

Abstract

Definio Reply™ is a financial software platform capable of directing the demands relative to the management, analysis and reporting of financial instrument portfolios. Definio Reply™ represents a concrete and efficient response to increasingly pressing demands from the market in terms of analytical tools and decision-support systems for Financial Services.



Definio Reply™

Scenario

The evolution of financial markets in recent years is making it indispensable to equip with powerful and flexible technological tools for data analysis and decision support. This is the case for the analysis and control of risks and performance and also holds true for financial consultancy to the customer using a Wealth Management orientated approach. The Definio Reply system is aimed at financial operators that need to analyse and control their own financial activities, those managed by third parties, or by their own customers.

Solution



Definio Reply™ is an advanced, complete, open and flexible solution for Asset Managers and Private Bankers that provides extensive Performance and Risk measurement functionalities.

Designed to meet the complex and diverse needs of small, medium and large asset managers alike, Definio Reply™ is equipped with advanced analytics that provide a robust explanation of your portfolio performance.

Portfolio allocation

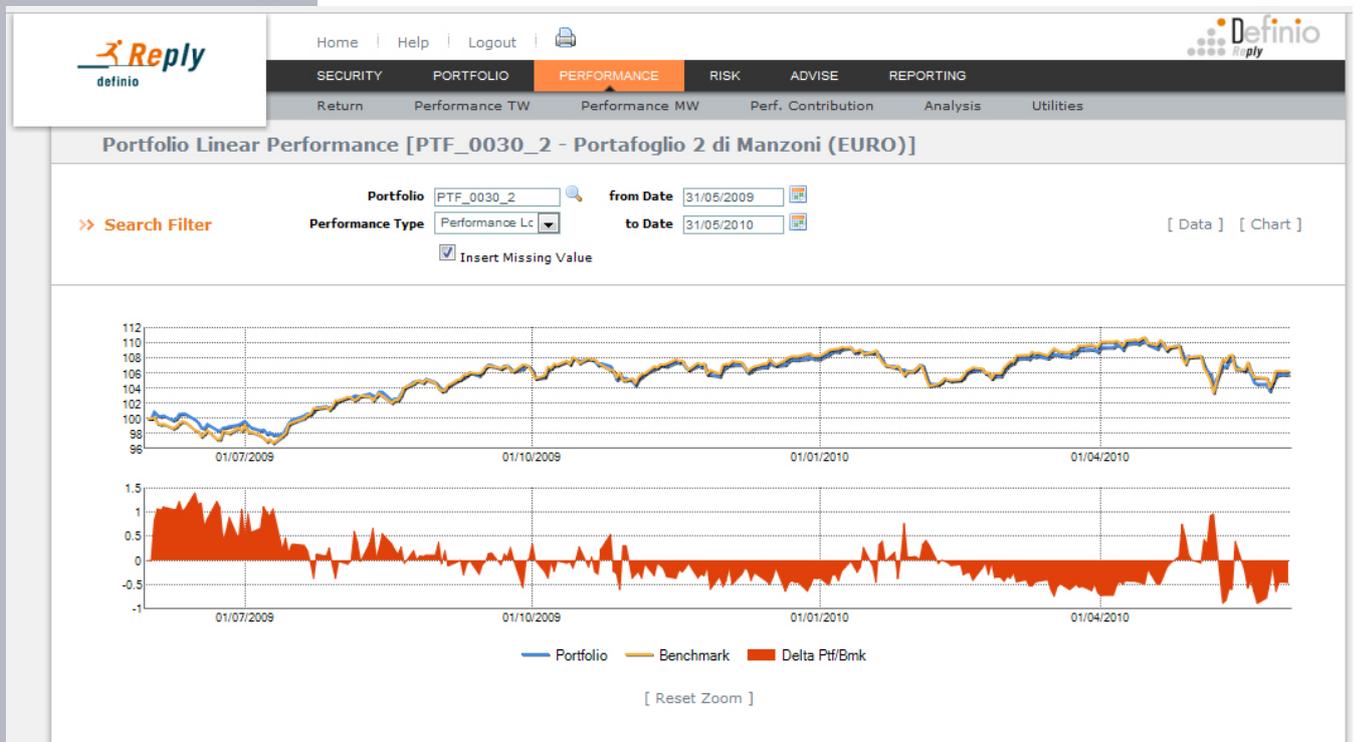
Definio Reply™ shows you the breakdown of your portfolio in absolute or relative terms and also displays the allocations trends over times. Drill down from a top level view (Sector, Asset Class, Duration ...) to security level detail at the click of a button. Asset allocation charts enable you to capture absolute and relative allocation over time.

Performance measurement

Definio Reply™ calculates a complete set of performance and ex-post risk indicators for single, aggregate, target or simulated portfolios:

- Money-weighted and time-weighted indicators
- Absolute indicators: Total Return, Volatility, Sharpe Ratio, etc.
- Relative indicators with respect to Benchmarks, Target Portfolios, Competitors Products, ...: Excess Return, Tracking Error, Information Ratio etc.
- Relative Indicators can be calculated with respect to any kind of real or simulated Benchmark or Portfolio.

Performance Analyzer enables peer-class analysis, thanks to which manager can compare their own performance against the market.



Performance contribution

Definio Reply™ includes an integrated performance attribution module, allowing users to perform multi-asset class risk and performance analysis on a single platform.

Definio Reply™ provides a large universe of the most common used equity and fixed income benchmarks pre-loaded into the platform and ready to be used. Market data are also available for asset valuation.

Definio Reply™ Performance Contribution enables users to analyze the sources of portfolio returns on an absolute or relative basis, helping them to make more informed investment decisions.

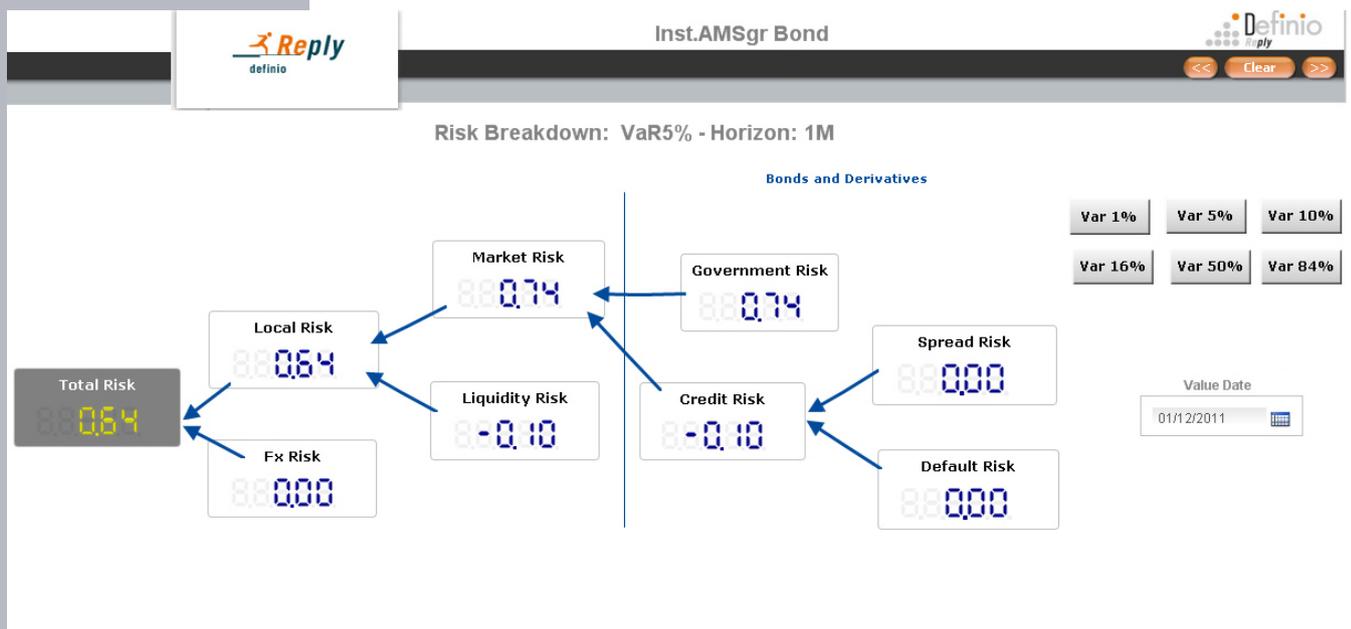
Performance Analyzer enables contribution analysis in order to get evidence of the areas sources of Over/Under-performance allowing the manager to intervene.

Definio Reply™ Performance Contribution:

- supports attribution on single or multi-currency portfolios, the currency attribution explaining the component of active return attributed to a global portfolio's exposure to different currencies
- benefits from a single data loading and reconciliation process for both risk and performance attribution needs
- analyzes how a portfolio evolved over a reporting period using monthly, cumulative and rolling snapshots
- uses daily data for analysis; holdings can be loaded in any frequency (daily, weekly or monthly).

Risk management

Definio Reply™ offers a 360° Risk Management solution, covering ex-ante risk measures for all market segments.



Thanks to the adopted advanced modeling, Total Risk indicators incorporate risk from all market segments. Specific indicators over each of them can be evaluated separately.

Definio Reply™ Risk Analyzer enables risk-managers to perform detailed analysis at different securities/risk segments aggregation levels in order to get evidence of risk concentration area/ investment.

With Definio Reply™ you can easily perform the following activities:

- monitoring of each portfolio constantly over time by the periodic calculation of risk indicators
- monitoring of portfolio aggregates, simulated portfolios and model portfolios
- analysis of the absolute risk of the individual portfolio and that of an index or a competitor product on different reference dates
- measurement of the risk contribution of the individual instrument compared to the total portfolio or to one of its sub-portfolios
- powerful what-if functions make it possible to evaluate the impact on risk indicators of any variations to the portfolios' asset allocation
- Stress Testing and Back Testing

Financial advisory

Definio Reply™ product provides the Financial Advisor with the support tool he needs to always place the customer at the center of his attention and to translate the investment into action, taking account of precise current and future needs.

Definio Reply™ is able to continuously monitor customer portfolios and their aggregates, checking that the attention thresholds defined when profiling the customer and his investment requirements are not overshoot. When dealing with a possible overshooting of attention thresholds, the system is able to generate automatic alerts (emails, logs, etc.) to enable the Financial Advisor to take the necessary countermeasures.

In this way, on the appearance of trends that could cause the portfolio to fall below predefined sub-performance (or extra-performance) levels, it is possible to act quickly on the portfolio's risk level.

Definio Reply™ allows personalization of the choices at the level of the individual customer, combining truly individual management with standardization of the underlying portfolios.

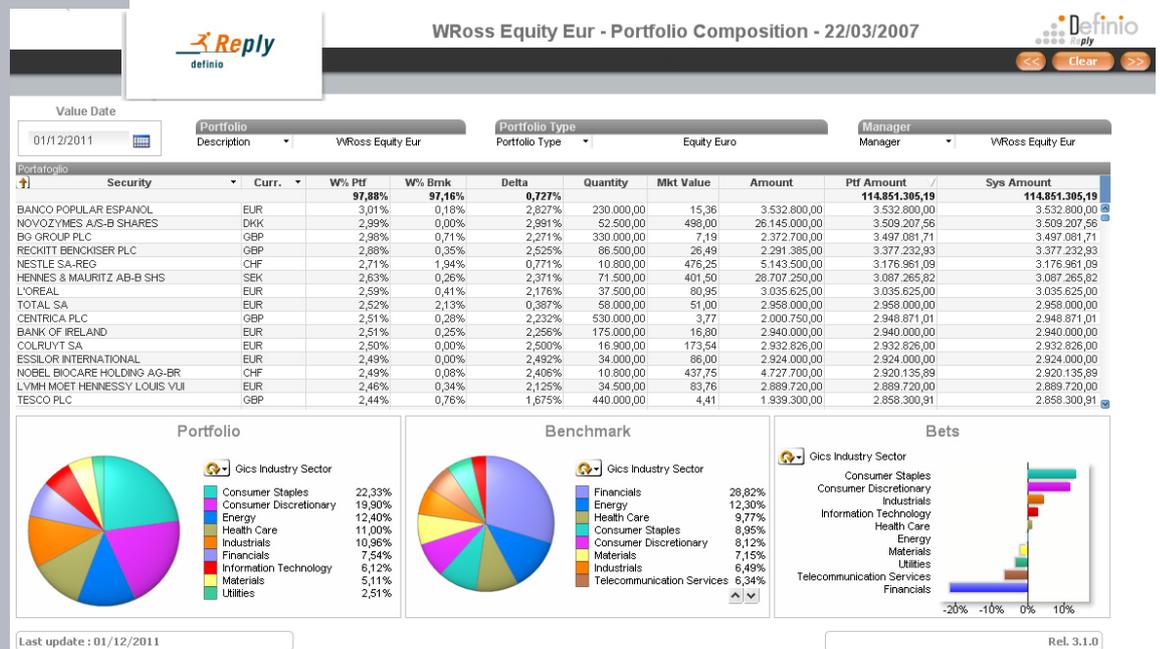
Reporting and dashboard

The System automatically generates Client Reports highlighting portfolio composition and evolution, risk composition, absolute and relative performances.

Client Reports can easily be created and personalized.

Dashboard module allows users, in a very user-friendly way, to perform data analysis and to prepare standard and/or ad hoc analysis and Dashboards.

Definio Reply™ dashboard views lets you easily understand your portfolio's performance and risk. All portfolio asset allocation, risk performance and attribution information is available at a glance.



Definio as a service

Definio Reply™ is an enterprise application comprising a suite of software modules, developed with a totally web-based technology, which can be utilized as a Service.

Definio Reply™ as a Service is a web-based platform for:

- Portfolio Analysis, Performance analysis and Risk Analysis
- What-if simulation, Back Test and Stress Test
- Financial Advisor
- Reporting & Dashboard

Delivered as Software as a Service, Definio Reply transfers the workload and responsibility of application implementation and management to our Cloud, completely removing the overhead normally required from IT departments.

The Definio Reply solution can be also used in service mode via a complete and remote supply of indicators and analytical measures (Data as a Service).

Definio Reply value

The strong quantitative background, the long lasting experience in the field and the continuous commitment to research, allow Definio Reply to put in play strong technical skills and deep business knowledge, having in mind only one principle: **Add Value For Our Client**. We will find the most adapted process to our client's needs; we will put it in place and make our client able to maintain it.

Definio Reply Consulting Team's offer covers a wide range of services and the entire life-cycle of all projects:

- requirements analysis, methodological proposition, delivery of specific software and/or specific process
- Customisation of already existing module on Definio Reply™ Platform, deployment of "ad hoc" software solution for particularly quantitative needs
- Continuative support for technical, consulting and training topics

Definio Reply is a Reply Group company that offers Solutions and Services in Finance, providing high technical competences, knowledge of the business and a very long experience in the financial sector. Our qualified professionals are experts in risk management, pricing and financial performance measurement. We are a dynamic team with credentials that help clients to maximize the value they derive from investments in risk management and finance transformation programs.

Definio Reply™ is a technological platform capable of directing the demands of management, analysis and reporting on portfolios of financial instruments (managed, administered and owned) Definio Reply provides a concrete and efficient response to the increasingly pressing requirements of the managed funds market, in terms of analytical tools and decision-support.

Reply [REY IM] is a leading Consulting, Systems Integration, Application Management and Business Process Outsourcing company, specialising in the creation and implementation of solutions based on new communication networks and digital media. Reply's offer is aimed at fostering the success of its customers through the introduction of innovation along the whole economic digital chain. Given its knowledge of specific solutions and due to consolidated experience, Reply addresses the main core issues of the various industrial sectors.

Reply specialises in creating effective business solutions based on innovative technologies enabling communication between clients, partners suppliers and collaborators.

For further information: www.reply.eu