BISAM
A FACTSET Company

# COGNITY®
## ADAPTIVE ANALYTICS

Award-Winning Multi-Asset Class Market Risk Solution for Portfolio Construction, Factor Modeling and Stress-Testing

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Cognity, part of FactSet's suite of market-leading portfolio analytics, is a unique, comprehensive, multi-asset class solution for market risk, portfolio construction and investment decision analytics, designed specifically for the buy-side.

### The New Normal

Underpinned by award-winning research, Cognity delivers powerful insight whether in calm or turbulent markets. In today's world, where spikes in volatility are the new normal, Cognity empowers portfolio and risk managers with the confidence they need to make better decisions.

| | |
|---|---|
| Institutional Asset Managers | Insurance Companies |
| Hedge Funds | Private Wealth |
| Pensions, Endowments, Sovereign Wealth | Funds-of-Funds |

## BROAD SET OF DATA INPUTS

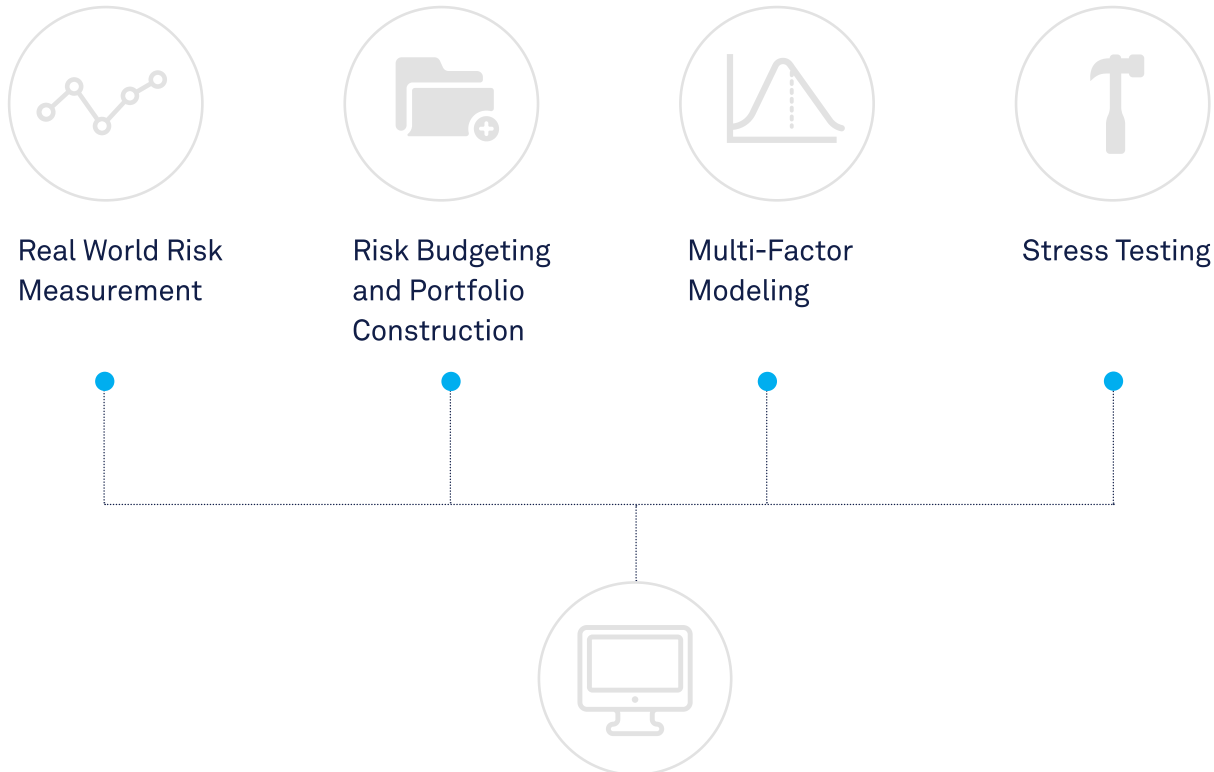
| Data Analysis | Factor Analysis | Risk Management | Decision Support |
|---|---|---|---|
| Screening and ranking | Factor models | Risk measurement | What-if-analysis |
| Returns analysis | Exposure analysis | Risk budgeting | Portfolio construction |
| Correlation | Rolling betas | Risk back-testing | Portfolio optimization |
| Distributions | Risk model construction and back-testing | Stress testing: historical & custom | Asset allocation |

## COMPLETE REPORTING COVERAGE

| | | |
|---|---|---|
| FX and Commodities | Money Markets | Fixed Income |

| | | | |
|---|---|---|---|
| Equity | Alternative Products | RE, PE, Timber | Derivatives |

# COGNITY® CAPABILITIES




### Integrated and Flexible

Cognity covers all asset classes from Equities, Fixed Income, FX and Commodities, to even the most illiquid alternatives. The Cognity modeling approach remains reliable and accurate, no matter how diverse the liquidity across different asset classes.

### Global Standards and Regulations

Many of the market risk guidelines outlined in today's expanding regulatory environment can be supported by Cognity's capabilities, including:

- **AIFMD:** Supports guidelines for exposures, scenario analysis and VAR/stress-test reporting
- **Solvency II:** Supports guidelines for multi-factor stress-testing & scenario analysis, aggregated risk & look-through reporting
- **UCITS:** Supports guidelines for VaR & ETL measurement & reporting, stress-testing, back-testing

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# ACCURATE. PREDICTIVE. TRANSPARENT.

## Multi-Asset Class Portfolio Risk Analytics at All Levels of Transparency

Enterprise view of risk and allocation across any asset class, any currency and at any level of portfolio transparency

- Reliable risk assessment to deliver advance warning indicators across all markets, asset classes and market regimes, rally, crisis or calm
- Risk decomposition into systematic and specific components with drilldown to multi-level exposures across asset classes and positions
- Global, multi-asset class factor models with unique transparency and customization options
- Multi-factor stress testing to accurately assess impact of crisis scenarios on VaR, ETL and portfolio value
- Multiple levels of transparency, including holdings-based risk analytics and returns-based risk analytics

## Portfolio Construction and Asset Allocation

Forward looking portfolios with superior levels of upside potential via a transparent, real world quantitative framework

- Fat-tailed What-if trade analysis for an accurate view throughout portfolio positions
- Multi-factor scenarios to estimate likely portfolio performance and provide a starting point for construction of complex custom macro-market views and highlight portfolio weak spots
- Comprehensive risk and performance attribution on a unified factors scale
- Tactical asset selection eased by exposing risk asymmetry and investments ranking to deliver risk-adjusted candidate investment lists
- Tail risk budgeting to clearly identify tactical rebalancing opportunities in a common portfolio construction view
- Strategic asset allocation to produce diversified strategic tail-adjusted allocation guidelines across asset class, sector and geography

## Factor Modeling

Identify systematic risk factor drivers with automated factor selection over a database of branded market indices and custom factors

- Single and multi-factor regression analytics
- Both linear and non-linear options

## Comprehensive Stress-Testing

Powerful engine for stress-testing and scenario analysis provides instant insight into vulnerability with drill down into any client-defined breakdown up to a single position level

- Historical, user-defined and predictive stress-tests
- Advanced risk factor hierarchies to define the stress-values impact
- Views with detailed look-through for each portfolio, fund and manager
- Model stress-testing — correlations, betas, expected returns

## Enterprise Risk Reporting

Enterprise Risk Roll-ups with drill down into any client-defined breakdown through simultaneous Monte Carlo analysis

- Enterprise risk and stress-testing based on multi-asset class risk model
- Views with detailed look-through for each portfolio, fund and manager
- Flexible enterprise portfolio hierarchies and ownership structures
- Factor-model based
- Monte-Carlo approach with full re-pricing of securities
- Complete risk backtesting (clean and dirty) for any portfolio, fund or view

For more information or a Cognity demo, please contact us:

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