



CASE STUDY

Historical P&L Attribution Proto Financial®

CLIENT TYPE

Hedge Fund

PRIMARY USER

CFO / Trader / Portfolio Manager

LOCATION

New York, NY

KEY BENEFITS

- Saved time
- Eliminated manual workflow risks
- Enhanced reporting capabilities
- Provided new views on performance

DATA SOURCES INTEGRATED

- Historical P&L/Exposure data in Excel
- Bloomberg Professional
- User input categories & data mappings

USER TESTIMONIAL

"Proto lets us slice and dice our performance data by our own criteria rather than those of our prime broker or an off-the-shelf solution. One of the reports shows individual security performance, sub-totaled by the aggregates that go into our investor performance reports. I use this to audit our contribution by sector, region, etc. at month end, saving me an enormous amount of time."

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Generating P&L Attribution Reports by Category and by Security Over a Selected Timeframe

The Need

A hedge fund CFO needed an automated system to produce P&L attribution reports over given time periods for internal performance reviews and external investor reports. He needed the ability to segment the portfolio into strategic focuses including L/S, market cap groups, GICS sector, region, asset class and other custom and proprietary security categories. Reports needed to show total performance by group and by security. For example, an attribution report for region would calculate the total performance contribution of securities in the US, Europe, Japan, etc. as well as the individual security performance. Producing a single report for a standard segmentation like "Long" and "Short" could take as much as an hour. The bottom line: it was not practical to respond to requests for custom attribution analysis coming from traders, portfolio managers and investors.

Proto's Solution & Benefits

Proto solved this problem in two parts. First Proto addressed the need to quickly and tactically integrate the monthly historical data into a single, correct master P&L and exposure file (covered in the case study titled, 'Historical Integration'). Then Proto developed a dashboard to generate the required analysis and export the results to a pre-formatted Excel template. The dashboard allows the CFO to select a date range, choose how to segment the portfolio, pull Bloomberg price-change data to include in the report, and finally export the result to Excel. He can generate custom contribution reports in minutes. Specific benefits include:

- Saved the CFO up to 5 hours per month: Proto's solution cut up to an hour out of each P&L contribution report request directly eliminating many hours of manual work per month.
- Eliminated "business friction": Proto enables the fund to ask more data-driven questions by reducing the costs associated with generating custom P&L reports.
- Eliminates manual-workflow risks: The Excel-based analysis process required rebuilding formulas & dozens of copy-paste steps. Proto's automated analysis is carried out the same way every time, eliminating the manual risks and making both the process and output faster and easier to audit.
- Superior, comprehensive reporting output: Proto was able to add grouping categories and include market data in the reporting output that would have been prohibitively difficult in the Excel-driven process.