



A State Street Company

AcadiaSoft and Collateral Management in Charles River IMS

Regulations created in the aftermath of the financial crisis have significantly increased buy-side collateral and margin requirements. In response, firms are posting increasing amounts of collateral as initial margin (IM) which creates a drag on fund returns. Further, managing and monitoring collateral places a significant operational burden on the middle office.

Within the scope of the regulation, buy-side firms are looking for ways to minimize the margin costs associated with trading and make efficient use of available inventory as collateral without causing a negative impact on portfolio returns. Collateral management solutions that automate and streamline this process help firms optimally deploy collateral within prescribed operational mandates.

Key Benefits of the Unified Collateral Management Solution

The Charles River Investment Management Solution (Charles River IMS) offers collateral management across the front and middle office for trading derivatives, and tracking and managing margin calls. Clients can manage the entire collateral lifecycle on Charles River, from pre-trade analytics to margining and reconciliations. Integrating AcadiaSoft's Margin Manager in Charles River IMS provides a central margin service that replaces manual processes with an automated and verifiable electronic process, simplifying workflows for all parties engaged in collateral management – buy- and sell-side firms, fund administrators, and clearing firms.

Front Office Benefits

Charles River IMS also enables the front office to have full visibility into pledged collateral levels in real time. Portfolio Managers can estimate margin costs as part of their investment decision making and understand what the full cost their trade may be.

Middle Office Benefits

The ability to automate communication of margin calls and collateral estimates through AcadiaSoft's Margin Manager helps reduce errors and provides a standard and verifiable workflow with full audit trail and reporting. Charles River IMS enables collateral management teams to stay in synch with front office trading activity to help ensure they have the latest view of available assets, and to communicate with their respective counterparties to help ensure margin calls are fulfilled in a timely manner.

Connectivity to AcadiaSoft Margin Manager and SWIFT integration enables collateral management teams to handle rapidly increasing margin call volumes and complexity, without straining middle and back office resources.

Key Benefits of the Unified Collateral Management Solution

Front Office	Middle Office
Gain real-time visibility into pledged collateral	Track, manage, and satisfy margin calls
Obtain pre-trade margin estimate	Validate incoming margin calls
Select the best clearing path based on total execution costs	Notify custodians via SWIFT

Charles River's Collateral Management Solution for the Front and Middle Office



Pre-Trade Analytics



Calculate IM & VM Exposure



Margin Call Workflow



Dispute Management



Settlement



Reconciliation

About AcadiaSoft

AcadiaSoft, Inc. is the leading industry provider of risk and collateral management services for the non-cleared derivatives community. The AcadiaSoft Hub encompasses a suite of applications and analytics that enable and measure the complete STP workflow from CSA agreement management, risk services, margin and collateral management through to settlement. Backed by 17 major industry participants and market infrastructures, AcadiaSoft is used by a community of more than 650 firms exchanging approximately \$400B of collateral on daily basis via its margin automation services. AcadiaSoft is headquartered in Norwell, MA and has offices in London, New York and Tokyo.

(As of 9/30/2019. AcadiaSoft® is a registered trademark of AcadiaSoft, Inc.). For more information visit acadiasoft.com.

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 AlphaSM. 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. For more information, please visit crd.com. (Statistics as of February 2021)

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*Assets under management as of December 31, 2020 includes approximately \$75 billion of assets with respect to SPDR® products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

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