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The model is recalibrated annually based on back-testing and benchmarking undertaken by the industry, and the latest recalibration introduced the impact of COVID shocks for the first time.Â Acadia has estimated for parts of its client base an increase of over 150% in the cost of margin, made up of a 55% increase in exposure and a 90% increase in funding costs.Â âIncreased Exposure LevelsÂ Acadia calculates the ISDA SIMMTM exposure levels daily for 215 clients, in the process generating data that offers insights into large-scale trends in margin requirements. Using this data, it is possible to see the impact of the post-COVID recalibration on the industry. The chart below (Chart 1) shows the average weekly exposure of all firms in the 3 months before and after the recalibration at the end of Week 49. 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