

## Principia Partners

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### Risk exposure tracking

STRUCTURED FINANCE VENDOR Principia has enhanced its software by integrating risk exposure tracking for ABS, MBS and CDO investments. This provides a standardised way to monitor compliance and gain a consistent view of risk exposure at the deal or portfolio level. It includes a standard interface to define and capture collateral performance data to consistently manage the underlying behaviour of these securities.

The new software allows users to analyse and manage cashflows and information from the initial deal, through ongoing risk surveillance, compliance, investor reporting and accounting. Risk limits can be set and monitored at any portfolio stratification. Structured finance exposure monitoring is integrated into an enterprise-wide financial reporting and accounting framework.

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The technology allows clients to manage and monitor all assets and their associated liabilities and hedges on a single platform. Principia hopes this will reduce the time and resources clients need to allocate to administration and interpreting performance information from multiple data providers and proprietary credit analysis. It should also eliminate the inefficiencies and operational risks associated with spreadsheet proliferation, helping streamline integration with treasury management systems, custodians or trustees.

Standard performance metrics make it possible to drill down into structured finance assets to analyse portfolios at the deal, tranche, collateral and credit enhancement level. Users also benefit from the ability to assess how portfolios perform under stressed scenarios, for example changing default or prepayment rates.