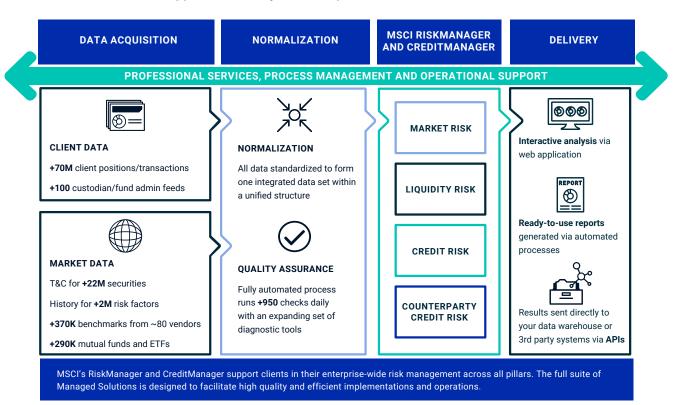# RiskMetrics® CreditManager

Advanced credit portfolio risk analytics powering your enterprise-wide risk management

RiskMetrics CreditManager enables you to quantify your portfolio credit risk by capturing market exposure, rating changes and default risk within Value-at-Risk (VaR) and expected shortfall simulations. MSCI takes care of data loading, cleaning, normalization and validation from third party sources such as custodians and fund admins while developing and operating production processes to calculate risk analytics for your portfolios. Analysis results are reported via an interactive web application, ready-to-use reports and/ or APIs.

DATA ACQUISITION	NORMALIZATION	MSCI RISKMANAGER AND CREDITMANAGER	DELIVERY

PROFESSIONAL SERVICES, PROCESS MANAGEMENT AND OPERATIONAL SUPPORT

CLIENT DATA

+70M client positions/transactions

+100 custodian/fund admin feeds

MARKET DATA

T&C for **+22M** securities

History for **+2M** risk factors

+370K benchmarks from ~80 vendors

+290K mutual funds and ETFs

NORMALIZATION

All data standardized to form one integrated data set within a unified structure

QUALITY ASSURANCE

Fully automated process runs **+950** checks daily with an expanding set of diagnostic tools

MARKET RISK

LIQUIDITY RISK

CREDIT RISK

COUNTERPARTY CREDIT RISK

Interactive analysis via web application

Ready-to-use reports generated via automated processes

Results sent directly to your data warehouse or 3rd party systems via **APIs**

MSCI's RiskManager and CreditManager support clients in their enterprise-wide risk management across all pillars. The full suite of Managed Solutions is designed to facilitate high quality and efficient implementations and operations.

Benefits and features

Credit risk analytics allows clients to:

- Measure portfolio credit risk and identify excessive risk concentrations across any set of dimensions and poorly performing exposures
- Assess new trading strategies and determine optimal level of participation in new investment opportunities
- Perform cost-benefit analysis on proposed hedging program and investigate the least expensive means of reducing credit exposure on selected names
- Address regulatory requirements including Basel III, Incremental Default Risk Charge (IDRC) and Default Risk Charge (DRC) for the trading book

MSCI

Integrated market data supplies clients with:

- A global security master covering over 5 million unique securities and historical market data across asset classes

- Transition matrices derived from S&P and Moody's as an input to the simulation of credit migration and default

- Factor model using MSCI indices to proxy asset value co-movements

- Market Data (FX, yields, credit spreads) for instrument pricing

Stress testing strategies allows clients to:

- Stress the drivers of a portfolio's credit risk, such as probabilities of default, loss given default, correlations, spreads, and recovery rates to understand and address stressed capital requirements

- Display differential reporting that presents the results of the stress tests's impact, as well as the validity and stability of the results, and their sensitivity to the underlying data and model assumptions

Managed Solutions

MSCI's Managed Solutions comprise three core offerings designed to deliver tailored solutions to address your specific challenges

- **Professional services**
  End-to-end services to support operational needs assessment, design and client onboarding

- **Data management**
  Fully automated process managing 70+ million imported positions with 950+ quality checks

- **Reporting services**
  Solutions that include standard, regulatory, ESG, liquidity or customizable reports tailored to your needs

Flexible reporting framework allows clients to:

- Run ad-hoc reports from the application and customize output across the various dimensions of client portfolios, both in absolute terms and relative to benchmarks

- Analysis reports designed for risk managers' daily tasks enable them to understand the reasons of changes between risk numbers between two points in term, compare regulatory and economic capital as well as intermediate calculation steps for successful model validation

Client service and support

- Support from a highly trained 24x5 client service team working from multiple offices around the world

- Client services professionals to help clients ensure business continuity, provide expertise, and disseminate best practices

- Trained professionals to help clients implement and utilize our products effectively

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit www.msci.com.

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