

## NorthPoint, CurAlea Team on Risk Solution

NorthPoint and CurAlea have joined forces to produce RiskSuite, which is geared toward hedge funds that use VaR analysis.

**B**uy-side technology and services provider NorthPoint and hedge fund advisory firm CurAlea Associates have teamed to provide a risk solution to the buy side. The offering, dubbed RiskSuite, is customizable and provides an automated solution for risk management, assessment and decomposition at the portfolio and position levels, according to officials.

“What we tried to do is offer a solution relevant to Value-at-Risk (VaR) in a cost-effective way, and partner that with the advisory solutions that CurAlea offers,” Joseph Amarante, managing partner of NorthPoint, tells BST. “So not only do you get the platform itself, but you get the support model and advisory services.”

RiskSuite provides hedge fund managers with a litany of functionality including VaR estimates, scenario analysis, stress testing, marginal contribution to risk analysis, beta analysis and decomposition, correlation analysis, and performance and attribution. Amarante says RiskSuite targets instruments for which price discovery is not an issue, and will also be helpful in allowing hedge funds that use VaR to produce required Form PF reporting.

“Form PF mandates that if a fund currently includes VaR risk modeling then it will have to produce VaR reports as part of its filing,” he says. “So this will dovetail nicely into allowing clients to generate VaR for that filing.”

Seb Calabro, co-founder of CurAlea, says that while clients were happy with CurAlea’s advisory capabilities, they were looking to couple that advice with a risk solution. There are several hedge funds that have already deployed



Joseph Amarante, NorthPoint

RiskSuite, and while officials decline to release an exact number, they say that the firms fall in the range of \$1 billion to \$6 billion in assets under management.

Calabro says that since the product was designed to be highly customizable, the two companies will be able to easily add new functionality for future releases.

“Since it’s customizable, a lot of our enhancements will be driven by client requests—whether for additional reporting or additional risk analytics. It’s easy to come out with enhancements for that,” he says. “A lot of the enhancements that have already been asked for have come from folks looking to combine risk analytics with the profit-and-loss (P&L) contribution, and build reports that hopefully help the portfolio managers gain some insight into how they performed in different market environments.”

Amarante adds that the company has already developed a credit default swap (CDS) add-on to the solution for one of its clients, and that CDS functionality will be available in the next release. ■

—Anthony Malakian

### NORTHPOINT®

130 W 42<sup>nd</sup> Street, 5<sup>th</sup> Floor  
New York, New York 10036

email: [infoUS@northps.com](mailto:infoUS@northps.com)

web: [www.northps.com](http://www.northps.com)

tel: +1 212 819 1700