

Asian Asset Owner Improves Accuracy and Quality of Multi-Asset Risk Analysis and Reporting

An Asian asset owner harnesses the power of Burgiss Transparency Data and FactSet Portfolio Analytics to enhance and streamline the operational workflow for multi-asset risk analysis.



FIRM TYPE
Asset owner

THE CHALLENGE
Inability to measure and analyze exposures and risk drivers of private equity investments

THE SOLUTION
Burgiss Transparency Data and FactSet Portfolio Analytics for a consistent view of risk across their public equity, fixed-income, and private equity portfolios

“ Historically, the fund had relied upon disparate legacy products to store and calculate risk values across asset classes.

THE CHALLENGE

The asset owner invests in multi-asset strategies, with a significant allocation to private equity. The investment team needed a robust and proven solution to calculate ex-ante market risk for their private equity portfolio. With private equity growing in importance as an asset class over the last decade, the team struggled to improve transparency within its private equity program. For example, it was difficult for both the investment and risk management teams to understand and monitor their underlying country and sector exposures and correspondingly, the exposures of their overall multi-asset class portfolio. Historically, the fund had relied upon disparate legacy products to store and calculate risk values across asset classes, which created material operational risks including inaccurate, time-consuming data aggregation and delayed reporting.

THE SOLUTION

After evaluating several providers, the fund decided that the FactSet and Burgiss turnkey integrated solution was best suited to meet its front and middle office portfolio analytics requirements.

From an enterprise performance and risk perspective, FactSet offered the fund the flexibility to create its own public company “baskets” when modeling their private equity investments while keeping the unique characteristics of private company risk. Based on this unique and fully automated process, the risk team could perform holdings-based risk analysis on its private equity funds and blend them seamlessly within its multi-asset class portfolio.

Burgiss Transparency Data offers data and insights for nearly 15,000 private capital funds, enabling institutional investors such as the asset owner to accurately measure and evaluate risk, portfolio composition, and manager performance in their private capital portfolios. The initial coverage check showed that a significant proportion of the fund’s investments were already tracked by Burgiss, which allowed for the quick completion and sign-off on the onboarding process.

“ With the combined FactSet and Burgiss solution, the fund now has a single, consistent view of risk across their public equity, fixed-income, and private-equity portfolios.

THE RESULTS

With the combined FactSet and Burgiss solution, the fund now has a single, consistent view of risk across their public equity, fixed-income, and private equity portfolios. This permits the team to analyze its private equity investments on an equal footing with traditional asset classes, understand its portfolio’s actual exposures to sectors (GICS/ICB) and regions, and decompose the overall risk into the relevant risk drivers.

In addition to exposures, the team uses the historical time-weighted rate of return calculated by Burgiss on a quarterly basis, going back to inception, for attributing private equity funds returns and ex-post risk analysis.

The fund now enjoys an integrated, enterprise-wide solution for performance and risk analysis, allowing it to reduce operational risks associated with manual data entry and aggregation. It has also improved the fund’s ability to automate reports and gain timely insights on exposures and risk drivers.

KEY BENEFITS

- Avoid manual workaround to upload portfolios and maintain portfolio composites
- Full look-through into portfolio positions, including fund transparency into private-equity companies
- Ability to evaluate (e.g., trial) transparency data in short timeframe as data for LPs already collected by Burgiss
- Risk proxy methodology using a unique FactSet dataset; flexibility to create their own public company “baskets” as proxies for private companies that allow for holdings-based risk analysis
- Integrated multi-asset class solution for performance and risk
- Pivot from portfolio analysis to private company analysis in FactSet
- Unique automated process around the risk proxy creation process
- Turnkey solution with Burgiss; no fee required to integrate portfolios
- FactSet’s unique front and middle office portfolio analytics capabilities

ABOUT BURGISS

Burgiss is a global, market-leading provider of data and analytics solutions for investors of private capital. With over 30 years of expertise in private markets, we offer unrivaled data, analytics, and transparency that enable asset owners, asset managers, and financial intermediaries to understand, evaluate, and manage private capital portfolios. With offices in the Americas, EMEA, and Asia Pacific, we leverage our expertise and network to service our clients and focus on their varying needs across regions. For more information, contact us at info@burgiss.com or visit www.burgiss.com.

ABOUT FACTSET

FactSet® (NYSE:FDS | NASDAQ:FDS) delivers superior content, analytics, and flexible technology to help more than 138,000 users see and seize opportunity sooner. We give investment professionals the edge to outperform with informed insights, workflow solutions across the portfolio lifecycle, and industry-leading support from dedicated specialists. We’re proud to have been recognized with multiple awards for our analytical and data-driven solutions and repeatedly scored 100 by the Human Rights Campaign® Corporate Equality Index for our LGBTQ+ inclusive policies and practices.

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