

AcadiaSoft and Quaternion Form Risk Services Partnership

*Focus will be on developing products to
simplify compliance with global initial margin regulations*

Norwell, MA, and Dublin, Ireland August 2, 2018 – AcadiaSoft Inc., the leading industry provider of margin automation solutions worldwide, and Quaternion Risk Management Ltd., a leading risk analytics firm, today announced the formation of a partnership to provide risk services for firms subject to initial margining requirements for non-centrally-cleared derivatives. The initiative couples AcadiaSoft’s proven capabilities in automation with Quaternion’s extensive quantitative expertise and will enable AcadiaSoft clients to access a range of services via the secure environment of the AcadiaSoft Hub.

“Combining AcadiaSoft’s existing infrastructure with our risk analytics tools presents opportunities to create new products that will greatly benefit both the smaller players in the non-centrally-cleared market facing near-term hurdles, as well as larger, established institutions looking to reduce spend on functions that have become ‘business-as-usual’ and could now be more efficiently outsourced and standardized,” said Donal Gallagher, chief executive officer at Quaternion.

Initially, the partnership will focus on helping firms with non-centrally cleared derivatives portfolios meet the operational and regulatory challenges associated with margin requirements. On September 1, 2016, the largest banks that trade non-centrally cleared derivatives were required to post and collect initial margin (IM) due to a new margin framework established by the Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO), and each year since, and through 2020, those requirements touch a growing set of sell-side and buy-side firms.

“We expect to be able to significantly cut the burden placed on market participants by the non-cleared margin rules and make achieving compliance a straightforward process – even for relatively small firms,” said Fred Dassori, head of Risk Services and corporate development at AcadiaSoft. “After collaborating with the team at Quaternion on a range of projects over the past year, we’re excited to now be formalizing our partnership, and we’re looking forward to working together to greatly expand the set of tools we offer and give our clients a simple and efficient path forward.”

By offering these future services through the same platform as AcadiaSoft’s existing Initial Margin Exposure Manager and MarginManager products, which sit at the heart of the current IM calculation, reconciliation, and collateral messaging processes, AcadiaSoft and Quaternion aim to make their new risk services as seamlessly-integrated into existing industry workflows as possible.

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AcadiaSoft, Inc. is a financial industry collaborative that is uniquely focused on delivering margin automation and standards for counterparties engaged in collateral management. AcadiaSoft's Advisory Groups, Best Practice Forums and Working Groups provide a unique framework for integrating the thought leadership and capabilities of over 650 market participants, market infrastructures and key service providers across the industry.

Owned and backed by the investment of 17 major industry participants and infrastructure providers, the AcadiaSoft community has grown to more than 650 client firms exchanging approximately \$400B of collateral on daily basis. The Company's growth has been driven by regulatory change in the derivatives industry that is increasing the demand for automated, transparent and verifiable collateral management.

AcadiaSoft is headquartered outside of Boston in Norwell, MA, and has offices in London, Tokyo and New York.

For more information, see www.acdiasoft.com.

About Quaternion Risk Management

Quaternion Risk Management Limited is a capital markets consulting practice advising on and implementing complex projects with a focus on the quantitative aspects of risk management, trading and finance. Quaternion has worked with some of the world's leading financial institutions. The firm is headquartered in Dublin, Ireland with offices in London, Dusseldorf and New York. Quaternion partners with Columbia University on systemic risk projects and launched Columbia University's Fintech Lab in late 2016. opensourcerisk.org is Quaternion's open source contribution to the risk community.

For more information on Quaternion, see www.quaternion.com

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