



MSCI Crowding Solutions

Helping investors navigate financial traffic



When was the last time you drove somewhere new without using your smartphone for directions? It's unimaginable, right? Even if you know where you're going, real-time navigation technology helps avoid traffic jams and gets you to your destination more efficiently. In the same way that these tools facilitate our commutes and road trips, MSCI Crowding solutions can help investors navigate financial traffic. MSCI Crowding solution offers asset managers a reliable way to assess and understand crowding risks as markets and investment strategies evolve.

About MSCI Crowding Solutions

MSCI offers a multi-faceted Crowding solution that takes into account the current patterns of trading activity.

MSCI Crowding models are designed to help institutional investors assess their exposure to the 'crowdedness'—of individual securities, factors and hedge fund holdings—gain insight into how the rest of the market is positioned, and navigate crowded markets by providing high quality, timely crowding information to enable them to make informed decisions related to their investment objectives.

The MSCI Crowding Model helps active managers analyze their investments compared to the industry as a whole and enables them to make better and more timely decisions about potentially crowded or uncrowded trades. It helps investors assess crowding risks that might lead to increased volatility and liquidity or drawdown events.

Our easy-to-use dashboard offers an extensive crowding picture enabling you to make timely decisions about your portfolio and to choose the route that aligns best with your risk tolerance and investment strategy.

Like a traffic navigator for investors, our crowding solution keeps you informed. Know what's happening on the road to your destination. Even if you know the way, MSCI Crowding can help you choose the path with the lightest traffic and fewest obstacles.

How it helps?

- Evaluate timely information about which securities/factors are crowded
- Examine crowding over time across multiple dimensions for insight into risk and return drivers.
- Make timely decisions on your positioning in potentially crowded or uncrowded securities/factors
- Monitor susceptibility of portfolio to crowding risk
- Get a more complete picture on crowding from multiple dimensions

MSCI Crowding Models

Crowding can be analyzed from different perspectives to give alternate but complementary views of the overall crowding risk. MSCI takes different approaches to analyze and define crowding and enables investors to look at crowding from a dimension that fits best with the nature of their investment strategy.



Security Crowding
Concentrations observed
at individual stock-level



Factor Crowding
Concentrations observed
across groups of stocks
with similar properties



Hedge Fund Crowding
Concentrations observed at
individual stock-level from
institutional holdings analysis

Security crowding

Security crowding can drive the price of a stock up during the accumulation phase, but it can also create liquidity shortages that lead to forced selling at fire-sale prices when the stock moves out of favor. MSCI Security Crowding measures the degree to which a stock has been chased by investors. Our solution offers simple and easy-to-understand reports to make timely decisions regarding Crowding.

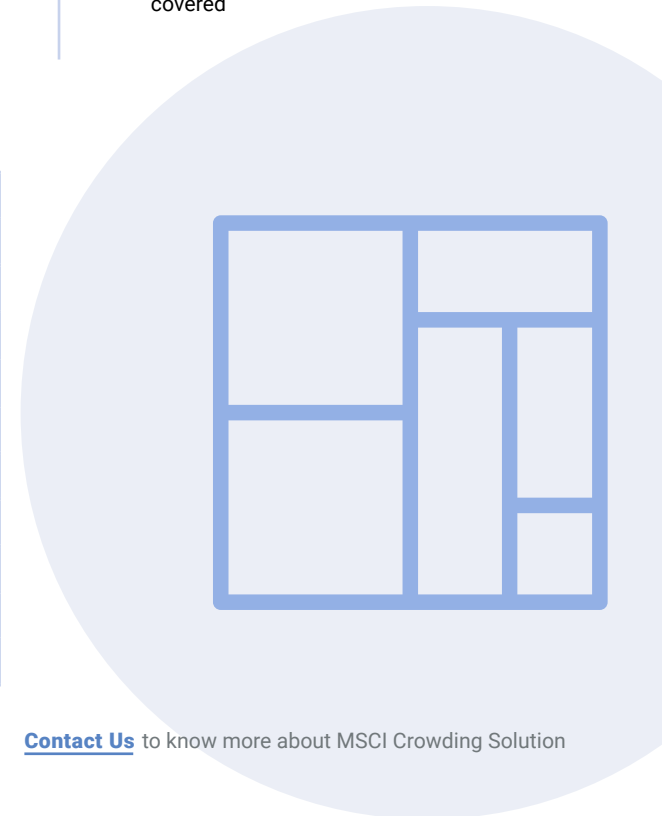
Main product features

5 measures of crowding	Ratios Available for each descriptor	API Data delivery through	1996 Daily history since
Global Dataset available	Score Combining all metrics	Standardized Global format	82 Countries covered

Stock Crowding Score Examples

Company Name	Score
BEAM THERAPEUTICS INC	3.52
APPLIED MOLECULAR TRANSPORT INC	3.38
MICROSTRATEGY INC	2.99
CEREVEL THERAPEUTICS HLDGS INC	2.97
SABRE CORP	2.91
DRAFTKINGS INC	2.85
NORWEGIAN CRUISE LINE HOLDINGS LTD	2.83
UPSTART HOLDINGS INC	2.79
AIRBNB INC	2.78
LINDBLAD EXPEDITIONS HOLDINGS INC	2.71

As of May 31, 2021



Factor crowding

The growth and popularity of factor investing has increased the potential for factor crowding risk. A sudden change in market sentiment may cause many investors to simultaneously reduce their factor exposure. The MSCI Factor Crowding Model allows investors to examine Factor Crowding over time using multiple dimensions that provide further insight into risk and return drivers.

Main product features

5 measures of crowding	Ratios Available for each descriptor	API Data delivery through	1998 Daily history since
US/Global Dataset available	Score Combining all metrics	Standardized In time series framework	16 Factors covered in Equity Models ¹

Factor Crowding Score Example



As of May 31, 2021

Hedge Fund Crowding

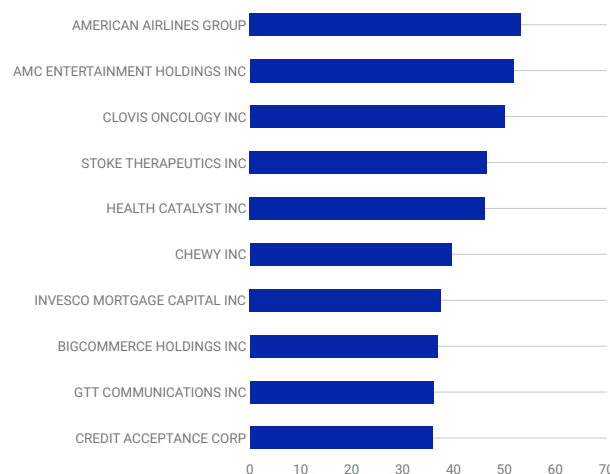
Measures hedge fund positioning and potential crowding around stocks. Understanding the asset ownership structure provides a direct way to measure crowding. The holdings of hedge funds can be important in understanding crowding risks, as they are typically active traders and generally viewed as “smart money.” MSCI Hedge Fund Crowding leverages our proprietary data sources to provide global coverage of aggregated long, short, and net positions, on a monthly basis alongside, conviction scores measuring crowding at a position level across various dimensions.

Main product features

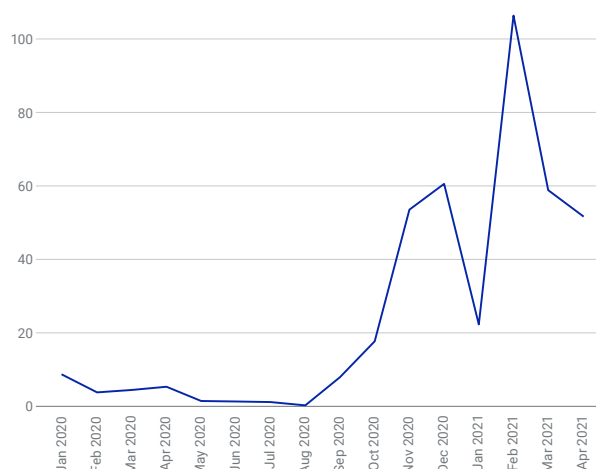
\$800B Equity assets covered	600+ Hedge funds participating	8,500 Equities spanned	2013 Monthly history since
Net + L/S Weights contained	Score Decile Conviction	Superior To 13-F derived datasets	Global Coverage on listed positions

Hedge Fund Crowding Score

Hedge Fund Weight Multiples (Short Position, 4/30/2021)



AMC's Hedge Fund Weight Multiples



We define weight multiple as the measure derived from an asset's normalized weight in the MSCI ACWI Investable Market Index (IMI).

Don't get crowded out

MSCI Crowding solutions help investors assess their exposure to crowdedness, gain insight into how the rest of the market is positioned, and navigate crowded markets by providing high quality, timely crowding information. Know what's happening on the road to your destination. Even if you know the way, our Crowding solution can help you make informed decisions to achieve your investment objective.





[Contact Us](#) to know more about
MSCI Crowding Solution

About MSCI Inc.

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.

To learn more, please visit [**www.msci.com**](https://www.msci.com).

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