

Disclosure on Risk Management Systems

Risk management systems and risk profile of the Investment Manager

The main features of the risk management systems employed by the Investment Manager to manage the risks to which the fund is or may be exposed are set out below. This outline includes measures taken by the Investment Manager to assess the sensitivity of the fund's portfolio to the most relevant risks to which the AIF is or could be exposed.

Overview of Risk Management. Risk management is a crucial part of the investment process of the Investment Manager. The Investment Manager analyzes risk both statistically through Riskmetrics RiskManger system and fundamentally through intensive company research. In addition to regular risk analysis and reporting, the Investment Manager can request custom stress tests from the Risk Management team on an as needed basis to gauge the risk to the portfolio under specified scenarios.

Risk Management Team. The Risk Management team carries out different aspects of risk monitoring to assess the overall risk of clients' portfolio. The Risk Management team uses Riskmetrics RiskManager to assess portfolio level risks. Regular stress testing, VaR analysis, volatility analysis are employed for the monitoring of market risk of the portfolio.

Risk Management Technology. RiskMetrics RiskManager provides market exposures and sensitivities across a broad range of instruments including Equities, Fixed Income, FX, Mortgages and Structured Credit, using multiple Value at Risk (VaR) methodologies and flexible stress-testing. With an efficient workflow, new modeling transparency and robust reporting tools, RiskMetrics RiskManager is a tool that the Investment Manager can use to help manage risk across their asset classes, from the holding level up to the enterprise level.

Stress Testing. Customized stress tests are generated upon request by the Risk Management team. Generally, such stress tests estimate the impact of a particular risk factor shock to the portfolio, sector and/or a security. Such tests are completed on a custom basis tailored to specific concerns that might exist at a particular point in time.

Risk Reporting. The Investment Manager can generate reports, upon request, of fund and firm exposures from Riskmetrics RiskManager system that are accessible to the Investment Manager.

Investors should note that the Investment Manager is not required to employ risk management systems in accordance with the AIFM Directive.