

# INVESCO INDEXING CREATES OVER 30 INDEXES WITH FACTSET INVESTMENT SOFTWARE AND SERVICES

› The indexing team had highly specific requirements for its fixed income assets and needed a partner that could get up to speed quickly.



## FIRM TYPE

Independent index provider

## THE CHALLENGE

Create over 30 indexes spanning both equity and fixed income asset classes within six months

## FACTSET SOLUTION

A custom workflow for index creation designed by FactSet Professional Services

## The Challenge

Invesco Indexing develops and licenses customized, proprietary indexes that leverage the global scale of Invesco Ltd., one of the world's premiere global investment management firms. Invesco manages more than \$900 billion in assets and serves investors in more than 150 countries<sup>1</sup>.

Formed in 2017, Invesco Indexing provides indexes for other internal investment and distribution channels within Invesco, as well as to external clients. Although relatively new, the team was rapidly growing, and at the beginning of 2018, agreed to build approximately 30 custom indexes to support equity and fixed income ETF launches beginning midyear.

When creating an index, Invesco Indexing casts a wide net to build an eligible universe of securities. From there, parameters are defined to limit and weight the universe further based on a desired index outcome. Once complete, extensive research is done to ensure all included securities are covered, returns are aligned, turnover is acceptable, and that the resulting index is a reasonable foundation for an investable product. To thoroughly conduct this research on a large set of products over a short period of time, Invesco Indexing sought a reliable partner.

All long-term users, the team already knew and trusted FactSet, so they reached out.

<sup>1</sup>All data as of September 30, 2018 and includes all assets under advisement, distributed and overseen by Invesco.

### The Solution

Although FactSet is well-known for its equity solutions, the indexing team had highly specific requirements for FactSet's fixed income functionality. By nature, fixed income solutions are often very different in terms of data, data providers, and vendors. After several conversations about its requirements, and a proof of concept, Invesco Indexing was confident that FactSet could meet its needs for equity and fixed income solutions.

In addition to leveraging FactSet's Professional Services team for assistance in the index creation process, Invesco Indexing selected FactSet as a key component to its index platform. FactSet allowed the Invesco Indexing team to implement the rules-based strategies they would need when creating indexes.

"We're very comfortable with the way the platform works. It offers a complete set of features from data management to security selection—it's kind of a one-stop shop, which is great," says Andrew Waisburd, Head of Invesco Indexing.

More importantly, Waisburd's team required the high level of service they were used to from FactSet's consulting team, as well as the knowledge and experience of FactSet's Professional Services. "Maybe more important than the platform itself is the level of service that we've been accustomed to receiving from the FactSet consultants," he says.

In addition to software and services, FactSet also provided Invesco Indexing with direct access to content specialists and data providers. This allowed Invesco Indexing to avoid being tied to a single input provider and provided the flexibility to create the indexes the way they wanted, from those they intended to create as part of the current mandate, to any they wished to create in the future.

Ultimately, Invesco Indexing was able to create an automated workflow-based process, from start to finish, that enables it to research equity and fixed income products, assign assets, run rebalance rules, create factor scores and rankings, determine feasibility, report on and validate results, and deliver index constituents. With an automated process, Invesco Indexing can build high quality indexes faster and with more flexibility.



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### The Results

With FactSet, Invesco Indexing was able to create the indexes they needed on time. "I don't think we would have been able to get this done in time without the help of the FactSet team. Their people possessed both the content expertise and the technical know-how that we needed at the time we needed it," says Waisburd. Invesco Indexing now has the platform and processes in place to continue creating internal indexes and expand its capabilities externally.

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