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NEW YORK, June 24, 2009 -- Capital Market Risk Advisors (CMRA) ([www.cmra.com](http://www.cmra.com)) and Risk Fundamentals ([www.riskfundamentals.com](http://www.riskfundamentals.com)) today announce a joint venture combining CMRA's pre-eminent risk management and risk governance consulting services with Risk Fundamentals' state of the art risk transparency software. The joint initiative will provide institutional investors, hedge funds and funds of funds with holistic services to address both quantitative and qualitative risks.

"I'm delighted to be able to announce this new partnership," said Leslie Rahl, founder and Managing Partner of CMRA. "CMRA has long been a leader in risk management, risk governance, and development of best practices. By joining forces with Risk Fundamentals, we will be able to augment our customized consulting services with more standardized services directed at midsize funds and plans."

"Risk Fundamentals is a state of the art risk management and transparency solution for hedge funds, funds of funds and institutional investors," added Richard Horwitz, President. "By offering industry standard risk information across managers and asset classes in conjunction with CMRA's consulting services, we hope to provide market participants with a new and effective way to understand and manage risk."

The services of the joint venture will include:

- Providing clients with a comprehensive picture of their risks and supporting their management of those risks in an integrated fashion across both traditional and alternative assets
- Providing "translations" of risk reports that make them meaningful to Boards and CEOs
- Performing both performance and risk attribution analysis so that clients can maximize the risk efficiency of their returns
- Reviewing risk management and compliance policies of the client and/or, where relevant, its underlying managers
- Benchmarking policies and procedures against best practices and providing a gap analysis
- Training staff on best practices in investment, operational, governance, and risk due diligence
- Assessing funds' valuation, counterparty risk management, and liquidity practices, among others against their peers'
- Assessing and aggregating liquidity and counterparty risk
- Providing graphic risk transparency reports without position level details
- Performing independent reviews of valuations, risk models, and strategies that use complex instruments
- Providing comprehensive stress testing capabilities to analyze market moves, scenarios, assumptions, and "management or investor nightmares"
- Using our knowledge gained from doing due diligence on behalf of institutional investors to help hedge funds and funds of funds "Risk Brand" themselves
- Providing a managed account platform for investors and funds of funds

"As a governance expert and former regulator, I am excited that we will be able to provide the risk and process transparency that the market so desperately needs without requiring disclosure of position level detail," said Barbara Lucas, partner at CMRA. "The efficiencies of delivering both risk reporting and consulting services will allow us to provide superior products at attractive prices, as well as to provide interpretive services to our risk reporting clients and risk analytics to our consulting clients."

CMRA is the pre-eminent financial advisory firm providing risk management advisory and litigation support services to institutional investors, hedge funds, funds of funds, mutual funds, investment and commercial banks, insurance companies and other market participants. Founded in 1991, we offer clients a unique perspective based on founder Leslie Rahl and partners' Barbara Lucas and Peter Niculescu's collective 100+ years of hands-on experience in risk management, trading, portfolio management, development and implementation of legal and compliance programs, and knowledge of industry best practice. Our advisory services include assessing risk exposures and advising on risk management and strategy, the valuation of complex or illiquid instruments, benchmarking risk management and risk governance practices against best practice, performing comprehensive investment, operational and risk due diligence, advising senior managers and boards with respect to all types of risk management and risk governance issues, developing risk appetite statements, advising on appropriate risk systems and reports, and reviewing and drafting risk management and compliance policies and procedures.

Risk Fundamentals is a risk management and transparency solution for hedge funds, funds of funds, and hedge fund investors. It is designed to be the industry standard. RFS was founded by Richard Horwitz, who has extensive experience as the risk manager of a FoF and as a risk management consultant. Created by 9 developers and with \$8 million of investment at Merrill Lynch, where it was run on 50 funds, the system provides comprehensive and standardized risk and return reporting that spans all asset classes (including traditional and alternative investments) and all measures of risk. While this system offers strong solutions for traditional investments, it has been designed to address the more demanding and sophisticated requirements of hedge funds. As such, Risk Fundamentals is the only risk management software system that measures the three major causes of both most hedge fund blow ups and the current credit crisis: liquidity, leverage, and counterparty risks. Furthermore, unlike other systems, Risk Fundamentals allows investors and funds of funds to compare and aggregate risk across funds by generating additive statistics and providing an industry standard reporting framework.

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