



ABOUT THE FIRM

This global hedge fund manages \$50 billion in assets focused on credit and real estate investments for corporations, endowments, foundations, pension funds, sovereign wealth funds, and individuals.



THE CHALLENGE

- Map ESG scores to investable securities
- Obtain ESG data across real estate, credit, and private investment asset classes
- Access data and tools in the cloud



THE SOLUTION

- Implementation of FactSet's Data Management Solutions with Truvalue ESG data
- Linking of security-level instruments back to company-level ESG data using FactSet's security master
- Instant delivery and access to data in the cloud



THE RESULTS

- Score issuers from an ESG perspective
- Efficient process for ESG scoring can be applied across other credit strategies at the firm

Leading Hedge Fund Leverages FactSet Truvalue ESG Data and Data Management Solutions for Unique Credit Trading Bond Selection Strategy

Fixed income strategy takes on an ESG tilt to elevate sustainable investment selections

THE CHALLENGE

Recognizing a new opportunity to create value for their clients, this hedge fund's leadership planned to develop and launch a new strategy focused on sustainability in the credit markets. The first challenge they faced was that most environmental, social, and governance (ESG) providers score the company as a whole and do not provide any specific indications at the security level. Further complicating the strategy, many credit instruments are issued by private companies and are not covered by traditional ESG data sources. Finally, the firm's primary goal was to build future scale and data accessibility by leveraging Amazon Redshift as its cloud database of choice. Already familiar with Truvalue Labs prior to FactSet's acquisition, firm leadership reached out to see what advantages a FactSet integration might provide.

After implementation, the ability to link from corporate-level ESG scores down to credit issuances saved the firm valuable time and resources.

THE SOLUTION

FactSet provided Truvalue data which differs from many other ESG providers by offering significant coverage for public and private markets. Along with FactSet's entity-based security master via Data Management Solutions (DMS), this powerful combination took ESG scoring to the next level for the hedge fund.

DMS provides transparency into the relationships between an individual credit issuance, the issuer, and the ultimate credit parent via a comprehensive hierarchy built to mirror the legal and operating structure of both public and private companies. This allows the team to link data directly from the company level down to the underlying securities using a single master key. By establishing a link from a security to an issuer through DMS, not only can users view Truvalue ESG scores for the underlying credit instrument, but they can also link any other security-level data back to the ultimate parent or vice-versa.

In addition, FactSet's delivery-agnostic approach and close partnerships with various cloud vendors provide multiple avenues for receiving data, including no copy shares. Without having to load and transform data, instant access allowed users within the firm to immediately build and scale their new workflow.

THE RESULTS

After implementation, the ability to link from corporate-level ESG scores down to credit issuances saved the firm valuable time and resources. Instead of analysts manually linking individual credit instruments, FactSet's DMS is doing it for them.

Along with the ability to access ESG data through Redshift, the firm can benefit from supplemental cloud-based datasets such as FactSet's Financial Statement database and Terms and Conditions to boost its scoring workflow even further.

Having increased the capacity for its ESG strategy, considerations are underway to expand FactSet subscriptions to other strategies within the firm. Several teams across the organization are interested in FactSet's broad universe of public and private companies, wide range of asset classes, and powerful DMS linking capabilities for their investment selection and credit strategies.

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 Investing Solutions

Power your ESG strategies with industry-leading data, analytics, research, and expertise.

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Data Management Solutions

Integrate disparate data using a master identifier.

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