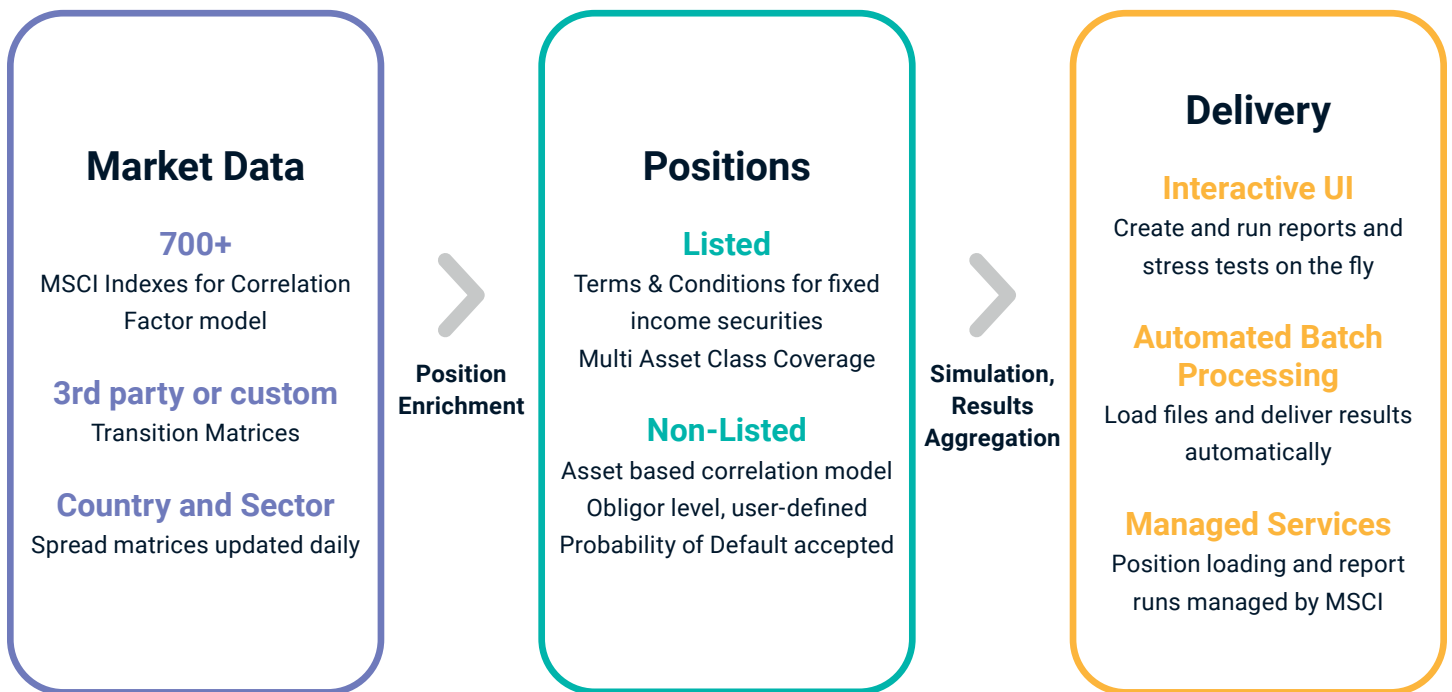


RiskMetrics® CreditManager

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

RiskMetrics CreditManager is designed to enable 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 enables 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 and/or ready-to-use reports.



* As of November 28, 2023.

Benefits and features

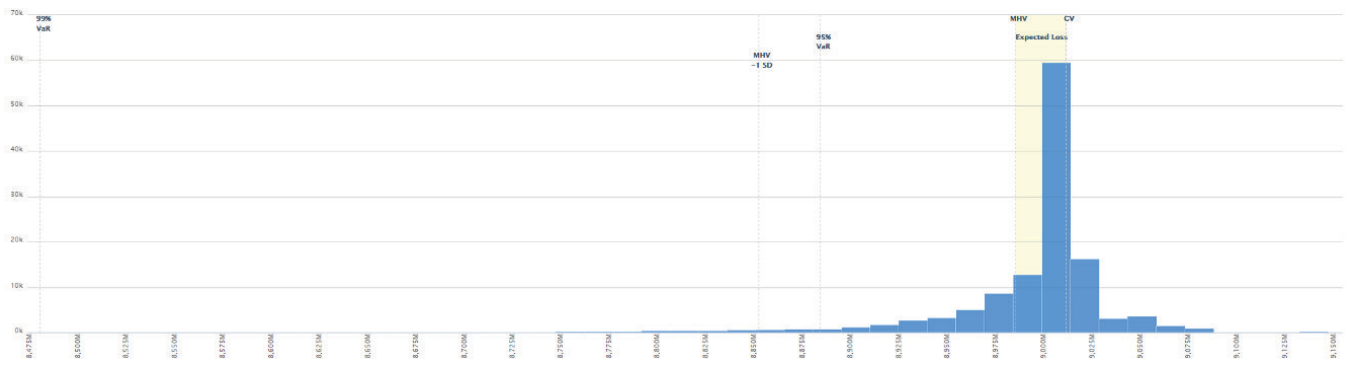
CreditManager is designed to allow clients to:

- Measure portfolio credit risk and identify excessive risk concentrations across any set of dimensions and poorly performing exposures.
- Assess new trading strategies to determine optimal 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.
- Provision Managed Solutions: Data Management, Professional Services, Reporting Services
- Provide Integrated Market Data: Security Master, 3rd party Transition Matrices, Factor Model, Market Data

Solution features

Regulatory Capital Reporting

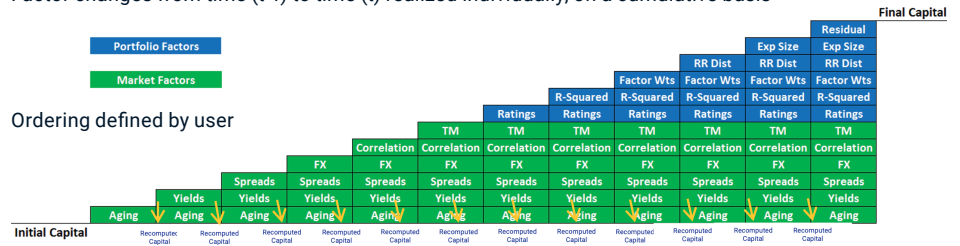
- Simulated asset returns capture correlated and idiosyncratic downgrades & defaults to generate horizon value distribution.
- Track changes in risk numbers through time, compare regulatory and economic capital and intermediate calculation steps for successful model validation.



Credit Risk Attribution

- Identify Market and Portfolio factors that drive changes to capital across time.
- Model Obligor specific default probabilities and unique identities to measure concentration charge add-on.
- Stress PD, LGD, Correlation, Recovery Rate, Spreads to understand & address stressed capital requirements.

Factor changes from time (t-1) to time (t) realized individually, on a cumulative basis

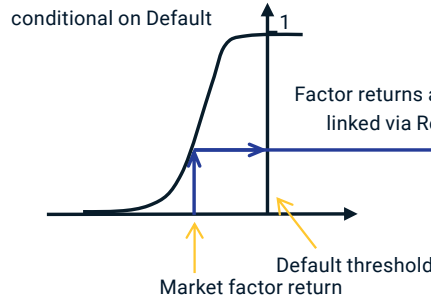


Each column above represents a full simulation of the portfolio

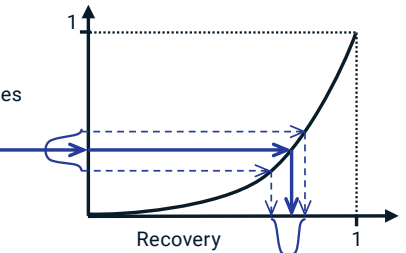
Correlated Recovery

- Empirically, downturn events realize 20% higher LGDs which can be realized in Credit Manager using correlated recovery.
- Measure distribution of systematic factors in the tail – risk relevant scenarios. LGD increases with recovery correlation.

Market factor CDF



CDF of β Distribution



For enquiries, please contact msci_marketing_analytics@msci.com

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.

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