



**ROBECO**  
The Investment Engineers

CASE STUDY  
ROBECO

A large, highly respected asset manager offering both fundamental and quantitative strategies.

**TSIMAGINE**™



## Profile

### COMPANY

Robeco

### LOCATION

Rotterdam,  
the Netherlands

### ESTABLISHED

1929

### EMPLOYEES

930 people at  
17 offices  
worldwide\*

### TOTAL AUM:

176 billion EUROS\*

\*As of December 2020

## Summary

A large, highly respected asset manager that offers both fundamental and quantitative strategies across asset classes replaced an incumbent vendor with TS Imagine for its Insurance and Pension Solutions (IPS) group to manage their bespoke Liability-Driven Investing (LDI) solutions, Buy & Maintain strategies, and more.

Their requirements reflected the challenges of managing portfolios designed to fund long-term liabilities, including coverage of the types of derivatives they often use, as well as their detailed approach to measuring interest rate risk. They were looking to move to a software-as-a-service (SaaS) platform that they would not have to support on-premise. The team spoke candidly about their in-depth RFP process, why they chose TS Imagine, and the Agile approach used during the implementation phase of the project.





## Introduction

Seeking a critical combination of institutional functionality, **customizability, and flexible connectivity.**

The Insurance and Pension Solutions (IPS) group within Robeco, the well-known asset management firm headquartered in the Netherlands, was looking for a new system to manage its LDI and Buy & Maintain strategies. They were seeking to replace a vendor solution that had been deployed 10 years ago and, largely due to the effort and resources that would have been required to upgrade the on-premise platform, they decided to also take a look at other solutions on the market.

TS Imagine's LDI capabilities were built from a deep understanding of what these strategies entail and track record of successful partnership with similar buy-side clients. Since asset management firms with LDI and other customized solutions businesses require support for the unique aspects of their offering, they are typically skeptical as whether or not third-party systems can fully capture what they would like to achieve. After reviewing TS Imagine's offering, Robeco were impressed with the system's functionality as well as the fact that the platform is fully customizable and could be easily tailored to meet their requirements.



## Introduction (cont.)

The TS Imagine platform's technology was also an important point in Robeco's decision, as it fulfilled a significant element of what Robeco wanted to achieve. The TS Imagine platform was designed as a fully hosted SaaS system from the ground up. In 2000, TS Imagine was the first vendor to offer a SaaS solution for capital markets portfolio and risk management. Comparing TS Imagine to other vendors' approaches, Robeco commented, "Other vendors are catching up to offer a SaaS version, whereas TS Imagine is evidently a more native-SaaS platform."

Among other benefits, adopting a SaaS approach meant that Robeco would not need to provide their own software support teams to run an on-premise platform. They would also greatly reduce the effort required and "down time" for upgrades. A business analyst at Robeco added, "With TS Imagine it's a simple overnight update and we're done. The support teams managing the previous system are now doing more high value tasks."

In addition, TS Imagine's Financial Platform (IFP) – essentially an open

API development platform – was a key feature for Robeco as it allows them to easily customize the platform to their needs. As Philippe Lacour, head of global sales for TS Imagine noted, "Many firms think they have to choose between "buy" or "build" when it comes to their critical software platforms, but TS Imagine offers a hybrid approach. Clients using our platform don't have to build and maintain their own system, but they can create unique features using the IFP and get the best of both worlds."





## Key Requirements

Features and technology to meet current needs and future growth

In addition to the ability to handle key LDI functionality such as flexibility in specifying liability profiles, and discounting future cash flows using their chosen curves, Robeco's IPS group was looking for the following:

**Data & Coverage** – A comprehensive security master and the ability to model bespoke instruments, such as interest rate swaps, inflation swaps, and FX contracts.

**Real-Time, Integrated Portfolio and Risk Analyses** – Real-time portfolio valuations and risk analytics to manage portfolios that often contain large derivative exposures. They also needed the ability to monitor risk across accounts so that they could act quickly as the environment shifted.

**Margin Analytics** – Insight into the size and expected margin call for each account to help the team anticipate changes in margin requirements.

### **Flexible Modeling & Monitoring**

**Tools** – The ability to assess risk based on specific ways of measuring interest and inflation rate exposures, and to analyze the impact of yield and inflation curve shifts on portfolios and liabilities. Robeco wanted to expand scenario analyses to include historical scenarios that their previous system could not accommodate. They also needed to monitor compliance with leverage restrictions for portfolios with swaps, which is common in LDI.

**Customization** – The ability to customize was a key requirement, as each client account operates differently with specific allocation and concentration limits or cash flow targets. Robeco did not want to be tethered to using any vendor's standard set of workflows, reports or dashboards.

**Technology** – A reliable, secure, truly native SaaS approach, and the ability to extract analytics and include user data via APIs, among other requirements.

TS Imagine offered a compelling combination of strong real-time valuation tools and risk metrics, a complete security master that has the ability to incorporate data from various sources, customized dashboards for account and workflow monitoring and an open approach to importing, exporting, APIs and quick links to Excel for ad hoc analyses. That included using TS Imagine's IFP layer to build customized features within the TS Imagine environment, extending the platform's functionality and data to visualize, calculate, and organize information and analytics to suit Robeco's needs.

To enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions

## Key reasons for choosing TS Imagine

“Not only can our current portfolios be perfectly managed within TS Imagine, the platform offers great functionality and scalability for future growth as well. All in all, a crucial step to continue our service and bringing future added value to our clients.”

Portfolio Manager, Robeco

## Results

### Native capabilities and robust technology, combined with customized inputs

After evaluating an initial list of possible vendors, Robeco narrowed the search to a handful of firms. “We had not known about TS Imagine prior to developing our list,” a vendor manager at Robeco explained. “Two advisors recommended that we consider TS Imagine and we were impressed by the platform’s capabilities. We visited the team and some of TS Imagine’s existing clients in London and learned details about TS Imagine’s architecture and technical details that were important. We appreciated TS Imagine’s concise, clear answers to our questions. It gave us confidence in the veracity of their claims.”

A combination of functional, business, and IT requirements drove the decision to choose TS Imagine. The TS Imagine security master handles all of the instruments Robeco need, in different currencies, along with a wide array of yield curves and inflation curves that clients can fully customize. “TS Imagine has a great backbone for creating the instruments the way we want them,” a portfolio manager at Robeco commented. “While the system’s security master is quite extensive, we also like that we can add to it and enrich it with our own data.” They report to clients both monthly and quarterly, on a portfolio-only basis and relative to their liabilities, and wanted to use TS Imagine’s native capability in this area.

TS Imagine also provides the flexibility the IPS team required. Robeco uses TS Imagine to calculate interest rate exposures for assets and liabilities using precise DV01 calculations, and yield curve “buckets” that they define. For their LDI pooled funds they seek to match partial durations for the portfolio and synthetic liability profiles, and have specified the exact key rate shifts they want to use in computing those durations. They also look at partial durations for Buy and Maintain credit portfolios to see where duration may be concentrated within sectors or issuers.





## Results (cont.)

The ability to build customizations in the system was an important criterion for Robeco's fund management team, and doing so has also helped them to meet certain regulatory requirements. A portfolio manager at Robeco said, "We have regulatory calculations that we have to monitor and report, and that requires flexibility that TS Imagine helped us to address, such as modeling the Ultimate Forward Rate (UFR) discount curve published by EIOPA."

As the IPS team brought in new clients over the past year, they needed to add more instrument types and functionality and commented that, "TS Imagine presented us with more than one way to accomplish our goals." Robeco is now building a custom dashboard to show risk measures TS Imagine calculates across their portfolios, and is planning to dive into TS Imagine's Performance Attribution capabilities. Robeco also evaluates credit risk at the

sector and individual issuer level, and anticipates using TS Imagine's CDS modeling capabilities, especially as they incorporate more of the credit-oriented portfolios managed at Robeco onto the platform.

“This strategic change means we can easily manage our current portfolios on the TS Imagine platform, and the software also offers great functionality and scalability for future growth. This is crucial in continuing our high level of service, bringing future added value to our clients, and achieving our ambitious goals to further expand our business with insurance and pension clients globally.”

Portfolio Manager,  
Investment and Pension Solutions, Robeco

## Implementation

### An Agile approach to migrating, with APIs replacing batch processes

The main challenge was transitioning from Robeco's previous system to the TS Imagine platform – the process had to be managed carefully. Robeco strongly preferred an Agile approach, starting small by giving the teams access to limited capabilities in production to ensure the fundamental design works, then expanding incrementally. “We saw results right away, which gave the project momentum,” noted the IT project lead at Robeco. He continued, “TS Imagine's flexibility in using an Agile approach and working in sprints was impressive.” As functionality increased, it gave the IPS group the confidence to start using TS Imagine as their primary system. They ran TS Imagine in parallel with the

legacy system, comparing the two on a daily basis. Robeco observed, “We continued to run the legacy system as a fallback, but quickly realized we did not need it.”

Overall, the Robeco team stated that the implementation was very smooth and took less time than it could have, especially given that they were gaining additional functionality compared to their previous system. They integrated some of their own data, implemented a new transactions interface, and shifted from using batch processes to an API-based approach. Robeco enthusiastically noted that the APIs are a great improvement over the previous system that required them to bring in

trades, market data, derivatives, and other inputs separately. “It only took a couple of weeks to set up the structure and framework, which is a credit to the TS Imagine team,” they noted.

“We greatly appreciated the TS Imagine team's responsiveness throughout this process,” Robeco stated. “With our previous system implementation, the amount of support required was substantially more than what TS Imagine needs. That has allowed us to do things more quickly in a robust environment. We are realizing what's possible with the system's capabilities and we are already planning to offer clients more insights as we move forward.”



# ABOUT TS IMAGINE

Created by combining two best-in-class platforms, TradingScreen and Imagine Software, TS Imagine delivers integrated trading, portfolio management and real-time risk solutions for buy-side and sell-side firms globally. The SaaS platform is uniquely positioned to streamline complex and time-consuming workflows across front, middle, and back office functions.

Our nearly 400 employees in 10 offices worldwide serve approximately 500 institutions across North and South America, EMEA, and Asia Pacific, including hedge funds, traditional asset managers, pension funds, fund managers, banks, broker-dealers and other financial institutions.

Headquartered in New York City, TS Imagine has offices in London, Paris, Montreal, Hong Kong, Singapore and Tokyo.

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