foundation. Meeting that shift requires more than incremental updates. It demands **intentional architecture**—one that not only scales processing but embeds intelligence into how accounting data is processed and delivered.

We sat down with Eric Brothers, Head of Aladdin Accounting Engineering, to discuss how modern platforms are enabling more integrated, scalable approaches.

### **Why is this the right moment for firms to rethink accounting technology?**

What has become really clear is that accounting systems must evolve with the same rigor and pace as investment software. Accounting has always processed large volumes of data, but what's changed is the scale and expectations today. Portfolios are more complex, private markets are growing, and reporting timelines are only tightening. At the same time, the underlying technology has advanced significantly. We're approaching a point where comprehensive accounting results can be delivered in hours, not days—driven by advances in data architecture and AI. When that happens, the focus shifts from managing the mechanics of close, to improving the quality and interpretation of results. To support that, you really have to rethink how accounting architecture is designed, not just upgrading existing processes.



### **What does it mean to treat accounting as a platform, not a process?**

For a long time, accounting was treated as a sequence of steps where data moves through a workflow to produce an output. We have started to think about it differently. Instead of a fixed process, we treat accounting more like a platform that can be configured depending on what a client actually needs. That means you're not rebuilding the system every time there is a new use case but working from a shared foundation that can support different solutions. This kind of architecture also means AI integrates directly into workflows—so intelligence is applied consistently rather than layered on in isolated tools. That shift from process to platform is what really allows it to scale and adapt over time.

## Why does accounting become more complex as platforms scale across assets and regions?

The challenge is that complexity doesn't grow in a straight line. Each new asset type comes in with its own distinct valuation logic, cash flow behavior, and business events. Public markets operate one way. Derivatives introduce additional calculations. Private markets add entirely different structures. And when you layer in jurisdictional accounting standards and client-specific reporting requirements, the combinations expand quickly. It is not just more transactions. It is really a growing number of rule and scenario permutations. From an engineering perspective, that's where scale becomes difficult. The architecture must absorb that variation systematically rather than relying on case-by-case solutions and enable more intelligent ways of navigating that complexity at scale.

## What problems does a unified ledger solve that fragmented systems cannot?

When different parts of the investment lifecycle live in separate systems, reconciliation becomes structural, often reflected in the split between the Investment Book of Record (IBOR), used by the front office, and the Accounting Book of Record (ABOR), used for official books and reporting. Data has to be mapped across platforms, calculations aligned, and differences explained, often because the underlying logic is not the same. That adds operational complexity and increases the risk of inconsistencies across reporting views. When supported on a shared foundation with a common data model and financial engines, outputs are generated from the same source rather than stitched together, bringing IBOR and ABOR onto a single foundation and improving consistency while reducing operational risk.

## How do you embed strong controls while enabling flexibility across clients and regions?

Control has to be foundational when producing financial results that drive reporting and decision-making. We embed a standardized rule framework directly into the architecture, so data is validated as it enters the system, monitored as it is processed, and checked again at output. Because those controls are consistent and repeatable, they can scale across clients and asset classes. At the same time, different jurisdictions and business models require flexibility. We standardize core processing logic and control structures and allow configuration around them. Flexibility operates within a stable control framework rather than outside of it.





### **Where does AI add the most value in accounting today, and where must judgment still lead?**

AI is most effective in accounting where scale and pattern recognition matter. Every valuation depends on multiple inputs, and inconsistencies across transactional, market, and reference data are inevitable. AI can identify anomalies and surface exceptions quickly, reducing manual effort in operational workflows. We're integrating it directly into those workflows, so it strengthens reconciliation and analysis rather than functioning as a separate layer. That said, financial reporting requires explainability and accountability. Human oversight remains essential wherever judgment and responsibility are required.

### **What does the term 'future-proof' mean when you're building accounting technology that clients rely on long term?**

For us, future-proofing is not a single initiative. It is ongoing product design and engineering work. The platform has to continuously improve performance, scalability, and reliability while adapting to regulatory changes and evolving client needs. Markets don't stand still, and neither can the systems that support them. At the same time, clients rely on stability in their financial records, so evolution has to be disciplined. We focus on strengthening the foundation over time so new requirements can be incorporated without disrupting what already works. That includes how intelligence is applied, ensuring it scales with the platform and evolves in a way that remains governed, transparent, and aligned to accounting standards.

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