



**ABOUT THE FIRM**

This open superannuation fund, based in APAC, manages over \$30 billion in retirement assets for its nearly 300,000 members.



**THE CHALLENGE**

- Unable to meet regulatory requirements
- Lacked dedicated risk reporting team
- Struggled with incomplete technology stack



**THE SOLUTION**

- Used proprietary FactSet risk models
- Automated report distribution with Portfolio Reporting Batcher
- Integrated multi-asset class risk analytics



**THE RESULTS**

- Retained existed members and added new business
- Better understood underlying risk factors
- Repurposed time towards value-add tasks

# Large APAC Superannuation Fund Improves Risk Reporting and Performance Attribution with FactSet

Pension fund meets new regulatory requirements with improved workflow solutions.

**THE CHALLENGE**

According to an open superannuation fund’s leadership, what stood between their current state and its desired path forward hinged on two critically important tasks: risk reporting and measuring performance attribution.

With a fast-approaching deadline to meet new regulatory requirements, the team felt a sense of urgency to establish a new, comprehensive risk reporting process. The implications for not meeting the regulatory requirements ranged in severity but, in short, non-compliance could cause key issues not only for the fund manager, but also for its members.

Knowing they needed a sophisticated risk reporting system; the member-owned, non-profit fund hired some fresh faces to take on the responsibility of finding a solution to support day-to-day analysis.

One question remained: what technology to use?

FactSet's highly customizable solutions enabled the firm to conduct tailored risk analysis of unlisted infrastructure and real estate asset classes.

## THE SOLUTION

The firm chose FactSet because it was the only provider who offered whole-of-fund risk profiles and performance attribution encompassing their wide range of investment products and strategies. Plus, the platform's intuitive user interface provided an immediate sense of comfort.

With FactSet's multi-asset class risk management tool, they unlocked a deeper understanding of risk management at the portfolio, factor, and asset levels. By using tailored analytics capabilities, the fund's experts could carefully monitor underlying risk factors across all asset classes, including unlisted assets.

The team sets limits on active risk and risk budgets against various objectives, such as compliance, regulatory requirements, and peer benchmarks to identify risk factors and corresponding security returns. The team now conducts scenario analysis, concentration risk, and emerging risk on absolute and relative bases to understand the entire fund's risk profile and how to approach a market downturn or rally.

Using FactSet's Portfolio Analytics tools, the fund stress tests their portfolios. Getting a sense of how they might perform against a handful of potential future financial scenarios helps the firm optimize any given portfolio. They use Portfolio Reporting Batchter to calculate and send risk metrics overnight, providing the most current information for the team to begin working with the next day morning. The integration of custom factor sensitivities combined with the firm's internal unlisted models created a unified framework to ensure firm-wide data consistency.

## THE RESULTS

The team uses FactSet's technology to support their risk reporting workflow, helping the fund manager expand its business and usher in a new era of success.

With their new risk team fully operational, they easily met the new regulatory requirements ahead of the looming deadline and unlocked risk insights into their investments. Useful metrics and functionalities help track errors, understand active factor exposures, and perform scenario analysis through stress testing. Overall, they improved their risk management strategy while increasing operational efficiency and maintaining data integrity.

By automating and speeding up report creation, the team repurposed their time to focus on value-add analysis that improved the team's overall investment decision making. In addition, consolidating risk and performance through a single vendor allowed the team to simplify operations while stabilizing overall cost.

FactSet's highly customizable solutions enabled the firm to conduct tailored risk analysis of unlisted infrastructure and real estate asset classes. The integration of custom factor sensitivities, combined with internal unlisted models, established a unified whole-of-fund common factor framework.

## DISCOVER SOLUTIONS

**FactSet creates data and technology solutions for investment professionals around the world, providing instant access to financial data and analytics that investors use to make crucial decisions.**

### FactSet Risk Analytics

Fuel your decision-making and drive portfolio performance using sophisticated risk analytics.

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### Portfolio Reporting Batchter

Generate portfolio analytics reports at scale with a modern, intuitive tool.

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