

 Case Study

GIPS Composite Management

Asset managers and asset owners have trusted Unity® Performance & Analytics GIPS Composite Management to provide investors' confidence in their service and to drive future growth since 2009. A London-based asset management firm with over US\$ 30bn in assets under management is one of the latest firms to select Confluence for GIPS composite management.

FIRM TYPE	AUA
Asset Management	\$30 Billion



THE CHALLENGES

With around 80 spreadsheets containing over 1,000 data points that were manually maintained, the performance measurement team at the firm found that they were exposed to a large risk of error and restatement that they could mitigate through automation and standardization.



THE SOLUTION

Unity Performance & Analytics GIPS Composite Management is a multi-lingual and multi-currency solution that simplifies the composite management and calculation process. Using any approved GIPS methodology, it provides greater flexibility for GIPS reporting and supports greater operational consistency.



THE RESULT

Upon implementation of Unity Performance & Analytics GIPS Composite Management, the firm has seen the update of all the raw data simplified drastically with the simple upload of four files. Changes to member portfolios and composites are now easily handled with one-time updates in the system with all changes fully auditable.



▶ THE CHALLENGE

In the asset management industry as a whole, lack of standardization and automation in performance reporting has led to some misrepresentation, improper valuation and inaccurate benchmarking. With around 80 spreadsheets containing over 1,000 data points that were manually maintained, the performance measurement team at the firm found that they were exposed to a large risk of error and restatement that they could mitigate through automation and standardization.

But to claim compliance with GIPS, investment managers must comply with all of its diverse requirements including valuation, calculation methodology, composite construction, benchmark selection and the creation of the GIPS-compliant presentation.

The main challenge was to find a GIPS composite tool that would reduce risk, ensure accuracy and consistency in the data, and put a strong framework in place to continuously control GIPS performance reporting.

Confluence was among six technology suppliers to be shortlisted and was eventually selected based on its ability to meet the firm's business requirements, breadth of functionality and cost.

▶ THE SOLUTION

Unity Performance & Analytics GIPS Composite Management is a multi-lingual and multi-currency solution that simplifies the composite management and calculation process using any approved GIPS methodology. It provides greater flexibility for GIPS reporting and supports greater operational consistency. It offers:

- ✔ Built-in workflow to streamline composite maintenance, calculation and reporting processes
- ✔ Exception-based management to find missing data and outliers
- ✔ Over 30 standard report templates that can be customized to support both marketing needs and those of external auditors and clients
- ✔ Flexible and easy installation with fast implementation timelines
- ✔ Customized composite presentation with user-defined GIPS disclosures
- ✔ Permission-based rights for users to control user functionality and data access to share GIPS information throughout the organization

◀ THE RESULT ▶

The asset manager's biggest business benefit post-implementation was the reduction of operational and reputational risk. They can now assure their prospective and existing clients that their performance is consistent, transparent and fairly disclosed.

With Unity Performance & Analytics GIPS Composite Management, the firm has seen raw data updates simplified drastically with the simple upload of four files. Any changes to member portfolios and composites are now easily handled with one-time updates in the system with all changes fully auditable.

Having such a composite module allows the asset manager to reduce time and streamline their processes. Formal composite reports are automatically generated in multiple currencies without risk of manual error, making it a scalable and efficient system. The solution also allows for the extract of information in both standard or custom-generated reports.

About CONFLUENCE

As a global leader in data-driven solutions for efficiency and control, Confluence solves tough data management and automation challenges for the asset management industry, including performance reporting, regulatory reporting, investor communications and fund expense management. Confluence solutions enable asset managers and third-party administrators to consolidate and leverage data across business operations which results in lower costs, reduced risk, decreased reporting turnaround times and the scalability to automate more processes without additional resources. The platform features solutions to support a wide array of fund types—including mutual funds, ETFs, alternative investments, institutional portfolios and UCITS funds.

Eight of the top 10 global service providers license Confluence products and eight of the top 10 global asset managers have business processes automated through Confluence.

Headquartered in Pittsburgh, PA, Confluence serves the international fund industry with locations in Brussels, Dublin, Ho Chi Minh City, London, Luxembourg and San Francisco.