



A State Street Company

# Over-the-Counter Derivatives

Charles River provides a comprehensive solution with portfolio management, trading, and compliance capabilities for over-the-counter (OTC) derivatives.

Investing in OTC derivatives requires specialized capabilities. Global regulatory requirements dictate where certain orders can be executed. Unlike cash, derivatives require trade capture and quoting. Compliance rules and analytics for derivatives are complex and must be handled appropriately. The Charles River Investment Management Solution (IMS) offers buy-side firms a platform tailored towards the needs of OTC investing.

Feature	Benefit
Regulatory indicators	Identify when an OTC order must be executed on an approved trading venue
SEF connectivity	Satisfy Made-Available-for-Trade (MAT) requirements
Approved broker controls	Helps ensure trades are placed only where an International Swaps and Derivatives Association (ISDA) or other agreements are in place
Cleared trade compression	Support for derivative increases and unwind functionality tailored to reflect clearinghouse's netting
Bilateral quote capture	View order quotes directly in the blotter and allocate directly to accounts
Compliance rules engine	Helps ensure adherence to exposure and other guidelines with custom rule setup
Integrated analytics	Calculate principal, accrued interest, DV01 and other analytics on-the-fly



### Integrated Portfolio Management Capabilities

Charles River's Manager Workbench enables portfolio managers to view and act on risk exposure across listed and OTC derivatives. Advanced views can provide leg-level detail on swap risk exposure and look-through capability to basket and index constituents.



### Extensive Compliance Monitoring Capabilities

Charles River Compliance enables compliance officers to manage risk associated with the complex requirements of the OTC derivative market. Charles River provides a framework to test gross and net exposure, global counterparty exposure, coverage, diversification and the application of netting and hedging considerations. With the evolution of the global regulatory environment, Charles River Compliance supports the recognition of centrally cleared instruments and allows for the creation of custom exposure calculations.



### Compliance and Risk Tools

Charles River IMS provides innovative tools that enable traders to clearly identify when a trade must follow particular regulatory requirements or necessary agreements are not in place.



### Extensive Derivatives Coverage

Charles River IMS supports a large breadth of derivatives, including:

Rates	Credit	Equity
Interest Rate Swap (IRS)	CDS Single Name	OTC Options
IMM Swap	CDS Index	Listed Options
Inflation Swap	CDS Index Tranche	Equity Total Return Swap
Zero Coupon Swap	CDS Swaption	Variance Swap
Overnight Index Swap (OIS)	CDS Basket	Volatility Swap
Basis Swap	Credit Linked Note	Dividend Swap
Asset Swap	Bond Total Return Swap	Futures
Constant Maturity Swap	Asset Swap	Contract for Difference
Mexican TIEE Swap		
Brazilian DI Swap	<b>Commodity</b>	<b>Currency</b>
Interest Rate Swaption	Futures	Currency Swap
Interest Rate Caps/Floors	Index Futures	Currency Forward
Interest Rate and Bond	Commodity Index Swap	FX Options
Futures		Vanilla
Forward Rate Agreement (FRA)		Exotic
		Futures

# Charles River Development, A State Street Company

Investment firms, asset owners, wealth managers, hedge funds and insurers in more than 30 countries rely on Charles River's front and middle office investment management platform to manage more than US\$30 Trillion in assets. Together with State Street's middle and back office capabilities, Charles River's cloud-deployed software technology forms the foundation of State Street Alpha<sup>SM</sup>. The Charles River Investment Management Solution (Charles River IMS) is designed to automate and simplify the institutional investment process across asset classes, from portfolio management and risk analytics through trading and post-trade settlement, with integrated compliance and managed data throughout. Charles River's growing partner ecosystem enables clients to seamlessly access external data and analytics, applications and liquidity venues that support the demands of their product and asset class mix. Headquartered in Burlington, Massachusetts, we serve clients globally with more than 1,000 employees in 11 regional offices.

(Statistics as of Q3 2020)

Learn more at [crd.com](https://www.crd.com)

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