PERTRAC

RiskPlus powered by FinAnalytica

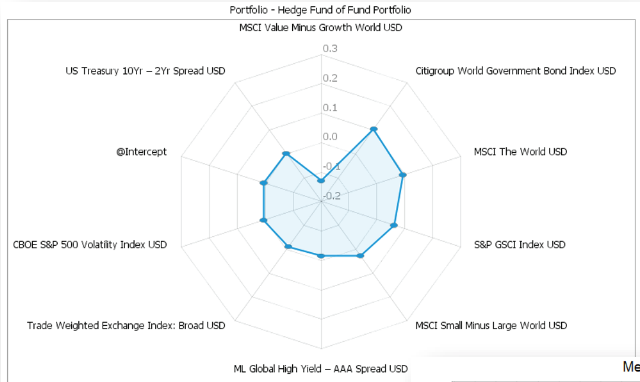
Manage risk and make better-informed decisions about your portfolio

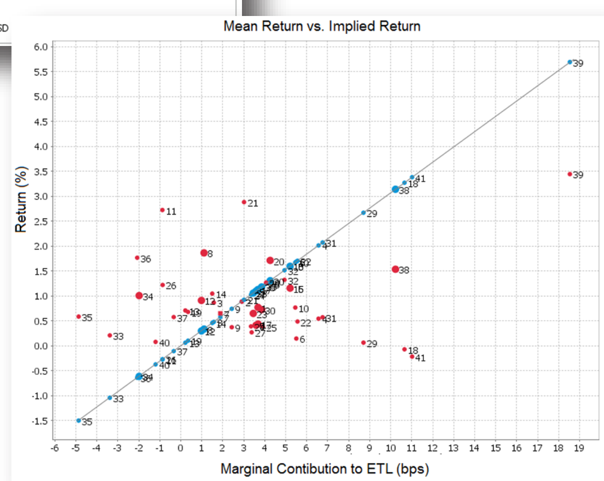
- Leverage cutting-edge statistical methods from FinAnalytica at an affordable price
- Compare "implied" returns based on risk profile to actual returns
- See how market factors account for portfolio risk
- Find out how your portfolio would perform if market stress scenarios similar to certain historical events were to reoccur
- Utilize robust correlation to better understand the effects of extreme market returns on fund correlations

RiskPlus is an innovative portfolio risk management solution designed for funds of funds, pension funds, sovereign wealth funds, endowments, foundations, and family offices and their investment consultants who need to carry out factor analysis and analyze risk, even in the most opaque asset classes. PerTrac partnered with FinAnalytica, the leading provider of real-world risk and portfolio construction solutions, to deliver RiskPlus to investors looking for an affordable and user-friendly way to conduct in-depth risk assessment of their portfolios. Traditionally, position-based analysis has been considered the only way to examine portfolio risk. But it is often difficult, if not impossible, to get a complete list of holdings from each fund manager on a timely basis. RiskPlus employs returns-based analysis using FinAnalytica's patented fat-tailed methodology.

Easy Inputs—Powerful Analysis

FinAnalytica's returns-based approach employs cutting-edge statistical methods that are backed by years of academic research. When you launch RiskPlus from within PerTrac Analytics, your portfolio's fund allocations and monthly return streams are used as inputs. You get back a comprehensive factor analysis report that also breaks down your portfolio's risk and return components using statistics based on fat-tailed distributions, dynamic correlations, and multi-factor models. You'll see which managers may deserve greater allocations, which ones are problematic, what questions you should ask managers, and how your portfolio can be expected to perform in a steep market downturn. Plus, you can assure your clients that you're using state-of-the-art risk management tools.





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Flexible, Detailed Reports

The RiskPlus report contains an easy-to-read front-page Summary plus the following sections, which are designed to help you understand what's really going on inside your portfolio:

Factor Analysis

- Each fund's beta and beta p-value relative to seven different market factor models, which contain eight to twenty-five factors, provide insight on your portfolio's true underlying exposures.

Portfolio Risk

- Fat-tailed risk statistics (as opposed to traditional risk statistics which assume a normal distribution) show which funds contribute most to portfolio risk and which are the best risk diversifiers. Unlike traditional risk statistics that focus on general volatility, advanced statistics such as fat-tailed VaR, fat-tailed ETL, STARR, and Rachev Ratio separate downside risk from upside potential.
- Risk budgeting compares the "implied" returns that funds should be earning based on their tail risk profile vs. their actual returns, allowing you to see which funds are underperforming relative to the tail risk they are contributing to the portfolio, and which funds may deserve increased allocations.
- Factor analysis reveals how much various market factors (e.g. Asian convertibles, British pound sterling, U.S. large & mid caps, etc.) account for portfolio risk and how much risk is specific to the underlying funds.

Stress Tests

- See how your portfolio and underlying managers would perform under certain market stress scenarios. Market reactions that were brought on by events such as Black Monday, the Asian Crisis, the World Trade Center attack, and the Crash of 2008, are all characterized to determine how your existing portfolio would perform if we saw conditions like those once again.
- Explore stress test exposures to seven different risk categories, including equities, bonds, ABS/MBS, commodities and FX.

Correlations Comparison

- Classical monthly correlation values between funds are compared to robust correlation values that eliminate outliers, which helps you understand their impact on the relationship between the funds.