ALGO RISK SERVICE

Web-based, leading-edge risk management and portfolio modeling capability – without the cost of a complex infrastructure

Algo Risk Service offers risk managers, portfolio managers, traders, and quantitative analysts a robust risk management and portfolio modeling environment to monitor, manage, and optimize risk across all asset classes and investment strategies. Hosted by Algorithmics and delivered online, Algo Risk Service provides access to state-of-the-art risk measurement and investment support tools, without exposing you to the technical and operational challenges normally associated with in-house deployment and maintenance of such products.

Algorithmics

With a wide range of advanced portfolio/risk analytics, valuation methodologies, scenario-generation techniques, and optimization algorithms, Algo Risk Service provides the foundation for a firm's portfolio construction and risk oversight processes. Risk can be reported on both an absolute and a relative return basis, and monitored with respect to a comprehensive limits management infrastructure. Most importantly, Algo Risk Service is supported by an experienced and dedicated group of financial and operational engineers who are committed to addressing the diverse requirements of multiple audiences within your institution.

Algo Risk Service

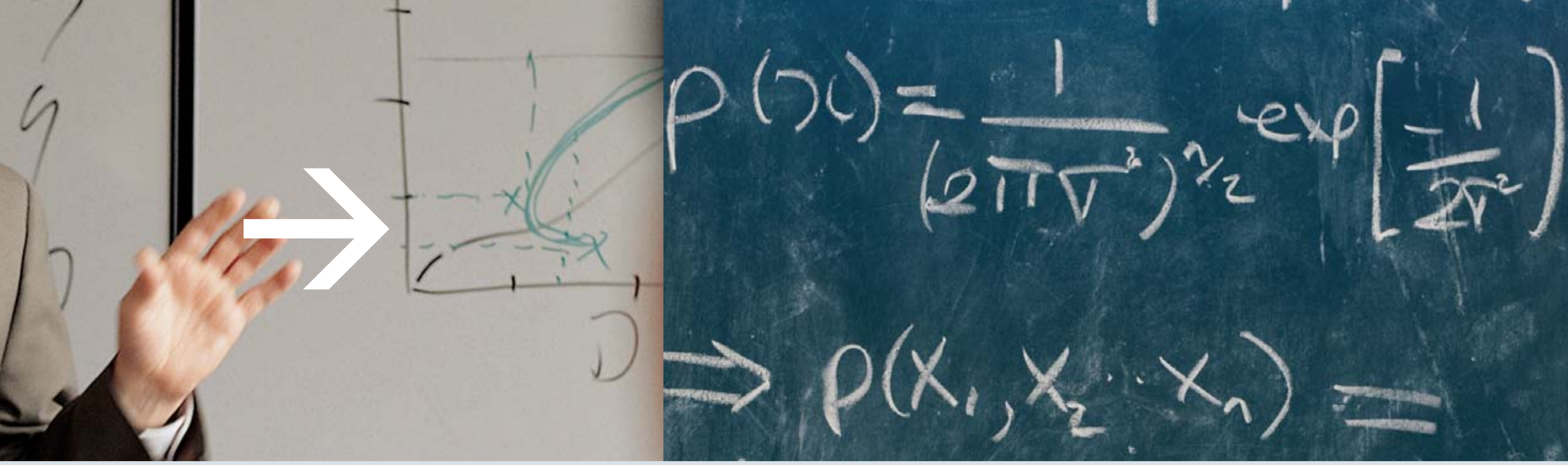
State-of-the-Art Risk Analytics

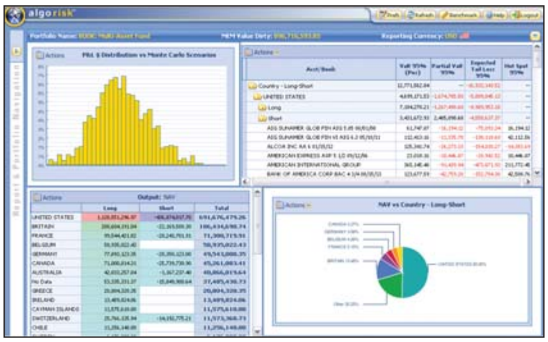
Leading-edge tools with low cost of ownership. Algo Risk Service delivers sophisticated risk and portfolio analytics without the cost of maintaining a complex internal infrastructure. Via an interactive web-based portal, risk may be assessed on a standalone basis, allocated to specific risk factor classes, or measured with respect to the contribution of an individual position/portfolio's risk to the overall group.

Comprehensive investment strategy support. Algo Risk Service supports all long-short and long-only investment strategies spanning all asset classes whether exchange-traded or OTC products. Any risk analysis can be assessed at the enterprise, portfolio, fund-of-fund, or position level. Portfolio hierarchies can be collapsed on demand and re-aggregated across user-defined criteria such as asset type, credit rating, issuer, and industry sector.

Advanced risk measurement and management. Algo Risk Service provides institutions with an extensive array of simulation-based risk analytics, ranging from probabilistic measures (such as VaR, directional VaR, and expected tail loss) to stress testing measures (such as user-defined risk factor shocks, numerical sensitivities, and historical replays). It also offers a comprehensive range of analytical sensitivity measures (such as multi-dimensional betas, durations/convexities, option greeks, and PV01s) spanning all required systemic and specific risk factors.

Sophisticated portfolio modeling capabilities. Algo Risk Service includes a wide variety of portfolio construction analytics including what-if and hedge analyses, as well as both parametric and scenario-based optimization. A robust portfolio-modeling environment allows institutions to restructure their portfolios in absolute terms or with respect to a benchmark, to construct efficient frontiers, and to compare alternative optimized portfolios within a strategy workbench.





An interactive report showing VaR and contribution VaR by country and long-short exposure with drill down to position level.

An interactive 'what-if' report illustrating the impact of a portfolio reallocation on a tracking error attributed to an industry sector.

An interactive report tool illustrating a risk-reward efficient frontier generated using optimization.

Industry-Leading Risk Services

Dedicated client engagement professionals. Algorithmics dedicates a client engagement manager to maintain and support each individual Algo Risk Service client. Possessing a deep understanding of capital markets, risk measurement, and portfolio optimization, the client engagement manager represents a single point of contact who facilitates knowledge transfer and ensures that Algo Risk Service meets each client's business requirements.

Financial engineering and model validation support. Algo Risk Service produces independent valuations for every financial product in an institution's universe as the basis for its risk and portfolio analytics. A group of financial engineers, who specialize in pricing complex financial products, including complex derivatives and structured products, conduct comprehensive validation services to ensure accuracy, consistency, and client applicability.

Comprehensive service level agreements. Algorithmics provides rigorous service level agreements (SLA) that exceed industry standards. The service level agreements for Algo Risk Service guarantee strict performance metrics, include rapid response times, and establish transparent problem elevation procedures and resolution paths.

Dedicated client production and data environments. As a managed service model, Algo Risk Service provides a dedicated production environment, which is uniquely configured to address each client's specific business requirements. In addition to providing configuration flexibility, the managed service model ensures data security and complete protection of confidential information.

About Algorithmics

Algorithmics is the world's leading provider of enterprise risk solutions. More than 300 financial institutions rely on Algorithmics' software, analytics and advisory services to make risk-aware business decisions, maximize shareholder value, and meet regulatory requirements. Supported by a global team of risk experts based in all major financial centers, Algorithmics offers proven, award-winning solutions for market, credit and operational risk, as well as collateral and capital management. Algorithmics is a member of the Fitch Group.

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