



Best Sell-Side Newcomer (Vendor or Product)

Qontigo

Qontigo, which came into existence in September 2019 when Axioma, DAX and STOXX joined forces, wins the category for the best sell-side newcomer at this year's Sell-Side Technology Awards. As a combination of Deutsche Börse's STOXX and DAX indices and Axioma's portfolio-construction and risk analytics tools, Qontigo is now able to offer its clients a new product: STOXX Factor Indices. The factor index suite includes value, momentum, size, low risk, quality, and a multifactor index that delivers a diversified exposure to all fixed single factors. STOXX and Axioma had a long-standing partnership regarding factor indices that dates back to 2012 when the companies partnered to create the STOXX Minimum Variance index family.

"With STOXX being a benchmark provider and Axioma being an analytics provider, launching a new factor index family that brings together the two worlds was a clear action for us to take post-merger," explains Hamish Seegopaul, managing director of quantitative and multi-asset solutions at Qontigo.

The STOXX Factor Index suite works with the factor risk models provided by Axioma. "We felt there were needs in the market for a strong focus on portfolio construction, which includes limiting unintended factor exposures and at the same time, ensuring tradability," Seegopaul says.

Ensuring tradability meant using the Axioma factor risk models to control and investigate unintended factor exposures. The index also limits exposure to less liquid names and controls the number of index constituents and weights in order to heighten tradability.

"We've had the ability to design a product suite without legacy constraints—meaning we've been able to build something that has a consistent methodology across regions, across factors, and using advanced portfolio construction techniques, we are able to balance a number of different investors' objectives simultaneously," Seegopaul says.

According to Seegopaul, while the firm didn't start from a completely blank slate, the team was able to use feedback from investors over the years, as well as benefiting from its experience in designing a product that didn't have to rely on existing offerings.

During the second quarter of 2020, Qontigo launched the ESG versions of all its factor indices. "Sustainability is a core focus for Qontigo, so we wanted to ensure that we are providing both factor and sustainable investors with robust choices," Seegopaul says.

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Hamish Seegopaul, Qontigo



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