

## Factsheet – Fusion Invest Performance Attribution

# Bringing new clarity and efficiency to portfolio management

With performance attribution fully integrated into the Investment Book Of Records (IBOR), teams can collaborate more easily, reducing costs and improving efficiency. Fusion Invest brings firm-wide transparency and uses future-proof market-standard methodologies.

Low interest rates, increased competition and the need for transparency are driving demand for better analytics from both investment managers and their clients.

Reporting needs to be automated as much as possible to take the pressure off performance officers, yet must also flex on demand to accommodate the needs of portfolio managers and clients. And to stop the endless debate between front-office and performance reporting teams, it is essential to be able to easily check for errors and explain absolute and relative returns and contributions resulting from portfolio managers' investment decisions.

At the same time, market professionals are focused on generating alpha, which in many cases today means taking a broad perspective across asset classes including fixed income, alternatives and listed, cleared and OTC derivatives.

Success in this model depends on a cross-asset solution backed by a multi-asset performance engine, and a flexible methodology for performance attribution. In a market where efficiency is a crucial point of difference, it is essential to be able to capture and produce analytics for direct investments and delegated portfolios, offer oversight and drill down into portfolios and assets.

### Introducing performance attribution from Fusion Invest

Fusion Invest offers an all-in-one multifunction solution that enables you to compute, analyze and report performance indicators on any type of portfolio, for example a fund, strategy or group of funds.

It explains both the absolute and relative performance of portfolios compared to single or multiple benchmarks. Excess returns over benchmark can be broken down into asset allocation and security selection.

For multi-asset portfolios, the instrument return of funds and benchmarks can be split into flexible market data "effects", e.g., time, yield curve, credit spread. For fund of funds portfolio managers, in certain conditions, a look-through option makes it possible to break down further exposures and sources of performance according to the chosen methodology.

# Key benefits

- **Transparency and ease of access for the front office.** Up-to-date returns, contributions and attribution analytics are instantly available from the Portfolio Manager dashboard, alongside risk and exposures, to support effective portfolio monitoring and validation of investment decisions.
- **Ability to evaluate performance measurement and attribution** for any standard or internal classifications.
- **Operational efficiency for all.** Front office and performance officers have full transparency on results and data used for calculation from a dedicated analysis dashboard.
- **Fully integrated into the Investment Book Of Records (IBOR).** No need to reconcile data with other systems. Market data, trades, positions and corporate actions are directly accessible in the solution and used in performance calculation inputs. All users can see the same data and collaborate on building the true golden copy at any point in time.
- **Performance measurement calculation with the widest asset class coverage in the market.** Front-office professionals can quickly onboard new asset classes to pursue alpha generation or to hedge portfolios.
- **Open, modern technology.** With RESTful APIs, the solution is accessible to business intelligence tools such as Power BI for company-wide or dynamic client reporting, and the building of custom apps.
- **Connectivity.** The solution offers standard connectivity to data providers, especially for benchmarks, and its data quality tools improve the efficiency of middle office and performance reporting teams.

# The perfect solution for portfolio managers

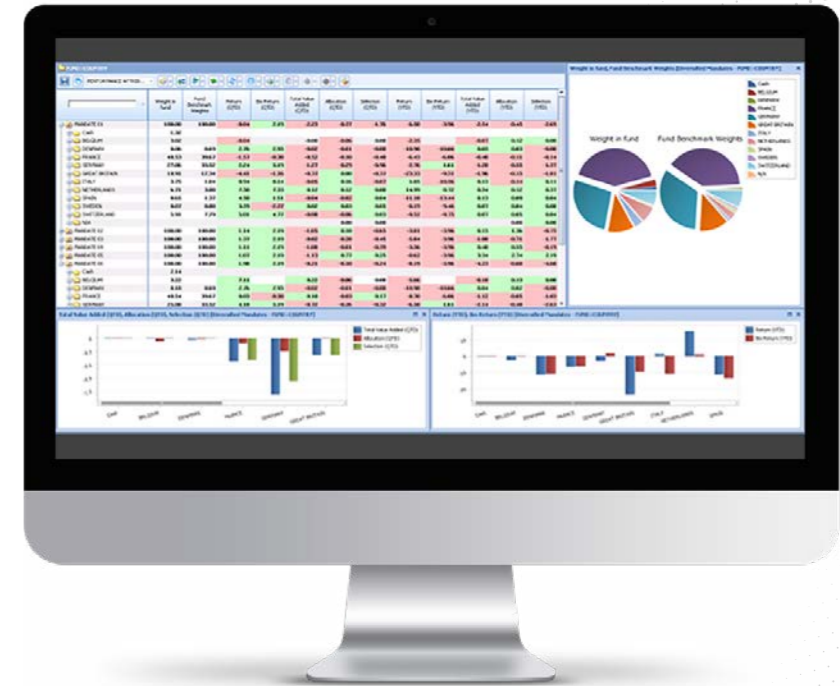
Portfolio managers need to analyze their past returns with a set of criteria, for example sector, country breakdown, ESG classifications, duration/maturity buckets, ratings, or any custom classifications. These should be consistent with those used during the investment decision process.

Using Fusion Invest, managers can analyze impacts on the relative and absolute performance of portfolios using the same data used for investment simulation and validation. And unlike in many performance solutions, Fusion Invest provides access to synthetic results directly from portfolio dashboards, without the need to wait for end-of-period reporting. And collaboration and efficiency is enhanced by the ability for portfolio managers to drill down transparently into results using the same tools as performance officers.

## Multi-asset methodologies available

The solution supports different portfolio and strategy types via a wide range of methodologies:

- Brinson-Fachler allocation/selection effects.
- Multi-asset performance attribution effects.
- Trading return (Transaction Fees return and Execution price return).
- Price source return explaining potential different sources of prices between funds and benchmarks.



Portfolio management dashboard

# Understand your returns and explain investment choices using performance attribution in Fusion Invest

Equipping performance and reporting officers with the perfect solution for producing performance analytics efficiently.

Performance and reporting officers are under pressure. Portfolio managers always need fast answers to their questions on performance analytics – and there is also operational pressure to deliver timely official performance reports to investment management firms and investors.

Fusion Invest is the answer to these challenges. It exposes all analytics produced and provides the tools to explain them to both the performance and reporting team and to portfolio managers. This enhances collaboration, so users can more quickly identify and correct issues and validate results.

## Reference against all your market and custom benchmarks

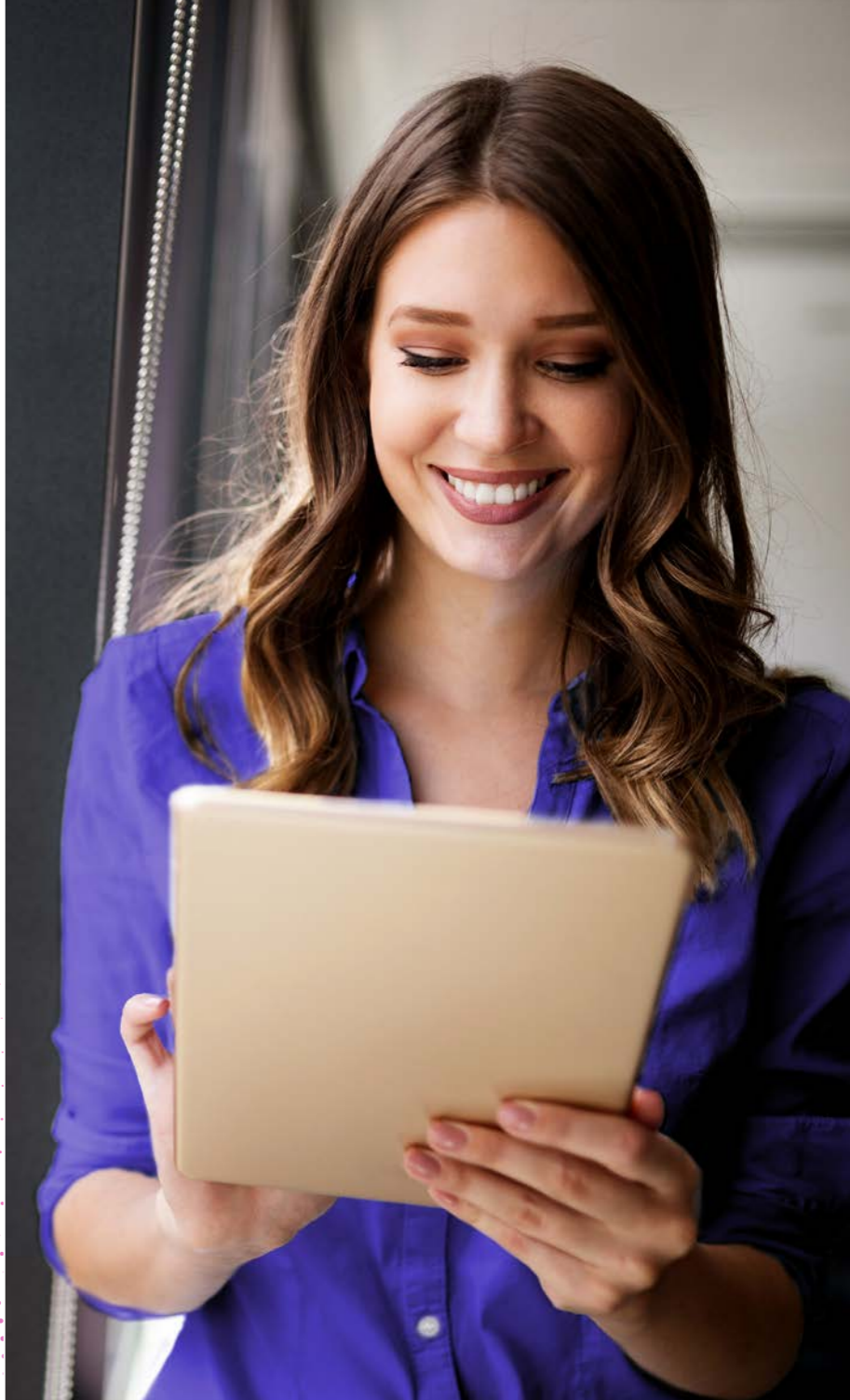
Alongside traditional market indices, Fusion Invest's benchmark designer allows for defining custom benchmarks (composite benchmarks; carve-out benchmarks ignoring certain components or sectors), dynamic benchmarks, hedged benchmarks, and even benchmarks based on real portfolios.

Performance analysis can be run against one or multiple benchmarks over time. Standard connectivity to data providers and data quality tooling supports the automation of the regular benchmark composition update.

## Meet internal and external reporting requirements

Fusion Invest's performance measurements enables customers to comply with GIPS standards. It produces both the time-weighted returns adjusting for external cash flows generally required and the money-weighted returns needed for non-liquid investments.

A RESTful API is also available to exploit performance measurement data outside of Fusion Invest. Returns, contribution, Brinson and multi-asset effects can therefore be made easily available in any BI tool or custom app.





Performance dashboard

### Analyze your returns for performance and reporting users

Fusion Invest embeds a powerful performance dashboard allowing access to more detailed performance results. Users can control performance and attribution results on aggregated and daily sub-period levels on any portfolio and benchmark and on any time period.

On multi-currency portfolios and benchmarks, returns and contributions are broken down into instrument and FX returns and contributions with detailed results that are accessible at component level.

Further, instrument returns and contributions can be decomposed by the various sources of risk selected for the portfolio (e.g. roll down, shift, twist, spread). A configurable look through option makes it possible to drill down into portfolio results on selected assets.

Ultimately, users can access all the underlying calculation data such as transactions, market data used, life cycle events and corporate actions.

For their contribution and attribution analysis, users can also flexibly select the aggregation keys they are interested in at point of analysis (e.g. sub-strategy, country of risk, rating, ESG classifications) or whether to take fees into account for analysis, whilst displaying the best and worst contributors over a selected period.

The transparency offered by the performance attribution dashboard not only aligns investment and reporting/performance teams better, but can also be used for enhanced data quality control, enabling greater analysis to identify potential data issues, correct them and re-run the calculation on only the period impacted.

### Aggregate performance attribution across multiple portfolios in one dashboard

Fusion Invest provides the ability to carry out performance attribution across several portfolios at the same time. In the context of mandates, it enables users to consolidate the different portfolios, calculate performance attribution for the aggregation and display the results in the portfolio manager dashboard.

For more information on how we can help you optimize performance attributions operations, please contact us at [capitalmarkets@finastra.com](mailto:capitalmarkets@finastra.com) or visit: [finastra.com/investment-management](https://finastra.com/investment-management)

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