

RiskMetrics® HedgePlatform

Advanced risk analytics behind an integrated and robust risk management process for your hedge fund investments

RiskMetrics HedgePlatform helps investors to better manage their hedge fund investments using analytics calculated on the position-level holdings of each fund. Over 75 leading hedge fund investors, allocating over \$1.5 trillion USD to hedge funds, use RiskMetrics Hedgeplatform as an integral component of their best practice investment, risk management, and governance processes.

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 65 of the top 100 global funds¹
- Dedicated 30+person analyst team focused on new fund onboarding, monthly processing, and quality assurance

Advanced risk analytics

- Positions are analyzed using the same RiskMetrics system used internally by many prominent hedge funds (including over 30 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

- 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 enables 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 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

Client focus

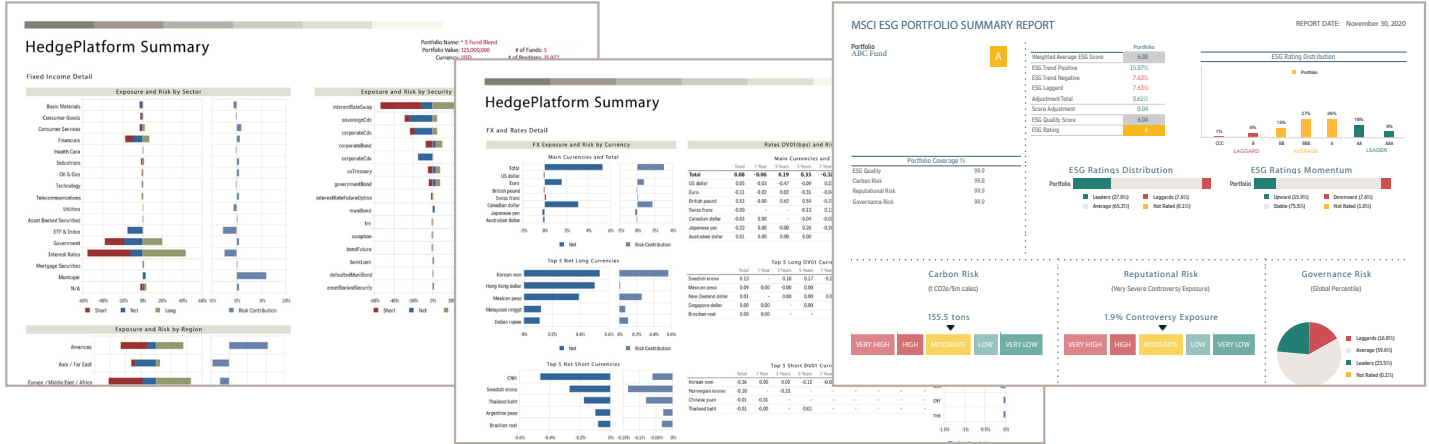
- Team of professionals driven to develop best practice standards in hedge fund risk management, in close collaboration with our clients

¹ HFM, "Top 100 Hedge Fund Managers", January 2019

- Client consultants with deep industry knowledge provide customized training and ongoing client service; clients can cost effectively leverage their own resources
- Clients include some of the largest fund of funds, hedge fund investment consultants and pension funds, as well as leading sovereign wealth funds, insurance companies, endowments, foundations, family offices, and private banks

Leading independent firm, over twenty 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



Flexible reporting options

- Reports tailored to the needs of internal users (fund analysts, PMs, CIO, risk management, compliance) and external audiences (trustees or investors)
- Standard reporting services used for internal risk management including liquidity risk analysis and regulatory purposes (Solvency II, Basel II and RIC)
- Reports can be customized to meet client specific needs and their production automated using Managed Solutions
- Hedge fund information can be integrated with traditional investments in RiskManager and BarraOne for total plan analysis
- ESG Portfolio Summary Report: A 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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