

Journey case study

# Driving growth and consistency.

Azimut Group & Bloomberg Buy-Side Solutions

## Industry

Asset management

### Customer profile

- Italy's leading independent asset manager
- Established in 1989
- €51 billion AUM
- Serving 200,000+ clients, banks and institutions
- Fixed income, equities, OTC derivatives
- Diverse products and services
  - Azimut Funds
  - Third-party open-end funds
  - Portfolio management
  - Retirement planning
  - Financial insurance investments
  - Personalized wealth management
  - Institutional services
  - Private equity
  - Private debt
  - Venture capital

### Target operating model ambitions

- Streamline the investment lifecycle and operation processes globally across 15+ jurisdictions
- Enable real-time portfolio analysis and risk management
- Maintain a clear purview of data, including counterparty and risk management, trade and compliance oversight and portfolio holdings
- Perform real-time trade capture and position monitoring
- Enable pre-trade compliance throughout the trade lifecycle across multiple regions and monitor position-based compliance rigorously
- Maintain a centralized Investment Book of Record (IBOR) to monitor risk-driven exposures and further utilize complex derived analytics

### Bloomberg buy-side solutions utilized

- Bloomberg Asset & Investment Manager (AIM)
- Bloomberg Data License
- Bloomberg Portfolio & Risk Analytics (PORT)
- Bloomberg Execution Management System (EMSX)
- Bloomberg Fixed Income Staging Blotter (TSOX)
- Bloomberg FX (Foreign Exchange Information Portal)
- Bloomberg FIET
- Bloomberg Evaluated Pricing Service (BVAL)
- Bloomberg Professional Terminal

## How buy-side firms achieve total transformation

To sustain a competitive advantage and help ensure long-term success, buy-side leaders often develop a well-defined Target Operating Model (TOM). The TOM clarifies the firm's key operational goals and the changes that are necessary to achieve them.

Bloomberg has helped asset management firms around the world meet a wide variety of operational objectives. Based on our experience, we have identified four paths that firms can take on their road to transformation:

- 1. Specialization:** The asset manager specialized in a particular strategy, seeking to be nimble as a primary TOM focus but needing to upgrade technology systems to support rapid growth.
  - 2. Expansion:** This asset manager has a TOM centered on local clients, but is expanding into overseas markets and needs a global order management platform for visibility of operations at a group level.
  - 3. Front-to-middle consolidation:** This firm aspires to align its investment professionals across the investment life cycle through a single front and middle office, with a TOM of achieving a centralized model for data consistency.
  - 4. Firm-wide alignment:** The manager seeking to centralize and overhaul all operating systems as part of business transformation, with the TOM of securing the golden source of data powering a global OMS, a single Accounting book of record and data utility across all locations, centralized middle office and/or execution desks.
- One path can be sufficient to reach a firm's destination. Other firms take multiple paths as their business changes and their goals evolve. Azimut Group, the largest independent asset manager in Italy, is following two paths: Expansion and Front-to-middle consolidation. With help from a wide range of Bloomberg buy-side solutions, the firm continues to expand into new markets while improving consistency between the front and middle offices to guide strategic and operational decision-making\*.

**"With Bloomberg, it is possible to transfer knowledge from other locations to the wider group and leverage our strategies more effectively at scale. That would be much more difficult if we were all on different systems."**

Mr. Francesco De Matteis,  
Head of Risk Management, Azimut

\* For more information about the four paths, please read our white paper: *"The journey to tomorrow's buy-side operating model."*

## 1. Azimut Group expands its global footprint

As the leading independent asset manager based in Italy, Azimut Group understands the challenges of building a global operation that caters to the needs of local customers while also acting as a single, well-coordinated enterprise. Azimut began its international expansion in 2011 and today has locations in more than 15 countries across Europe, North America, South America and Asia.

When Azimut originally entered its acquisition phase, the firm's needs were very different. Global growth was the priority. The company focused on hiring local talent and consolidating IT infrastructure where possible. Strategically, the firm needed to meet a variety of local needs as well as deploy more sophisticated approaches globally. The challenge was establishing a consistent view of data across regions with very different local customers, concerns and market dynamics.

Azimut overcame these challenges with Bloomberg's suite of buy-side solutions, starting with AIM. Because it is available remotely through the Bloomberg Terminal and Bloomberg Anywhere, AIM enabled the broader global team to work together more effectively, coordinate its activities more easily, and increase the overall speed and flexibility of a variety of processes across the front, middle, and back office. In other words, AIM allowed Azimut to focus its energies on quick expansion, knowing that AIM would work well in new offices and could be deployed very easily at scale.

"Bloomberg helped a lot with our expansion," said Mr. Giuseppe Perrucci, now the CEO of Azimut's Brazil Operation, who was the Head of Risk Management when the growth effort began. "We had managers moving from Milan and Luxembourg to many other places around the world. It was very easy for us to access their positions and funds, no matter where they were. AIM in particular is a wonderful tool that gives us the flexibility to open new asset management offices around the world."

## 2. Centralized visibility into portfolios

Today, nearly a decade into its expansion effort, Bloomberg's buy-side solutions remain a core component of this strategy. In almost any new geography, incompatible systems and inconsistent data would complicate critical initiatives, such as regulatory compliance and entering new asset classes. They would also affect costs, because fragmented systems require additional resources to capture exposures and P&L at the firm level.

As a scalable platform with pre-integrated order management, portfolio analytics, performance management, matching and real-time data, AIM reduces the need for ongoing maintenance of disparate systems. It allows Azimut to establish total control and transparency no matter where they choose to operate. AIM also enables Azimut to supply its Investment Book of Record (IBOR) with centralized, real-time data and applied analytics that drive quick investment decisions.

The current Head of Risk Management at Azimut, Mr. Francesco De Matteis, appreciates all of these capabilities. Maintaining awareness of Azimut's portfolios, and how they evolve, is his responsibility.

"AIM gives us a way to have full control over any position in our portfolios," he said. "The ability to capture all portfolio activities across the globe, and have that fully integrated with risk management, is very helpful for our global risk team. It makes our international expansion that much easier."

At Azimut's office in Brazil, for example, portfolio management is delegated to a local manager. If that manager were using a different system, it would require Azimut to exchange files and reconcile the data daily. Because the local manager uses Bloomberg's integrated suite of buy-side solutions, the data is already consistent.

"With Bloomberg, it is possible to transfer knowledge from other locations to the wider group and leverage our strategies more effectively at scale," Mr. De Matteis said. "That would be much more difficult if we were all on different systems."

### Specialty-focused path

The boutique asset manager specialized in a particular strategy, seeking to be nimble as a primary TOM focus but needing to upgrade its technology systems to support rapid growth.



### Firm-wide alignment path

The manager seeking to centralize and overhaul all operating systems as part of business transformation, with the TOM of securing the golden source of data powering a global OMS, a single accounting book of record and data utility across all locations, centralized middle office and/or execution desks.



### How Azimut is continuing on its expansion-focused path

- Target operation model centered on local clients
- Expanding into +15 overseas markets in less than a decade
- Needs a global portfolio, order and execution management platform for operational visibility at the group level



### How Azimut completed the front-to-middle alignment path

- Target operating model focused on securing a consistent view throughout the investment lifecycle across risk, front office, compliance, trading and operations
- Ability to outsource select middle office functions for specific jurisdictions to a third party with real-time monitoring

**Azimut has completed the front-to-middle alignment path and is continuing on its expansion-focused path pursuing both an ongoing, long-term global growth initiative and establishing a centralized view of holdings and consistent data across geographies.**

### 3. Seamless communication across the enterprise

Dealing with fragmented data was a big challenge before Azimut implemented Bloomberg's buy-side solutions.

"When you don't have intelligent systems, communication is always a problem because you're looking at different figures based on different assumptions and different models," Mr. De Matteis said. "If you're using one model for everything, it's easier to discuss what is going on with the portfolio. You are looking at the very same figures."

Easier communication across diverse trading desks helps make the entire firm more agile. Without the extra steps required to reconcile data from disparate systems, Azimut can act swiftly to adjust its portfolios or respond to requests from regulators. This happens frequently when regulators ask for details on a specific position.

"Previously, getting a reply from all of our locations about a position we are holding would take up to 10 days," Mr. De Matteis said. "With AIM, we can get the answer straight away. AIM also makes it easier to respond when regulators ask about a specific stock. We can check and see which portfolios have it and which offices have traded on it immediately".

Using AIM across multiple offices saves time with respect to due diligence as well. If one office approves a new broker and it appears in AIM, for example, then any location can use the same broker without having to repeat the vetting process. For an asset manager with high expectations for efficiency, saving steps across daily workflows is critical.

### 4. Achieving enterprise-wide consistency

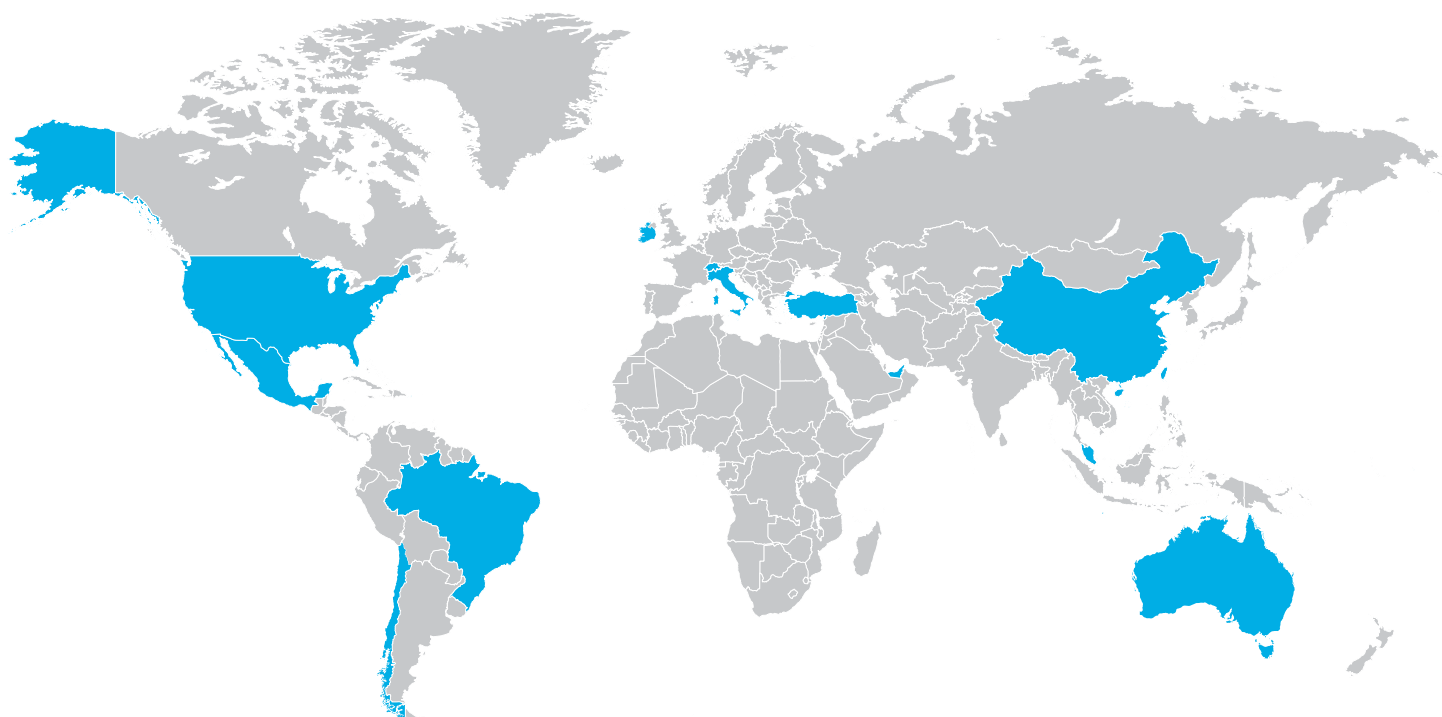
In addition to AIM, Azimut uses a suite of Bloomberg buy-side solutions to improve consistency across all jurisdictions, including tools for portfolio analysis, pricing and transaction cost analysis.

"PORT is live, that's the main point," Mr. De Matteis said. "This is helpful for exposure to single stocks across the board. If I want to see our live exposure for a specific strategy, we use PORT. Full integration with the Bloomberg Terminal makes life very, very easy. For example, there was a review in Brazil regarding one specific fund for currency risk in that market. We didn't spend time trying to reconcile figures because we were all looking at the same page in BBG PORT access the globe."

Azimut uses BVAL, Bloomberg's evaluated pricing service, for similar reasons, according to Mr. De Matteis. "With so many markets to cover, it is difficult to have consistent prices for specific trades," he said. "Most of them are covered with BVAL, which is very useful."

### Strong global growth

Headquartered in Italy, Azimut has expanded its global footprint in over 15 locations. Some countries include Australia, Brazil, Chile, China, Ireland, Luxembourg, Mexico, Monaco, Singapore, Switzerland, Taiwan, Turkey, United Arab Emirates and the United States.



## 5. Advantages of technology integration

One aspect of having a combined portfolio management, trading, execution and compliance platform is that it helps Azimut perform a wide range of client functions more efficiently with its full integration with all of the capabilities in the Bloomberg Terminal and the suite of solutions it offers for advanced workflow and analytics.

Azimut has always been focused on expanding its presence in emerging markets, which often have local nuances that can't be accounted for in AIM. In these cases, Azimut establishes the Bloomberg Terminal and uses it in parallel with regional systems as a secondary source of trusted data. The company also uses a variety of functions on the Bloomberg Terminal, such as PORT for portfolio and risk analytics and BTCA for transaction cost analysis and surveillance capabilities.

"Today we did an interview with new investors, and the integration of AIM and the Bloomberg Terminal was one of the first things we talked about," Mr. De Matteis said. "Investors like to know that we can set compliance limits centrally and they are locked into AIM. It's a very straightforward process and very easy to explain. We always feature it in our client presentations."

### Key moments from the journey

Asset managers adopting more data-driven target operating models tend to follow one or more distinct paths. Azimut is following two (see sidebar). Here are some key insights from the firm's transformation journey.

- Real-time visibility is vital for expansion-focused firms
- Regional needs take priority but synergies with HQ emerge over time
- Local talent helps ease the transition, post-acquisition
- When consolidating systems, make sure to do so in the correct order

## About the Bloomberg Terminal®

Since 1981, business and financial professionals have depended on the Bloomberg Terminal® for the real-time data, news and analytics they need to make the decisions that matter. The Terminal provides information on every asset class – from fixed income to equities, foreign exchange to commodities, derivatives to mortgages – all seamlessly integrated with on-demand multimedia content, extensive electronic-trading capabilities and a superior communications network.

### Learn more

Bloomberg provides multi-asset execution and order management solutions and investment cycle analytics that enable buy-side and sell-side firms to turn their trade and order data into a competitive advantage. As a result, firms can create more efficient workflows, connect to the global capital markets, drive regulatory compliance and lower their total cost of ownership. To learn more, email our AIM team at [bbaim@bloomberg.net](mailto:bbaim@bloomberg.net)

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### Take the next step.

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**Beijing**  
+86 10 6649 7500

**Dubai**  
+971 4 364 1000

**Frankfurt**  
+49 69 9204 1210

**Hong Kong**  
+852 2977 6000

**London**  
+44 20 7330 7500

**Mumbai**  
+91 22 6120 3600

**New York**  
+1 212 318 2000

**San Francisco**  
+1 415 912 2960

**São Paulo**  
+55 11 2395 9000

**Singapore**  
+65 6212 1000

**Sydney**  
+61 2 9777 8600

**Tokyo**  
+81 3 3201 8900