

Information Builders is one of the largest independent software companies in the world. We work with over 12,000 customers to ensure their success by putting interactive and actionable information in the hands of everyone in the extended enterprise: employees, partners, suppliers, and customers.

# Investment Performance Measurement

## Performance and Compliance Solutions for Institutional Asset Managers



Institutional customers expect world-class service of their financial services and insurance providers, and with minimal barriers to exit, they react quickly to dissatisfaction, taking their business elsewhere. Faced with these dynamics, financial services companies and insurers are increasingly challenged to maintain and grow their customer base.

Preserving a competitive edge in today's customer-centric market requires sophisticated solutions for investment decision-making processes, including support for portfolio analysis, asset allocation, performance measurement and attribution, client reporting, and regulatory compliance.

Information Builders' Investment Performance Measurement solution provides organizations the competitive edge they need when it comes to servicing their institutional clients with leading-edge performance analysis, attribution, reporting, and compliance capabilities. The Web-based solution includes three modules:

- **Performance Measurement Engine (PME)** – a complete, time-sensitive solution for relative and absolute measurement and risk analysis. PME facilitates customer satisfaction, loyalty, and growth through robust performance analysis and rapid turnaround of results to clients.
- **AIMR Compliance Engine (ACE)** – a comprehensive solution for AIMR-GIPS compliance and reporting, and statistical comparisons for strategic decision-making with integration and automation to ensure data accuracy.
- **Performance Attribution** – a solution for historical total return analysis that enables firms to optimize their investing, client service, and marketing through assessment of portfolio performance.

Information Builders' Investment Performance Measurement is based on 30 years of customer-driven, organic technology innovation in enterprise business intelligence (BI) and integration. It has WebFOCUS – a comprehensive and fully integrated enterprise business intelligence platform – and technology from iWay Software – an Information Builders company and the leading adaptive software provider – at its foundation; and the modules are custom tailored to meet your unique business objectives and technical requirements by The Nowel Group, investment management experts with 25 years of experience building performance and portfolio management solutions based on robust data models.

#### PME

- Daily Returns
- Monthly Returns
- Start of Day Flows
- End of Day Flows
- Include Short Positions
- Multiple Risk Measures
- Online Access for Executives and PMs
- Any Return Calculation
- Any Return, Any Way
- Multi-Currency
- Contribution Analysis
- Trending

**PME allows portfolio and asset managers to focus on their core job of analysis because it does the data collection, return calculations, and reporting for them.**

### Performance Measurement Engine

PME enables asset managers, performance analysts, and senior executives to review and analyze periodic results. The solution is an integrated total return and risk calculation engine that supports any return measurement for any type of asset. It supports all fixed-income securities, equities, commercial mortgage loans, real estate, private equity, and derivatives in any currency. PME applies appropriate risk measures to these returns to fully explain the results.

PME's powerful analytical and reporting capabilities allow managers and analysts to rapidly respond to customer requests, accelerate the production cycle, and turn ad hoc requests into opportunities for client satisfaction.

A Web-based solution, PME integrates with any trade order/entry or fund accounting system. It can utilize any existing data warehouse, ODS, or relational repository of trade and cash-flow information, and it calculates returns at any level – from security (cusip), to asset class, to corporate entity. Returns can also be calculated at any aggregation level such as industry, sector, asset class, or seasonality, duration, or convexity groupings. Monthly, intra-period, or daily returns are supported depending upon valuation frequencies.

PME is designed to self-correct for post-period transactions that must be included for trade-date returns and has auto-detection features that produce notifications on prior-period adjustments that may necessitate restatement of results. PME is also especially well suited to support contribution or attribution analysis.

PME's key features include:

- Custom system components
- Scalable Web-based architecture
- Selectable calculation methodology
- Performance-specific data correction facility
- Multiple return types, including trade date
- Batch and online recalculation capability
- Flexible parameterized reporting

## AIMR Compliance Engine

ACE is designed to help organizations comply with AIMR Performance Presentation Standards (PPS) and Global Investment Performance Standards (GIPS). The Web-based solution gives institutional asset managers the ability to create, maintain, and report on a grouping or hierarchy of composites – ranging from a single portfolio to a firm-wide aggregation. ACE automates and simplifies the composite maintenance process, while its architecture remains open to support new standards.

With WebFOCUS and iWay at its foundation, ACE automates the collection and compilation of the historical return data required for compliance – even when the data exists in myriad, disparate back-end systems. Designed to be highly flexible, ACE supports unlimited composite definitions, a library of disclosures, standard and custom benchmarks, model and actual fee schedules, multiple firm definitions, and required and supplemental risk measures. ACE also offers auditable, online self-service and a sophisticated reporting environment for standard and ad hoc reports. In addition, it provides transparent access to information to ensure successful verification.

ACE includes a request for proposal database that uses a custom business dashboard to provide immediate access to the detailed data required to answer RFPs. This data includes assets under management, high and low returns, average returns, accounts gained and lost, composites by size, and strategy.

ACE's key features include:

- Scalable Web-based architecture
- Extensive editing capabilities to ensure consistency of data
- Sophisticated calculation methodology
- Composite construction
- Standard or custom benchmarks
- Disclosure composition
- Compliance and portfolio reporting

### ACE

- Portfolio Start and End Dates
- Carve-Out Composites
- Disclosures
- Composite Constituents
- Historical Competitive Membership
- Restrictions Indicators
- Grace Period Indicators
- Automatic Return and Risk Recalculations
- Online, Real-Time Data Maintenance
- Audit Log
- Multi-Currency
- Complete Compliant Presentation
- Intra-Period Return Calculation for Large Flows

**ACE is customizable to your organization's technological infrastructure and selected database design, and includes all of the data management capabilities required for AIMR and GIPS compliance – extracts, transformations, interfaces, and database updates.**

## Find Out More

To find out how our solutions can help your company succeed, talk to an Information Builders representative today. Contact your local Information Builders office, visit us at [www.informationbuilders.com](http://www.informationbuilders.com), or in the U.S. and Canada, call (800) 969-4636.

### Performance Attribution

Designed to help investment firms optimize the implementation of policies and strategies, client relationship management, and marketing, the performance attribution module helps firms assess and explain their portfolio performance in terms of investment-management decision selection and allocation. Ultimately, the solution helps investment firms ensure sound purchasing decisions through careful assessment of portfolio performance and the asset manager's critical decisions.

The solution employs a sophisticated set of algorithms and industry insight. It uses a benchmark to assess and report on the asset manager's strategic (long-term) asset allocation and measures the effect of the asset manager's tactical (short-term) allocation shifts. In addition, the solution adjusts attribution of returns for systematic risks.

One of the key challenges to performance attribution is the dependency on large amounts of data from myriad internal and external sources. In addition, the required data maintenance is extremely resource intensive. The performance attribution module integrates directly with PME to overcome many of these challenges, and PME is designed to handle precisely these functions.

Performance attribution's key capabilities include:

- Sophisticated analysis of portfolio performance and asset manager critical decisions
- Assessment of long-term strategies against a benchmark
- Assessment of effects of short-term decisions
- Ability to adjust attribution of returns for systematic risks

### About Nowel

The Nowel Group is a specialized consulting firm providing customized business and technological solutions to investment and financial institutions. The principals of the Nowel Group have extensive experience in designing, customizing, and implementing middle-office and front-office solutions.



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