

PRODUCT BROCHURE

# RISK ANALYSIS MANAGER

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As a risk manager, you are acutely aware that market participants and regulators continue to raise the bar when it comes to tolerating risk exposure as well as timely monitoring and reporting of risk. Risk Analysis Manager keeps your risk management workflows on track with a comprehensive set of tools, methodologies, and measurements.

RISK  
ANALYSIS  
MANAGER

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# RISK ANALYSIS MANAGER: KEEP RISK LEVELS UNDER STRICT SUPERVISION AND CONTROL

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As a risk manager, you have witnessed many examples of the consequences of inadequate risk management since the onset of the market downturn in 2008. With this in mind, you require a solution that addresses various types of risk, views key risk ratios in any number of permutations and combinations, and runs calculations and reports when and as you need them. Risk Analysis Manager gives you the control and capability you require to mitigate risk throughout the investment process.

## **CONTROL YOUR RISK MANAGEMENT AND REPORTING WITH RISK ANALYSIS MANAGER**

You know what happens to investment management institutions' reputations, profitability and, ultimately, ability to conduct business if risk management is not prioritized accordingly. You demand a solution that uses the right data and the right calculations to deliver the metrics you need to drive considered

investment decisions. Risk Analysis Manager delivers a series of risk models, key ratios, valuations, reporting, and analysis that ensure you have a clear picture of risk exposures by client, portfolio, asset class, or similar metric. It also empowers you to exercise strict supervision over the entire risk management process, enabling you to maintain the control over risk levels that is essential in your business today.

# RECONCILING THE DEMAND FOR GROWTH WITH THE REQUIREMENT TO KEEP RISK EXPOSURE UNDER CONTROL IS A CHALLENGE YOU AS A **RISK MANAGER** FACE EVERY DAY

Risk Analysis Manager supplies you with the comprehensive risk analysis capabilities, incorporating key ratios, models, calculations, and reporting across all listed security types you need to go about your business. As Risk Analysis Manager is scalable, flexible, and able to deal with the risk management requirements imposed by your clients and regulators, you can rest assured that demands for growth and risk control are adequately met and indeed satisfied.



## SIMCORP DIMENSION MANAGERS, EXPLAINED

Our integrated system is made up of different components covering all functions in your front, middle, and back offices. We call these components 'Managers' because they refer to the relevant role they support within your company.

Throughout the investment management value chain, your operations are in the hands of different people in different roles, where each role has its unique requirements. This is why we've built SimCorp Dimension in a role-based manner so that all your roles (Managers) are covered, front-to-back.

# MITIGATE OPERATIONAL AND MARKET RISK

**As regulations become tougher and client mandates less risk-tolerant, Risk Analysis Manager provides you with all the tools you need to handle increasingly complex risk requirements with confidence and control.**

## **BROADEN YOUR PERSPECTIVES**

Risk Analysis Manager supports your reporting of risk key ratios from multiple perspectives simultaneously, utilizing highly flexible integrated investment structures that are leveraged solution-wide. This ensures that you can perform internal, client, and regulatory reporting consistently, as well as provides you with complete transparency of the data and underlying calculations. A powerful set of analysis tools displays all key ratios at all aggregation levels of the investment structure. It also makes it possible for you to view and simply scroll through groupings of holdings and risk concentration, attribution, contribution, and back-testing figures.

## **TRANSPARENCY AND CLARITY**

You and your clients need transparency in risk modeling and reporting; gut feeling can serve you well but is not much use as an explanation when a client wants an assessment of operational and market risk. As you know, a single risk key ratio can summarize the results from a multitude of risk factors. Risk Analysis Manager gives you the necessary transparency to understand these risk key ratios on a disaggregated level as you can view all intermediate computations from the risk factor definition through to the final key ratio calculation. Fund and Index look-through capabilities are also available.

## **IN-SOURCED PRODUCTION OF MARKET KEY RATIOS**

With Risk Analysis Manager, you have the choice of insourcing the production of market risk key ratios using models maintained in-house or obtained from a third party. Based on industry-standard risk methodologies, the solution enables you to measure portfolio, benchmark, and active risk for any given portfolio aggregation and breakdown, including sector, rating, country, instrument type, maturity bucket, strategy, and so on. You can easily calibrate workflows to accommodate modeling values from third parties; otherwise risk models exist to map each security to risk models and risk factors are assessed over time, giving you the historical time series data you need to conduct your analyses.

# REDUCE COSTS AND ENSURE RISK CONTROL WITH RISK ANALYSIS MANAGER

- Scales with your business growth and growth in mandates, transactions, rules, and investment types without a corresponding increase in costs.
- Supports your risk key ratios and modeling for virtually all types of listed securities.
- Improves your decision-making with the ability to view risk key ratios from multiple perspectives.
- Allows you full control of the risk factors utilising a broad range of risk models, key ratios, and extensive instrument coverage.
- Provides you with transparency throughout all the risk models, inputs, and calculations.
- Reduces time-consuming and error-prone manual processes, allowing you to focus on analyzing risk factors as opposed to manual administration.
- Ensures consistency of reporting regardless of target audience.
- Reduces your exposure to operational and market risk as risk factors are quickly identified and can be acted upon.

# THE TOOLS YOU NEED TO TIP THE ODDS AND MANAGE RISK EFFECTIVELY

**Risk Analysis Manager provides you with the necessary tools to run your risk management with efficacy and confidence. It ensures you have the solution in place to guarantee that the odds are tipped in your favor when generating alpha for your clients. About the only companies that benefit from unchecked risk controls among their clients are casinos - and your organization is certainly not a casino!**

## VALUE-AT-RISK (VAR) MODELING

Risk Analysis Manager supports industry-standard risk methodologies, with time horizons and confidence levels set as you see fit. With respect to value-at-risk (VaR) modeling, you can choose in first and second order from parametric VaR, (Normal or Fat-tailed distribution) Monte Carlo VaR, and Historical VaR. The tool also supports ex-ante volatility modeling.

## STRESS SCENARIOS AND CREDIT-DEFAULT STRESS TESTING

The solution equips you with stress scenarios to estimate profit and loss (P/L), as well as credit-default stress testing. Extreme events (as defined by you) influence the P/L estimates and are based on full revaluations of the impacted instruments. The stress scenarios supplement the sensitivity analytics that are also available and are as follows:

- Standard scenarios based on relative shocks applied to one or a group of risk factors. The un-shocked risk factors remain constant.
- Predictive scenarios based on relative shocks applied to one or a group of risk factors. The covariance matrix is used to estimate the conditional expectation of risk factors not shocked by you.
- Look-back scenarios based on relative shocks derived from historical events.
- Successive stress tests that can combine all of the above stress tests in a prioritized order.

Reverse stress testing utilizing the VaR and the Exante Volatility models explore and save the interesting extreme scenarios for future reports. The credit-default stress testing simulates a sudden default of a party, whether a counterparty, issue, or underlying issuer, and the resulting P/L impact on a given day. You can dissect and view credit-default exposures at

all aggregation levels. This allows you to quantify losses on a potential default of each of your issuers, ex-posure across all your holdings, as well as exposure to the underlying issuers of derivatives. You can minimize the risk by combining all default exposures into one calculation and include collateral and recovery rates in the calculations.

## INTRA-DAY MONITORING INCLUDING 'WHAT-IF' ANALYSIS AND PRE-TRADE COMPLIANCE

The Parametric VaR, Ex-ante Volatility (Expected Tracking Error), and stress tests are available in SimCorp Dimension's Asset Manager and Compliance Manager. 'What-if' holding change scenarios can be simulated and the risk analytics calculated in near real time. Pre- and post-trade limit monitoring mitigates the risks for portfolio and risk managers.

## MULTI-FACTOR RISK MODELING WITH APT PLUG-IN

You have the option of leveraging the multi-factor risk modeling capabilities of Sungard APT. When using the fully-integrated 'APT Reporting Plug-in', clients benefit from APT's market-leading models to monitor and report a range of analytics based on frequently shipped and stored risk models.

## MSCI RiskMetrics plug-in solution

SimCorp provides you with a solution for mitigating the operational efforts and risks of transferring position data from SimCorp Dimension to MSCI RiskMetrics. The integration of the MSCI RiskMetrics results and messages back into SimCorp Dimension enables you to use SimCorp Dimension as your consolidated data warehouse and reporting platform - again at reduced operational cost and risk.

# READY, SET, GROW

Risk Analysis Manager belongs to SimCorp’s portfolio of integrated front-to-back solutions for business process automation in investment management. Efficient workflows seamlessly integrate your organization and provide accurate and up-to-date information when you need it, empowering you and your business to mitigate risk, reduce cost, and enable growth.

SimCorp’s flexible and scalable solutions allow you to capitalize on opportunities as they arise and swiftly adapt to changes in business requirements. Leading investment management institutions worldwide rely on SimCorp solutions to provide optimal business conditions and secure competitive advantage. Get ready for growth with SimCorp.

**Explore SimCorp’s solutions at [www.simcorp.com/en/solutions](http://www.simcorp.com/en/solutions)**

## SIMCORP DIMENSION - AN INTEGRATED SYSTEM



## ABOUT SIMCORP

SimCorp provides integrated, best-in-class investment management solutions to the world's leading asset managers, fund managers, asset servicers, pension and insurance funds, wealth managers and sovereign wealth funds. Whether deployed on premise or as an ASP solution, its core system, SimCorp Dimension, supports the entire investment value chain and range of instruments, all based on a market-leading IBOR. SimCorp invests more than 20% of its annual revenue in R&D, helping clients develop their business and stay ahead of ever-changing industry demands. Listed on NASDAQ Copenhagen, SimCorp is a global company, regionally covering all of Europe, North America, and Asia Pacific.

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

## ONE SYSTEM FOR A COMPLEX WORLD



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