

# SMART

## Risk & Valuation Analytics

**LCH** The Markets'  
Partner

### THE CUSTOMER CHALLENGE

Margin is becoming ever more prevalent in user workflows across the front, middle and back office. The complexity around this and the need to manage margin on a more proactive basis continue to increase as market and regulatory conditions evolve. Some of the problems faced by our customers today include:

**Funding Optimisation:** As the need to optimise funding allocation increases, market participants require an accurate and reliable way to margin a range of pre-trade scenarios.

**Liquidity:** Active margin management is critical to ensuring efficient allocation of a firm's capital to maximise returns and optimise liquidity management.

**Margin Reconciliation:** The need to perform regular risk and margin reconciliations and understand key margin drivers to control risk exposure creates further challenges for effectively managing the operational and financial costs associated with clearing.

### HOW SMART CAN HELP

LCH SMART is an award-winning risk tool that enables members and clients to simulate their margin requirements across their Listed Rates and OTC portfolios. Using instantaneous "what if" calculations, SMART users can view their curve and tenor risk exposures and analyse their margin impact, composition and movement against LCH prior to clearing. SMART can also calculate the benefits associated with using LCH's Compression and portfolio margining services, delivering real capital savings and increased efficiency for customers.



### KEY BENEFITS

#### 01.

##### IM and VM Reconciliation

Input your portfolio of trades, and watch SMART automatically apply curves, tenor buckets and worst-case scenarios to ensure accurate margin estimates.

#### 02.

##### Full Breakdown of Risk Exposure

Access a comprehensive view of your IM and margin add-ons across your portfolio, as well as a breakdown of portfolio sensitivities and trade-level valuations.

#### 03.

##### Multi-Asset Support

Submit trades from any OTC or Listed Rates service to view real-time risk exposure across the portfolio. SMART is also available for the ForexClear service, supporting deliverable and non-deliverable FX.

#### 04.

##### Portfolio Margining Simulation

SMART supports the LCH Spider service for rates, enabling members to view their portfolio margining opportunities across OTC and exchange-traded interest rate books.

#### 05.

##### Compression Simulation

Simulate the benefits of the SwapClear suite of Solo Compression services, including Standard and Blended Rate Compression for rates, NDFs and deliverable FX forwards.

#### 06.

##### Usability

Available for members and clients, SMART can be used as a desktop application to take advantage of interactive screens or as a software API to integrate SMART within your own technology stack.

## RECENTLY ADDED FEATURES

01. Redesigned interface for enhanced user experience
02. New search capability and improved data filters
03. Enhanced data export and margin snapshots to quickly compare multiple simulation scenarios
04. SMART for Compression now integrated within a single SMART desktop tool
05. Online data service for auto-retrieval of SMART reports for rates



## COMING SOON TO SMART FOR RATES

Features	Benefits
<ul style="list-style-type: none"><li>• Real-time full trade level portfolio</li><li>• Deep historic market and risk data with three-month look-back period</li><li>• Intra-day market data</li><li>• IM optimisation</li><li>• Customisable portfolio insights and advanced visualisations</li><li>• Access to collateral information</li><li>• LCH service notifications in SMART</li></ul>	<ul style="list-style-type: none"><li>• Estimate margin more accurately with access to fully up-to-date portfolios using the latest market data</li><li>• Track real-time portfolio changes and view trade level risk and valuations</li><li>• Explain intra-day and predict forthcoming end-of-day IM liabilities</li><li>• Perform IM reconciliations and model historic data with automatic retrieval of historic SMART reports</li><li>• Free up tied-up capital with SMART IM optimisation</li><li>• Receive improved decision support via SMART risk and margin visualisations</li><li>• Build customisable portfolio insights</li><li>• Assess current collateral cover and breakdown in SMART</li><li>• Stay up to date with real-time SMART notifications on trade registration and relevant LCH services to explain impact on your portfolio</li><li>• Access premium support service for quick issue resolution</li></ul>

## CONTACT US

For more information, contact us at [LCHSales@lch.com](mailto:LCHSales@lch.com).

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