



# CASE STUDY

*Mizuho Asset Management  
Uses T-STAR/ReportAssist for  
Investment Advisors*



## CLIENT PROFILE

*Mizuho Asset Management*

## LINE OF BUSINESS

Asset Management

## FOUNDED

1964

## IMPLEMENTED SOLUTION

T-STAR/ReportAssist for  
Investment Advisors

Mizuho Asset Management Reduces Errors and Improves Efficiencies with NRI's T-STAR/ReportAssist for Investment Advisors

### WHY T-STAR/RA?

Mizuho Asset Management (Mizuho AM) has adopted Nomura Research Institute's (NRI's) T-STAR/ReportAssist (T-STAR/RA) for investment advisors.

Asset management companies periodically prepare reports for clients on the status of the clients' assets under management. As the reports differ in format depending on the client, they tend to be extremely time-consuming to prepare. T-STAR/RA is a service that helps prepare such reports while improving users' operating efficiency.

Similar to many asset management companies, Mizuho AM used to prepare most of its client reports using Microsoft Excel macros. According to Akika Otoguro, Officer of Mizuho AM's Portfolio Management Department, which is tasked with compiling client reports,



**Ms. Akika Otoguro**

*Portfolio Management Department  
Officer, Mizuho AM*

*"We prepare 'quarterly Mizuho investment trust original reports' (M Reports) for clients who have not requested a specific report format. For pension fund clients, we prepare customized reports by gathering data from various sources and processing the data on a fund-by-fund basis. We used to prepare the M Reports using multiple Microsoft Excel spreadsheets and various macros. It takes about 40 hours every time. Because the spreadsheets had been repeatedly revised, including by personnel who have since left the company, the report generation program had become virtually unanalyzable and rife with inefficiencies. We consequently decided to upgrade our report preparation process."*

Improving this report preparation process became an urgent priority for Mizuho AM. Asset management companies are encouraged to comply with the Global Investment Performance Standards (GIPS), which prescribe standards for calculating investment performance. When the rules were revised in January 2010, the previous simplified method of calculating investment returns was replaced with a more precise, daily valuation. This change had a major impact on report preparation.



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## T-STAR/RA HAS FOUR MAJOR DISTINGUISHING FEATURES:

### **Diverse report content**

T-STAR/RA has a vast library of line items needed to prepare reports, both routine and non-routine. NRI assembled this library by analyzing 350 types of reports for asset management clients.

### **User-friendly layout tools**

T-STAR/RA enables users to instantly generate routine reports that meet standard industry specifications. Non-routine reports also can be easily generated by dragging and dropping requisite line items from the large selection available.

### **Web-based interface**

T-STAR/RA is accessible with a Web browser and requires no installation by the user.

### **ASP service managed by central servers**

NRI's servers can be used to store not only report data and line item definitions but also final reports. Users are therefore able to continue preparing reports even if their own IT systems fail or their operations are disrupted by a natural disaster or other unforeseen events.

Mizuho AM came to the conclusion that continuing to prepare reports using Microsoft Excel macros would only increase its operational risk. The firm decided to radically revamp its report preparation process to handle the workload resulting from the switch to daily NAV calculation. After an extensive search process, Mizuho AM selected T-STAR/RA by NRI.



**Mr. Masanori Iwase**  
General Manager, System Development  
Department, Mizuho AM

*"We use T-STAR/GX as one of our main systems for monitoring portfolio status and analyzing performance. T-STAR/GX is the source of much of the data we used to generate reports. While T-STAR/RA met our requirements in terms of functionality, the fact that it could be seamlessly connected with T-STAR/GX was the key reason that we chose it."*

## GAINING EFFICIENCY IN TWO DEPARTMENTS

Adoption of T-STAR/RA was initially slated to be a solo project headed by the Portfolio Management Department. However, as the department lacked sufficient human resources to handle both its day-to-day workload and parallel operation of the new system in the limited time available, Mizuho's System Development Department was enlisted to assist.

The Portfolio Management Department was tasked with researching the specification revision process. *"In addition to the switchover to daily NAV calculation, we also made improvements that we had long wanted to make, such as changing the definition of 'country' that we use to analyze foreign stocks' country-specific factors from 'asset manager's country' to 'investee country'.* We consulted with NRI about things when confirming report specifications. NRI offered many suggestions on revising report specifications and layouts, helping us to streamline the previously complex workflow," commented Ms. Otaguro.

Additionally, instead of migrating all reports to T-STAR/RA, the Portfolio Management Department identified which reports were to be generated using T-STAR/RA. Regarding the selection criteria, Ms. Otaguro said, *"We selected time-consuming reports that entail a lot of work, reports that pose a high degree of operational risk because their preparation involves many complex manual tasks, and reports that pertain to many clients. We chose these reports to dramatically improve workload efficiency."*



For more information, visit: [www.nri.com](http://www.nri.com)



## MIZUHO

### WHAT IS T-STAR/REPORT ASSIST?

T-STAR/ReportAssist is a mutual fund reporting tool, designed to automatically produce management performance reports. Eliminating manual, error-prone processes, T-STAR/ReportAssist uses T-STAR/TX data to create accurate information for asset management company disclosure and reporting departments.

In addition, T-STAR/ReportAssist provides a single data warehouse of commonly used reporting information, which helps managers organize the report production schedule and sign-off process. T-STAR/ReportAssist is fully compliant with the Financial Instruments and Exchange Act in Japan, which mandates that asset management companies issue summary prospectuses.

For the reports thus selected, the System Development Department analyzed discrepancies between numerical data generated by T-STAR/RA and numerical data calculated through the old procedures. Such discrepancies can ordinarily be reconciled through thorough investigation. In this case, however, Mizuho AM was not merely migrating from one system to another, it was simultaneously revising its report specifications. The System Development Department consequently had to identify whether numerical discrepancies were due to the revision of the specifications or inconsistencies in the line items selected from a list of pre-defined line items.

In Ms. Otaguro's words, *"Having just revised the report specifications, we did not yet have correct sample reports that conformed to the new specifications. Checking numerical discrepancies one by one to determine whether they were correct or had errors was a really hard job."*



**Mr. Yuichi Matsushita**  
*System Development Department  
Manager, Mizuho AM*

*"First we analyzed the discrepancies in the System Development Department. When unable to ascertain the reason for an inconsistency, we asked the Portfolio Management Department to investigate. If the department could not figure it out, we asked NRI for help. NRI handled such requests by assigning a helpdesk liaison to exclusively assist us."*

User acceptance testing was originally scheduled to be completed by March 31, 2012, but for the sake of thoroughness Mizuho AM conducted additional testing in two phases after releasing some of the reports in a production environment in April 2012. During the first phase, the firm checked M Reports' numerical accuracy using data through September 2012. In the second phase, it checked M Reports' numerical accuracy using data through December 2012. Mr. Iwase reported, *"We thought we could migrate all of the designated reports to T-STAR/RA during phase one, but we could not rest until we had completed phase two, when we verified the M Reports, which were where we had hoped to see the biggest payoff from switching to T-STAR/RA."*



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## MIZUHO

### MIZUHO ASSET MANAGEMENT

In 1997, Dai-ichi Kangyo Investment Management, Asahi Investment Trust Management, and Kankaku Capital Management merged to form Dai-ichi Kangyo Asahi Investment Management, which was renamed Dai-ichi Kangyo Asset Management (DKAM) in 1997. In 2007, DKAM merged with Fuji Investment Management to form Mizuho Asset Management.

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### BENEFITS OF T-STAR/RA'S ADOPTION

To date, Mizuho AM has reduced its report preparation time by nearly half as a result of having adopted T-STAR/RA. Additionally, its report preparation workflow has become more transparent, facilitating better error detection. *"Previously we sometimes failed to notice errors until the reports had been printed. With T-STAR/RA, we are able to detect errors before the reports are printed. We can therefore discover and correct errors earlier. The workflow is now easier to explain than it was before because the process has become transparent,"* said Ms. Otoguro.

Additionally, the System Development Department has gained report preparation knowledge from its involvement in the joint project, whereas previously the Portfolio Management Department was the only one able to generate reports. *"In some cases, IT personnel are now able to help with error correction in report preparation,"* said Mr. Matsushita. By lowering the wall between the user and IT departments, Mizuho AM has laid the groundwork for future joint initiatives in pursuit of further efficiencies.

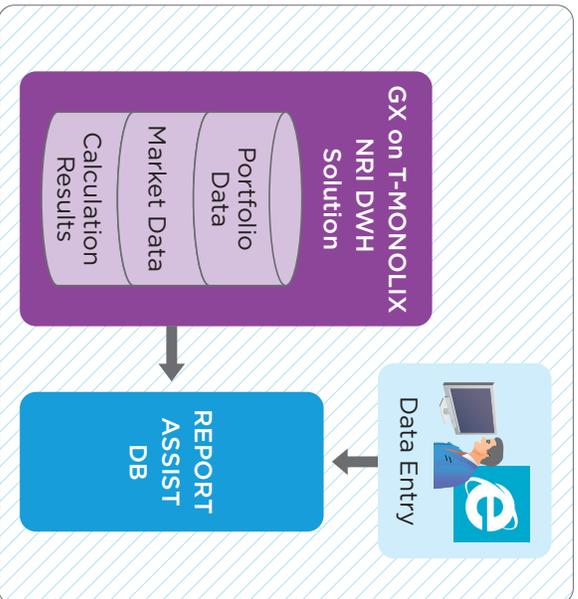
### NEXT STEPS FOR T-STAR/RA

NRI is currently working on upgrading T-STAR/RA to not only produce reports developed in Microsoft Excel files in response to requests from individual clients but also to generate reports with various graphs in PDF files. Among other benefits, this upgrade will enable batch generation of quarterly reports originally provided by asset management companies. NRI plans to continue to add additional features to make T-STAR/RA even more user-friendly.

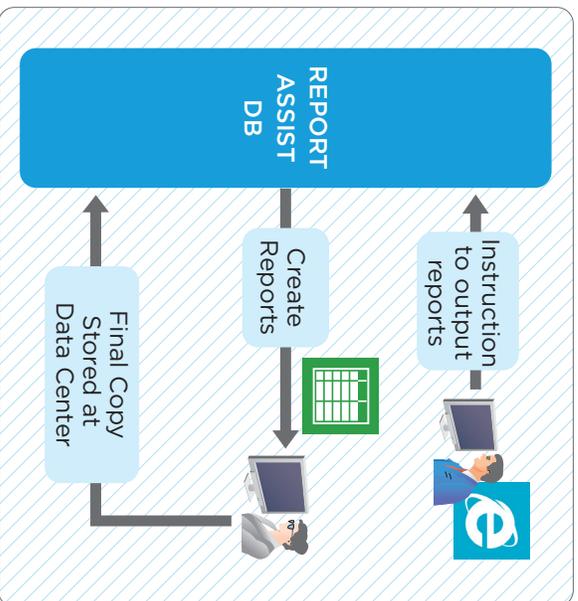


For more information, visit: [www.nri.com](http://www.nri.com)

STEP1  
Data Aggregation



STEP2  
Creating Reports



STEP3  
Printing Reports

