



GLOBAL DATA

EUROPE-BASED GLOBAL ASSET MANAGER

**A mid-size global asset manager based
in Europe uses FIGI to manage corporate
actions & to trade more efficiently.**

 **OpenFIGI**

Bloomberg

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BUSINESS SITUATION

A Netherlands-based asset manager that manages global equities, convertibles and fixed income (corporate and sovereign) asset classes, faced several problems because of issues in existing symbology systems. Among those were: tradability of equity portfolios; exposure reporting; corporate actions; and quantitative equity factor back-testing.

To solve these problems, the firm adopted the Financial Instrument Global Identifier (FIGI) in and for its databases and processes, leading to significant time savings, efficiency gains and higher transparency in investor reports.

CHALLENGE

The firm faced a number of challenges prior to implementation of FIGI. First, the tradability of equity portfolios – the firm's models construct theoretically optimal portfolios based on each share's primary listing. However, the primary listing might not have sufficient liquidity or it might be based in a country where it is impractical for the firm to trade.

Another challenge arose around exposure reporting – the firm provides its clients with reports of portfolio exposure relative to its proprietary industry segmentation across all asset classes. To do so, all financial instruments had to be linked to their issue entities; prior to the adoption of FIGIs, this had been very complicated and required significant time and effort.

Corporate actions presented another challenge, as often various identifiers (such as tickers, ISINs, SEDOLs, etc.) could change in response to corporate actions. Such possible changes complicate security master management and also make necessary, but very difficult, the maintaining of proper historical records for quantitative equity factor back-testing. The firm's record maintenance process was very convoluted and relied on proprietary identifiers.

SOLUTION

The firm decided to adopt FIGIs provided free of charge via the established Data License packages and on the Bloomberg Terminals® installed at the bank.¹

The team developed the knowledge and protocols over the course of 2015-2016. The adoption of the processes using FIGIs took a few months due the number of applications that had to be recoded.

For example, FIGI was used to link all exchange listings to the corresponding share classes and then to link the share class equities to their issuers. This structure provides the ability to choose the most appropriate equity listing for each company, thus optimizing the tradability of equity portfolios.

FIGIs were also used to quickly and easily link all instruments to the respective issuing entity regardless of asset class. This created transparency in the investor reports.

The firm now uses FIGIs to track securities after corporate actions, for instance, changes of ticker and identifier (e.g., SEDOL, ISIN). The firm even uses FIGIs to determine the Bloomberg ticker of the acquirer of one of its holdings. This has enabled the firm to process certain corporate actions automatically.

Finally, FIGIs allow connectivity to the securities in factor data updates to the companies already in the database, which streamlines historical data management and improves the back-testing process.

RESULTS

In the words of a senior manager in the Research & Structuring department: "We have found no other symbology system that can match the benefits of OpenFIGI. We can track securities after corporate actions, link updated time series data to previously downloaded data sets, easily compute exposure to issuing entities across all asset classes and easily determine the universe of equity options available for a given set of tickers."

¹ The mapping to FIGIs is also available free of charge via the OpenFIGI API; it can be found here: <https://openfigi.com/api>.

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As a result of adopting and implementing FIGIs, the activities that use this system have become more efficient, freeing up the firm's personnel to give time to other activities.

Finally, error rates have gone down markedly; the result: delivery of a higher-quality product to clients.

ABOUT FIGI

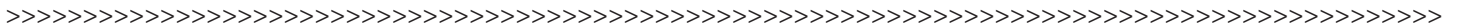
The Financial Instrument Global Identifier (FIGI) is an open data standard for identifying financial instruments across the globe. FIGI is more than a code — it is the methodology and system for defining how data is related, and how that information is conveyed. Defined and issued by the Object Management Group, Bloomberg was nominated to be the Registration Authority and a Certified Provider for the standard. The FIGI is a comprehensive, open and unchanging identifier that helps financial market participants, third-party data providers, exchanges, governments, settlement agencies and regulators improve connectivity, interoperability, transparency, and efficiency in the financial market place. Now available to the industry at no cost, OpenFIGI.com provides direct access to multiple tools for identifying, mapping and requesting free and open symbology datasets.

ABOUT OMG

The Object Management Group® (OMG®) is an international, open membership, not-for-profit computer industry standards consortium, with representatives from government, industry and academia. OMG Task Forces develop enterprise integration standards for a wide range of technologies and an even wider range of industries. OMG's modeling standards enable powerful visual design, execution and maintenance of software and other processes. Visit omg.org for more information.

LEARN MORE

Visit FIGI <GO> on the Bloomberg Terminal® or OpenFIGI.com. Contact support @OpenFIGI.com with inquiries regarding FIGI integration.



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