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## **Morley Expands Use of FinAnalytica's Cognity™ Risk Platform**

London and New York, December 12, 2007 – FinAnalytica Inc., the only provider of risk management and portfolio construction analytics based on stable distribution methods, today announced that Morley has expanded its use of Cognity™ for risk measurement and reporting on their fixed income, convertible bond and credit portfolios.

Cognity provides Morley with risk breakdown and attribution across the full return distribution of their portfolios. Using patent pending stable distribution methods, Cognity calculates Expected Tail Loss (ETL), a downside risk measure that accounts for fat-tails and asymmetry in returns and quantifies risk more accurately than VaR. Cognity risk reports compare ETL versus VaR and provide risk breakdown at all levels of the user defined risk model including multiple asset classes, multiple currencies, geography, industry and style.

According to Julie Johnson, Head of Portfolio Risk at Morley, "Given the accuracy of the heavy-tailed risk calculations and the detailed risk factor decomposition, our portfolio managers now have a better view of their risk. Morley has decided to expand our use of Cognity to some additional fixed income and credit portfolios where the complexity of the instruments used makes the use of other risk systems inappropriate."

"We are pleased that Morley derives significant value from Cognity and is expanding their use," said Stephen Elston, President of FinAnalytica. "Cognity users are ahead of their peers by adopting our new modern approach to estimating down side risk."

### **About Morley**

Morley is the UK-based asset management business of Aviva plc. Firms within the Morley group of companies manage £168bn (€250bn) from offices around the world as at 30 June 2007.

Morley manages both institutional and retail funds. It also acts as investment manager for a range of retail investment funds, marketed in the UK under the Norwich Union brand and in Europe under the Morley name. The property team manages in excess of £32bn (€48bn) of UK and European property assets.

Further information on Morley can be found at [www.morleyfm.com](http://www.morleyfm.com).

### **About FinAnalytica**

FinAnalytica, Inc. is the leading provider of next generation portfolio construction and risk analytics software for quantitative analysts and portfolio managers. FinAnalytica's Cognity™ software suite incorporates the latest advances in analytics, including comprehensive treatment of the heavy-tailed and asymmetric asset returns encountered in the real world using stable distribution and robust statistical methods. FinAnalytica clients include leading hedge funds and asset management firms. Further information on FinAnalytica is found at [www.finanalytica.com](http://www.finanalytica.com).

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