

What is Data Management?

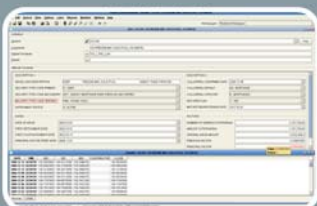
Data Management builds a crucial link between data vendors and end users



A complete data management solution like enables four major activities:

- 1 Acquisition and aggregation of vendor data across multiple internal and external sources
- 2 Normalization and validation of aggregated data to remove inconsistencies
- 3 Consolidation and enrichment of normalized data into a clean master dataset ("Golden Copy")
- 4 Distribution of enriched data to core business applications and end users

What data are we talking about...



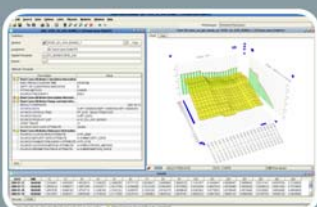
Products

Equities – Fixed Income – Options – Futures – Derivatives



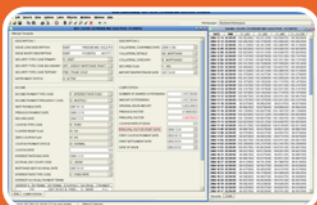
Legal Entities

Identification – Parent – Subsidiary – Ownership - Address



Prices

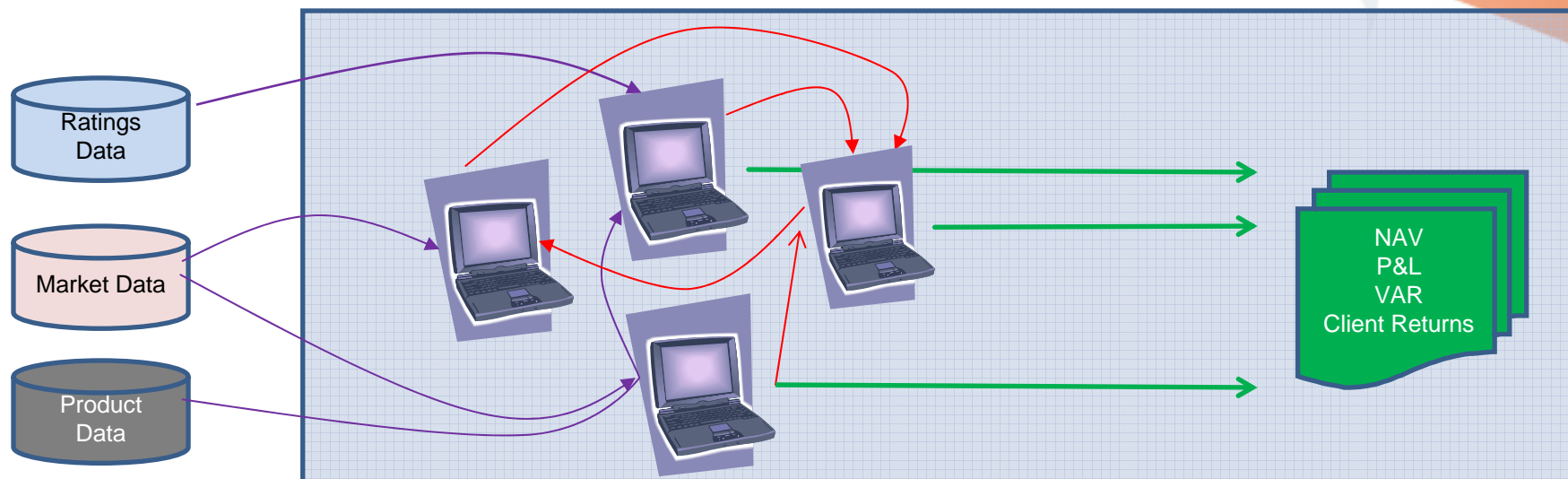
Open – High – Low – Close - Rates – Tenors – Vols – Yield curves

A screenshot of a financial data application interface showing a table of corporate actions. The table has multiple columns, including dates, company names, and details of the actions. The interface is designed for tracking and analyzing corporate events.

Corporate Actions

Dividends – Splits - Announcements

Current State of Data Management



Challenges in this current state of data management:

- Lack of data standards and formats
- Lack of structure and process in Data collection
- Lack of checks and controls on the data
- Lack of monitoring and exception handling on incoming data
- Lack of structure around managing and distributing data

Leads to a spaghetti architecture..

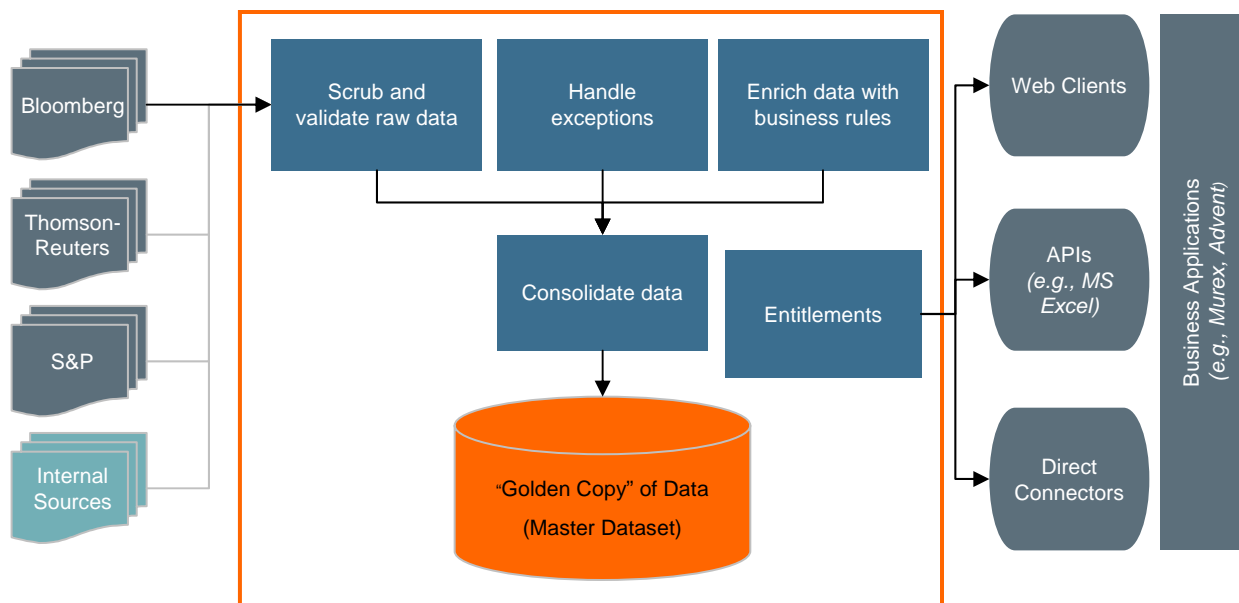
What effects does this have?

- To calculate Value at Risk – all assets need a price
- To calculate Net Asset Value – all assets need a price

What is the firm's pricing policy?

- What are the pricing rules on an asset class basis
- What are the price types and static data used for pricing
- What are the pricing validation functions to check the data
- What are client specific / client required pricing functions

Data Management Processes

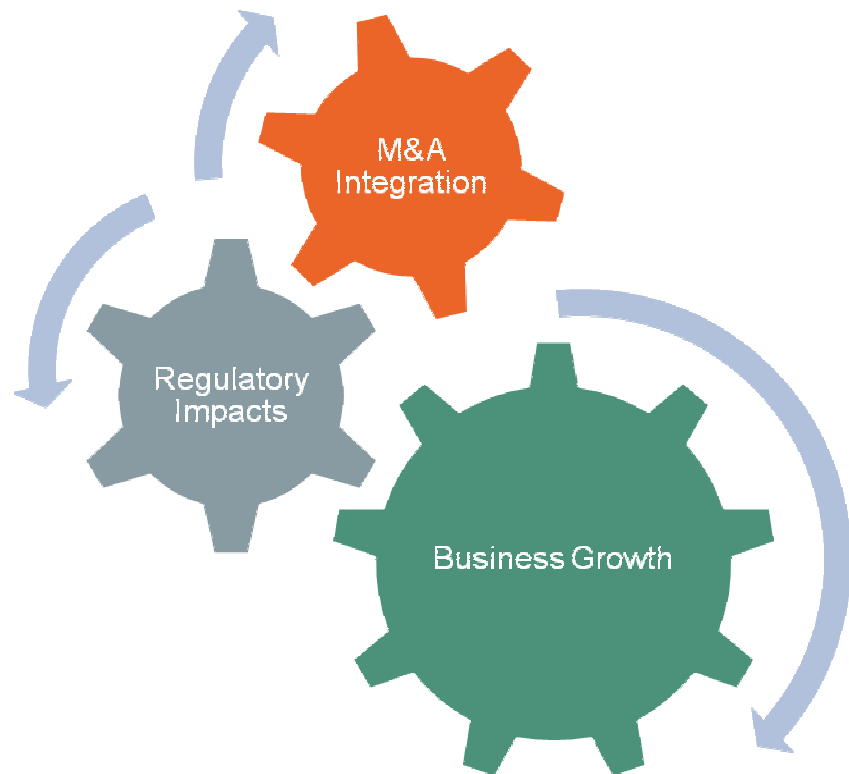


- **Research – Equity, Credit, Market research for investment purposes.**
- **Market Risk requires quality pricing data from multiple sources for P&L, Product Control, and Risk Factor Inputs (e.g. correlations and volatility smiles).**
- **Credit Risk requires standardized and validated legal entity, corporate hierarchy, and ratings information.**
- **Operations requires security master and corporate actions data for trade processing.**
- **NAV calculation for mutual funds require quality controlled pricing data.**

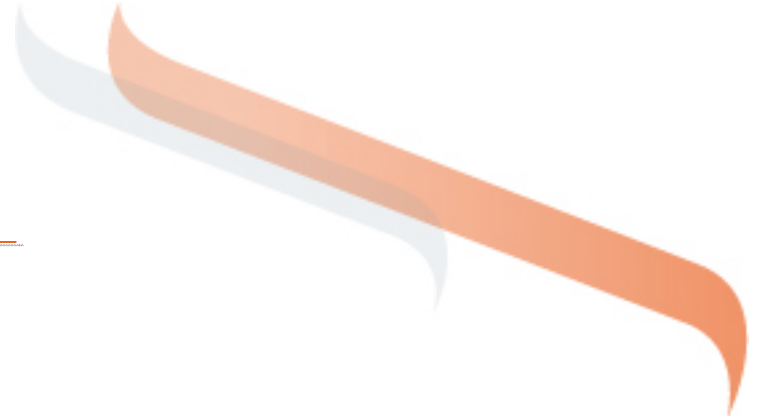
Growth and Cost Reduction

Key Business Drivers for Data Management

- Firms take on additional infrastructure, systems, and data.
- Market Risk management and effective VAR calculation requires good data.
 - “Garbage in- Garbage out”
- Growing the business requires new systems for new products and markets
 - Market & Credit Risk
 - Fund Pricing & Accounting



Thank you



Any Questions

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