Quantitative Portfolio Management

FactSet delivers a high-quality, comprehensive solution for every stage of the quantitative portfolio management process. In a single, integrated platform, FactSet lets you backtest, optimize, simulate, and manage the risk of your portfolios.

Manage Datasets
FactSet integrates hundreds of third-party databases and rigorously monitors quality assurance to bring you the most accurate data available. Streamline data management by letting FactSet map its extensive database of historical identifiers, including corporate actions.

Research Ideas
- Screen on securities: Create multi-factor stock screens using FactSet’s guided factor builder and function library
- Build models: Develop alpha models through backtesting and easily analyze the results
- Simulate potential strategies: Test your portfolio construction strategies prior to implementation

Construct Portfolios
Create and rebalance portfolios using the mean-variance optimizers available on FactSet: APT, Axioma, Barra, or Northfield.

Evaluate Results
- Analyze composition and performance: Calculate weights, performance, and attribution for portfolios and benchmarks
- Manage portfolio risk: Identify the underlying sources of risk in your portfolio, attribute past performance to risk exposures, and enhance traditional risk management by stress-testing your portfolios
- Present results: Create presentation-ready reports that can be automatically updated and shared with clients
Test Ideas and Models
Test your theories about which quantitative and qualitative factors drive performance in different markets. Easily examine trends and produce reports that support your ideas. Understand the factors that drive market returns with a customizable backtesting platform:

+ Create factors from integrated third-party databases or load your own proprietary data
+ Leverage FactSet’s extensive symbology mappings to ensure complete and accurate historical data in your backtests
+ Aggregate individual factors into a weighted score using static or dynamic weights
+ View factor performance by sector, country, or other groupings, and throughout certain time periods, such as a recession
+ Visualize factor performance with flexible reporting and robust charting

Get Results Fast
Generate reports efficiently with a variety of options:

+ Run models using FactSet’s automated utilities, which calculate as you work or even when your computer is turned off
+ Schedule models to run at specific times and frequencies
+ Add links to Microsoft Excel or statistical packages to dynamically pull results from your models

Quickly populate custom Excel reports.

Use FactSet’s automated utilities to run your models.
Test Strategies
Backtest portfolio construction strategies to see which produces the highest performance given your alpha model and portfolio constraints.

Construct Optimal Portfolios
Use a mean-variance optimizer to create and rebalance your portfolios. Generate a list of necessary trades to construct an optimal portfolio by providing portfolio constraints and desired risk/return levels.

+ Build optimization strategies from leading datasets, including benchmark constituents and sector classifications
+ Set limits on weights or turnover to ensure that your optimal portfolio complies with fund mandates
+ Apply constraints and penalties to factor exposures
+ Integrate security ranks or forecasted returns from your alpha model

Create Rules-Based Simulations
+ Use your quant model scores to define buy/sell rules to construct simulated portfolios
+ Add sector and asset weight constraints, turnover limits, and transaction costs; test stop-loss and lock-gain rules to simulate real-world trading scenarios
+ Perform sensitivity analysis to gauge the impact of varying constraint levels on performance
+ Set up any condition to trigger a rebalance, such as when market volatility rises suddenly

Create Optimizer-Based Simulations
+ Run simulations using APT, Axioma, Barra, or Northfield’s optimizers
+ Set your desired risk/return level or choose a specific portfolio constraint
+ Use separate constraint sets when risk values cross specific thresholds

Disseminate the trade list or export the portfolio for further analysis in other FactSet reports.
**Risk Measurement**
Analyze portfolio risk with one or more predictive risk models from APT, Axioma, Barra, Northfield, R-Squared, or your own custom models. View predictive risk characteristics such as Tracking Error, Beta, and Value-at-Risk. Study exposures to gain insight into the sources of portfolio risk and examine trends with robust time-series charting.

**Risk-Based Performance Attribution**
Identify systematic sources of relative performance. Analyze the specific exposures that helped or hurt performance to make more informed portfolio management decisions.

**Stress Testing**
Understand your portfolio’s true vulnerabilities by stress-testing it under extreme market scenarios. Identify and hedge against unintended sources of exposure.

**Reporting**
Create presentation-ready reports with risk and performance analytics and batch reports for all of your portfolios.