

WHAT IF YOU KNEW WITH CERTAINTY THAT TODAY YOU HAD HALF
THE OPERATING RISK YOU HAD YESTERDAY? WHAT IF YOU
COULD SIMULTANEOUSLY REDUCE PROCESSING RISK AND
OPTIMIZE PERFORMANCE? WHAT IF YOU COULD TRACK AND
ADDRESS EVEN SMALL TIMING ISSUES BEFORE THEY BECAME LARGER,
MORE EXPENSIVE AND VISIBLE ERRORS IN CLIENT ACCOUNTS?

OPERA[®]

OPERATIONS
PERFORMANCE
AND RISK ASSESSMENT

BASIS POINT GROUP
Measure, Improve, Evolve.

OPERA® — YOUR MEASURE FOR OPERATING SUCCESS

LEADING INVESTMENT MANAGEMENT FIRMS SEEK A COMPETITIVE ADVANTAGE BY ADDING OPERATIONS PERFORMANCE MEASURES TO THEIR CLIENT REPORTING. SECURITIES FIRMS PLAN MAJOR COMPANY-WIDE TECHNOLOGY UPGRADES TO IMPROVE CLIENT SERVICE. MAJOR BANKS WANT TO LEVERAGE THE EFFICIENCY OF OPERATIONS IN ORDER TO EXPAND THEIR CLIENT BASE WITHOUT INCREASING CAPITAL REQUIREMENTS.

HOW DO THEY MEASURE SUCCESS?

OPERA®, provides a single index of performance that is easy for management, staff, clients and regulators to understand. OPERA®'s unique index brings clarity, insight and discipline to the management of financial industry operations and is the only comprehensive operations performance measurement approach that combines quality and risk in a single measure. Every business unit and process benefits from OPERA®'s unique patent-pending framework and concise approach to measuring improvement.

The results? Rapid and continuous improvement in operational performance, enhanced client service and improved capital and expense leverage. Implementing OPERA® is straight-forward and provides clear competitive advantage. With OPERA®, back-, middle- and front-office business units perform with greater consistency and efficiency. Management gains exact and reliable measures of performance and clear benchmarks that allow them to compare efficiency against any other process or firm. The real-time multi-dimensional view of operations that only OPERA® offers helps clarify decisions while reducing risk, mistakes and bottlenecks.

INSIDE OPERA®

Implementing OPERA® starts with a snapshot assessment of operational performance followed by a review of risk pools and quality hotspots, and a firm-wide framework for measuring and reacting to events that affect firm performance.

Assess

Beginning with an initial 'Check-up and Performance Snapshot,' Basis Point Group delivers a structured management-level assessment of operational quality, providing initial insights that can usually be addressed to capture immediate performance improvement.

Diagnose

BPG works with management and staff to conduct a deeper diagnostic review which may focus on a limited number of critical business processes or a more detailed measurement and attribution of the firm's complete operations, based on the results of the initial assessment. During this phase, line managers learn to quickly identify areas of potential process instability and financial risk using OPERA®'s process performance attribution capabilities.

Manage

The final step is implementation and on-going use of OPERA®'s full capabilities to track and manage process quality, performance and risk. OPERA® offers a repeatable, accurate and consistent management metric that allows rapid reaction to processing issues and comparison of performance for any business process, group or transaction stream; at any level within the firm.

OPERA® IS THE STATE-OF-THE-ART
Quality. Risk. Performance.

OPERA® evolves the state-of-the-art in operational performance and risk measurement by providing a day-to-day, real-time index that correlates the impact of internal and external events on performance as they happen.

A patent-pending approach to analyzing operations and risk, OPERA® is the only single, index-based measure of performance. OPERA® quantifies the firm's "Unrealized Risk™," an exact measure of the quality, efficiency and transparency for the firm, and each business process, that reveals how successful the organization has been at minimizing errors and risk.

OPERA® answers the question of "how are we performing?" with a highly accurate global, industry-wide perspective that neutralizes the effects of firm size, process configuration, transaction and investment type or style.

OPERA® adds value to the firm's existing investments in risk and regulatory controls, application systems and processes. OPERA® incorporates the audit, actuarial key risk and loss measurement mandates of Sarbanes Oxley and Basel II into ongoing, proactive management.

OPERA® integrates with existing quality improvement methods like Six Sigma to quickly pinpoint and isolate risk hotspots and operational bottlenecks, providing timelier, actionable information and event attribution to line managers for faster analysis and correction.

OPERA® Invest

Employing the same event information that investment firms use to calculate investment performance, OPERA® yields an accurate snapshot of operations performance right down to the level of individual transactions. Whatever the firm's size, investment type or investment style, OPERA®'s unique index provides an accurate, comparative measurement of operational performance.

OPERA® Basel II

OPERA® Basel II assesses unrealized operations and process risk and complements and extends mandated operating risk measures by allowing firms to correlate key risk indicators (KRIs), actuarial loss histories and external events to specific quantifiable disruptions in internal processes. This approach gives banks and brokerage firms the ability to quantify changes in operational capital risk and quickly measure 'what actually happened', against 'what was supposed to happen,' improving response to risk and capital utilization.

BASIS POINT GROUP

Basis Point Group, LLC (BPG) are specialists in improving the operations of pension, investment management and capital markets firms. We assist Senior Management and their operating teams in enhancing firm performance and competitiveness, perfecting client service and mitigating operational risk. BPG delivers quantifiable improvements and optimizes the results of the people, processes and systems of our clients.

To learn more about Basis Point Group or how OPERA® can enhance your firms' investment and operational performance, please call or write to:

BASIS POINT GROUP

470 Atlantic Avenue, 4th Floor
Boston, MA 02210

BOSTON

Tel: 617.737.1500

NEW YORK

Tel: 646.383.7688

LONDON

Tel: (0)207.993.5046

www.BasisPointGroup.com