PerTrac and FinAnalytica Help Investors Discover Hidden Risks

PerTrac RiskPlus 1.2 Introduces Performance Infilling for Measurement of Illiquid Asset Risk in Multi-Manger Portfolios; New Global Factor Models Enable Geographic-Specific Risk Analysis

NEW YORK – July 19, 2011 – PerTrac, the leading provider of analytics, reporting and communications software for the investment management industry, today announced the release of PerTrac RiskPlus 1.2, an advanced risk analysis module designed to help institutional investors and portfolio managers decompose hidden risks through the use of multivariate factor analysis, stress testing, and risk budgeting. PerTrac RiskPlus is built in partnership with FinAnalytica, the leading provider of performance and position based risk solutions for allocators.

A key problem for institutional investors has been that illiquid assets such as private equity, real estate and other alternative investments are hard to value on a monthly basis. PerTrac RiskPlus 1.2 provides advanced infilling techniques to convert quarterly illiquid asset performance into monthly performance streams. The infill process creates a level playing field whereby illiquid assets can now be included in a portfolio risk assessment, alongside funds which already have monthly performance data streams. Only through this combination of liquid and illiquid assets can an investor truly create a holistic picture of the risk they bear.

"This release of PerTrac RiskPlus provides Haverford a new lens with which to understand portfolio risks not detected with traditional risk measures. This new 'infilling' capability will enable us to better assess the illiquid asset risk coming from our private equity and real estate investments and its impact on our total portfolio," says Michael Casel, Director of Investments at Haverford College.

PerTrac RiskPlus 1.2 also allows investors to thoroughly break down and understand the risks and exposures of funds with a specific geographic focus. Using five new geographically-focused factor models, which have been defined and tested by FinAnalytica's quantitative research team, investors can, for example, assess Asia-focused funds using an Asia-specific factor model rather than analyzing risk with the same factor model used to analyze non-geographically focused funds.

"Whether you are an investor or a manager, you are concerned with limiting losses when the worst-case scenarios arise. Decisions based on traditional risk measures and the assumption of normal return distribution characteristics for assets have led to potentially large portfolio losses by underestimating hidden risks. This new release of PerTrac RiskPlus gives investment professionals the tools they need to analyze their comprehensive risk," said Brendan Dolan, Co-President of PerTrac.

"The partnership with PerTrac has allowed us to introduce our patented fat-tailed modeling technology to PerTrac's investor base. PerTrac RiskPlus 1.2 broadens customers' ability to manage their global portfolio, including illiquid assets, helping to improve returns," said Dave Merrill, CEO of FinAnalytica.

Since the start of 2011, the number of PerTrac clients using PerTrac RiskPlus has doubled. The popularity of PerTrac RiskPlus is one of many signs that institutional investors are focusing more sharply on sophisticated risk management.

About PerTrac

PerTrac provides software solutions for investment professionals at the fund-level of investing including pensions, family offices, hedge funds, long-only managers, endowments, sovereign wealth funds, funds of funds and industry service providers. Our solutions span the continuum of the investing process including data aggregation and normalization for establishing the universe for fund manager selection; filtering and sorting techniques for actual selection; performance and risk tools to conduct fund-specific analysis as well as peer group and benchmarking; portfolio allocation and construction tools focused on portfolio liquidity; and solutions to enhance communication and reporting between investors and fund managers. More than 1,400 organizations in 50 countries rely on PerTrac software solutions to help them maximize returns, reduce risk and operate more efficiently. Founded in 1996, PerTrac is headquartered in New York with offices in London, Hong Kong, Tokyo, Reno, and Memphis. For additional information on the full suite of PerTrac software solutions, please visit www.PerTrac.com.

About FinAnalytica

FinAnalytica delivers multi-asset class, predictive performance analytics solutions to investment managers. Supporting quantitative analysts, risk and portfolio managers, our combined methodology and framework optimizes full portfolio return potential and mitigates market risk. Deployed by leading asset managers, hedge funds and institutional investors, FinAnalytica's award winning Cognity analytics outperforms all current generation platforms through patented fat-tailed technology that is flexible, precise and transparent. For further information, please visit www.finanalytica.com.

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