

- ✓ Axioma Portfolio Optimizer™
- ✓ Axioma Portfolio Analytics™
- ✓ **Axioma Risk Models™**
- ✓ Axioma Risk Model Machine™

# AXIOMA EQUITY FACTOR RISK MODEL SUITE

**Unparalleled insights for portfolio construction,  
performance attribution and risk management**

## About the Suite

The Axioma Equity Factor Risk Model Suite includes fundamental, statistical and macroeconomic factor risk models updated daily to provide the most comprehensive analysis and flexibility to investors.

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

## Model Deliverables

Axioma Factor Risk Models are provided as flat files that integrate with any third-party system or in proprietary formats that seamlessly integrate with our portfolio construction, performance attribution and risk management solutions.

### The 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 LIBRARY** to understand sensitivities for analyzing and stress testing the impact of macro events on a portfolio
- ✓ **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
- ✓ **DEEP DAILY HISTORY** with historical coverage since 1997 (1982 for US Models)
- ✓ **CUSTOMIZED MODELS** with the ability to tailor your models by selecting features such as factor definitions, horizon and estimation universe
- ✓ **ACCESS ADDITIONAL THIRD-PARTY LIBRARIES** such as Credit Suisse HOLT and Goldman Sachs Shortfall Model for research, analytics and portfolio construction



## For Actively Managed Portfolios

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 style factors 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 UNDERSTAND AND COMMUNICATE** both internally and externally—what is driving portfolio returns using models aligned with your investment process
- **CLOSELY 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
- **GET MORE CUSTOMIZATION** through Axioma Risk Model Machine™ by creating models that meet your own investment objectives



## 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
- **UNDERSTAND** what's driving the overall portfolio return and get insight into whether the long or short exposure is outperforming
- **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
- **LEVERAGE** Axioma Risk Model Machine to develop custom Sector Models as needed for more accurate sector strategy analysis, risk and performance attribution
- **USE PURE FACTOR PORTFOLIOS** to track intraday factor performance and calculate the intraday factor-based P&L attribution of your portfolio



## For Index-Tracking Portfolios, Account Replication and Tax-Efficient Strategies

Deliver superior results to your clients by using our tools that take into account the trade-off among 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** the Axioma Portfolio Optimizer to use multiple risk models to minimize tracking error compared with the target portfolio during optimization
- **OPTIMIZE** the trade-off between risk and taxes for better tracking of the index
- **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

To learn more about Qontigo, please contact us, or visit [qontigo.com](https://qontigo.com)



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