

RiskMetrics® HedgePlatform: Risk Transparency

- ▶ **Validated position level and aggregated risk analytics to support credit risk oversight of alternative and private asset investments**

Risk transparency through RiskMetrics HedgePlatform allows liquidity providers to gain visibility into the total portfolio holdings of the alternative and private asset investment vehicles that they finance. Position level data sourced from 3rd party fund administrators is modelled in detail and subjected to a rigorous verification process to ensure that calculated risk measures accurately reflect the risk of the underlying investment strategy.

Leveraging the RiskMetrics RiskManager framework, risk transparency measures like market risk factor sensitivities, Value-at-Risk (VaR), liquidity and comprehensive scenario analysis are generated at the position level and aggregated to provide levels of clarity needed to support sound credit decisions.

Benefits and features

Extensive fund coverage

- Coverage includes 61 of the top 100 global funds.¹
- Dedicated 30+ person analyst team focused solely on fund on-boarding, processing, and quality assurance.

Advanced risk analytics

- Positions are analyzed using the same RiskMetrics system used internally by many of the largest banks, hedge funds, asset managers, and asset owners.
- Documented and publicly available methodology.
- Alternative and private asset holdings can be combined with traditional and alternative investments for an integrated view of total exposure.

Enhance manager monitoring.

- Monitoring – Verify whether risks are consistent with each manager’s stated strategy.

- Style drift awareness – Detect when a manager makes changes to a strategy.
- Skill assessment – Understand whether a manager’s performance is due to skill or beta exposure.

Enable rigorous risk management methodologies.

- Risk decomposition – Analyze portfolio risks across multiple dimensions to confirm if they align with expectations; identify crowded investment themes; see which funds contribute to or reduce risks.
- Stress testing – Analyze portfolios under multiple user-defined market shocks and historical scenarios and take corrective actions.

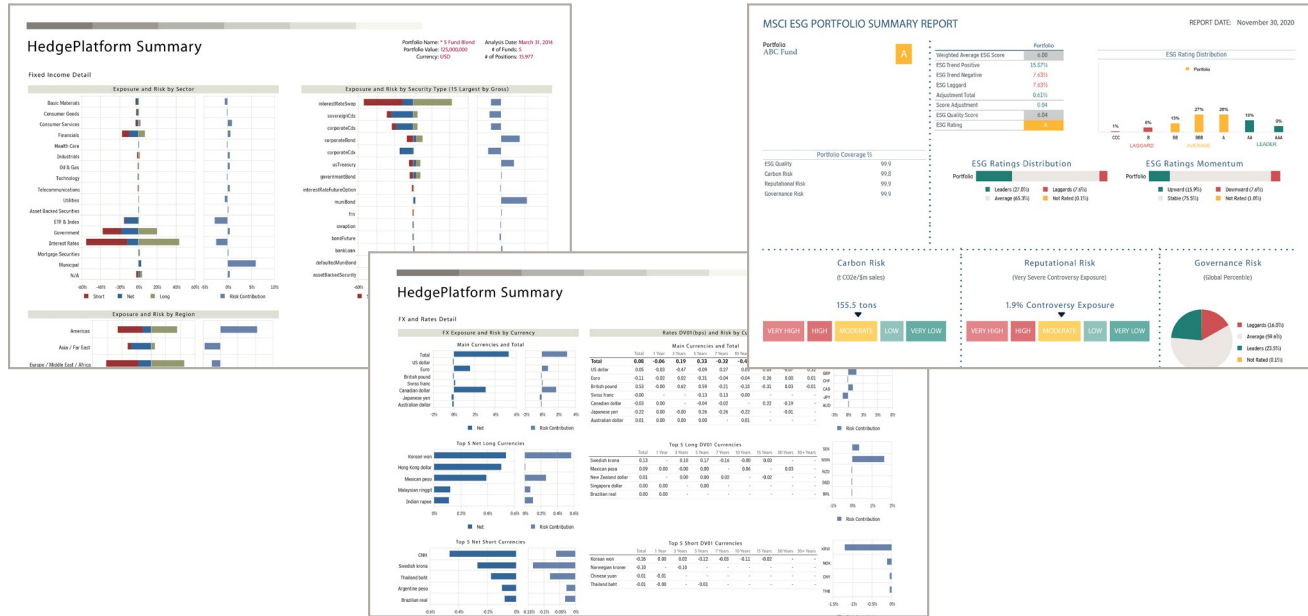
ESG and climate

- ESG portfolio level transparency with climate risk exposure; carbon footprint driven by portfolio holdings emissions.

¹ Source: Hedge Fund Alert; data as of December 31, 2023

Over twenty-five years' experience in risk transparency

We work with financial institutions to help them improve their investment decision making and provide insight into risk exposures. We are an independent firm not affiliated with any administrator, bank, asset manager, asset owner, or hedge fund.



Flexible reporting options

- Leverage reports built to address the needs of internal users and external audiences.
- Use standard reporting services for internal risk management including liquidity risk analysis and regulatory reporting.
- Customize reports to meet client-specific needs and automate production using our Managed Solutions offering.
- Integrate hedge fund information with traditional investments in RiskManager and BarraOne for total plan analysis.
- ESG Portfolio Summary Report: Use this standard report which rates a portfolio on various environmental, social and governance pillars.

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

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