



StarQube

INVESTMENT DECISION IN A BOX

ESG data as a strategic asset - A data governance that creates value

The head of ESG solutions at a Swiss-based asset manager with €60 billion under management explains the unique ESG governance he has put in place with the support of the StarQube platform.



Could you explain your responsibilities within your organization?

I joined the company in 2007. Over the last 14 years, I have contributed to the development of the ESG division, where we have implemented a proprietary methodology for the extra-financial rating of companies. Today, this division is composed of a team of 20 people. The process was divided into several stages:

- First, we developed a proprietary methodology for rating companies on the environmental, social and governance axes.
- Then, we partnered with extra-financial data providers to collect the raw material necessary to build our scores.
- Finally, we have developed the tools to distribute these ratings internally to (1) our portfolio management teams and (2) through reporting, to our clients.

In terms of volume, we receive several hundred indicators on a weekly basis and through a scope of 16,000 companies. These indicators are precise qualitative or quantitative answers to non-financial questions. These answers constitute the raw material we use to build the ESG ratings of the companies we cover. Each of these indicators is dated, as are the ratings they are used to calculate.

The ESG division also has a dedicated team that advises portfolio managers on the use of these ESG scores. The objective is to optimize the use of these extra-financial ratings in the investment process without compromising portfolio performance.

How do you use the StarQube platform within the ESG team?

The foundation of the StarQube platform consists of a database and a simplified data manipulation language—Financial Query Language (FQL). On this “data” layer, portfolio management assistance modules have been added.

All the data sources we use feed the StarQube database. We then use the platform as an engine to calculate ESG scores according to the proprietary methodology we have devised.

At the same time, StarQube retrieves our portfolio positions, and managers can view the ESG score of each of their lines as well as the composite ESG score of their portfolios.

Why did you choose StarQube to implement this ESG governance?

I will mention four main characteristics:

1. **Computing power and flexibility:** StarQube provides us with extraordinary computing power and flexibility. This has allowed us to free ourselves from Excel files and to keep the agility needed on a daily basis in our teams who no longer need to mobilize the IT department for each of their projects. In addition, the proximity with the StarQube teams facilitates the rapid development of new functionalities, if necessary.
2. **Ease of data manipulation:** the unique database repository coupled with its simplified financial language, allows us to process huge volumes of data, normalize it and make it accessible to everyone in a centralized location. In addition, it is very easy for us to integrate new data, regardless of its format, structured or unstructured.
3. **Research:** the portfolio management modules developed by StarQube are very effective for testing hypotheses or strategies. Are the scores I have built consistent? Have the companies with the best scores performed the best in recent years? These tests can be conducted accurately because the database is “point-in-time”, so the data is time-stamped at the time of receipt and stored as we receive it on a specific date.
4. **Speed:** the core of the tool, its calculation engine, is very powerful, which allows us to perform our calculations on numerous data and large universes of values quickly.

How does StarQube’s platform give you a competitive advantage?

The ESG data governance that we have put in place is a real advantage for our entire organization.

Without a doubt, today the major benefit is that all our extra-financial data is centralized on the same platform and made available to all teams in real time. The ESG vision of the universe of securities we cover is unique and shared by all.

In an organization like ours, this is very important because all our subsidiaries and teams around the world consume the same ESG data, the same scores, unlike other organizations that have compartmentalized databases.

In addition, we can integrate new data quickly while maintaining consistency across the company, because all teams rely on the same data.

About StarQube

Established in 2013, StarQube develops a suite of data organization and front-office solutions designed to streamline investment processes, starting from data acquisition, through fast backtesting of client-defined strategies and risk management, all the way to portfolio rebalancing, dispatching of orders and reporting. StarQube provides asset managers with a nimble way to automate each of their clients' bespoke portfolio management processes while saving on structural and data costs. StarQube is particularly well-liked by systematic strategies and socially responsible investments.

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