

Case study

Analysis: From hours to just minutes.

A leading investment management firm embraces the use of MODL <GO> and DS <GO> to conduct complex financial analysis.

Bloomberg
Buy-Side Solutions

First Avenue Investment Counsel

As a leading investment management firm and family office, First Avenue Investment Counsel needs access to vast volumes of quantitative and qualitative data to inform its investment efforts. This required the investment team to use numerous platforms to gather and analyze relevant information, which was time-consuming and inefficient and reduced the time available to analyze the data.

Location

Toronto, Canada

Industry

Finance

Company profile

First Avenue Investment Counsel is a leading investment management firm and family office advising successful individuals and families. They manage a conservative and long-standing investment strategy that protects and grows the wealth of our clients. They combine this with a fully-integrated approach to planning for every detail of one's financial life and communicate it in a manner that is easy to understand.

Business situation

First Avenue Investment Counsel needed access to data and tools to conduct in-depth and complex financial analysis on a daily basis.

Bloomberg solution

Using Bloomberg's, AI-powered Research and Analytics Platform and company financials functions, First Avenue Investment Counsel can analyze company data, scrutinize KPIs, and gather relevant news and analysis to develop critical investment insights. In what would take multiple hours now only takes the research team a few minutes.

Solution benefits

First Avenue Investment Counsel can access company data in a single solution, dramatically reducing the time, effort, and expense of compiling research analysis and reports. Using Document Search, the firm's analysts can gain unprecedented access to qualitative and quantitative data related to a company's financial performance.

The breadth and depth of the investment intelligence at their fingertips allows analysts to streamline their research workflow, develop a deeper understanding of a company and its sector, mitigate risk, and uncover investment opportunities faster and with less effort.

Earnings per share - necessary but not sufficient

Focusing exclusively on a company's earnings per share (EPS) was a credible and defensible investment strategy in a bygone era. Today, while investment analysts still focus on EPS as an important measure of a company's performance, that is often just the beginning of their analysis. A robust analysis of a company's financials requires understanding the performance of individual segments that drive a company's headline measures, such as revenue and EPS.

Developing a detailed understanding of the performance of each segment a company operates requires an ability to gather and analyze a never-ending torrent of data - both structured and unstructured. This task can prove tiresome, stressful, and often unsustainable for investment analysts over the long haul.

To relieve the burden placed on investment firms, Bloomberg developed tools to provide end-to-end coverage of a research analyst's workflow. **When combined, MODL <GO> and Document Search allow firms to stay ahead of their competition and uncover key drivers and market trends, and trends in headlines measures to inform their investment strategies.**

MODL <GO> provides detailed financial profiles for over 4,000 securities, including filings, analyst expectations, and models. MODL <GO> and DS <GO> are seamlessly integrated, making it easy to find any qualitative information contained in documents regarding a quantitative data point (or KPI) of interest to the investor. Highlighting industry KPIs and company-specific revenue drivers, MODL <GO> combines forecasts from broker models with company-reported data to provide a best-in-class solution to analyze a company's historical and expected performance on the measures that really matter.

So, whether the analyst needs to deepen their understanding of a particular segment, focus on discrete terms, uncover emerging threats and trends, or develop trading ideas, they can do so in a single solution.

Streamlining the post quarter wrap-up

For Mr. Brian Madden, the Chief Investment Officer for First Avenue Investment Counsel and his research team, MODL <GO> and DS <GO> save his team untold hours of research time, which they can then allocate to higher-value tasks.

For example, Mr. Madden finds the post-quarter wrap-up can be particularly laborious. "Previously, I'd access the company's press release, the quarterly report, the management discussion, scan transcripts, and develop summaries and key takeaways," said Mr. Madden. **"Document Search puts all of that information in one place. It saves you from jumping around all over the place."**

First Avenue Investment Counsel's team of investment professionals is growing. As new employees join, there's an expectation that they'll use MODL <GO> and DS <GO>. "With an understanding of how the Bloomberg terminal works, learning how to use MODL and DS is not going to be particularly onerous," said Mr. Madden. "It's not that difficult, and the support provided by the client services team and the Bloomberg University are tremendously helpful," he adds.

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—Brian Madden
Chief Investment Officer,
First Avenue Investment Counsel

A deeper understanding of companies, sectors, and markets

Sifting through company financial documents, reporting, identifying, and capturing key performance indicators requires considerable time and effort. Time is a precious commodity, especially for smaller investment management firms with a limited staff to assign administrative tasks.

MODL <GO> and AI-powered research and analytics platform DS <GO> help First Avenue Investment Counsel scrutinize companies more granularly, saving time and creating an efficient, scalable process. This includes an ability to digest voluminous regulatory filings quickly and efficiently, alongside broker research notes, company transcripts, filings, presentations, and press releases. Instead of spending hours of precious analyst time searching broker portals, company resources, and regulatory websites, MODL <GO> and DS <GO> deliver critical data in a single solution.

For example, in addition to focusing on critical KPIs such as earnings, sales growth, and return on equity in the banking sector, Mr. Madden’s team must also concentrate on risk-based measures. These include capital adequacy ratios, common equity tier 1 capital, and risk-weighted assets, to name a few. **“Where you might get bogged down and maybe wouldn’t have time to go into that layer of depth in the 200-page filings banks drop on you every 90 days, MODL <GO> can help you quickly search and understand those risk parameters.”**

Furthermore, the time savings delivered by MODL <GO> and Document Search <GO> allows his small team to cover more ground than they would do otherwise. “Let’s say we decided to own three of the big six Canadian banks. We’ll know those names well and follow their performance closely,” said Mr. Madden.

Using MODL <GO>, Madden’s team can not only track their holdings, but they can also use the solution to track the banks they do not currently hold. “Whereas we might spend two or three hours or more on the names we own, we probably wouldn’t do that for the three we’ve chosen not to own,” notes Mr. Madden.

Using MODL <GO>, Mr. Madden knows that he can quickly analyze competitors and key metrics such as their market share, capitalization levels, dividend payout ratios, and net interest margins. This allows First Avenue Investment Counsel to keep close tabs on their existing holdings and their competitors that they would otherwise lack time to do without MODL <GO> and Document Search <GO>. Access to timely and relevant data in a single solution also helps the investment team monitor supply chain risks for their current holdings and uncover new investment opportunities.

Bloomberg also allows Mr. Madden and his team to refine their approach to communications with stakeholders. In particular, Mr. Madden is excited about the potential to extract insight from unstructured data. “Using the natural language processing capability that the Bloomberg team developed holds great promise and should help us a great deal.”

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—Brian Madden
**Chief Investment Officer,
First Avenue Investment Counsel**

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