

Case Study: A faster, more flexible system helps Security Global Investors trim reporting time and capture performance nuances

Summary

Firm: Security Global Investors
Assets Under Management: \$22 billion
Type: Fund Manager

Challenge:

- + Current solution for fixed income portfolio analysis ran reports slowly and required time-consuming monitoring

Solution:

- + Security Global Investors' investigated FactSet's solutions for fixed income and worked to efficiently implement the solution

Benefits:

- + Portfolio Manager no longer needs to wait for reports to generate over hours or even days
- + Reports are available daily
- + Portfolio Manager can see the sources of performance from the security level and can leverage integrated index data

Problem: A time-consuming process

David Toussaint has managed successful fixed income funds for many years, including his role as high yield fund manager for the Rydex/SGL High Yield A fund, which in 2009 had the second-highest total return ranking among its peer group, according to Morningstar. However, as a Portfolio Manager in a small team at Security Global Investors, Toussaint often found himself short on manpower and time.

While the solution the firm was using to manage fixed income portfolios was adequate, it hadn't always been ideal. One person in Toussaint's team spent at least half of her time "babysitting" the old system, running reports, and generally making sure everything was still processing properly.

With so much of one team member's time being taken up, the firm could only afford to run their portfolio reports once per week.

Then, shifts in Security Global Investors' holdings spurred them to look for a new solution. They decided to try FactSet, which they were already using for equity portfolio analysis.

Solution: A painless switch to FactSet fixed income

When Security Global Investors decided to transition to FactSet for fixed income portfolio analysis, they found the transition easy. According to Toussaint, they were able to fully implement the switch without the help of anyone else at SGI. Toussaint, along with FactSet specialists and consultants, had the system up in running within a short time, with all the portfolios' daily positions from Security's accounting system loaded.

Results: Faster process, flexible reporting, and more important contextual data at the Portfolio Manager's fingertips

For Toussaint, implementing FactSet's fixed income portfolio analysis has resulted in many important improvements to the firm's workflow. When Toussaint compares FactSet's fixed income portfolio analysis to his previous solutions, and the other options that the firm considered, the one huge advantage for Toussaint is FactSet's flexibility:

"[I] get a much better understanding of what is going on in the market as far as being able to look at the index and have a report that I can just click on...I could get that from another service, but what FactSet provides is information down to the detailed level. I can't get that elsewhere Now I can click a report and get a look at the best performers and worst performers from the day before....The system is very flexible. It's the best product I've seen."

Along with the ability to examine index and portfolio performance down to the security level, Toussaint can take advantage of reporting across any date range. Toussaint says it's easy to run any report he needs on a daily basis, or switch to a month-to-date or year-to-date view.

Equally important to the system's flexibility, Toussaint cites the integration of index information and other data:

"What really added value... is the data," Toussaint says, "I have more information, better information...As a Portfolio Manager, the more information you have... the better decisions you make."

Toussaint is confident in the quality of FactSet's data. He often passes on information, and reports on his funds, for other team members to use in marketing pieces and client-facing material.

In addition to the improved processing of reports, Security Global Investors' has seen an improvement in the update frequency of data from FactSet. When a new month begins, Toussaint says, "Because [FactSet] is a daily system I can get my returns and my performance attribution...the next morning, versus our old system, where it took maybe two to three days to get our index data in there, or they had to do something on their end, and by the time I got it, it was almost two weeks later. That's a big improvement."