

# Charles River Data Management Service

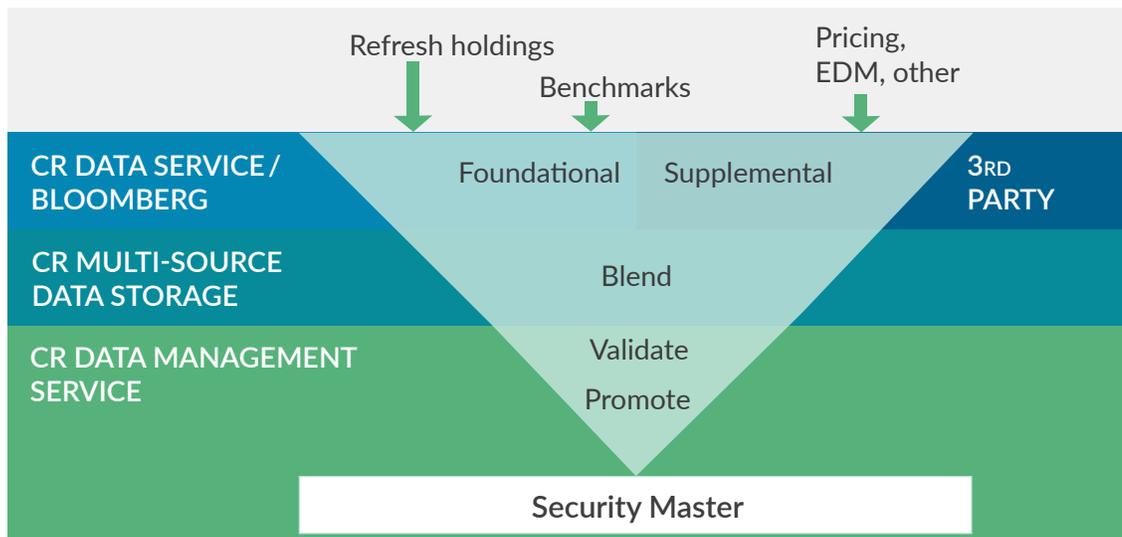
## Delivering High Quality Security Master Data for the Front Office

Managing security data on a daily basis is a complicated, time consuming task requiring specialized expertise and off-hours staffing. Charles River’s data services work in concert with the client’s own data management processes to help ensure that high quality security data is made available to the front office in time for each trading day. Together, the Charles River Data Service and Charles River Data Management Service help address each client’s unique requirements, alleviate the burden of managing front office data, and provide a single point of contact for any data related issues.

Each day, foundational data – sourced from the Charles River Data Service or Bloomberg – is blended with bespoke data from the client’s EDM or other sources, and brought directly into the Charles River IMS. The Data Management Service then evaluates and resolves all data exceptions, including benchmarks, pricing data, and any bespoke analytics. By performing this final, proactive data validation, Charles River’s global team can identify and rectify issues before they impact front office activities. The service is available to all SaaS-based Charles River IMS clients.

### Key Benefits

- Helps ensure a high quality BOD security master
- Aids in reducing the risk of trading on old or inaccurate data
- May avoid delays to start-of-day for the front office
- May reduce overhead and early morning staffing
- Aims to simplify operations



### Preparing for Beginning of Day

Prior to each trading day, a number of “beginning of day” (BOD) processes must run within a narrow time window to help ensure a clean, current and accurate security master data set. Multiple data feeds, often from different vendors, must be combined and validated based on client requirements and preferences in order to populate the security master. The process must also deliver proper analytics for fixed income, accurate curve data for valuation of derivatives, and appropriate security reclassifications. Once an accurate and complete data set has been assembled, a “gold copy” is created and promoted to the Charles River IMS security master for that day’s front office use.

## Why a Data Management Service

A number of issues can arise during the daily BOD processes, even for firms that have deployed their own EDM system. Common problems include stale prices, missing or changing values, and duplicate securities resulting from corporate actions that have not been properly accounted for. These issues require prompt resolution, otherwise the front office ends up using inaccurate data, or the start of the trading day may be delayed.

The Charles River Data Management Service provides operations with BOD and as-needed support for data validation and correction, aggregation and blending. The service provides the following capabilities:

**BOD Data validation and cleansing:** Data exceptions identified during the data import are investigated and corrected when possible. In cases where the solution is unclear, Charles River coordinates with the client to investigate further. Other validation capabilities include monitoring and resolving duplicate securities, correcting security data for positions held, and managing security ID changes. A daily client report is then generated listing all data exceptions discovered and actions taken. When recurrent issues are detected, Charles River develops automated procedures to recognize and correct them on an ongoing basis.

**As-needed support:** As-needed support includes researching client issues and questions, overriding incorrect or incomplete data, and challenging the data vendor over problematic data. Additional optional services include classification translations, and validation rule creation, testing and maintenance.

Charles River is well positioned to hire and retain data management specialists with knowledge of front and middle office data needs, and to leverage economies of scale across a global client base. The team's years of collective expertise with data vendors make it more cost-effective for Charles River to manage securities data for clients. All Charles River clients benefit from this service, from small firms unable to hire the required experts, to large investment managers that find it costly to staff their own teams.

### CHARLES RIVER DEVELOPMENT, A STATE STREET COMPANY

Investment firms, asset owners, wealth managers, hedge funds and insurers in more than 30 countries rely on Charles River's front and middle office investment management platform to manage more than US\$30 Trillion in assets. Together with State Street's middle and back office capabilities, Charles River's software technology forms the foundation of State Street Alpha<sup>SM</sup>. The Charles River Investment Management Solution (Charles River IMS) is designed to automate and simplify the institutional investment process across asset classes, from portfolio management and risk analytics through trading and post-trade settlement, with integrated compliance and managed data throughout. Charles River's growing partner ecosystem enables clients to seamlessly access external data and analytics, applications and liquidity venues that support the unique demands of their product and asset class mix. Headquartered in Burlington, Massachusetts, we serve clients globally with more than 975 employees in 11 regional offices. (Statistics as of October 2019)

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