

Case Study

Doctors Pension Funds Services selects MSCI's BarraOne

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Doctors Pension Funds Services (DPFS) is the fiduciary manager for the Dutch Pension Fund "Stichting Pensioenfondsen voor Huisartsen" (SPH), the pension fund for the general practitioners in the Netherlands. DPFS manages EUR 7.1 BLN (USD 10 BLN) for approximately 16.500 participants in SPH. DPFS has a strong commitment to their clients and participants. After a rigorous evaluation process, they selected MSCI's BarraOne for their internal and external market-risk needs.

DPFS had multiple requirements they were looking to satisfy in a risk system. For its internal procedures DPFS needed a market-risk system that was able to provide risk information on the entire investment portfolio, and is able to give more insight in the liability risks of SPH. Furthermore, DPFS needed a risk management system that was able to report risk information to the board of SPH and external regulators.

In looking for a risk system, DPFS needed to consider that SPH has a diversified investment portfolio of listed and non-listed investments. Also, in their asset management process DPFS uses external asset managers for the operational asset management and a variety of OTC derivatives products for the tactical asset allocation that is internally managed. The biggest challenge that DPFS encountered was to obtain all this information timely and accurately in the selected risk management system.

DPFS selected BarraOne, a platform for multi-asset class investment risk management that helps risk managers identify fundamental drivers of volatility. Using Managed Services for BarraOne, DPFS delegates to MSCI the data processing, system administration, portfolio reconciliation, asset proxying and report generation. They can rely on our expertise for the production aspects and are free to focus on their investment analysis.

Paul Vermeulen, Head Mid-office Investments at DPFS was a driver in the selection of BarraOne and states, "The key differentiator for DPFS in selecting BarraOne was the flexibility of the system. The modeling and risk factor approach, the data processing services, and the front office tools like what-if simulations and scenario analyses were strong benefits in DPFS's selection of BarraOne. The BarraOne solution with the Managed Service offering is what we needed in keeping with our focus on our clients and participants."

Since the implementation of BarraOne, DPFS now has the necessary tools and risk information to satisfy their market risk needs. Mr. Vermeulen states, "With the help of BarraOne, DPFS now has the availability of more adequate and timely information to support DPFS in investment decisions and we are able to inform stakeholders of the pension fund in more detail about the risk levels that are attached to the investment process."

MSCI looks forward to continuing to work together with DPFS.