

MSCI REGULATORY REPORTING SERVICE FOR UCITS AND AIF

SUPPORTING YOUR EUROPEAN REGULATORY REPORTING REQUIREMENTS

Complying with two sets of regulatory requirements in Europe — one governing funds sold to individuals and another for alternative investments sold to institutional clients — is a complex task. To satisfy the Undertakings for the Collective Investment of Transferable Securities (UCITS) and the Alternative Investment Funds (AIF), administrators must account for factors ranging from counterparty credit and cash exposures to stress testing and leverage — all in the proper format. The network of evolving regulations across Europe only heightens the challenge.

MSCI DELIVERS A COMPREHENSIVE REGULATORY REPORTING SERVICE

FLEXIBLE AND SCALABLE

MSCI's reporting service can create custom reports to meet the needs of regulators plus a variety of internal users, from analysts and portfolio managers, to risk management teams and compliance officers. In addition, the service is scalable. After initial implementation, funds can be entered into the system with minimal work, saving you time. Data is analyzed by our Multi-Asset Class RiskEngine model, with a market-tested risk methodology that is used by several hundred financial organizations and institutions.

CHEAPER THAN INTERNAL BUILD

The timely delivery of reports for both regulators and clients can be done more cost effectively by MSCI than your own team because of economies of scale.

OUTSOURCING REGULATORY REPORT PRODUCTION TO MSCI

MSCI's client support staff members have deep industry knowledge, with a focus on the AIFMD/UCITS reporting regulations. They can provide customized training and ongoing support to help you produce reports to file with regulators, as well as those for internal stakeholders and clients, with confidence.

MSCI can also alert you to data inputs that may not comply with certain regulations — for example, a portfolio position that breaches a regulatory limit for exposure.

OUTSOURCING DATA RECONCILIATION TO MSCI

We at MSCI are experts in data reconciliation; we provide outsourced operational services to some of the world's largest financial institutions.

Our rules engine is designed to validate risk and performance calculations quickly and accurately, delivering data your risk management team can trust. In the case of problems with underlying data, such as rejected securities, we make adjustments to the data based on predefined client rules.

Our 24/7 real-time operational support is proactive. Daily quality assurance checks enable our dedicated MSCI Operations Specialist Team to catch minor errors before they develop into major problems.

TWO DIFFERENT PACKAGES

Both thorough and efficient, MSCI's Regulatory Reporting Service can provide the UCITS and the AIFMD reports together or separately. Each of these packages combines an overview and a fund-level report that can be shared with investors as well as regulators. Our reporting service also provides backtesting and diagnostic reports designed to bring transparency to the quality of the VaR estimates so that you get a clear picture of the potential effects of various kinds of exposure.

- The UCITS report includes aggregate group exposure, issuer concentration risk, counterparty cash exposure, counterparty credit exposure, stress testing and global exposure. Global exposure is monitored using two statistical approaches: commitment and value at risk (VaR), which itself includes relative VaR and absolute VaR.
- The AIFMD report includes market risk profile, collateral exposure, counterparty credit exposure, stress testing and leverage, which is monitored from the point of view of gross leverage as well as commitment leverage. The AIFMD report also comes with the European Securities and Market Authority (ESMA) Annex IV report for regulatory filing.

- Both reports can add optional VaR Backtesting and Liquidity Risk analysis for clients who do not already have those capabilities, either on their own, or through another vendor. The liquidity report provides a fund-level liquidity risk overview, the fund's liquidity scores and other liquidity measures — such as the number of days to liquidate a position — under market and redemption scenarios.

CHOOSE FROM A VARIETY OF DELIVERY CHANNELS

MSCI report packages can be delivered via:

- **Managed Services** – Report production fully executed by MSCI. Clients receive daily or weekly reports by email or through a secure file transfer protocol.
- **Web Services** – Clients send files to MSCI's system and can integrate the UCITS/AIFMD reports with their own processes.
- **Web Application (RiskManager 4)** – Clients have direct access to the RiskManager platform, which provides more than 800,000 time series of market risk factors, as well as a global security master.

LEARN MORE ABOUT MSCI'S REGULATORY REPORTING SERVICE

Let us show you how we can streamline your regulatory reporting process and add value to your organization. Call your MSCI representative or contact us at inquiries@msci.com

ABOUT MSCI

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research. Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research. MSCI serves 97 of the top 100 largest money managers, according to the most recent P&I ranking. For more information, visit us at www.msci.com

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