



INVESTMENT RISK FOR ASSET MANAGERS

Cross-Asset Trading & Risk (CATR) | APT

Overview

The new role of the risk manager

The single biggest factor that's driven change within the asset management industry since the financial crisis has been the relentless downward pressure on the fees that investment managers can charge their customers. As a result, asset managers have focused on operational excellence as a means of improving operating margin. As we look to the future, market leaders within the asset management industry are now pivoted towards growth, focusing on their risk management capabilities as a means of enabling innovative product launches and deployment of next generation technologies.

While the industry is modernizing, opportunities arise. This is particularly evident to risk managers who are well-placed to expand their role and add value across the investment lifecycle.

FIS provides solutions and services that empower risk professionals to manage risk across all asset classes and increasingly sophisticated investment strategies.

FIS' APT is an award-winning risk management solution, offering comprehensive investment risk management and risk reporting for buy-side firms. APT supports clients globally, helping them manage a diverse set of investment strategies and regulatory regimes.

FIS' APT covers all asset classes

FIS' APT supports over 100 products across equities, rates, credit, derivatives, and illiquid assets.

However, a comprehensive risk solution does not end with instrument coverage. Over 100 risk model variations are now available through APT, spanning the full spectrum of investment horizons, markets and asset classes. This is how APT covers all modern investment strategies to meet unique client needs from small equity-only boutiques to leading MAC asset managers.

Truly interactive

A strong investment risk function encourages a lively interaction between portfolio managers and risk managers that goes beyond a periodic reporting cycle. Investment risk considerations should sit at the heart of all investment decisions, which means risk managers need a toolkit that allows for a highly interactive workflow that can address the demands for ad-hoc and intra-day analysis. APT's desktop solution is uniquely designed to support risk managers' needs to run pre-trade analysis, design forward-looking stress tests and explore exposure to new and prevailing market risk factors.

INVESTMENT RISK FOR ASSET MANAGERS

Cross-Asset Trading & Risk (CATR) | APT

Integrates both front and middle office

For investment managers who follow risk-based portfolio construction strategies, it is imperative that there is consistency in the models used by risk managers and portfolio managers alike. A great example is the managers who make use of portfolio optimization techniques as part of their investment process. With APT you get a robust optimizer that leverages the latest advancements in optimization algorithms to tackle portfolio construction requirements head-on, while empowering you to add real value to the investment process.

Growth in multi-asset class funds, absolute return products and outcome-oriented solutions means asset managers need a solution that provides consistency across the enterprise. APT spans across the front and middle office and aligns front office investment management decisions with the models used by an investment risk team.

What you get with FIS' APT

Advanced analytics

- Monte Carlo and Parametric VaR
- Tracking error
- Beta-to-factor
- Fixed income sensitivities (including CS01, DV01, PV01 and effective spread duration)
- Greeks
- Style factors (including dividend yield, growth, leverage, momentum, size, and value)

Users can drill into the metrics on various levels to look at contributions from positions, groups of positions, risk factors, and across key rates on a yield curve.

No risk management toolkit is complete without the ability to challenge the assumptions in the underlying risk models. APT provides a unique framework that allows you to stress the broadest range of risk factors and modelling assumptions and investigate how these play out across markets and asset classes. By doing this, we give you a deep understanding of how investment strategies will perform under different forward-looking market scenarios.

On-the-fly risk analysis

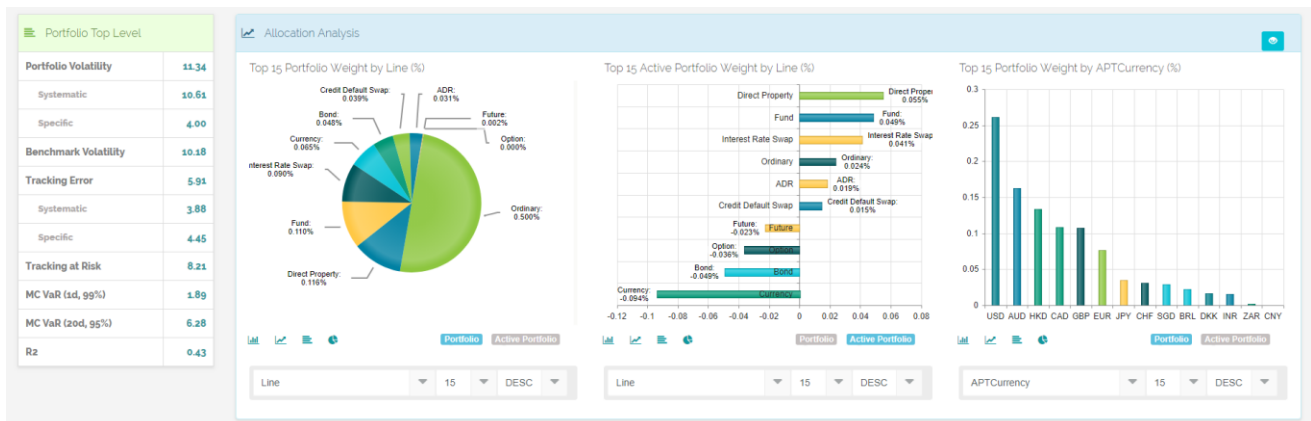
From what-if analysis to advanced stress testing and scenario analysis, APT's desktop solution delivers interactive risk management in a single platform. Leverage our powerful attribution framework to drill into risk and return drivers across all APT analytics.

Whether you are using a bottom-up or top-down investment strategy, we also provide insight into allocation decisions using leading methods, such as Brinson Attribution, for a complete picture of your risk.

Batch reporting and managed services

Being able to process a large set of portfolios and reports is critical to satisfy internal controls and external regulators. APT provides both cloud-hosted and deployed batch reporting solutions for flexible implementation options.

Compliance with various regulators and internal controls can be complicated and time-consuming. APT's Managed Services can automate or manage any non-value add process, such as batch reporting. This leaves you with the ability to add real value by engaging with the front office rather than managing data, while simultaneously reducing your total cost of ownership.



Sample APT reporting functionality

INVESTMENT RISK FOR ASSET MANAGERS

Cross-Asset Trading & Risk (CATR) | APT

Natively cloud-based

FIS provides a set of lightweight micro-services and APIs including REST, C# and Python. This enables real-time access to the whole spectrum of APT analytics, plus integration capabilities as part of a wider ecosystem.

Best-of-breed portfolio optimizer

By leveraging mixed integer and quadratic programming, APT supports a host of linear, quadratic, and integer constraints to allow clients to address the most complex portfolio construction needs of today. FIS also makes use of several APIs, including Python, MATLAB, and REST for endless integration possibilities.

Why APT?

- Truly coherent multi-asset class framework
- Consistent and tightly integrated front-office and middle-office solution
- Fast computations, including Monte Carlo simulations
- Advanced and comprehensive reporting library
- Minimal implementation effort
- Tailored managed services offering

Client quote

“With FIS’ investment risk solution APT, we discovered some surprising sources of unintended risk in our original strategies and in external factor indices...[and] we have implemented innovative strategies that are growing our business.”

Ulf Füllgraf, Managing Director, Alpha Centauri

FIS for Cross-Asset Trading and Risk (CATR)

In the drive to accelerate growth, support scale and streamline operations, financial services institutions need multi-asset-class solutions for trading and risk management that simplify complexity, reduce cost of ownership and increase insight. That’s why FIS has brought together its trading and risk businesses **Front Arena, Adaptiv, APT, Ambit Focus, Monis, FastVal** and **Kiodex**, to form a single group for CATR. By seamlessly integrating our market-leading solutions, CATR minimizes implementation time and duplicated development effort while providing access to more risk data sets and modeling services. With scale on our side, we increase our clients’ capabilities while continuing to reduce their costs.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 53,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor’s 500® Index. For more information about FIS, visit www.fisglobal.com or email getinfo@fisglobal.com.