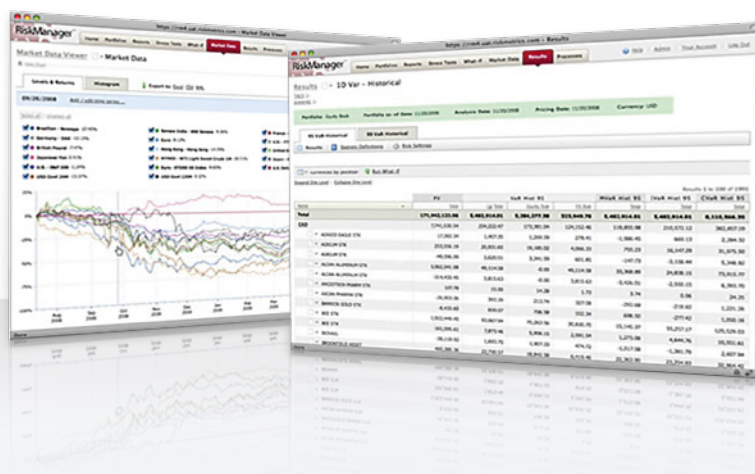


# RiskMetrics HedgePlatform

A service that helps investors to better manage their hedge fund investments using analytics calculated on the position-level holdings of each fund.

Over 100 leading hedge fund investors, allocating over 800bn USD to hedge funds, use RiskMetrics HedgePlatform as an integral component of their Best Practice investment, risk management, and governance processes. Because position-level detail is not revealed, hedge funds maintain their investment edge while investors are able to perform robust due diligence, monitoring, portfolio construction, and risk management.

The service has three components: 1) HedgePlatform collects holdings data of hedge funds, in most cases directly from administrators; 2) the positions are modeled in the state-of-the-art RiskMetrics system; 3) investors analyze funds, individually and in aggregate, using interactive web-based tools.



## Benefits and Features

### Extensive Fund Coverage

- » Over 1400 funds currently on platform; more funds added each month based on investor demand
- » Coverage includes over 80 of the top 100 global funds (*Institutional Investor*, "The Hedge Fund 100", December 2013)
- » Dedicated 50-person analyst team focused on new fund on-boarding, monthly processing, and quality assurance

### Advanced Risk Analytics

- » Positions analyzed using same RiskMetrics system used internally by many prominent hedge funds (including over 40 of the top 100). MSCI's multi-asset class risk systems are used by over 800 of the world's leading financial institutions.
- » More robust analysis than mere returns-based, exposure-based, or standardized exposure-based approaches.

- » Documented and publicly available industry-standard methodology
- » Hedge fund holdings can be combined with traditional and other alternative investments for an integrated view of total plan

### HedgePlatform Analytics Enhance Manager Monitoring

- » Monitoring – clients can verify risks are consistent with each manager's stated strategy (e.g., exposures, sensitivities, stress tests, leverage, sector, geographic, and position type concentrations)
- » Style drift awareness – clients can better detect when a manager makes changes to strategy
- » Skill assessment – clients can understand better whether a manager's performance is due to skill versus beta exposure

## HedgePlatform Analytics Enable More Robust Portfolio Construction and Risk Management

- » Risk decomposition – clients can analyze portfolio risks across multiple dimensions to confirm they align with expectations; identify crowded investment themes; see which funds contribute to or reduce risks
- » Rebalancing analysis – clients can estimate impact of manager reallocations and/or overlays
- » Stress testing – clients can analyze portfolio under multiple user-defined market shocks and historical scenarios, and take corrective actions

## Client Focus

- » Team of professionals driven to develop best practice standards in hedge fund risk management, in close collaboration with our clients
- » Client consultants with deep industry knowledge provide customized training and on-going client service; clients able to cost effectively leverage their own resources
- » Clients include over 15 of the 20 largest fund of funds (*InvestHedge*, December 2013), 6 of the 10 largest hedge fund investment consultants (*HFMWeek*, April 2014), more than 10 of the world's 50 largest pension funds (*Pensions and Investments*, September 2013), as well as leading sovereign wealth funds, insurance companies, endowments, foundations, family offices, and private banks.

## Leading Independent Firm, Over Ten Years' Experience in Hedge Fund Transparency

- » MSCI works with institutional investors to help them improve their investment decision making. MSCI is an independent firm not affiliated with any administrator, bank, or asset manager.
- » In 2010, MSCI acquired RiskMetrics and Measurisk. RiskMetrics and Measurisk each spent nearly ten years developing its hedge fund transparency services. The combined RiskMetrics HedgePlatform integrated and built upon the best of each of these legacy offerings.

## Flexible Reporting Options

- » Reports can be customized to meet needs of various internal users (fund analysts, PMs, CIO, risk management, compliance) and external audiences (trustees or investors); reporting services used by several clients for regulatory purposes (Solvency II and RIC)
- » Hedge fund information can be integrated with traditional investments in RiskManager and BarraOne for total plan analysis
- » Custom report delivery available via Managed Services



To learn more about HedgePlatform go to:

[http://www.msci.com/products/risk\\_management\\_analytics/hedgeplatform/](http://www.msci.com/products/risk_management_analytics/hedgeplatform/)

[msci.com](http://msci.com) | [clientservice@msci.com](mailto:clientservice@msci.com)



## About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indexes, portfolio risk and performance analytics, and ESG data and research.

The company's flagship product offerings are: the MSCI indexes with approximately USD 8 trillion estimated to be benchmarked to them on a worldwide basis<sup>1</sup>; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; IPD real estate information, indexes and analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; and FEA valuation models and risk management software for the energy and commodities markets. MSCI is headquartered in New York, with research and commercial offices around the world.

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<sup>1</sup> As of September 30, 2013, as reported on January 31, 2014 by eVestment, Lipper and Bloomberg