



# Acadia and Collateral Management in Charles River IMS

Regulations created in the aftermath of the financial crisis have significantly increased buy-side collateral and margin requirements\*. In response, firms are posting increasing amounts of collateral as initial margin (IM) which creates a drag on fund returns. Further, managing and monitoring collateral places a significant operational burden on the middle office.

Within the scope of the regulation, buy-side firms are looking for ways to minimize the margin costs associated with trading and make efficient use of available inventory as collateral without causing a negative impact on portfolio returns. Collateral management solutions that automate and streamline this process help firms optimally deploy collateral within prescribed operational mandates.

## Key Benefits of the Unified Collateral Management Solution

The Charles River Investment Management Solution (**Charles River IMS**) offers **collateral management** across the front and middle office for trading derivatives, and tracking and managing margin calls. Clients can manage the entire collateral lifecycle on Charles River, from pre-trade analytics to margining and reconciliations. Integrating Acadia's Margin Manager in Charles River IMS provides a central margin service that replaces manual processes with an automated and verifiable electronic process, simplifying workflows for all parties engaged in collateral management – buy- and sell-side firms, fund administrators, and clearing firms.

\* <https://www.isda.org/a/iVmeE/ISDA-Initial-Margin-Fact-sheet.pdf>

## Front Office Business

Charles River IMS also enables the front office to have full visibility into pledged collateral levels in real time. **Portfolio Managers** can estimate margin costs as part of their investment decision making and understand what the full cost their trade may be.

## Middle Office Business

The ability to automate communication of margin calls and collateral estimates through Acadia's Margin Manager helps reduce errors and provides a standard and verifiable workflow with full audit trail and reporting. Charles River IMS enables collateral management teams to stay in synch with front office **trading activity** to help ensure they have the latest view of available assets, and to communicate with their respective counterparties to help ensure margin calls are fulfilled in a timely manner.

Connectivity to Acadia Margin Manager and SWIFT integration enables collateral management teams to handle rapidly increasing margin call volumes and complexity, without straining middle and back office resources.

### Key Benefits of the Unified Collateral Management Solution

Front Office	Middle Office
Gain real-time visibility into pledged collateral	Track, manage, and satisfy margin calls
Obtain pre-trade margin estimate	Validate incoming margin calls
Select the best clearing path based on total execution costs	Notify custodians via SWIFT

## Charles River's Collateral Management Solution for the Front and Middle Office



**Pre-Trade  
Analytics**



**Calculate IM &  
VM Exposure**



**Margin Call  
Workflow**



**Dispute  
Management**



**Settlement**



**Reconciliation**

## About Acadia

Acadia is a leading industry provider of integrated risk management services for the derivatives community. Our risk, margin and collateral tools enable a holistic risk management strategy on a real-time basis within a centralized industry standard platform. Acadia's comprehensive suite of analytics solutions and services helps firms manage risk better, smarter, and faster, while optimizing resources across the entire trade life cycle. Through an open-access model, Acadia brings together a network of banks and other derivatives participants, along with several market infrastructures and innovative vendors. Acadia is used by a community of over 3,000 firms exchanging more than \$1 trillion of collateral on daily basis via its margin automation services. Acadia is headquartered in Norwell, MA and has offices in Boston, Dublin, Dusseldorf, London, New York, Manila, and Tokyo. Acadia® is a registered trademark of AcadiaSoft, Inc. Acadia is a LSEG Business within the Post Trade division. For more information, visit [acadia.inc](https://acadia.inc).

## About Charles River Development, A State Street Company

Investment and wealth managers, asset owners and insurers in over 30 countries rely on Charles River IMS to manage USD \$59 Trillion in assets. Together with State Street's middle and back office services, Charles River's cloud-based front office technology forms the foundation of State Street Alpha®. Charles River helps automate and simplify the investment process across asset classes, from portfolio management and risk analytics through trading and post-trade settlement, with integrated compliance and managed data throughout. Charles River's partner ecosystem enables clients to access the data, analytics, application and liquidity providers that support their product and asset class mix. With more than 120% increase in headcount over the last 5 years, Charles River serves clients in 11 regional offices. Learn more at [crd.com](https://crd.com) (Statistics as of January 2024)

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\* Assets under management as of December 31, 2023 includes approximately \$64 billion of assets with respect to SPDR® products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

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