

# Performance Reporting

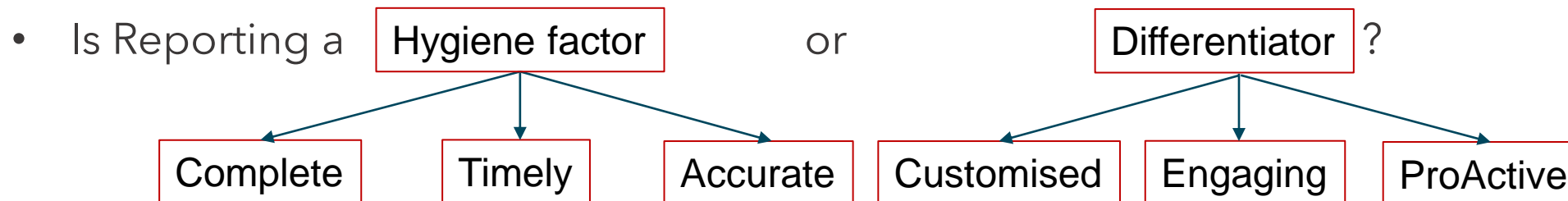
June 27, 2024

# Today's Agenda

- Introduction
- The Reporting Landscape
- Types of Performance Reporting
- Components of Reporting
- How are Reports being used by Clients?
- Operational Models for Reporting
- Reporting Challenges
- Questions

# Introduction

- An Historical Context
- Client Reporting or Performance Reporting?
- Client Reports typically comprise 70-80% performance data or performance-related data
- Consolidation / acquisition of Client Reporting Solutions by performance/ analytics vendors
- Decreasing use of IT resources on reporting
- Increasing use of visualization tools





# The Reporting Landscape

## How automated is reporting now?

- **According to a recent survey\*, only 8% felt that the reporting process is fully automated**
- **68% felt the process is less than 50% automated**
- **Main obstacles faced (in priority):**
  - 1. Inconsistent, quality and format of data**
  - 2. Too many data sources**
  - 3. Timeliness and availability of data**
  - 4. Technology not sufficiently integrated**
  - 5. Budget constraints**



# The Reporting Landscape

## How satisfied are reporting recipients?

- **65% rate reporting quality as average or below par\***
- **42% of investors would divest from a manager *purely* based on client reporting**
- **12% are finding errors and mistakes on a regular basis**
- **59% feel investment reporting is not delivering quality insights or thought leadership**
- **73% would ideally like reporting to be produced/ available daily or weekly**
- **79% of respondents are receiving reports by email**  
**(though 71% are using Portals - presumably in addition)**



# A changing landscape?

## Questions

- **Has the concept of 'Reporting' Performance changed?**
  - **Is 'Reporting' now more about delivering 'Sets of Results' data?**
  - **Has reporting become 'Self-Service'? 61% of A/Ms plan to expand self-service options\***
  - **How customized are dashboards/ Portals?**
  - **Are APIs sufficient? 80% of Asset Owners lacked technical capabilities to ingest\*\***
- **Have Reporting Tools improved?**
- **Are firms using AI in Reporting?**
- **Have 'Reporting cycles' changed?**

\*BNY 2024 Survey: 'The Future of Asset Management'



# A changing landscape?

## According to other recent surveys\*

- **75% of respondents stated that Client reporting budgets would flatline or decrease**
  - **The trend is that Asset Managers, Client Reporting Vendors and Out-source providers have all focused on simplifying Client Reporting**
- **Around 50% of respondents were planning to deliver dynamic reporting capabilities to their clients i.e. making manual/ bespoke reporting the responsibility of their clients**
- **This is also happening within the investment firms themselves with the increasing prevalence of self-service tools**



# Expected in the next 5 years

- 100% Digital Self-Service for end Users
- 100% paperless reporting
- Fully automated translations
- Complex natural language data exploration

## Highest Impact factors:

- Cloud Shared Infrastructure
- AI/ genAI tools

## Other:

- Usage Metrics for Reporting



# Types of Performance Reporting

## External Reporting

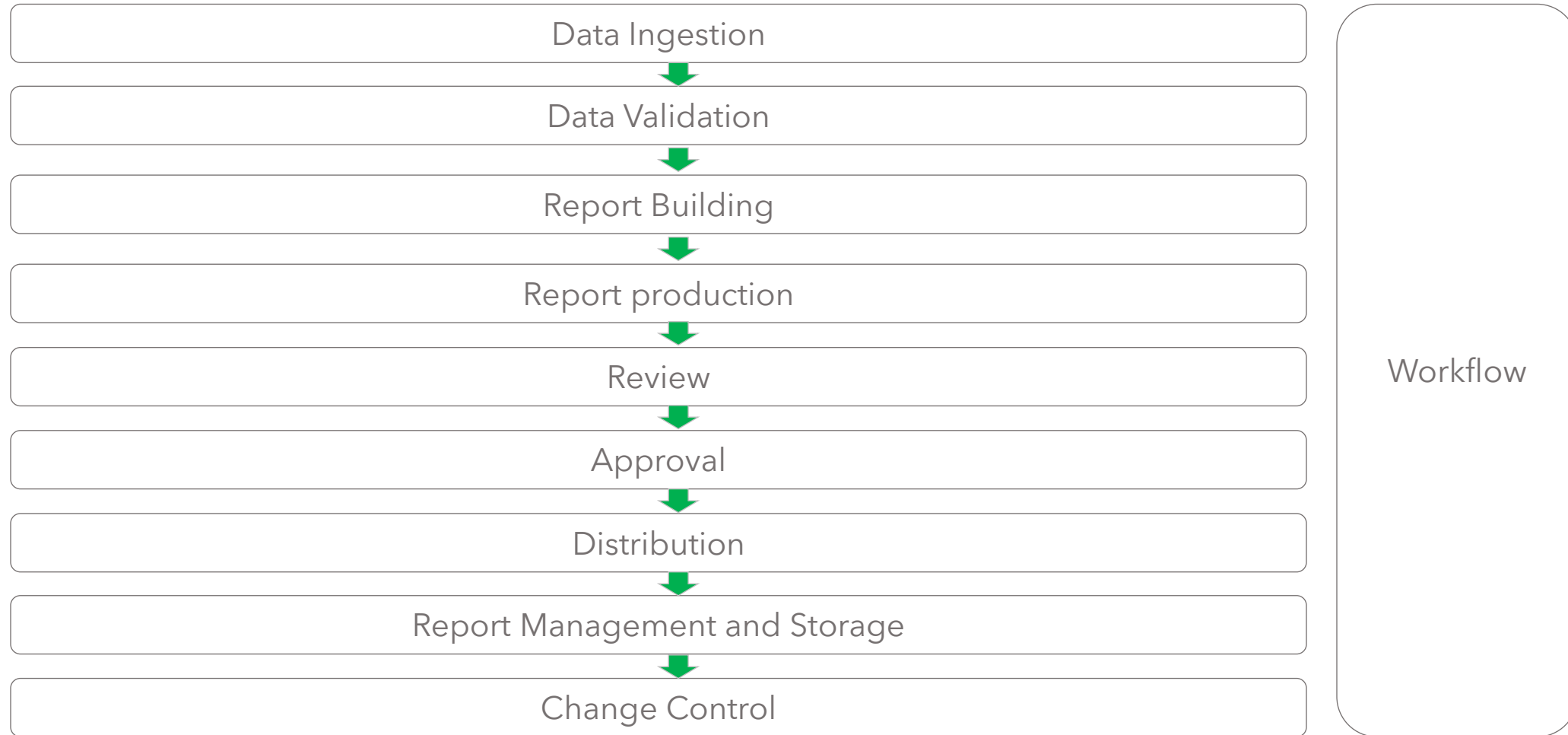
- Regular Client Reports (e.g. Quarterly Reports)
- FactSheets (Retail funds) and KIIDs
- GIPS Reporting/ Regulatory (ESG: SFDR, TCFD etc)
- Peer Group Reporting
- Portals / Dashboards
- Ad-Hoc Extracts/ Spreadsheets/ Consultant databases

## Internal Reporting

- Management/ Board Reporting
- Ad-Hoc Reporting
- Self-Service dashboards



# Reporting Components





# How are Reports being used by Clients\*?

- To prepare for external manager meetings
- Sharing with internal stakeholders
- Centralising in a database
- Used in spreadsheets/ ad-hoc models
- As is for presentation to the Board etc.

## State of Play

- 41% require manual collection/ collation (vs 44% automated)
- 74% are assessing new models for delivery (Snowflake, databricks etc)
- 94% would find real-time data in Portals valuable



# Operational Models

	Examples	Considerations
Specialist Software	<ul style="list-style-type: none"> <li>– FactSet Vermilion</li> <li>– FactBook</li> <li>– Kurtosys</li> <li>– SS&amp;C Vison FI</li> <li>– Assette</li> <li>– Simcorp</li> <li>– Clearwater</li> <li>– Neoxam</li> </ul>	<ul style="list-style-type: none"> <li>Cost</li> <li>Customisation</li> <li>Platform Integration</li> <li>Workflow</li> </ul>
Managed Service	<ul style="list-style-type: none"> <li>– Opus Nebula 'Reporting as a Service'</li> <li>– Deloitte</li> </ul>	<ul style="list-style-type: none"> <li>Data Integration</li> <li>Customisation</li> </ul>
Out-source	<ul style="list-style-type: none"> <li>– BNY Mellon</li> <li>– State Street</li> </ul>	<ul style="list-style-type: none"> <li>Integration with firms' Operating model</li> </ul>
Generic Software	<ul style="list-style-type: none"> <li>– Tableau</li> <li>– Power BI</li> <li>– MicroStrategy</li> <li>– Seismic</li> </ul>	<ul style="list-style-type: none"> <li>Data Integration</li> <li>User experience</li> <li>Development</li> <li>Entitlements</li> <li>Navigation</li> </ul>

# Key challenges



## Data



- Coverage of all Asset Classes, including Private Markets



- Data Quality / data stewardship



- Compliance, licensing and entitlements for benchmark data etc.



- Timeliness of data e.g. Private Markets



- Transparency, audit trail and Data lineage

## Deadline management



- Automating the workflow



- Restatements



- Controls and Approvals

## Regulatory challenges requiring new calculations



- E.g. SEC Marketing Rule

## Monitoring Report / Data Usage



- How to determine whether reports are useful and still being used by Clients



- Keeping clients informed / educated re: new reports etc.

## Consistency



- How keep data consistent across potentially multiple Performance and Client Reporting platforms



# Discussion Questions!

## Organisation and Management

- How are your Performance and Reporting teams organized – separate teams or a joint team?
- What do you see as the biggest challenges in reporting performance?

## Operating Model

- Do you out-source any of your performance reporting?
- Do you provide a self-service model for access to performance results for internal stakeholders? Who manages these tools?
- Do you provide a Portal and/or self-service model for access to performance results for your clients/ external stakeholders?
- Are multiple / hybrid solutions being used?
- Do you use a Data Lake to stage the performance data?
- How to create valuable investment insights & content faster?

## Reporting solutions

- Do you utilize a specialist Client Reporting platform in your firm? If so – which one?
- If not, how do you report and distribute performance
  - Externally
  - internally
- How do you manage new requests for reporting?
- How integrated are your performance and client reporting platforms?
- Are Report Books a thing of the past?
- Ensuring reporting is part of overall client experience (CX)?

## Monitoring Report / Data Usage

- How to determine whether reports are useful and still being used by Clients?

Thank You!

