

Factsheet – Fusion Sophis Commodities

Providing greater control and oversight for commodities and commodities derivatives trading

With Fusion Sophis, commodities desks also have the perfect solution to support business growth.

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In today's environment, investment banks need to take advantage of the market's appetite for a broader range of asset classes, including commodities. Finastra's capabilities for Fusion Sophis, delivers a derivatives risk management solution, offering comprehensive portfolio and risk management functionality for commodities and commodity derivatives trading.

Fusion Sophis provides not only greater agility and risk management, but overall operational efficiency and cost reduction empowering traders to remain competitive and decisive.

With Fusion Sophis, commodities desks also have the perfect solution to support business growth. Performance services can scale progressively and easily for higher trading volumes, risk management and operations across an increasing range of commodity products. This guarantees the best user experience and complete oversight irrespective of the department business users are seated in.

As an open platform, Fusion Sophis offers high levels of customization that match banks' specific differentiating needs from the front to the back office.

Fusion Sophis covers a broad range of commodity instruments, including listed securities, Over-the-Counter (OTC) and cleared derivatives, as well as structured products. This coverage is continuously evolving to follow world commodity market trends.

Fusion Sophis delivers company-wide transparency and control over market risk to monitor portfolios and market new products.

Our solution includes a wide range of commodities-specific risk scenarios and market analytics to provide maximum insight on Profit & Loss, exposures and risk sensitivities. It additionally includes advanced risk analytics such as Value-at-Risk (VaR), Expected Shortfall and vigorous stress testing.

Key benefits

- Comprehensive coverage of commodity products and markets
- Cross-asset capability supporting simple to complex and hybrid products
- Rapid time-to-market with out-of-the-box connectivity and implementation tools
- Extensive set of risk analytics and scenarios for real-time risk management and hedging
- Fully customizable pricing models
- Real-time Straight-Through-Processing for OTC, cleared and listed products due to an integrated front-to-back framework
- Support and continuous investment into solution from a dedicated quantitative team to address evolving market challenges



Product coverage

- ✓ Commodities: oil and refined products, coal, freight, physical and financial gas, physical and financial power, emission allowances, soft, base metals - including LME, precious metals, weather, plastics
- ✓ Physical inventory for precious metals
- ✓ Futures and forwards
- ✓ OTC and cleared multicurrency fixed & floating swaps
- ✓ Excess & Total return indices (e.g. BCOM, S&P GSCI, RICI) performance swaps and options
- ✓ Gas formula swaps and options
- ✓ Listed and OTC vanilla options on futures
- ✓ Exotic commodity options: Asian strips, swaptions, barrier on spot or average, target redemption, digitals, options on first nearby future
- ✓ Hybrid products



Market data management

- ✓ Automatic upload of futures term structure
- ✓ Extensive list of measurement units and conversion factors between commodities
- ✓ Real-time data feeds from external providers (e.g. Refinitiv, Bloomberg)
- ✓ Historical market data fixing integration via native MorningStar interface
- ✓ LME functionality: non-prompt dates, Cash and 3 Months, forward curve update with 3 Months price and exposure on daily futures
- ✓ Volatility smile definition in Butterfly & Risk reversal



Front-to-back position keeping

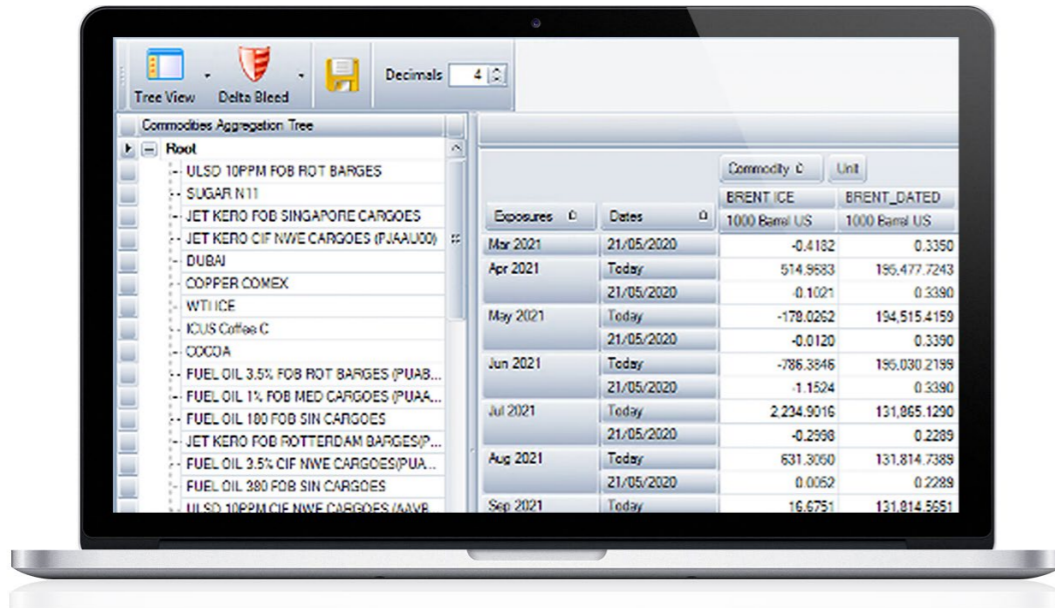
- ✓ Quick booking via user-defined blotters to maximize Front Office efficiency
- ✓ Flexible portfolio views providing transparency on analytics
- ✓ Comprehensive commodity contracts life cycle management
- ✓ Front-to-back Straight-Through-Processing (STP) with customizable workflows for listed, OTC and cleared products



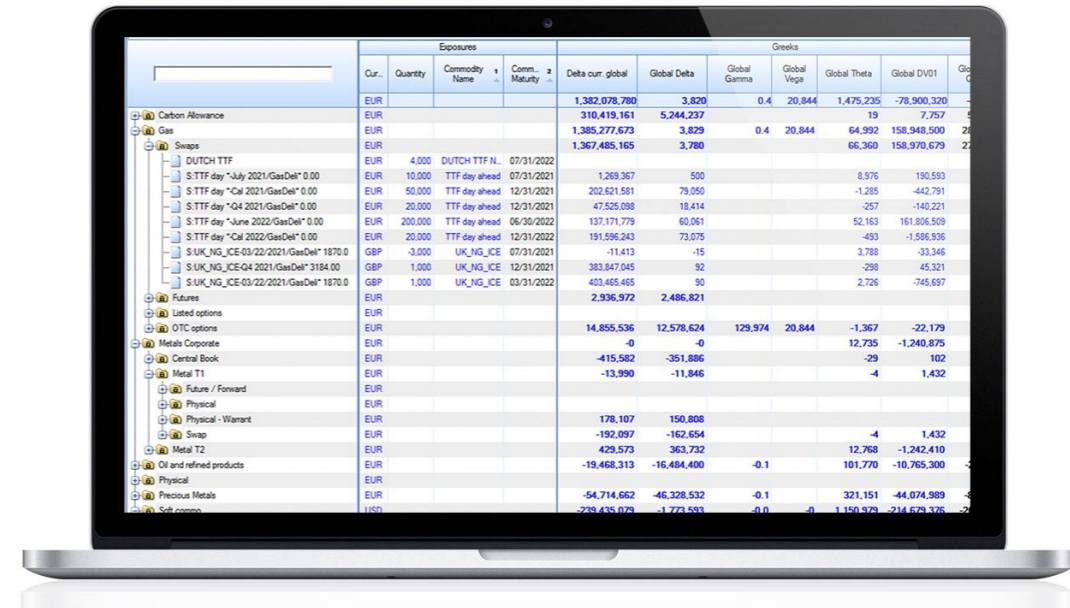
Market risk analytics and scenarios

- ✓ Breakdown of commodity risk (delta/gamma/vega)
 - by monthly buckets
 - by daily buckets for LME products (LME Card)
 - split between physical and financial commitments
- ✓ Aggregation of commodity risk based on a parent tree
- ✓ Delta bleed to anticipate risk adjustments
- ✓ Hedging tool for index roll period
- Correlation risk
- ✓ 'What-if' scenarios
- ✓ Stress tests
- ✓ Value at Risk (VaR)
 - Historical VaR: shocks based on relative maturity
 - Parametric VaR using relative maturity correlation and volatility matrix
 - Monte-Carlo VaR
- ✓ Flexible P&L/performance explanation





Example on Delta Bleed scenario.



Portfolio overview including greeks and P&L.

For more information on how we can help you optimize performance attributions operations, please contact us at capitalmarkets@finastra.com or visit: finastra.com/investment-management

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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