tendelta

Portfolio Compliance Reporting & Optimization
Buy-Side Syndicated Loan Asset Manager
Duration: 5 months

Overview

A buy-side client required a solution to apply complex 'what-if' portfolio mix compliance rules to both pipeline and held positions, as well as produce branded internal and external reporting. The client was utilizing both the Everest (Black Mountain Systems) and CDO Suite (Deloitte) environments. The data management and workflows had to be designed to address the need for real-time feedback from resource (calculation) intensive operations.

Business Goals

Implement a process and system solution to meet the following needs:

1. Compliance Rules-Based Analysis Engine:
   - Restructuring and reorganization of an asset data 'API' to facilitate more efficient compliance calculations
   - Optimization of derived asset-specific (e.g. country of risk) and portfolio-specific (e.g. notched ratings) reference data
   - General optimization of the compliance engine, including pre- and post-trade management
   - Consolidation and optimization of 'numerator' and 'denominator' limitation calculations
   - Development of complex compliance rules, based on various data dimensions or business application
   - Modeling methodology for hypothetical trade scenarios
   - Construction of pre-compliance real-time 'as-you-type' validation utilities to determine asset availability

2. Internal and External Reporting:
   - Branded internal and client reports
   - Parameterized and real-time configurable reports
   - Schedule-based reporting
   - Third party reporting tool integration with Everest infrastructure

Business Challenges

Systems Integration
   - Understanding the transformation methodology and mechanisms for data exchanged between the order management system (Everest) and other internal and external systems.

Process Change Management
   - Resources required training in order to utilize and support compliance engine development and reports.

Value Proposition

Consulting and Project Management
- Provide insights into the design, development, and execution of the solution.
- Coordinate implementation efforts, communication, and procedural development for staff.
- Ensure completeness of testing and delivery of solution.

Solution Design
- Design approach informed by TenDelta's decade-long firsthand experience developing solutions within the Everest environment.
- Development driven by a profound knowledge of the syndicated loan space, from a buy-side perspective.
- Deep understanding of data transformation and process optimization, as well as system integration.
- Extensive experience with 'panel'-style visualization tools development.

Outcome

TenDelta helped shape a nimble tool with layers of clear data transformations, with a focus on:
- minimal execution times
- the ability to handle data loads which were orders of magnitude higher
- abstracting away complex logic into re-usable data components, where possible

With the level of complexity around data management at the portfolio, asset and issuer levels, it became increasingly important to document the source, transformation and eventual utilization of these data points.

'Data matrices' were designed to ease future development (and control) of these APIs. The client has since extended the interfaces to deliver solutions to even more complex compliance scenarios.