Axioma offers investment professionals the most valuable suite of model capabilities and options available. We are the only provider of fundamental and statistical risk models, as well as a macroeconomic risk model, all updated with daily data.
Axioma Risk Models

PART OF A COMPLETE SUITE OF AXIOMA PORTFOLIO CONSTRUCTION TOOLS THAT ALSO INCLUDES:

• Axioma Portfolio Optimizer™
• Axioma Portfolio Analytics™
• Axioma Backtester™
• Axioma Risk Model Machine™

Contact us to learn more about how Axioma can help you better manage risk and enhance your investment process.

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EMEA +44-203-621-8241
Asia-Pacific: +852-8203-2790

Sales: sales@axioma.com
Client Support: support@axioma.com
Careers: careers@axioma.com

axioma.com
Axioma's Equity Factor Risk Model Suite

Our combination of tools provides unparalleled insights for risk management, performance attribution, and portfolio construction.

By offering three model types along with multiple horizons, Axioma helps front and middle office functions align their view of risk in a constantly evolving and increasingly complex environment.

In addition, Axioma’s clients can fully customize their risk models using the breakthrough Risk Model Machine™ solution, with our factor library, or through a consultative partnership with Axioma to develop custom risk models as a service. Custom Risk Models and standard Fundamental, Statistical, and Macro models are delivered in Axioma Portfolio™, our powerful optimization and portfolio analytics platform.

**OUR COMPLETE SUITE OF MODEL DELIVERABLES INCLUDES:**

- **Fundamental models** with comprehensive factor coverage for intuitive and detailed risk analysis and performance attribution
- **Statistical models** that can provide important additional risk and portfolio construction insights
- **Short and Medium Horizon Model** variations to increase risk awareness in fast changing environments
- **Macro factor analysis** to understand sensitivities for analyzing and stress testing the impact of macro events on a portfolio
- The ability to customize important model features such as the factors, horizon, and estimation universe, and get the most out of your investment process with tailored models
- **Extensive factor libraries** for research and analytics and the ability to incorporate your own libraries, Axioma Macroeconomic Factor Library or those through third-party partners such as CS HOLT
- **A deep daily history with historical coverage** since 1997 for most model variations
- **Model Descriptors** to analyze exposures to descriptors used to create the model, create custom risk models, tilt portfolios and hedge
- **Pure Factor Portfolios (PFP)** to track factor performance, model portfolios for factor baskets, evaluate hedges and decompose intraday asset PnL

Axioma’s risk models are provided as flat files that integrate with any third-party system or in proprietary formats that seamlessly integrate with Axioma’s portfolio construction, performance analytics, and risk management solutions.
Leverage this complete set of tools to help construct and manage portfolios according to your own investment process.

**CONTROL** portfolio exposures to key standard or custom styles in order to deliver results aligned with your strategy objectives.

**CONSTRUCT** more efficient portfolios by allocating risk to the factors you believe will outperform.

**BENEFIT** from our innovative methodologies that improve estimated factor return properties and produce superior attribution results.

**BETTER MANAGE** tracking error and avoid surprises using aligned risk models and multiple views of risk.

**STRESS TEST** your portfolio to see how it might respond to macroeconomic events, such as yield curve shifts or an increase in the price of oil, how factor movements will impact performance, or how the current portfolio would have behaved in historical economic scenarios.

**BETTER UNDERSTAND AND COMMUNICATE**—both internally and externally—what is driving portfolio returns using models aligned with your investment process.

**GET MORE CUSTOMIZATION** through Risk Model Machine by creating models that meet your own investment objectives.

As a Global Systematic Manager, we have researched and published on the interaction of multiple risk models with our investment process and have found Axioma to be the best fit. My colleagues and I appreciate the support provided by Axioma in integrating their risk models into our portfolio construction process and their continuous enhancements to their risk models.

SUNDARAM CHETTIAPPAN, MCKINLEY CAPITAL MANAGEMENT
For Long/Short Portfolios

Our solutions help you understand the sources of risk in your portfolio and construct your preferred strategy.

**DETERMINE SOURCES OF RISK** and control unwanted exposure by combining insight from our multiple models with the Axioma Portfolio Optimizer™ to more efficiently apply hedging overlay strategies to the portfolio.

**ISOLATE FACTOR, MACROECONOMIC, AND TRANSIENT SYSTEMATIC RISK** from idiosyncratic risk to create and implement your specific strategy, such as factor hedging or pair trading.

**MANAGE** your exposure to specific factors and styles across your portfolio to keep it aligned with your investment process while leveraging statistical models to hedge unwanted short-term risk factors.

**UNDERSTAND** what’s driving the overall portfolio return and get insight into whether the long or short exposure is outperforming.

**LEVERAGE** Risk Model Machine to develop custom Sector Models as needed for more accurate sector strategy analysis, risk and performance attribution.

**USE** Factor Mimicking portfolios to track intraday factor performance and calculate the intraday factor-based P&L attribution of your portfolio.
Deliver superior results to your clients by using our tools that take into account the tradeoff between tracking error, market impact and tax considerations relative to a benchmark

**EVALUATE AND REPORT** the forecasted tracking error simultaneously using multiple risk models, which would increase your confidence in delivering your stated tracking error objectives

**LEVERAGE** Axioma Portfolio Optimizer’s ability to use multiple risk models to minimize tracking error compared with the target portfolio during optimization

**CONSTRUCT** smart beta strategies by creating a portfolio that closely follows the benchmark in terms of your exposure then making adjustments based on your investment decisions

**PERFORM** factor-based attribution with fundamental and macro model variations to see how standard and macro factors impacted portfolio active returns

**BETTER MANAGE** the trade-off between risk and taxes for better tracking of the index
## Model Variations*

<table>
<thead>
<tr>
<th>MODEL</th>
<th>APPROXIMATE EQUITY COVERAGE</th>
<th>MARKETS</th>
<th>ESTIMATION UNIVERSE</th>
<th>STYLE FACTORS (FUNDAMENTAL AND MACRO)</th>
<th>INDUSTRY FACTORS (GICS-BASED)</th>
<th>STATISTICAL FACTORS</th>
<th>HISTORICAL COVERAGE</th>
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* LIVE ASSETS AS OF JUL. 2018