

RISK AND TRANSPARENCY SOLUTIONS

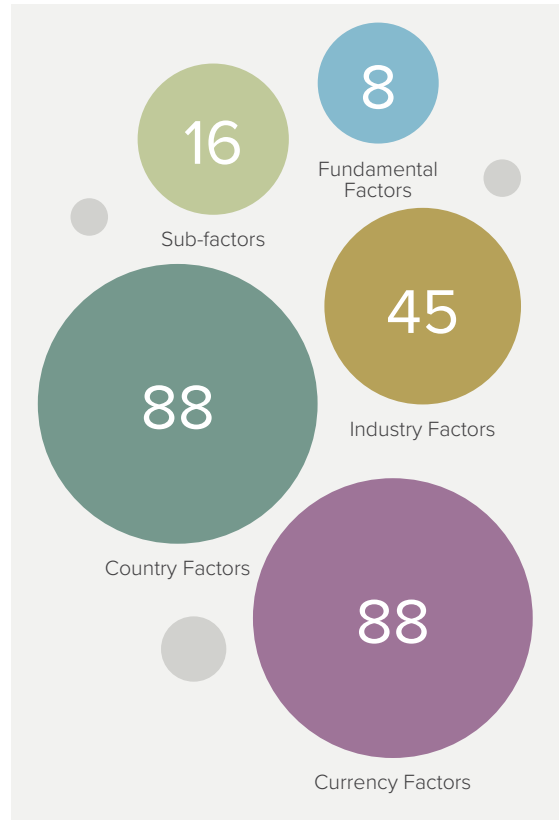
Barra multi-factor based risk reporting solution for smart beta strategies

The Citco group of companies' (Citco) Barra multi-factor reporting provides investment managers with an essential overview of their portfolio's risk/return profile, comparison to mandate and supports portfolio management across differing economic environments.

Our multi-factor analytical platform helps clients to understand their fund's exposure not just by sector, region and country, but underlying style factors such as volatility and momentum – which contribute to a fund's risk/return profile and overall returns.

KEY HIGHLIGHTS

- Citco combines underlying multi-factor analysis data provided by Barra with our performance analytics and reporting.
- Out-of-the-box/turn-key solution offering an insight into a portfolio's risk/return profile using multi-factor analysis and comparison to mandate.
- Holistic Smart-beta investment analysis and monitoring.
- A variety of factors on each stock covered daily (see right).
- Analysis of performance and exposure using systematic factors reinforces managers' understanding of the main drivers underpinning returns/alpha.
- Decomposes risk and return into explainable and idiosyncratic components.
- Provides a bridge between passive and active investment.
- Available via PDF reports as well as an interactive dashboard.
- Types of reports available include:
 - Factor Box exposure reporting
 - Top portfolio contributors towards factor exposures
 - Time series of factor exposure changes
 - Alpha decomposition based on Barra Factors
 - Factor overweight/underweight.



Applicable factors provided by Barra daily for each stock covered

Providing an invaluable insight into how systematic factors influence exposure, risk and overall fund returns, allowing amendments to investment strategy.



Citco dashboard with factor based analytics

OVERVIEW OF EIGHT FUNDAMENTAL FACTORS AND 16 SUB-FACTORS USED IN ANALYSIS:



Volatility

- Beta
- Residual volatility



Yield

- Dividend yield



Quality

- Leverage
- Investment quality
- Earnings variability
- Earnings quality
- Profitability



Momentum

- Momentum



Value

- Book-to-price
- Earnings yield
- Reversal



Size

- Mid cap
- Size



Growth

- Growth



Liquidity

- Liquidity

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