

# Data Management

Performance Measurement Forum  
November 30, 2023

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# BACKGROUND / LEVEL-SETTING

- What is “data” (in the context of investment performance/analytics/risk) and why do we need to manage it?
- If it’s so important (and most people agree it is), *how* do (or should) we manage it??

*Data is both the solution and the problem; critically essential and challenging to get right<sup>1</sup>*

<sup>1</sup> Natural Allies: Investment Performance and the Data Office, Meradia (Laurie Hesketh, CIPM, PMP and Andrew Jacob, CFA)

# DATA, DATA EVERYWHERE ...

- Examples of data as inputs utilized by performance teams
  - Securities and their characteristics (country, sector/industry, other factors)
  - Positions owned
  - Transactions (buys/sells, contributions/withdrawals, and corporate actions)
  - Valuations/Pricing

→ Impacts from “upstream” groups responsible for these activities

- Examples of data as outputs from performance teams
  - Performance
  - Attribution
  - Returns-based risk statistics
  - Holdings-based portfolio characteristics

→ Quality controls and processes conducted by performance teams

# DATA MANAGEMENT: WHAT IS IT

- Data management as a noun
  - Departmental function with a team structure and governance
- Data management as a verb
  - Activity which is undertaken by individuals
- Data management as an expletive
  - Something perpetually causing problems and frustrations

# TSG / PERFORMANCE MEASUREMENT FORUM

## DATA QUALITY WORKING GROUP

- Focus was on challenges that inherently exist, and how to manage/mitigate them from a quality and accuracy perspective
  - Primary observations included the fact most errors in performance-related output are due to data quality, rather than errors in the calculations themselves
  - Various recommendations were offered for validating data and limiting the risk of having them impact outputs
  
- Which cause your team and/or your firm the most challenges?

# QUESTIONS FOR DISCUSSION

- What are different firms doing / How does your firm manage data?
  - Governance structure
  - Pain points experienced
  - Best practices or suggestions

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