



What does dynamic portfolio reporting enable you to do:

- **Evaluate client portfolios accurately and confidently** by modelling multiple scenarios. Analyse portfolio behaviours under varying assumptions about market conditions and asset allocation.
- **Empower decision makers** as they can access information when they need it, in the uniform format and level of detail required; regardless of multiple core applications, i.e. portfolio accounting for different asset classes.
- **Centrally manage a base of common business information** such as market data and standard scenarios, which is accessible for users to build individual spreadsheets for particular client requirements.
- **Ensure accurate information, regardless of application, source or format** by accessing and managing disparate data – even third-party data from trading and market data systems. Automatically apply embedded data quality techniques.
- **Ease regulatory compliance and increase appeal to new investors** with complete transparency and traceability, due to self-documenting processes and visual workflows that let you track data from final reports.

Dynamic Portfolio Reporting

Go beyond static reports to engage your clients in a genuine dialogue about their portfolio risk-return

Investment in new and changed risk control is inevitable. Public awareness of the 2008 banking crisis has brought new regulatory imperatives. Existing initiatives such as Basel II and MIFID remain relevant but are seen as insufficient in coverage.

The change in climate coincides with the start of the long-predicted gradual decline in financial services sector margins. Existing sacred cows such as best-of-breed information islands, IT silos for new asset classes, and investment at all costs in emerging products are under scrutiny.

Your non-optional, often regulator driven, investment in risk management can be exploited to improve operational excellence in buy-side client management. There is no better example than the increasingly appreciated area of spreadsheet remediation. Spreadsheets, indeed, exemplify all the characteristics just noted: islands of information, fragmented IT support, and diverse IT resources in newer, faster-evolving asset classes.

Hedge funds, asset managers and wealth managers use spreadsheets to manage a wide range of complex portfolio strategies. Spreadsheets offer real advantages of initial speed and flexibility. Further downstream these spreadsheets become an ongoing record for monitoring and managing the portfolio position.

However, internal and regulatory pressures have exposed some drawbacks in the use of spreadsheets including:

- Human errors such as copy and paste inconsistencies between worksheets.
- Lack of transparency in the management of data and portfolios.

- It is not always clear where reports and key metrics originate and how they were derived.
- The burden of maintenance for existing spreadsheets interferes with changing the business.
- Limited flexibility makes it difficult to generate new strategies and grow the business.
- Difficulties in auditing spreadsheet use are an issue for regulators and clients.

SAS has a number of tools to support a strategy for spreadsheets. The approach is evolutionary not revolutionary – specialists such as fund managers, client managers and analysts can keep using the familiar spreadsheet environment. In this setting, they can still add value specific to each client, fund or asset class.

How SAS can help

SAS® Enterprise Guide® offers graphical access to analytics. It enables risk information to be used as the basis for both backward-looking and forward-looking portfolio discussions. Yet there is no need to write code.

SAS® Enterprise BI Server provides the graphical design capability for web based reports, portals, self service, KPIs and more.

SAS® Add-In for Microsoft Office is the seamless link to the other elements. It allows investment professionals to mix and match the familiar power of Excel with the complementary strengths of SAS.

Flexibility and an individual approach combine with an auditable, scalable platform.

SAS® Enterprise Data Integration

Server allows the construction of ETL flows in a graphical environment. This supports the rapid development of well documented, high performance, production quality interfaces.

The data required to support all spreadsheets and other means of access can be assembled reliably, in the right format for action. The data integration effort is supported by numerous other capabilities, such as data cleansing and integration to CRM applications such as Siebel.

SAS² Risk Dimensions² adds scenario modelling based on the same powerful risk engine at the heart of numerous risk installations in the financial services industry. Yet here too coding is not needed. You can even choose a managed service if you do not want to bring market data provision in house.

The firm benefits from economies of scale and division of labour. Client advisors or asset class specialists produce tailored support for customers and sectors. Analysts maintain common models and algorithms. IT support staff feed the whole process with high quality, consistent underlying data.

Reports and model output can be included in diverse documents. PowerPoint client presentations, Word documents for board meetings or PDFs for the website can all embed common SAS results. These can then be updated consistently and reliably, either periodically or on demand.

How Dynamic Portfolio Reporting is different with SAS®

With SAS, all the elements use the same metadata and are integrated. This gives the traceability, data governance and auditing that are all essential in today's asset management landscape.

With SAS, analytics does not just mean smart or pretty reporting. It means an immense array of powerful statistical and other mathematical techniques. These can be deployed from within the graphically designed flows and reports. However, the generated SAS code is always accessible.

So you can have the best of all worlds. You get the productivity, traceability and auditing benefits of a rapid development environment. You get the assurance of high quality data made possible by an industry leading specialist solution. Within all of this, you can implement exactly the models and metrics that your investment strategy and asset coverage demand.

Finally, because SAS analytics is much more than just business intelligence, you can move beyond reporting, however well crafted. You can evolve from rear view reporting, to forward looking predictive optimisation of your business:

- Produce standard investment management measures such as Sharpe Ratios and Hedge Ratios, from uniform, soundly based data, despite variable coverage of different asset classes by existing IT systems.
- Drive these measures into predictive optimisation and what-if reporting with the interactive convenience of an Excel environment.

“Only by calculating measurements of absolute and relative risk, such as the VaR [Value at Risk] or the Expected Shortfall, can we respond to the two fundamental questions that every capable portfolio manager needs to ask: ‘Am I able to preserve the capital?’ and ‘Am I able to beat the benchmark?’”

Francesco Betti
Head of risk management
Aletti Gestielle

- Include portfolio management techniques beyond the scope of traditional business intelligence such as displaying efficient frontiers.
- Calculate and display performance attribution even for a portfolio whose investments span too many asset classes to use the functions in a single portfolio management system.
- Perform portfolio optimisation even where, once again, the data is not in a single system with a pre-defined set of optimisation processes. You can choose the exact approach instead of conforming to a single standard. As always, whatever you do, you can exploit, distribute or display the results in spreadsheets, presentations and other document formats.
- Obtain, merge and clean all the data to support these high-end activities using the robustness and centrally managed consistency of the SAS platform.



THE
POWER
TO KNOW.

SAS UK WITTINGTON HOUSE HENLEY ROAD MEDMENHAM

MARLOW BUCKS SL7 2EB +44 1628 486933 WWW.SAS.COM/UK

SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc. in the USA and other countries. © indicates USA registration. Other brand and product names are trademarks of their respective companies. Copyright © 2008, SAS Institute Inc. All rights reserved. 829UK1109