FOR IMMEDIATE RELEASE

FinLab SA announces powerful Stress Testing, Scenario analysis and Sensitivity analysis tools to complement the extensive portfolio construction and management and risk analysis tools available with its solution PackHedge™.

30th January 2013 – FinLab SA, the provider of PackHedge™, is pleased to announce the addition of powerful Stress Testing, Scenario analysis and Sensitivity analysis tools to complement the extensive portfolio construction and management functionalities and risk analysis tools provided with PackHedge™.

The Stress Testing, Sensitivity analysis and Scenario analysis tools are based on the Fundamental Factor Model and for higher frequency data, the returns volatility are captured using the AGARCH (Asymmetric Generalised Auto-Regressive Conditional Heteroskedasticity) model. Key features and functions include: Analyzing the sensitivity of the portfolio to any risk factor and the corresponding statistics such as the model reliability, the systematic risk, the idiosyncratic risk, the various Value at Risk statistics (VaRs). Stress Testing allows users to create hypothetical stress scenario(s) by defining their own "views" of the evolution of the risk factors, for any number of periods. Also, Monte Carlo simulations are used when no views are provided. Scenario Analysis allows users to simulate the impact of any number of historical scenarios on their portfolio(s), which can be selected from a set of PackHedge™ predefined historical scenarios as well as from user-defined historical scenarios. An intuitive and graphical navigation tool based on heat maps present the performance and weight impact of the risk Factor on each component of the portfolio over time.

"The addition of the Stress Testing, Scenario analysis and Sensitivity analysis to PackHedge™'s other advanced analysis tools completes a fully comprehensive suite of portfolio construction and management and risk analysis tools that we have carefully designed for ease of use, richness of functionality and based on extensive input and review with our clients" states Denis de Pentheny O'Kelly, FinLab's CEO. "Risk factors time series are rarely statistically well-behaved. For instance, they are usually multi-collinear, non-normally distributed and non-stationary. In contradiction to many other models, such as Black-Litterman, the Fundamental Factor Model used by PackHedge™ is not based on any strong assumption, such as the normality of the risk factors return, which might result in biased and inaccurate predictions of the portfolio return. Hence, PackHedge™ uses sophisticated statistical methods to extract the most exact relation between the portfolio return and the risk factors." Denis de Pentheny O'Kelly added "The tools are interconnected, so that for example, with the click of the mouse a pro-forma portfolio is constructed from the weights at any point on the Efficient Frontier of an optimized portfolio, to provide back-testing, contribution analysis and all statistics and reporting available on the portfolio. Now run a style analysis, stress test, scenario analysis or sensitivity analysis on the portfolio and re-iterate until you are happy with the construction of the portfolio. Most importantly, all the advanced analysis tools provide Save and Load so that these scenarios can be reloaded and rerun at any time. These saved scenarios can be selected in custom reports, so that they are run with the latest data available and the results included in a customized report at any time the report is produced."

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The advanced analysis tools, in addition to the Stress Testing, Scenario analysis and Sensitivity analysis include: The Style analysis, Peer Group reporting and Portfolio Optimization.

The Style analysis tool which uses multiple regression analysis and non-linear methods based on the generalized style analysis approach as developed by Lobosco and DiBartolomeo, with user settable approximation of confidence intervals, extensive parameter settings, significance, linearity and confidence testing, parameters and settings for rolling periods, equality constraints and proxies, from which, in "one-click", a user can create Proforma portfolio(s) based on selected weightings for simulation, back testing and further iterations. The Peer Group analysis tool providing multiple estimators and customisable periods, with floating bar charts to graphically depict where a manager ranks with the strategy peers.

The Portfolio Optimization tool uses a non-linear optimization method based on the classical modern portfolio theory and/or its Black Litterman extension with user definable "views", offers a large choice of the statistic to optimize including: Volatility, Sharpe ratio, Omega, Largest Drawdown, Normal, Modified or Historical VaR. Furthermore, providing extensive constraints settings for min/max levels by user defined groupings, by any categorization (Style, Generic Classification, Investment Universe, Approach, Currency, Geography, etc.), and/or by Market Neutrality (Beta, Beta Bear and Beta Bull). The resulting Efficient Frontier with "walking" mode provides the portfolio weights and over 25 default statistics for each efficient portfolio plus any customized set of statistics available through the Screen & Report. In addition, the simple "one-click" to create of Proforma portfolio(s) for simulation and back testing and further iterations and the simple "drag and drop" to load existing Pro-forma and/or Fund of Fund portfolios into the Optimizer.

About FinLab

FinLab SA is a software solutions company that develops, distributes and supports one of the world's most advanced systems for fund investment research, analysis, risk analysis, asset allocation, portfolio construction and management, shadow accounting for managed accounts and funds of funds, due diligence, document management, work flow and financial innovation for both alternative and traditional funds.

The company's product suite, PackHedge™, provides a suite of state of the art modular software tools in a single fully integrated platform that provides: Unmatched portfolio construction and management tools for complete pro-forma portfolio simulation and/or comprehensive fund of funds portfolio management with liquidity ladder analysis, contribution analysis and investment exposure. PackHedge™ offers the most advanced analysis tools including: Stress Testing, Scenario analysis, Sensitivity analysis, Portfolio Optimization, Style analysis and Peer Group analysis, Extensive Risk analysis and statistics, and a unique and powerful multi-source, multi-currency, multi-frequency qualitative and quantitative data management model. PackHedge™ includes data aggregation, extensive statistical analysis and charting, a multi-dimensional query engine, and custom reporting capabilities. In addition, tools to manage time series imports and customizable due diligence questionnaires are provided to ensure full data integrity. The company was founded in 1999 and is headquartered in Geneva, Switzerland, with offices in the United States and Singapore.

For more information please visit FinLab's web site www.finlab.com or please contact:

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