



Business impact:

“We can run reports through SAS from Microsoft Office, and into the portal. This has meant real operational gains – significant savings in time and effort. Putting the data where people actually worked made a big difference.”

Richard Macaskill
Managing Director
IT & Systems Development
Millennium Global Investments

Multi Asset Class Trading

Close the gaps between asset class based silo systems, to launch new funds faster and control risk

Hedge Funds and similar firms typically use a mixture of legacy applications. In addition, there are many in-house built reporting databases, spreadsheets and point to point interfaces.

These fragmented resources are used to manage a range of complex funds and portfolios. Spreadsheets offer initial speed and flexibility. Legacy applications are usually in place because they were best of breed or quickest to market at the time.

This generally happens each time a new asset class is needed to support the firm's offerings to its clients. The challenges that accumulate in this kind of environment include:

- Growing revenue, e.g. by new fund launches. This tends to run into IT bottlenecks.
- Fulfilling regulatory and product control requirements. There are delays to build new core applications for new asset classes.
- Differentiating fund offerings. There is a need to show the varying effects of risk and return in specific settings where the client might use these funds.
- Launching, managing and reporting on increasingly elaborate funds. This is hampered by the limitations of legacy applications e.g. fund accounting.
- Assuring regulators and clients that reporting and risk management mechanisms reflect the firm's offerings in a coherent way.

How SAS® can help

SAS customers in such areas as overlay fund management, and on the sell side, have already found the value of a number of SAS technologies. To support the rapid development of multi asset class

business lines, the key technologies include:

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 i.e. data cleansing and integration to CRM applications such as Siebel.

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, scaleable platform.

SAS® Risk Dimensions® adds scenario modeling based on the same powerful risk engine at the heart of numerous risk installations in the financial services industry. Yet here too no coding is 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.

With multi asset class trading support from SAS, you can:

- **Centrally manage a base of common business information** such as market data and standard scenarios. This is accessible for fund managers to build individual spreadsheets for particular points in the life cycle of a fund.
- **Empower decision makers** by accessing the powerful SAS engine from their familiar spreadsheet environment. For traders through to analysts to senior management, users are able to access the information they need, when they need it, in the uniform format and level of detail they require. This is regardless of multiple core applications such as order management or investment accounting for different asset classes.
- **Enable managers to control and explain fund characteristics** accurately and confidently by modeling multiple scenarios to analyse portfolio behaviours. They can apply varying assumptions about market conditions

and portfolio content, using the powerful analytic capabilities of SAS.

- **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 is accessible. Automatically apply embedded data quality techniques.
- **Ease regulatory compliance and appeal to new investors** with complete transparency and traceability, made possible by self-documenting processes and visual workflows that let you track data from final reports, all the way back to the source.

How Multi Asset Class Trading is different with SAS®

With SAS, all the elements use the same metadata and are integrated. This allows traceability, data governance and auditing. They 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 statistical and other mathematical techniques. These can be used from 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 an integrated environment. You get the assurance of high quality data from a leading specialist solution. Within this, you can implement exactly the models and metrics that your house style and fund compositions demand.

Finally, because SAS analytics is much more than just business intelligence, you can move beyond rear view reporting, however well crafted. You can evolve 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.
- Include portfolio management techniques beyond the scope of traditional business intelligence such as displaying efficient frontiers.
- Calculate and display performance attribution even for a fund spanning too many instrument types to use the functions in a single fund management system.
- Perform portfolio optimisation even where, again, the data is not in a single system with pre-defined optimisation processes. You can choose the exact approach instead of conforming to a single standard. As always, whatever you do, you can 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
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