RISK LIMITS

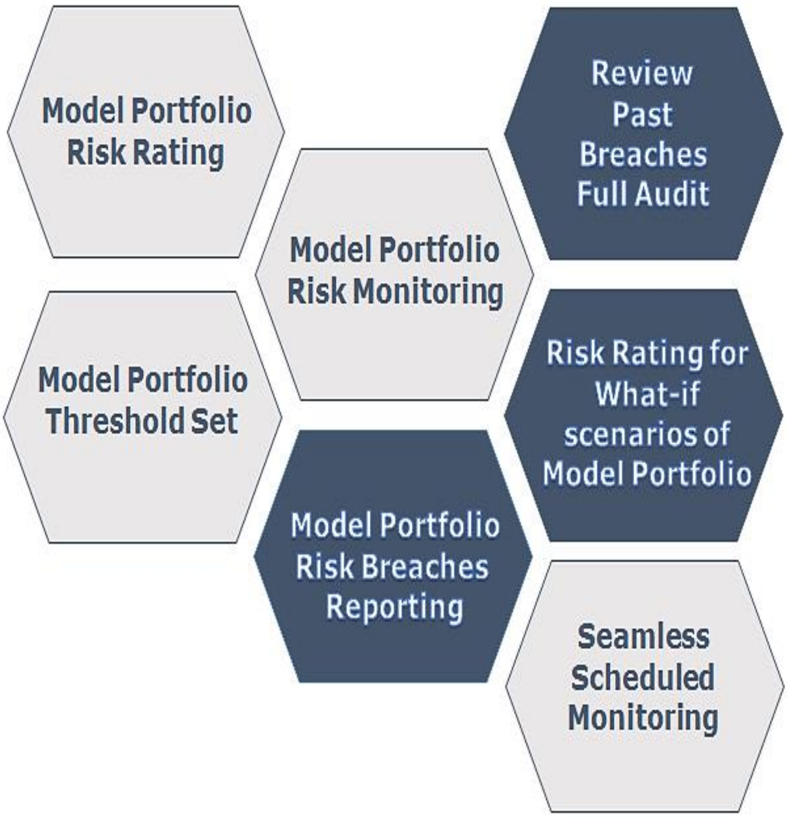
PRODUCT BRIEF

RISK LIMITS: Monitoring Investment Portfolio Models

With investors becoming savvier and more demanding day after day, the need to safeguard from litigation risk and mitigate operational and reputational risk becomes imperative.

RISK LIMITS provides evaluation and reporting of risk metrics such as VaR, CVaR, Tracking Error, Volatility, Custom Concentration Rules as well as Expected Returns. Moreover, daily monitoring is conducted via a scheduled process in order to ensure that proposed investments adhere to company policies, client risk profiles and regulatory compliance requirements. In case of mandate breaches, alerts are automatically triggered.

Key Features



RISK LIMITS Benefits

Risk Rating:
Evaluate Model Portfolios and generate Risk Metrics

Threshold Set:
Risk Metrics are set aligned to Investment Committee decisions

Risk Monitoring:
Validation of Risk Thresholds against Risk Metrics

Risk Breaches Reporting:
Warnings based on Thresholds set

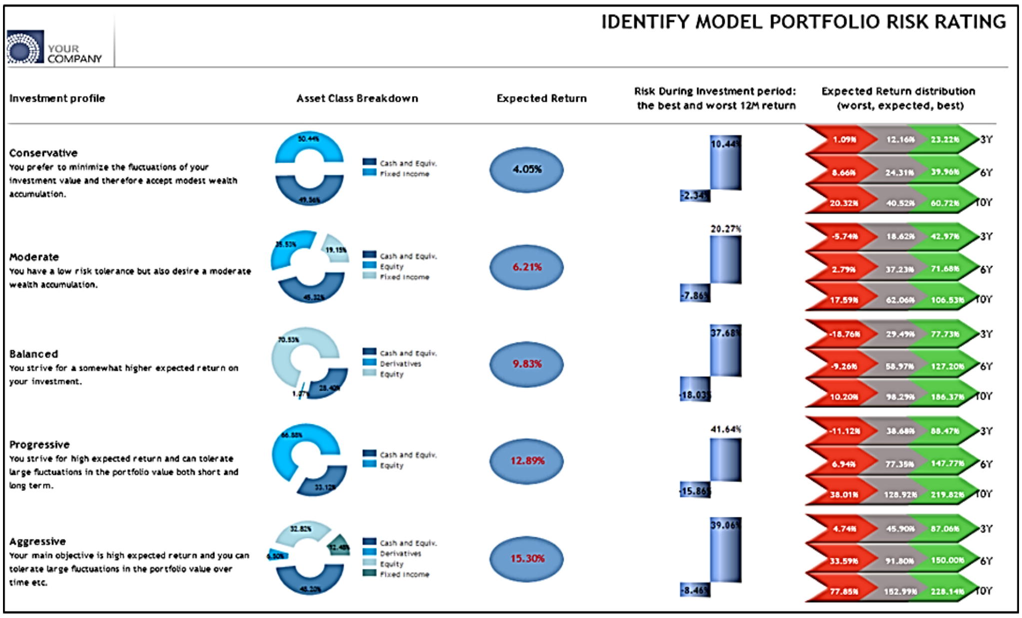
Risk Rating for What-if scenarios:
Concentration, Volatility, CVaR, T\E for proposed changes

Seamless Scheduling
Models monitoring performed via scheduled processes

Review and Full Audit:
Log and Audit Trail of Processes

RISK LIMITS automatically monitors risk-based investment proposals, providing portfolio/model breaching alerts. It helps proving to existing clients and regulators that risk is actively managed and quantified, on a daily basis. It assists your company to follow best practices on risk monitoring and to minimize active risk while trying to achieve the highest possible returns.

With RISK LIMITS one can enhance corporate reputation and goodwill via automated risk-based processes. It assists in client retention and new client acquisition efforts via quantitative proof and validation of sound investment practices for market risk minimization versus return objectives.



THRESHOLD

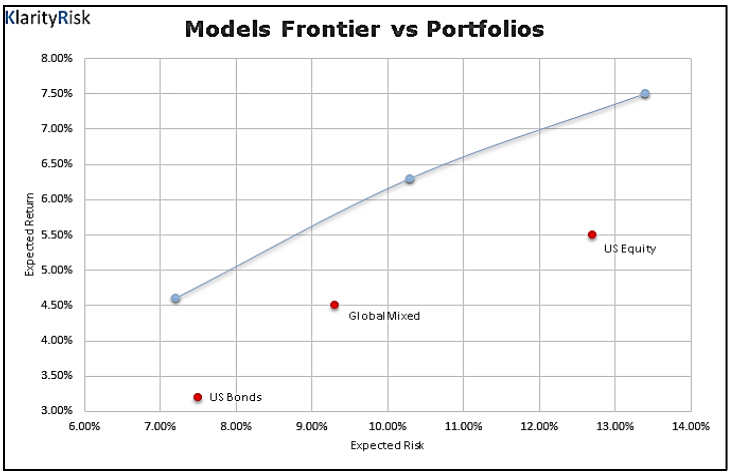
	Portfolio Volatility	VaR	Tracking Error	Expected Returns 3Y	Expected Returns 6Y	Expected Returns 10Y	Equity Conc. Rule	Deriv. Conc. Rule	Bond Conc. Rule	Custom Rule 1
Aggressive-Model	0.0840	0.0150	0.0906	0.4590	0.9180	1.5299	0.3240	0.0728	0.1274	0.1274
	(0.3200)	(0.0320)	(0.2000)	(0.5000)	(1.0000)	(1.5010)	(0.4000)	(0.1000)	(0.2000)	(0.2000)
Balanced-Model	0.1003	0.0175	0.1421	0.2949	0.5897	0.9829	0.7060	0.0097		
	(0.2000)	(0.0260)	(0.2000)	(0.3000)	(0.6000)	(1.0500)	(0.9900)	(0.0400)		
Conservative-Model	0.0210	0.0040	0.0000	0.1216	0.2431	0.4052			0.5122	0.5122
	(0.0450)	(0.0130)	(0.0100)	(0.1000)	(0.2000)	(0.3200)			(1.0000)	(1.0000)
Moderate-Model	0.0609	0.0089	0.1083	0.1862	0.3723	0.6206	0.3534		0.1959	0.1959
	(0.1800)	(0.0210)	(0.2000)	(0.1900)	(0.3900)	(0.6500)	(0.7000)		(0.5000)	(0.5000)
Progressive-Model	0.1038	0.0181	0.2163	0.3868	0.7735	1.2892	0.6688			
	(0.3000)	(0.0320)	(0.2200)	(0.4000)	(0.8000)	(1.4000)	(9.0000)			

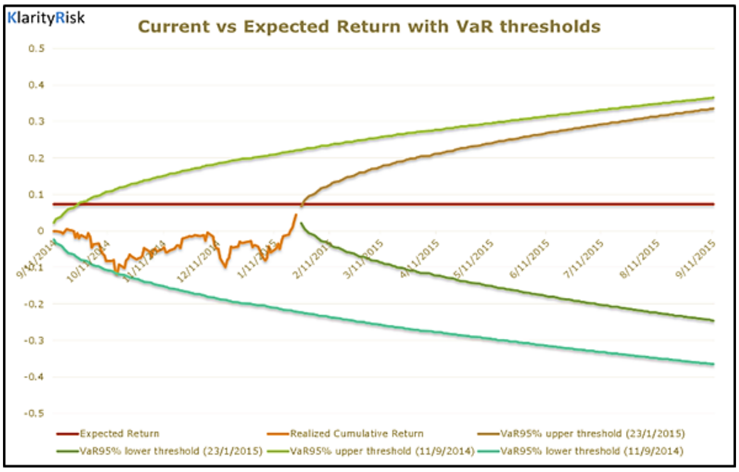
✓ Under ✗ Over ✓ Warning - N/A

THRESHOLD

	Portfolio Volatility	VaR	Tracking Error	Expected Returns 3Y	Expected Returns 6Y	Expected Returns 10Y	Equity Conc. Rule	Deriv. Conc. Rule	Bond Conc. Rule	Custom Rule 1
Aggressive-Model	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓
Balanced-Model	✓	✓	✓	✗	✗	✗	✓	✓	-	-
Conservative-Model	✓	✓	✓	✓	✓	✓	-	-	✓	✓
Moderate-Model	✓	✓	✓	✗	✗	✗	✓	-	✓	✓
Progressive-Model	✓	✓	✓	✗	✗	✗	✓	-	-	-

✓ Under ✗ Over ✓ Warning - N/A





To learn more about KlarityRisk and the advantages of RISK LIMITS, contact **info@klarityrisk.com**

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