



Success story

Axa Investment Management Entrusts Data Excellence Strategy to RIMES

Client

Leading global active investment manager

Need

Improve fixed income data quality, flexibility and coverage, and decommission resource-intensive internal capabilities

Key Takeaway

Leverage RIMES' fully-managed and validated Benchmark Data Service® becomes central to Axa Investment Management's strategic objective of putting data excellence at the core of its business

Traditionally, asset managers have seen their data and data management activities, purely as a cost center, one that provides limited value but is a necessary expense in supporting the front office. This industry-leading global investment manager is taking a different approach. Recognizing that data is the essential raw material of asset management, the Axa Investment Management executive board decided to adopt a new strategy focusing on putting data excellence at the core of its business.

Out with the old

As one of the world's premier active fixed income investors, fixed income benchmarks and indices are critical to Axa Investment Management's business. The firm had been obtaining the benchmarks it needed from a multitude of direct sources. But maintaining the data feeds, and supporting the associated internal IT and data management infrastructure combined to create a heavy cost burden that demanded significant and ongoing investment – at a time when firms are striving to streamline their cost bases. In addition, problems stemming from data inaccuracies or delays meant that AXA IM had to pay penalties to its clients when, for example, a rebalancing was missed.

Today, the client entrusts RIMES with providing over 350 fixed income benchmark compositions

Expertise was another concern. Fixed income benchmarks are complex to understand, and breaking down the methodologies to provide fund managers with real insights calls for detailed knowledge and experience. With data complexity and volumes continuing to expand, having the internal resources to support front-office portfolio managers with the methodologies and benchmark knowledge they need is a major challenge for institutions across the industry. For AXA IM, ensuring it could deliver the all-important data quality to meet its strategic objectives therefore became a growing concern.





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About RIMES

RIMES is a buy-side specialist that truly understands the data management challenges faced by its clients. It serves over 300 investment managers, pension funds, hedge funds, wealth managers, private banks, custodian banks and insurance companies in 40 countries, including 60 of the 100 largest global asset managers and 9 of the 10 largest custodians by TAUM.

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In with the new

AXA IM faced a choice: either plow significant further investment into enhancing its internal capabilities, or partner with a specialist managed data service provider. So it turned to RIMES.

AXA IM started with a 10-month proof of concept test of the award-winning RIMES Benchmark Data Service® (BDS®), which ran in parallel with its legacy in-house set up. The RIMES service powered the data needs of two teams. First, AXA IM used BDS to feed its enterprise data management solution, with RIMES support fully integrated into the workflow and processes of the data management team. In addition, AXA IM's investment performance team began leveraging RIMES data to service its performance analysis system.

Over time, as AXA IM gained confidence in the quality of RIMES' data and reliability of their feeds, it progressively decommissioned its internal direct sources and data management processes. Such was the trial's success that, at its end, AXA IM signed a multi-year contract to use RIMES BDS – the first time the firm has committed to such a long-term data contract. Today, AXA IM entrusts RIMES with providing over 350 fixed income benchmark compositions.

The best of all worlds

Partnering with RIMES has provided AXA IM with the best of all worlds. It has seen a dramatic increase in the quality and reliability of its fixed income data inputs, with RIMES taking charge of remediating any data issues that arise. RIMES' 20+ years of dedicated benchmark data expertise also ensure that AXA IM's front-office staff have access to the detailed knowledge and insights they need. And crucially, the firm can now leverage a more cost effective and scalable solution that will not continue to be a drain on its internal resources.

In addition, AXA IM's third-party asset servicer, which handles its external performance attribution reporting, uses RIMES for its benchmark data too. That gives them confidence its performance attribution reports are based on the same timely and accurate data used in its front office, and minimizes its operational risk.

And by committing its long-term future to RIMES, AXA IM can maximize its return on investment, manage its future growth and take advantage of new business opportunities, secure in the support of a proven and flexible data partner after surveying the market and available options.