IBM Algo Managed Data Analytics Service, formerly known as IBM Algo Risk Service on Cloud, extends services capabilities

At a glance

IBM Algo Managed Data Analytics Service, formerly known as IBM Algo Risk Service on Cloud, features the following new capabilities:

- Incremental runs (previously Intraday and Point-in-Time) as part of its standard offering
- Simulations-based pricing that offers more control on the amount and type of analysis and simulations that clients want to run on the platform
- Portfolio Credit and Sandbox functionality as optional add-ons
- Fixed price for Optimizer (instead of user-based licenses)
- Extended financial model coverage, which includes optional add-ons with Multi Factor Equity Model (Axioma) and Mortgage Backed Securities Sensitivity Model (BondEdge)
- Move to IBM Public Cloud to help:
  - Improve scalability, interoperability, and speed
  - Reduce total cost of ownership
  - Enhance security and data protection

Overview

Algo Managed Data Analytics Service is a highly flexible and scalable web-based portfolio construction, risk management, analytics, and reporting service that is designed for financial services institutions. This offering covers both buy-side and sell-side organizations such as hedge funds, asset managers, banks, and pension funds. Algo Managed Data Analytics Service delivers cloud and hybrid cloud deployment of IBM Financial Risk solutions and provisioning of robust, validated, and enriched market data in simulation-ready format.

Algo Managed Data Analytics Service offers end-to-end managed data services as well as access to sophisticated risk management, analytics, and investment decision support tools on a highly scalable platform without the significant costs of maintaining a full on-premises deployment. With an integrated risk framework that includes a broad coverage of asset classes and access to extensive range of financial models, Algo Managed Data Analytics Service provides the features of an on-premises financial risk solution with bundled market data in an outsourced cloud service platform. Algo Managed Data Analytics Service combines the benefits of
The following optional add-ons complement the Algo Managed Data Analytics Service solution:

- **Sandbox** provides users with environments that contain multiple active data sets, including dedicated engines that enable rapid creation of scenarios for on-demand simulations and optimal performance.
- **Portfolio Credit** offers a robust measure of credit risks inherent in a group of obligations while taking into consideration market risk factors through an integrated model.
- **Optimizer** enables portfolio construction and modeling of optimization problem sets to achieve target risk and return objectives such as maximizing expected value or minimizing the variance of a portfolio by setting bounds to constrain risk measures.
- **Multi Factor Equity Model** and **Mortgage Backed Securities Sensitivity Model** provide access to analytical models that support advanced risk analytics across multiple asset classes, geographical markets, and investment strategies.

### Key requirements

This program requires a workstation that supports Microsoft™ Internet Explorer 11.

### Planned availability date

March 26, 2019

### Description

The Algo Managed Data Analytics Service (MDAS) offering provides risk analytics on client position data. Client position or portfolio data is fed as plain text files on a client-specific directory on IBM Secure File Transfer Protocol (SFTP) at a predetermined frequency. The IBM batch job identifies these input files and downloads the relevant market and instrument data that is required to run the analytics. Each client instance has platform scenarios and reports, enabling users to configure additional scenarios and reports for their service. The output is rendered on the web interface of the Algo Risk Application or Algo Workspace Analyzer. Clients can also configure scheduled reports that are delivered either online or through the IBM SFTP.

Clients who subscribe to the optional Sandbox add-on also get access to AlgoSuite RiskWatch™ and Algo Scenario Engine software over a browser. Clients can test custom scenarios and open the session in RiskWatch to review underlying data and analytics. Core output from the batch (Riskwatch session) gets copied over the Sandbox environment for review.

### Cloud advantage

Algo MDAS provides a highly scalable, flexible, and secure platform with increased performance as well as more value, delivered at lower costs.

*Scalability, interoperability, and speed*

- Address complex risk challenges with a more robust solution of advanced risk analytics combined with high quality data.
- Process significant workloads with large data storage capacity and a cloud-based platform.
• Access consumption-based API driven microservices for overall IBM Watson(R) Financial Risk solutions and capabilities with increased ability to innovate at a large scale.

Lower total cost of ownership

• With the outsourced service solution options from Algo MDAS, costs of maintaining a full on-premises deployment can be reduced significantly, including lower data vendor costs and effort costs.
• Enjoy rapid portability of data and applications without the need to identify, procure, deploy, and manage the underlying physical compute, storage, network infrastructure and software licenses of a full on-premise deployment.

Enhanced security and data protection

• Experience a security-rich environment and platform, encrypted data transfers, and the confidence that comes of IBM service and support.
• Rigorous service level agreements complement the high enterprise-grade security covering performance metrics including rapid response times, reliable up-time commitments, transparent problem elevation procedures, and resolution paths.
• Algo MDAS clients will have a single point of contact to facilitate knowledge transfer and provide ongoing support. Security and permissions for portfolios, benchmarks, and pricing data can be configured at individual user level.

On-demand capabilities

Algo MDAS offers speed in valuation, simulation, and reporting of various sizes at any frequency with quick responsiveness to markets and portfolio changes.

Flexible portfolio and risk diagnostics

• Deliver greater accuracy in pricing financial instruments with a full valuation approach over different time horizons, while taking into consideration various market conditions and business cycles which may impact portfolio performance.
• Instrument level data availability allows the flexibility and agility to decompose portfolios at an ad-hoc basis according to any specified hierarchy, assess risk measures, and aggregate positions from multiple portfolios across a variety of user-defined criteria.
• Run advanced risk diagnostics, with the capability to determine risk attributions at the portfolio, risk factor group, individual factor level, or at any preferred dimension for further drill-down in developing insights on drivers of portfolio risk and return.

Comprehensive risk framework

• Efficiently extract risk results via a robust API as-is, or merge with data from other sources to create proprietary reports. Data sources can range from internal repositories, external vendors, benchmark providers, custodians, and prime brokers to factor model providers.
• Set and monitor exposures against risk limits, analyze specific risk measures, display performance and coverage heatmaps, as well as conduct benchmark comparisons, what-if scenario analysis, stress testing, and portfolio optimization.
• Create what-if simulations spanning any dimension, with well-governed sandboxes and embedded risk analytics in the decision-making process and investment workflow.

Workflow simplicity

• Streamline overall risk analysis process with intuitive risk aggregation, reporting, and portfolio optimization through flexible integration to any internal or external data source.
• Update user-defined criteria with quick regeneration of reports and analysis through integrated workflow simplicity.
• Select predetermined reports or generate custom reports. Users are presented with options in generating reports on an ad-hoc, batch, or scheduled basis.

Designed for ease of use, the Algo MDAS web-based interface allows users to create report templates by choosing screen layouts, risk data elements, and format of reports by selecting portfolios, benchmarks, time horizons, and scenario sets for analysis.

**Broad range of analytics**

Algo MDAS offers a wide coverage in multiple asset classes, analytical models, and risk perspectives from integrated data across an extensive range of instruments, risk factors, and investment strategies.

**Wide coverage in asset classes, investment strategies, and market data**

• Access more than 20 geographies and 400 financial products across fixed income, equity, foreign exchange, credit, commodity, and derivatives markets.
• Conduct analysis based on an extensive range of portfolio analytics, risk measures, valuation measures, and optimization techniques on both an absolute and relative basis.
• A wide range of market data such as scenarios, risk factors, and terms and conditions of exchange-traded instruments are included as part of the solution subscription.

**Advanced risk analytics**

• Run advanced risk analytics at an accelerated rate with massive amounts of data from various sources synthesized in real time, when combined with IBM Cloud™ capabilities.
• Analyze a comprehensive set of simulation-based risk measures such as VaR, tracking error and scenario-based P&L estimates following specific curve shifts, stress tests, and index shocks.
• Multiple analytical functions including duration, yield, and exposure calculations at the instrument, portfolio, benchmark, or risk factor group level are featured in the solution.

**Scenario construction methodologies and stress testing capabilities**

• Extensive library of scenario construction methodologies together with the analytical features of the solution, covering deterministic shocks, historical replays, and hypothetical and conditional scenarios are available.
• Stress test scenario creation is supported with the Algo MDAS web application, which is integrated with underlying simulation engines and a library of risk factors relevant to the instrument universe and risk exposures across time.

A wide range of market data such as scenarios, risk factors, and terms and conditions of exchange-traded instruments are included as part of the Algo MDAS subscription, enhancing the overall solution's extensibility.

**Client driven**

With configurable solutions tailored to user needs and dedicated support for customized scenarios, simulation models, reporting, and data analytics and processing, Algo MDAS maintains client focus as a priority.

**Consistent view of risk across the business**

• With a single integrated risk framework, Algo MDAS supports the diverse requirements of a wide range of users including portfolio managers, business risk managers, traders, risk analysts, and quantitative analysts.

**Multiple deployment options**
• Tailor a mix of private cloud, public cloud, and on-premises risk solution components to meet specific business requirements with a flexible hybrid deployment approach.
• For example, cloud capabilities can be used to perform individual asset valuations while keeping portfolio and risk calculations with proprietary information on-premises.

**Customize the standard service to suit specific business requirements**

• The prepackaged solution option provides a standard configuration for models, scenarios, market data, analytic measures, aggregation keys, reports, and time-steps.
• With the customizable solution option, the full flexibility to tailor analytical measures, valuation models, and reporting features will enable your firm to meet its unique risk and portfolio construction requirements.

The Algo MDAS solution provides the ability to augment and extend the packaged market data with data from other sources as well as enables extensions that allow third-party models to be included. Further enhancements include a range of additional extensions such as sandbox, optimization, and portfolio credit calculations.

**Integrated data**

The interactive web-based interface by Algo MDAS provides transparent results as well as data-driven insights based upon an integrated risk framework while enabling on-demand analysis.

**Transparency**

• Full traceability regarding the source, quality, and evolution of both risk factor data as well as terms and conditions data is made possible with Algo MDAS.
• The option of implementing a desktop application integrated with a sandbox environment allows greater visibility and control of models, analytics, calibrations, and scenarios in understanding the derivation of multi-asset class valuations and risk measure calculations.

**Dynamic web-based interface**

• On-demand analysis supports timely and risk-informed investment decisions.
• Advanced decision support capabilities enable pretrade what-if analysis as well as re-aggregation capabilities. Users can evaluate impact of different portfolio composition choices while assessing performance of the portfolio through simulated conditions as part of scenario analysis.

**Connectivity**

• Clients have an end-to-end view of portfolio risks through wide connectivity across data, risk analytical models, and platform capabilities.
• The Algo MDAS web-based, dynamic, and interactive interface allows seamless distribution of risk reports throughout the organization. From portfolio managers to risk managers, users across the enterprise can utilize the system to meet their unique analytical needs.

The solution which is underpinned by a holistic risk framework provides greater extensibility through an enhanced view of risk, including the ability to drill down from top-of-house to trade level details efficiently, all of which is performed within a single dynamic interface.

**Section 508 of the US Rehabilitation Act**

IBM Algo Managed Data Analytics Services is capable as of March 26, 2019, when used in accordance with associated IBM documentation, of satisfying the applicable requirements of Section 508 of the Rehabilitation Act, provided that any assistive technology used with the product properly interoperates with it. A US Section 508
Accessibility Conformance Statement can be requested on the Product accessibility information website.

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<th>VRM</th>
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<tr>
<td>5725-H57</td>
<td>Cloud Service</td>
<td>IBM Algo Managed Data Analytics Service</td>
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Publications

Not applicable.

Services

Software Services

IBM Software Services has the breadth, depth, and reach to manage your services needs. You can leverage the deep technical skills of our lab-based, software services team and the business consulting, project management, and infrastructure expertise of our IBM Global Services team. Also, we extend our IBM Software Services reach through IBM Business Partners to provide an extensive portfolio of capabilities. Together, we provide the global reach, intellectual capital, industry insight, and technology leadership to support a wide range of critical business needs.

To learn more about IBM Software Services, contact your Lab Services Sales or Delivery Leader.

Technical information

Specified operating environment

Hardware requirements

- A workstation that supports the web browser being used
- A direct internet connection

Software requirements

A supported web browser:

- Internet Explorer 11

Limitations

Additional information can be found in the License Information documents on the IBM Software License Agreement website and in the Terms and conditions section of this announcement.

Planning information

Packaging

This offering is delivered through the internet. There is no physical media.

Ordering information
For ordering information, consult your IBM representative or authorized IBM Business Partner.

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More information can be found on the IBM Channel Value Rewards website.

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Passport Advantage

The following part numbers are new.

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<td>IBM Algo Managed Data Analytics Service Minimum Simulations 500 Million Items Overage</td>
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<td>IBM Algo Managed Data Analytics Service Risk Data - 1,000 Average Daily Instruments Instance per Month</td>
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**Charge metric**

Definitions of the charge metrics for this cloud service can be found in the following Service Description document:

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Select your language of choice and scroll down to the Charge Metrics section.

Follow-on levels of this cloud service, if any, may have updated charge metrics. See the Cloud Services terms website. Search using the four-digit base Service Description number and scroll down to the Charge Metric section.

**Terms and conditions**

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Additional technical support information for this cloud service offering may be found in the IBM Support Handbook or in service-specific documentation.

Service Description

The following Service Description document applies to the offering in this announcement.

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Limited warranty

See the warranty defined in the applicable agreement governing client's acquisition for this offering.

Money-back guarantee

No

Volume orders (IVO)

No

Passport Advantage applies

Yes, information is available on the Passport Advantage® and Passport Advantage Express® website.

Educational allowance available

No

Statement of good security practices

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