

Position-Level Analytics

Arden's monitoring and risk management capabilities are enhanced through our expanded relationship with a third party risk aggregator and Arden's dedicated personnel focused on position-level analytics. Based on these additional resources and capabilities, manager analytics can be aggregated together with other fund information to show exposures at the overall portfolio level. Using a standard yardstick for risk measurement across many portfolios is advantageous as data is often calculated and reported differently from one manager to another. Position-level transparency enables us to analyze holdings by asset class, financial product, country, industry sector, credit rating, and many other factors at both the individual manager and total portfolio level. Arden's technology infrastructure platform leverages this information to produce a comprehensive set of manager, portfolio, and firm-wide risk reports.



Analytics are calculated using Monte Carlo simulations which allow for full re-pricing of all individual trades. Therefore, Arden can fully capture non-linear P&L profiles (e.g. deep out-of-the-money options, positive/negative convexity) as well as accurately model the interaction of all positions in a complex portfolio. Betas, correlations, Value at Risk, and many other statistical measures are forward looking, since they are based on the current portfolio and calculated via the MC simulation. This compares to traditional return-based analytics, where these metrics are based (in part) on the portfolio that a manager may have held several years ago.