

KlarityRisk Risk Limits

AN EFFICIENT IMPLEMENTATION OF YOUR RISK TOLERANCE

- > Provides a disciplined and flexible framework for investment decision-making and assists in achieving a portfolio risk vs. performance equilibrium
- > Incorporates a granular set of risk limits which enables you to capture every factor that could potentially result in a breach of your comfort levels
- > Enhances the quantification of your risk tolerance and mitigates risk concentration risks to each portfolio segment against acceptable risk levels

A critical module in establishing a successful risk management framework is to determine and control the evolving risk tolerance of an investment strategy.

Recognizing the need for a quantitative tool which aligns investment decisions with the firm's internal or external investment policy guidelines, KlarityRisk offers the comprehensive Risk Limits Manager solution.

EMPOWERED RISK BUDGETING CONTROL

Current financial markets demand the ongoing implementation and monitoring of strict investment policy rules and regulations, which aim to suitably match a portfolio management strategy with the characteristics of specific investor risk tolerance levels. The efficient use of a robust risk management framework allows the fund manager to confidently achieve a targeted portfolio performance with a high level of compliance, whilst also preserving capital adequacy, maintaining liquidity and consequently empowering the value of the firm.

Key Features

Set Limits on Multiple Levels: Risk limits can be applied at Group, Portfolio, Strategy and Instrument levels as well as at Component type.

Limits on numerous risk and risk-related metrics: Apply limits on metrics including but not limited to VaR, Expected Shortfall, Sharpe & Sortino Ratios, Downside Deviation, Beta, Duration, Tracking Error, Statistical Moments and Portfolio Weights.

Various Notification Options: Get automatically alerted when a metric breaches your comfort levels, via notifications either within the system or via email messages.

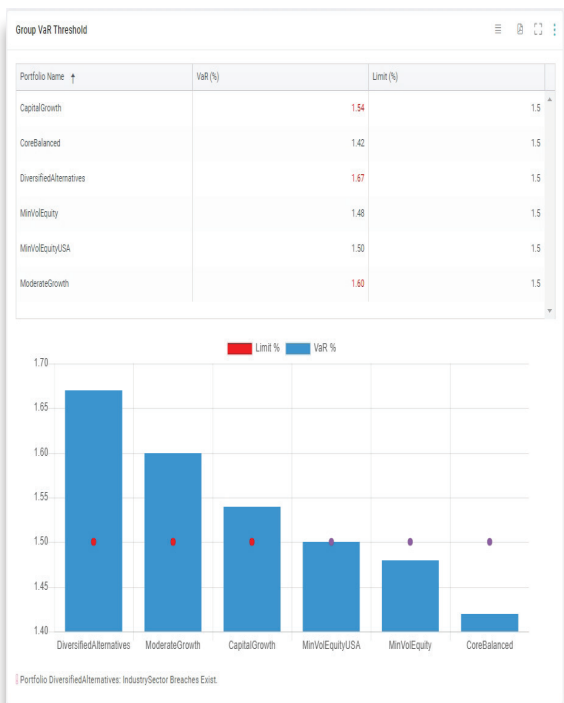
Wide Range of Risk Limits Reports: Utilize a comprehensive list of customisable risk limits reports to add more communication clarity to your portfolio assessment process.

Automation: Access the advanced Scheduler tool and setup automated checks of your exposures against your risk tolerance breach levels.

A Trusted
SS&C Advent Partner
& Distributor
since 2001

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ADVANCED INVESTMENT AND COMPLIANCE MONITORING



Indicator	Portfolio	Date	Component Type	Component Name	Measurement	Limit	Value	Threshold Comp
✓	CapitalGrowth	12/31/2019	N/A	Metric	VaR%	2.00	1.5054	VaR% < 2
✗	CoreBalanced	12/31/2019	N/A	Metric	Tracking Error	0.05	0.0895	Tracking Error < 0.05
✓	MinVolEquity	12/31/2019	N/A	Metric	VaR%	2.00	1.6350	VaR% < 2
✓	DiversifiedAlternatives	12/31/2019	IndustrySector	Energy	CVaR%	10.00	9.3340	CVaR% < 10
✗	DiversifiedAlternatives	12/31/2019	IndustrySector	Energy	Weights	10.00	12.7070	Weights < 10
✓	DiversifiedAlternatives	12/31/2019	AssetClass	Derivatives	CVaR%	5.00	0.0000	CVaR% < 5
✓	InflationProtected	12/31/2019	Monte-Carlo-99%	Metric	VaR%	2.50	1.7015	VaR% < 2.5
✗	DiversifiedAlternatives	12/31/2019	N/A	Metric	VaR%	1.50	1.6007	VaR% < 1.5
✓	MinVolEquityUSA	12/31/2019	N/A	Metric	Volatility	15.00	0.0976	Volatility < 15
✗	InflationProtected	12/31/2019	N/A	Metric	Volatility	0.05	0.1068	Volatility < 0.05

With KlarityRisk's Risk Limits solution you can:

- > Set your acceptable thresholds for a wide list of predefined metrics
- > Incorporate custom rules that may apply to specific investment policy requirements
- > Keep a complete audit of your risk limits allocations and breaches
- > Get alerted of any divergence from the acceptable levels via multiple ways

And all the above in an automatic way without the need of any manual intervention.

This leads to:

- > Absolute control of compliance with the investment policy decisions
- > Optimal-Risk budgeting
- > Efficient Portfolio and Risk Management Monitoring

KlarityRisk's **Risk Limits** solution keeps a complete audit of your risk limits allocation and breaches history and enriches the validation of your portfolio management process by providing absolute control of predefined risk tolerance levels that eventually result in optimal risk-budgeting strategies.

Learn more about all our solutions and our SS&C Advent specialized custom engineering services at:

www.finvent.com