StarQube

INVESTMENT DECISION IN A BOX

A Data-as-a-Service approach to focus on research, portfolio construction and alpha generation

Interview with Guido Bolliger,
Chief Investment Officer at Asteria Investment Managers

Hello Guido, could you introduce yourself and explain your role within Asteria Investment Managers?

After spending several years at SYZ Asset Management, where I led the quantitative management team, I joined Asteria Investment Managers as the chief investment officer.

At Asteria, we are involved in impact management on two asset classes:

- Fixed Income: we invest in liquid products in the form of green bonds;

- Equity: this is a strategy benchmarked on the MSCI ACWI index.

The investment universe is therefore relatively large with about 3,000 stocks and 25,000 bonds.

In order to develop these strategies, we rely on several alternative data sources:

- Trucost and S&P Capital IQ for ESG data

- RepRisk for controversy management

- The World Bank for sovereign ratings

- Glassdoor: we do web-scraping with StarQube to retrieve ratings in order to build our social score.

Why did you choose StarQube as your management development solution?

To develop impact management, it is necessary to have access to a lot of data from different sources. As regulations continue to expand and companies are forced to be more transparent about their ESG policies, the proliferation of data on corporate social and environmental responsibility will continue. We needed a scalable solution. In my previous experience, my team and I had to spend a lot of time maintaining the data. At Asteria, we wanted to avoid this so that we could focus on our core business of research and portfolio construction to generate alpha. We decided to outsource data collection and organization to StarQube's teams under a Data-as-a-Service model.

We are very happy with our choice. The database and generic loader are very well designed, so we have very few operational problems with data updates. And when we do, it's a minor problem that is solved very quickly by the StarQube teams, who are in direct contact with the data providers. Their responsiveness is remarkable.

Secondly, we rely on the various modules offered by StarQube to conduct our research and build our portfolios. It is a solution that perfectly fits our needs, because it was designed by asset management experts who built the tool to respond to the problems that they themselves encountered in their previous jobs as portfolio managers.

Could you tell us a little more about your daily use of the solution?

We use StarQube for our entire management process as the solution covers all stages of the investment process, from data acquisition to order generation:

- The data collection, cleaning and organization parts we need to develop our investment strategies are outsourced to StarQube teams who make sure our data is clean and available every morning.

- We can easily rework these data to create our own factors and scores: ESG, impact, fundamental etc.

- We build our risk models.

- We then define our investment universe and conduct research to identify signals and select stocks to build our portfolios, which we optimize according to our objectives and constraints. The necessary orders are automatically sent to our trading desk.

- Finally, we visualize and monitor our portfolios on a daily basis in real time. StarQube is interfaced with our position keeping tool, ALTO, and updates every two minutes. This allows us to keep a close eye on them and automatically rebalance them if necessary.

Our entire investment decision-making process is integrated into one cockpit, which makes our life easier.

How does StarQube give you a competitive advantage?

The ability to centralize large volumes of data in a scalable manner is a real asset. We have - and will need - to integrate more and more data into the investment process. StarQube's various modules and simple financial language allow us to easily rework all these inputs into valuable and relevant information. This has allowed us, for example, to establish an ESG data governance model based on the parent companies of the various securities in our investment universe.

As mentioned above, our management is benchmarked, so we have to take into account regional, currency and sector exposure constraints, to which we add ESG objectives. Portfolio construction is becoming more complex, and it is very difficult to build well diversified portfolios without a flexible tool like StarQube. Now we work on three dimensions: alpha maximization, risk control and ESG compliance. Moreover, the solution is very powerful and allows us to perform all these calculations at an incredible speed.

Finally, we chose a light operational model in terms of technological infrastructure, by outsourcing tasks with less added value. We wanted to focus on research, management and alpha generation, which is what StarQube does. Since we keep control over all the steps of the management, thanks to the audit trail of the solution, we can reconstruct and clearly explain how our metrics are defined, how the portfolios are built and why we made an investment decision. This transparency exercise is highly appreciated by our clients.

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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