AVANTGARD RISK

Today's treasurers are concerned with far more than traditional cash management. As a key component of the growth of an organization, treasuries must constantly search for tighter controls, efficiency enhancements and improved reporting.

SunGard's AvantGard Risk can help organizations to achieve their long-term treasury goals. AvantGard Risk is an integrated treasury management solution that provides comprehensive dealer desktop, risk management and performance measurement capabilities across the full range of physical and derivative treasury instruments. Deals can be priced and captured through the AvantGard Risk front-office or imported from external sources. Pricing, analysis and reporting are fully integrated into the AvantGard Risk desktop, providing functionality and interactivity essential to a global treasury management solution.

Dealer Desktop

Detailed forecast and hedge analysis, portfolio modeling, real-time compliance reporting with alerts and a dealer desktop, all combine to provide powerful treasury functionality. AvantGard Risk offers pricing and deal capture across all treasury products with a dealer desktop. Trading credit limits can be monitored and validated prior to deal capture, helping treasurers to better calculate market prices and sensitivities, determine pricing matrices and solve rates and zero-cost option and structures.

Monitor Market Movements

Treasurers are equipped to manage market risk with support for interest rate, currency and commodity price risk across the full range of financial instruments. AvantGard Risk provides market standard sensitivity

measures, which allow treasurers to perform detailed analysis of position sensitivities to market rate movements. Sensitivities can be reported at any level and from an individual cash flow through to consolidation at the enterprise level.

Positions Management & Reporting

For position management and other reporting the user has full control over the data elements and presentation. The level of detail/aggregation and drill-down can be customized by the user for individual queries. Extensive analysis is available for the management of sensitivities to interest rates, foreign exchange (FX) rates and volatilities.

Credit and Compliance

Real-time limit monitoring capability covers both credit and trading limits with user-defined utilization calculations. Limits can be constructed on any combination of counterparty, country, industry, counterparty rating, country rating, currency, entity, transaction type, instrument, dealer, and term. Users can define their own limits with the valuation engine, which provides real-time monitoring and sends automatic notifications about areas that require attention via an electronic means, such as e-mail.

Liquidity Analysis

With AvantGard Risk, treasurers are able to maintain individual cash flows for all transactions, which facilitate detailed liquidity analysis. Cash flows can also be imported from external sources for consolidation of the liquidity position. Additionally, the solution's seamless integration of bank account balances, along with the ability to group cash flows into customized time profiles, provides a comprehensive liquidity management framework.

Scenario Analysis

Scenario Analysis provides "what-if" analysis on market rates. It allows interest rates, currency rates, commodity prices and volatilities to be shifted either individually or in combination and the resultant market values and sensitivity measures are available for comparison and profit/loss analysis. This functionality is useful for measuring the effect of rate shifts expected under normal market conditions and also for performing stress testing, i.e., measuring the effect of rate shifts in extreme market conditions.

Value at Risk (VaR) Analysis

AvantGard Risk offers a flexible approach to market valuations, measures of sensitivity to market rates, a choice of VaR methodologies and comprehensive scenario analysis capability. VaR estimates the maximum loss that may be incurred on a portfolio over a given time horizon, with a given level of confidence. The advantage over traditional measure of risk is that VaR takes into account the diversification within a portfolio, i.e., exposure across all products, asset classes and currencies.

Challenges:

- Lack of integration
- Disjointed view of cash
- Manual processes
- Lack of meaningful reporting
- Disparate systems

AvantGard Risk:

Integrated treasury management system

Benefits:

- Timely risk reporting
- Data transparency
- Achieving consolidated risk view across organization
- Complete automation of all reporting
- Integration with external transaction processing systems
- Performance measurement capabilities, i.e. benchmarking, profit/loss attribution and return on investment (ROI)

For more information, contact us at avantgardinfo@sungard.com