



Definio Reply™ financial platform for Symphonia SGR

Abstract

Definio Reply™ is the platform used by Symphonia SGR to gather, calculate and verify data and financial measures for managed funds and customer portfolios.

“Definio Reply, thanks to its innovative approach to stochastic modeling of expected scenarios based on the filtered bootstrap approach is best positioned to offer a very effective Risk Measurement tool to all Asset Managers”

Dario Brandolini – Head of Risk Management. Symphonia SGR

Scenario

Symphonia SGR is a Asset Management company founded in 1994. In August 2003 Symphonia was bought by Banca Intermobiliare di Investimenti e Gestioni S.p.A. (BIM), beginning the merger phase of the two companies focused on asset management which was concluded in 2008.

Banca Intermobiliare is a leading independent Italian banking Group focusing on wealth and asset management.

The Group operates in Italy from 30 locations through its dedicated private banking branches with more than 670 employees, nearly 200 of which are private bankers. BIM Group is also present in Switzerland with a wholly owned bank (BIM Suisse S.A.).

Banca Intermobiliare, through its subsidiaries, provides various private banking services in Italy and internationally. It offers through Symphonia a range of asset management services, including discretionary accounts, mutual funds, and SICAVs, as well as alternative investment funds or hedge funds. The company also engages in the trading of Italian and foreign securities, derivatives, and currencies; and securities placing through mandates or participation in underwriting and/or placing syndicates. In addition, Banca Intermobiliare provides personal financial advisory services that offer clients with constant updates on the correspondence of their investment goals and asset allocation; and insurance brokerage services.

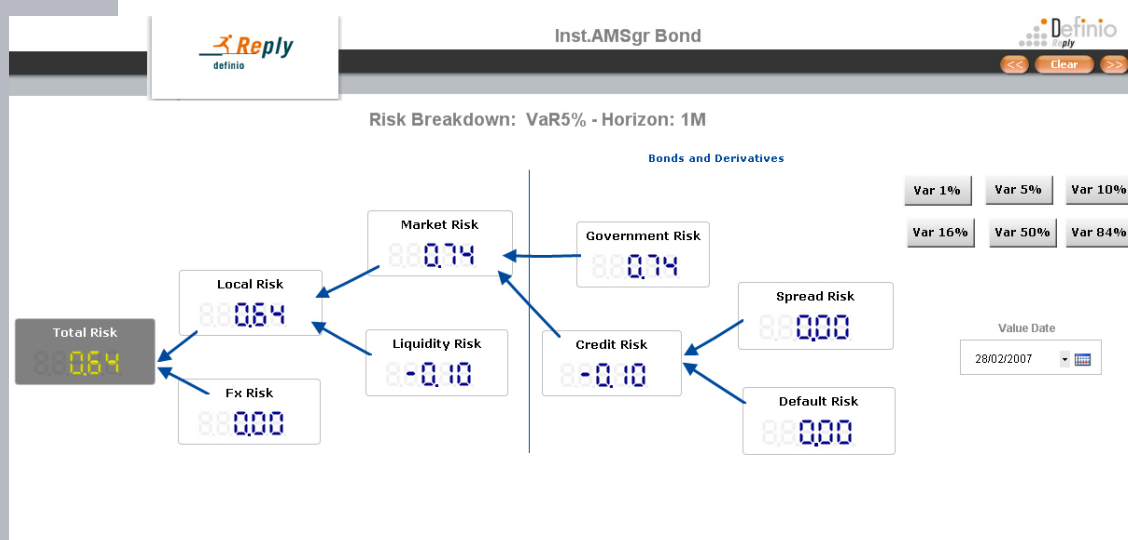
The Corporate Finance Division, focusing on SMEs, advises companies in Equity Capital Markets transactions (IPO, capital increase, secondary offering, private placement, etc..). The division also operates as financial advisor in Mergers and Acquisitions and debt restructuring.

Solution

As far as the analysis of financial indicators is concerned, Symphonia has decided to adopt a platform for the calculation of risk indicators and the financial analysis of the products handled. The processing of the risk data supplied in service, was a determining factor in the final choice.

Definio Reply™ which uses robust and sophisticated calculation engines of performance risk indicators, was the best platform for the development of the project. Definio Reply™ Risk Analyzer, a system that analyses financial risk portfolios, was created to collect and develop advanced assessment models and, using these, to help investors formulate consistent risk management policies.

The Definio Reply team supported the Client during all phases of the project and built a system that relies on a statistical model to estimate the financial risks that can generate scenarios, replicating to the greatest possible extent, the actual dynamics of the market, obtaining and reproducing the prominent features of financial returns from empirical data.



The system uses innovative simulation methods and an original integrated approach making it possible to evaluate the influence of each component of a financial portfolio on the total risk. It is also possible to measure the average and marginal contribution of each share or group of securities because the analysis is based on individual shares. Furthermore, the contributions can be regrouped to the desired level. Lastly, it is possible to break down the contribution to the total risk into market risk, credit risk, default risk and liquidity risk for a portfolio. The design of the platform, already pre-disposed to provide risk data “as a service”, guarantees significant assistance for Risk Management.

Definio Reply™ Reporting integrated module also showed its capabilities as an environment for producing reports. Indeed, it was possible to automate the generation process for weekly reports for top management, the Board and the customers as well. It brought obvious time savings and the elimination of long and boring manual operations, along with an appreciable increase in the quality of reports produced.

In as little as three months, Reply rapidly attained the objectives set by the project and the “go-live” of the platform, including the activation of the service. The service has been in operation from 2009 and the Client is highly satisfied.

CHALLENGES	ADVANTAGES
Calculate and verify data and financial measures for managed funds and customer portfolios	Definio Reply™ has enabled Symphonia to analyze all financial risk data at any portfolio level.
A solid and sophisticated model of Risk Management	Definio Reply™ computational engines have provided Symphonia with sophisticated risk estimates and advanced instruments of analysis.
Risk Management as a Service	Definio Reply™ has provided Symphonia a on-line, flexible, powerful, fast and easy Risk Management Service.

Reply Value

“The current evolution of financial Markets show how important it is to have a Risk Model that can take into account the key characteristics of the historical series of financial data: that they have fat tails and that they are not identically independently distributed. If you agree with this, simplified models to estimate ex-ante Risk are very dangerous and misleading, particularly when there are the volatility and correlation jumps that characterize the most negative market phases. Definio Reply, thanks to its innovative approach to stochastic modeling of expected scenarios based on the filtered bootstrap approach is best positioned to offer a very effective Risk Measurement tool to all Asset Managers”

Dario Brandolini – Head of Risk Management. Symphonia SGR

Besides the Definio Reply platform, Definio Reply is able to supply all direct services for the system for personalisation and, as a consequence, for the overall objectives of the change program.

Specialised personnel accompany customers during the project’s implementation phases. Definio Reply has its own team of specialists capable of covering all the planning phases from the design phase to the implementation and maintenance of the systems.

Definio Reply is a Reply Group company that offers Solutions and Services in Finance, providing high technical competences, knowledge of the business and a very long experience in the financial sector. Our qualified professionals are experts in risk management, pricing and financial performance measurement. We are a dynamic team with credentials that help clients to maximize the value they derive from investments in risk management and finance transformation programs.

Definio Reply™ is a technological platform capable of directing the demands of management, analysis and reporting on portfolios of financial instruments (managed, administered and owned) Definio Reply provides a concrete and efficient response to the increasingly pressing requirements of the managed funds market, in terms of analytical tools and decision-support.

Reply [REY IM] is a leading Consulting, Systems Integration, Application Management and Business Process Outsourcing company, specialising in the creation and implementation of solutions based on new communication networks and digital media. Reply's offer is aimed at fostering the success of its customers through the introduction of innovation along the whole economic digital chain. Given its knowledge of specific solutions and due to consolidated experience, Reply addresses the main core issues of the various industrial sectors.

Reply specialises in creating effective business solutions based on innovative technologies enabling communication between clients, partners suppliers and collaborators.

For further information: www.reply.eu