



ABOUT THE FIRM

Known for its industry-leading sustainable investment efforts with a commitment to public equity funds, this global asset manager oversees several billion euros dedicated to impact investing. The firm’s strong European client base includes pension fund managers.



THE CHALLENGE

- Win and retain business
- Develop a science-based methodology to measure investments’ environmental and social impacts
- Demonstrate a portfolio’s positive impact



THE SOLUTION

- Create a repeatable methodology using FactSet’s Revere Hierarchy sector codes
- Develop 300 product-specific models to identify companies with significant positive impacts
- Prove and quantify results associated with investments



THE RESULTS

- Unlocked valuable time savings
- Retained business
- Gained tangible insights into investment effectiveness

Asset Manager Saves Valuable Time by Leveraging FactSet’s Hierarchy with Revenue and Tradenames Data

Partnering with FactSet helped unlock innovative ESG investment analysis capabilities.

THE CHALLENGE

An asset manager sought a way to measure the environmental and social impacts of their investments made on behalf of one of their large clients, a pension fund. The fund needed proof that their investments make a tangible difference, but no scientific methodology to measure the impact of public equities had been created.

The asset manager had to develop an impact measurement approach that touched on a list of themes that the pension fund expressed interest in, such as climate change, air pollution, access to clean water, and access to nutritional foods and health care. Together, they needed to create a simplified but credible approach to communicate the difference their investments made in a real-world context. In addition, they had to supply not only financial returns, but also evidence that the investments help improve human lives, ecosystem health, and more.

They gained insight into how investing in a particular fund translated to saving a specific amount of water, avoiding carbon emissions, or how many patients received treatments for a certain disease from biopharmaceuticals companies.

THE SOLUTION

As the asset management firm sought a solution, they turned to FactSet, ultimately developing a science-based methodology to measure investment impacts associated with [FactSet's Hierarchy with Revenue](#) and [Tradenames](#) data.

With FactSet's seamlessly concurred revenue data, the asset manager researched several hundred companies. In doing so, they could easily identify and categorize impactful products and the companies making them by the pension fund's requested impact themes. In comparison to other providers, the team concluded that FactSet data applied the most consistent logic to both revenue and products globally across all industries, sectors, and technologies; while achieving the level of granularity required to build scalable scientific impact models.

The firm developed 300 product-specific models with significant environmental and social impacts. These impact models can apply to every company that generates revenue in a specific product segment. Furthermore, a single company can be associated with several impact models. For example, large biopharmaceuticals companies can generate revenue related to several major global diseases, such as cardiovascular disease, diabetes, and chronic obstructive pulmonary disease (COPD).

THE RESULTS

After implementation, the methodology unlocked valuable time savings and increased the asset manager's overall credibility. The firm retained their large client and demonstrated the ability to prove and quantify positive impacts associated with their investments using FactSet data. With the new impact models, they gained insight into how investing in a particular fund translated to saving a specific amount of water, or how many patients received treatments for a certain disease from various biopharmaceuticals companies.

The model proved powerful because of the ability to seamlessly aggregate results across outcomes and impacts to measure the total positive impact of the portfolio. Additionally, a successful implementation created an ability to scale models globally across all companies with an identifiable revenue stream assigned to a product impact model. The innovative methodology showed that this type of impact investment research is possible for both public and private companies.

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.

ESG Thematic Revenue Exposure

Evaluate a company's sustainability profile over time.

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ESG Investing

Integrate ESG into your investment decisions.

[GET STARTED](#)