

Fidessa explores challenges of counterparty exposure

New paper examines how buy-sides can ease the burden of evolving landscape

Boston, April 5, 2016 - Fidessa group plc (LSE: FDSA) has today published a new paper entitled *Counter (party) intuitive*. Authored by Steven Strange, Compliance Product Manager at Fidessa, the paper examines how the counterparty landscape has changed for buy-sides and what they can do to ease the burden it now presents.

Once upon a time, a good credit rating was sufficient to establish a counterparty's fitness as a trading partner. Counterparties were managed via simple 'do not trade' lists delivered to traders at the start of the day and traders honored these by hand or using basic software and homegrown tools.

Strange comments: "Times have changed and regulators now expect firms to aggregate their counterparty exposure across asset classes, and include a myriad of additional holdings where the counterparty is in any way affiliated. Clients are more demanding too, as everyone attempts to mitigate risk in an ever-nervous market."

Buy-side firms now need a system that offers the required risk assessment capabilities and provides the flexibility to add and alter rules, lists and calculations during business hours. Risk calculations need to be sophisticated and aggregate overall counterparty exposure using all of the different metrics based on asset class, and include related holdings issued by the counterparty.

The paper explores how some forward-thinking firms have begun to meet this challenge head on and integrate compliance capabilities within front- and middle-office real-time trading workflows to better manage risk.

"By doing this, breaches of counterparty risk limits can be prevented before they occur, and burdens are lifted from trading, risk, compliance and administrative staff. These asset managers are bringing better technology and organizational structure to bear in some very smart ways to everybody's benefit", concludes Strange.

Counter (party) intuitive is available at www.fidessa.com/papers or by contacting info@fidessa.com.

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About Fidessa group

Exceptional trading, investment and information solutions for the world's financial community.

New technology, new regulation, new challenges: making money in today's financial markets is all about staying ahead of the curve. Having the capability to spot new trends and act fast turns change into opportunity. That's why 85% of the world's premier financial institutions trust Fidessa to provide them with their multi-asset trading and investment infrastructure, their market data and analysis, and their decision making and workflow technology. It's also why around \$20 trillion worth of transactions flow across our global network each year. Because we're the market leader, we can also offer unique access to the world's largest and most valuable trading community of buy-side and sell-side professionals, from global institutions and investment banks to boutique brokers and niche hedge funds.

Fidessa is a global business with scale, resilience, ambition and expertise. We've delivered around 25% compound growth since our stock market listing in 1997 and we're recognised as the thought leader in our space. We set the benchmark with our unrivalled set of mission-critical products and services and, uniquely, serve both the buy-side and sell-side communities. Ongoing investment in our leading-edge, integrated solutions ensures Fidessa remains the industry's number one choice.

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