FIRM® Portfolio Analyzer with Conning Allocation Optimizer®

A Strategic Asset Allocation analysis using Conning's allocation optimization software provides critical insights into investment risk. With FIRM® Portfolio Analyzer + Conning Allocation Optimizer®, portfolio managers can adjust their strategies to increase investment performance and reduce portfolio risk within the bounds of a clearly defined risk appetite.
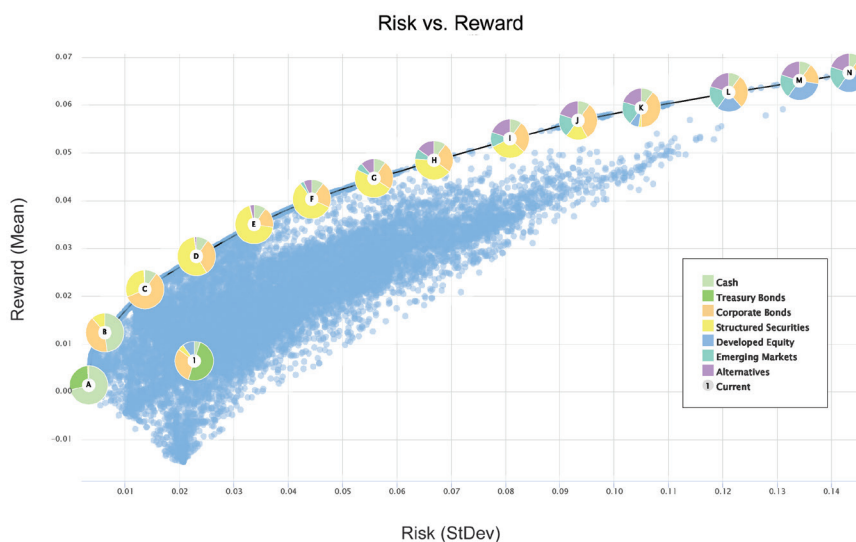
Conning's FIRM® Portfolio Analyzer (FIRM®) with the added Conning Allocation Optimizer® module can facilitate a truly comprehensive approach to Strategic Asset Allocation. FIRM® combines a state-of-the-art economic scenario generator with a comprehensive investment risk module as well as a sophisticated management decision rules engine. For additional value, projected liability cash flows and reserves can be imported from existing actuarial models for true asset-liability management.

Advanced ERM Solution

The comprehensive economic and investment modeling functionality within FIRM® can be used for many applications in the areas of strategic asset allocation, dynamic hedging, and asset-liability management. FIRM® gives users the ability to obtain a detailed understanding of the financial risks a firm faces, the relationship between those risks, and the potential rewards in retaining them. It also enables management to shape the risk profile of the firm to suit its tolerance for risk and can help companies in the development of guidelines to maintain the desired risk profile.

Holistic SAA Analysis

Building on Conning's decades of experience as an investment manager, the Conning Allocation Optimizer® is a fully integrated risk/reward efficient frontier optimization application which includes economic, accounting, and solvency metrics for a "balanced scorecard" approach to making investment decisions. Analysis can be performed on an asset-only basis or on an integrated basis that considers the full risk profile of your enterprise — including insurance liabilities and capital requirements.

Risk vs. Reward

## Processing Power in the Cloud

With the speed and affordability of cloud computing, stochastic simulations for financial risk modeling can now be run at a level of sophistication that has never before been practical. FIRM® Portfolio Analyzer and Conning Allocation Optimizer® are cloud-enabled to take advantage of dynamically expandable processing power to deliver a faster, highly intuitive and more flexible experience. Complex optimizations based on large simulations are run quickly in the cloud, requiring little to no IT setup and support.

Comprehensive Modeling

» Stochastic analyses of multi-portfolio trading strategies on both market value and book value bases

» Investment risk analysis performed on an aggregate asset class basis or individual security basis

» Build and test hedging strategies using interest-rate derivatives, inflation-linked derivatives, and equity derivatives

» Asset distributions, including tail behavior and correlations, can be customized to management views using the in-built tools

» Ability to add customized correlated market indices

» Ability to model asset prices and cash flows at the security level

Market-Leading Optimization

» Incorporate company-specific investment guidelines, liabilities, cash flow, and solvency constraints

» Delivers multiple alternative asset allocation strategies optimized along an Efficient Frontier

» Plot the current asset mix and alternative strategies to understand the impact on economic value, accounting, and solvency capital requirements

» Visualize, articulate and validate a company's risk appetite, helping drive a consensus view among the management team

InsuranceERM
Awards
2024
Winner
ALM solution
of the year

Asset Allocation

Distribution of Outcomes
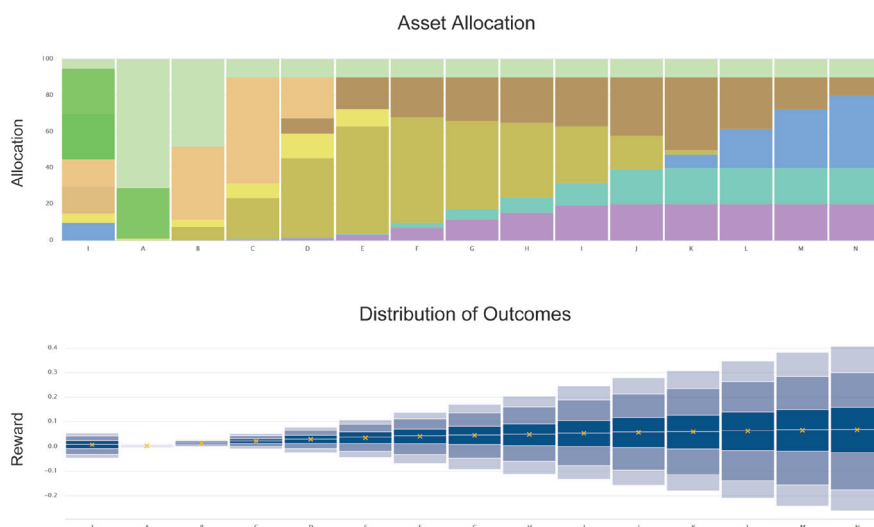
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About Conning

Conning (www.conning.com) is a leading investment management firm with a long history of serving the insurance industry. Conning supports institutional investors, including insurers and pension plans, with investment solutions, risk modeling software, and industry research. Conning's risk management software platform provides deeper insights for decision making, regulatory and rating agency compliance, strategic asset allocation, and capital management. Founded in 1912, Conning has investment centers in Asia, Europe and North America.