Building an efficient Risk Management strategy

The market change of the past few years have led to a surge in regulation for the Asset Management sector. UCITS, AIFMD and PRIIPS are just some examples of the directives and regulations Management Companies now need to obey.

The Risk Management function is one of the most exposed to regulatory impacts regardless of the licence you have (UCITS, AIFM). Our team of experts will help you deal with these regulations and build an effective Risk Management strategy.

Your challenges

As a Management Company, you might face four key challenges:

- Staying up to date with legislative changes;
- Understanding how new regulations impact your business;
- Finding qualified experts to analyse your risks in the new context;
- Implementing an efficient Risk Management strategy.
Our solutions

We offer a full range of consulting services to support your day-to-day business activities and help you deal with new Risk Management requirements:

### Policy setup and processes review - Risk Management Process (RMP)
- Assistance in the drafting and review of Risk Management Procedures covering all the material risk dimensions (i.e. market risk, counterparty risk, liquidity risk, etc.).

### Risk appetite assessment
- Considering your strategies (Fixed income, Private Equity, etc.), we help you set up your risk appetite;
- We make sure this risk appetite is aligned with the Risk Management Process.

### Risk metrics computation
Our risk metrics include:
- Leverage;
- VaR model;
- Stress tests;
- Backtesting;
- Net Equity Delta, CS01, DV01;
- Synthetic Risk and Reward Indicator (SRRI).

### Risk Model Validation - VaR model
- We review the adequacy of your VaR model, taking into account the regulatory requirements, as well as the best market practices.

### Liquidity Risk Management and Analysis
- Based on our internally developed tool and methodology (“ALLERT”), we can assist you in the assessment of liquidity risk of your funds by covering both the asset and liability sides.

### Alternative Investment expertise - Risk Management for PE, RE and Hedge funds
- Analysis of the investment value chain as well as the fund structure for Private Equity and Real Estate strategies;
- Due diligence of the investment management process with a focus on risk responsibilities;
- Set-up of your risk monitoring through the implementation of our internal tool or external software.

### Why PwC Luxembourg?

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