

# Model enhancement support for US-based asset manager

**60%**

lower costs for the firm,  
compared to other options

**12+**

FTEs specialising in multiple  
disciplines

**55+**

models covered across  
multiple asset classes

## CLIENT CHALLENGES

- The second line of defence in the client's organisation had raised significant concerns on 55+ key models across specialised asset classes such as securitised products, real estate, ESG and fixed income.
- The model owners did not have the bandwidth to address these concerns.
- Acuity was tasked with resolving these issues and supporting the model owners in creating and implementing a robust testing plan for the said models on an ongoing basis and delivering comprehensive model documentation.

## OUR APPROACH

- **Phase I**
  - The Acuity team held a series of detailed discussions with model developers and validators to gain insights into model use, workflows, key concerns, limitations and opportunities.
  - Acuity designed an implementation timeline with milestones for the testing and resolution of key issues, documentation and ongoing monitoring.
- **Phase II**
  - Based on domain, use case and scope of each model, Acuity designed and implemented relevant tests in addition to those suggested by the model validators.
  - Acuity documented testing results and suggested remedial actions for the shortcomings identified.
- **Phase III**
  - Model documentation and testing results were submitted to the second line of defence to get feedback and determine the next steps.
  - A framework was implemented, which was monitored continually.

## IMPACT DELIVERED

- Acuity studied the model inventory thoroughly and produced high-quality output, driven by subject matter expertise and a rigorous quality check process.
- Acuity had an eye for detail, with extensive focus on effective and exhaustive documentation of all relevant elements in the validation exercise.
- The team provided highly qualified and experienced resources at a fraction of the onshore cost.

### About Acuity Knowledge Partners

*Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 650 financial institutions and consulting companies through a team of over 6,000+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.*

*We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.*