

## **Risk101 launches into the UK and Europe with new risk management product focused on carbon-related trading**

- Carbon trading volumes expected to grow rapidly over next 12 months -**
- 'Ozone<sub>3</sub>' controls exposure to carbon-related products -**

**12 January 2011** – Risk101, a leading market risk management software provider to the fund management industry, has launched into the UK and Europe its new portfolio risk management product for carbon-related securities called Ozone<sub>3</sub>. Risk101, which is establishing a base in London, anticipates double digit growth in the carbon trading market in Europe as more asset managers, hedge funds and pension funds invest increasingly in socially responsible and renewable energy securities.

A key feature of the software is its flexibility in that it can be applied to both the 'primary' and 'secondary' carbon markets.

Ozone<sub>3</sub> incorporates all the essential tools and models required for risk measurement and helps fund managers assess their exposure to all carbon-related securities traded in the secondary market, including Certified Emission Reductions (CERs), EU Emission Allowances (EUAs) and their associated derivatives, as well as energy related commodities such as oil and electricity futures. It offers all the portfolio and risk management capabilities of a full secondary market trading system, including interactivity; drill down; multi-asset and multi-currency. It can also be tailored by users to fit their own company setup models and to build bespoke risk management systems.

Ozone<sub>3</sub> also provides portfolio managers with specific capabilities for managing investments and exposures in the primary market, which covers projects designed to meet the Clean Development Mechanism (CDM) and other verification standards. These projects can then be categorised (and exposures isolated) by country, currency, methodology (wind, solar, biogas etc) or user-defined categories.

**Jonathan Ellenberger, founder and CEO, Risk101 said,** "Volumes in the global carbon-trading market have grown rapidly since its inception in 2005 and while 2010 saw a slowdown, volumes are widely expected to rise again in 2011.

“There will be a greater need than ever for a simplification of sophisticated information to asset managers, group treasurers and investors. In the wake of the financial crisis, there is a new emphasis on risk management that has led many asset managers to take another look at their IT strategy. They want to implement more robust front-to-back risk and portfolio management systems that can handle new products, new regulation and new customer reporting and service levels.

“Ozone<sub>3</sub> is unique in using a ‘risk outcome factor’ which highlights the chances of a successful completion of a project and enables users to reduce the expected certified CERs by applying a limiting factor. Project investments can be ‘rolled-up’ into the securities that are expected to come from the project (CERs or VERs), which allows cross project comparisons and aggregations.”

To find out more about Risk101 Group, please call +44 203 2864 101 or visit [www.risk101.com](http://www.risk101.com)

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**Notes to editor:**

Risk101 Group is a leading provider of market risk software solutions to the fund management industry. Risk101 incorporates all the essential tools and models required for risk management and performance measurement to help fund managers control their exposures at a global level through to individual portfolios and asset classes. The company has a global presence with offices in the UK, South Africa, Australia and the US. Risk101 Group serves more than 45 leading institutions through its products, Risk101 and Ozone<sub>3</sub>. Ozone<sub>3</sub> has all the capabilities of Risk101 but is geared towards trading carbon related products.

Risk101 Group is owned by the management team led by Jonathan Ellenberger.  
[www.risk101.com](http://www.risk101.com)