

A Comprehensive Buy-Side Risk Solution



Company Profile

Client: Osool Asset Management BSC (c) (Osool)

Location: Kingdom of Bahrain

Firm Type: Private company owned by the pension fund, responsible for managing its assets

AUM: ~\$11 billion

Client: Since 2013

THE BENEFITS ACHIEVED:

- Integrated IFRS accounting with a centralized trusted data source
- Real-time access to performance and risk views
- Automation and exception-based workflow for middle and back office operations
- Risk forecasting providing what-if and ad hoc scenario analysis
- Risk transparency providing calculation and detailed data for deeper risk analysis
- Flexible investment reporting portal

The Business Challenge

The pension fund did not have a comprehensive risk solution. Exposures were being monitored on spreadsheets using manual processes and data extracts. Osool was created with the mandate to manage the pension fund's investment portfolio and to support the growing needs of its clients and regulators.

The legacy system being used to generate fair value was a cost accounting system, which required manual steps to generate the required data. The lack of a centralized trusted data source compounded the problem for the operations group, resulting in the need to manually review numbers.

The Eagle and Vega Solution for Osool

- **Eagle Data Management, Accounting and Performance Measurement**
- **Vega Dolphin Risk**

Osool now has a system that provides seamless and integrated middle and back office operations without the need for multiple integration points and manual workflow steps. Eagle's vast experience combined with integrated risk data produced by Vega resulted in a winning solution for Osool.

The comprehensive risk framework put in place using Vega's Dolphin solution enables real-time risk analysis with Eagle's solution as the central data source. Users can now dynamically create composite portfolios as well as calculate performance and risk numbers. In addition, required forward looking (i.e., ex ante) risk measures can be calculated at both the portfolio and security level.

Risk forecasting support for what-if analysis and ad hoc scenario generation enables dynamic stress testing and scenario analysis. Other risk capabilities such as sensitivity analysis (e.g., PV01, DV100, KR, CR01, etc.), accurate cash flow projections (to support asset-liability management), economic value of equity (EvE), and earnings at risk (EaR) add to the overall risk framework, making it more robust.

The VaR back testing feature provides the risk team with the ability to validate the risk models and allows for tuning as necessary.

Investment data—accounting, performance and risk—is now coming from a trusted centralized data source, for users to interact with through a user-friendly web interface.

Results

With the Eagle–Vega solution in place, Osool’s operation is more automated and accurate, providing necessary information in real-time for all users. The Eagle Performance solution, combined with Vega’s Dolphin risk framework, automates the management and measurement of risk.

Realized benefits of the solution include:

- Accurate portfolio information available on a real-time basis
- Increased automation using exception-based workflows
- Reduction of month-end closing cycle by 5 days
- Shortened production cycle for monthly risk profile report by 10 days
- 50% reduction in manual operational processes, including the booking of transactions, resulting in staff spending more time on higher value activities

The combined performance and risk platforms provide a detailed understanding of the portfolio. Those views, supplemented by dynamic risk forecasting capabilities, have helped Osool’s clients understand potential risks in their portfolio.

Periodic back testing of VaR has provided the much needed comfort that the forecasted risk numbers are indeed valid.

“Things have changed quite positively at Osool in terms of process flows and transaction execution after the implementation of Eagle and Vega solutions. Implementing these systems has helped Osool achieve its objective of automation and accuracy. On the risk front, we now have a system which gives us real-time insight into the risk of a new investment.”

Khurram A. Mirza
Head of Asset Allocation

“We and our stakeholders—especially our clients—are quite impressed with the functionality of Eagle and Vega solutions. Timeliness and transparency over data has been achieved through a state-of-the art information delivery tool. Deployment of the risk module has improved our investment decision-making process, whereby due consideration is given to all major risk factors. We are delighted to have Eagle and Vega as our strategic partners and look forward to continuing our relationship as we look to advance our reporting and analysis functionality to support our growth objectives.”

Abdulla bin Khalifa Al Khalifa
CEO, Osool

WE ARE EAGLE INVESTMENT SYSTEMS

Eagle Investment Systems LLC enables financial institutions to grow their assets by creating operational efficiencies and delivering award-winning solutions for data management, investment accounting, and performance measurement and attribution, supported by an unparalleled level of service. Eagle deploys its solutions via a secure private cloud, Eagle ACCESSSM, which hosts and provides on-going support of the applications and systems infrastructure, reducing complexity and risk. Eagle Investment Systems LLC is a subsidiary of BNY Mellon.



About Osool

Osool is an asset management company, serving the interests of its founding shareholders: Bahrain’s Social Insurance Organisation (SIO) and the Military Pension Fund (MPF). The Company’s fiscal and social responsibilities are to provide sustainable financial security for pensioners and their families, while supporting the objectives for economic growth of the Kingdom of Bahrain. Osool fosters the focused vision of an independent, fully-fledged asset management company. Its objectives are to deal in financial instruments as principal and agent, to provide management and advisory services relating to those financial instruments, and to direct collective investment undertakings. Osool is licensed as an Investment Business Firm (Category 1) by the Central Bank of Bahrain.

Vega Investment Technologies LLC helps financial firms focused on asset management and asset servicing to be more efficient, automated, accurate and service oriented. Vega specializes in the area of post-trade processing of derivatives and risk management solutions for the buy-side.

Contact us:
eagleinvsys.com
sales@eagleinvsys.com

EMEA +44 (0)20 7163 4132
Americas +1 781 943 2200
Asia Pacific +65 6432 0581
Australia +61 (0) 2 9260 6060
Mainland China +86 10 5877 1605