



# A MODERN PLATFORM FOR FUNDAMENTAL INVESTING

Investment Process Infrastructure for Decision-Support and Analytics

## Optimize Your Investment Process

### Agenda:

1. EDS History
2. Platform Overview / Customer Overview
3. Sample Scope-of-Work

# About EDS

A centralized & configurable platform that grows with your critical needs

- **Tier-One Customers**

- High Growth & Cash Flow Positive
- Asset Managers, Tiger Cubs, Citadel & SAC Spins, Bernstein & Viking Alums



- **Expanding Partnerships**

- FactSet
- MSCI
- Northern Trust



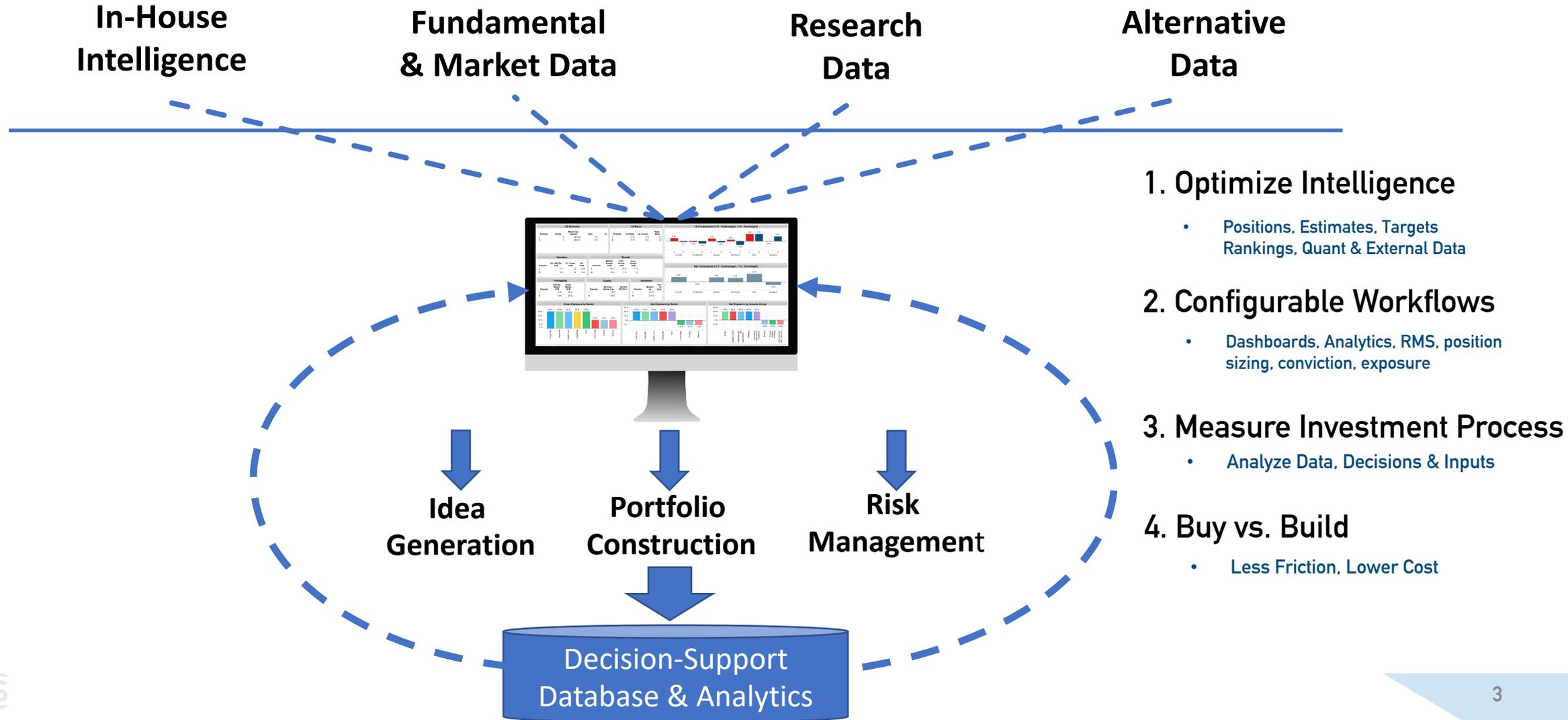
- **Broadening Market Adoption**

- Asset Managers
- Hedge Funds
- Credit Funds
- Corporate
- Broker/Dealer
- Systematic Funds



# Why Clients Hire EDS

EDS drives large improvements in efficiency & critical investment processes through a centralized platform



# Proof of Concept (POC)

EDS provides validation of our value proposition upfront

**‘Configured to meet critical needs’**

**‘No long term commitment’**

**‘POC has Minimal Financial Cost’**

# EDS Customer Example: Leading Asset Manager

## EDS Set Out to Prove:

- **Portfolio Construction/Analytics:** By integrating historical data (in-house data, positions, etc.), the investment team would be able to continuously analyze past data, decisions and inputs for a more informed and iterative process.
- **Risk Management:** By integrating all research inputs in one platform for real-time evaluation, simulation & optimization (ex. positions, in-house data, MSCI GEMLT, MSCI ESG), the investment team would be more efficient & effective with the intelligence you access.

## POC Goals

- Examples of significant enhancements: *without creating added work (Investment Team or the IT Dept)*
- Configure relevant use case(s) and move them into a production for proof-of-value

# Portfolio Performance Analytics Example

Decision-Support & Outcome Analysis Example

## Parameters:

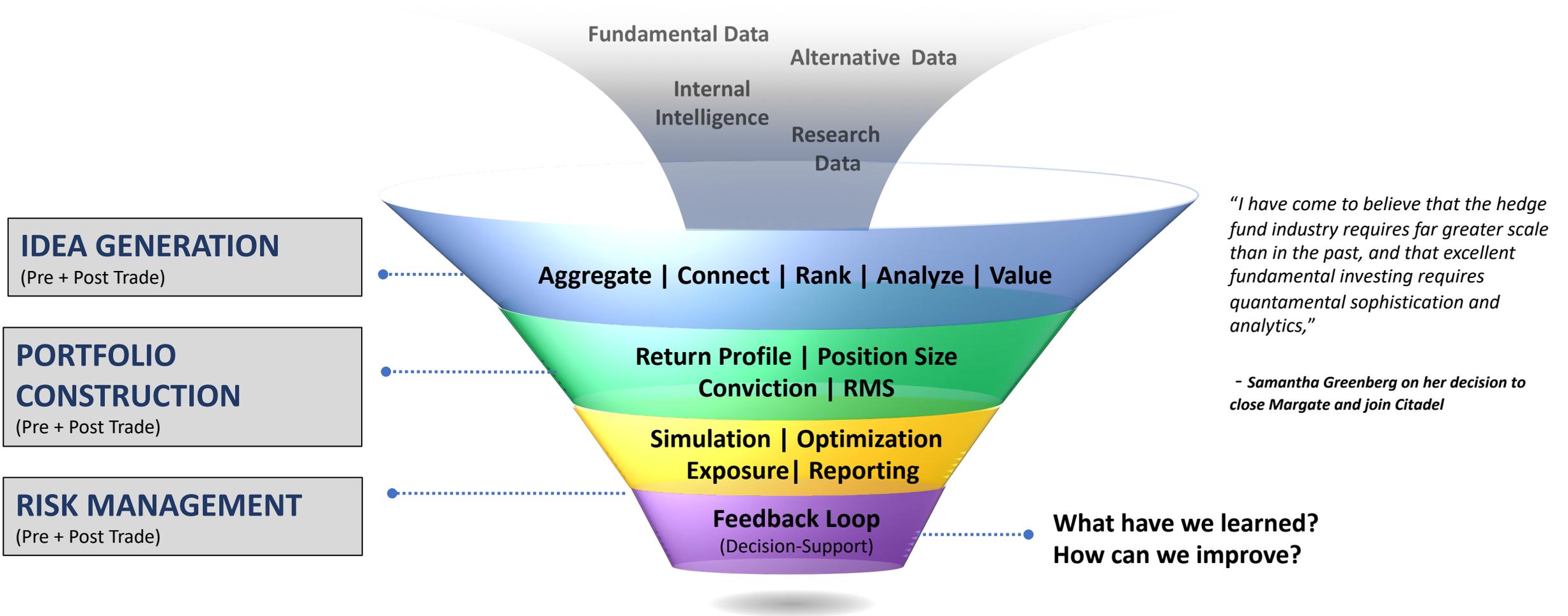
- Absolute Performance: 20% - 50% Loss of Capital
- Time-Series: 1, 3, 5 Years (flexible periods)
- Asset Manager Execution (what active decisions did we take)

## Outcome Analysis:

- Profitability – Did we “ultimately” make money?
- Trading – Did we add or trim?
- Position – Did we sell or remove?

# EDS is a Modern Workflow Platform For Active Investors

Modules Built Around Common Workflows & Configurable to Each User





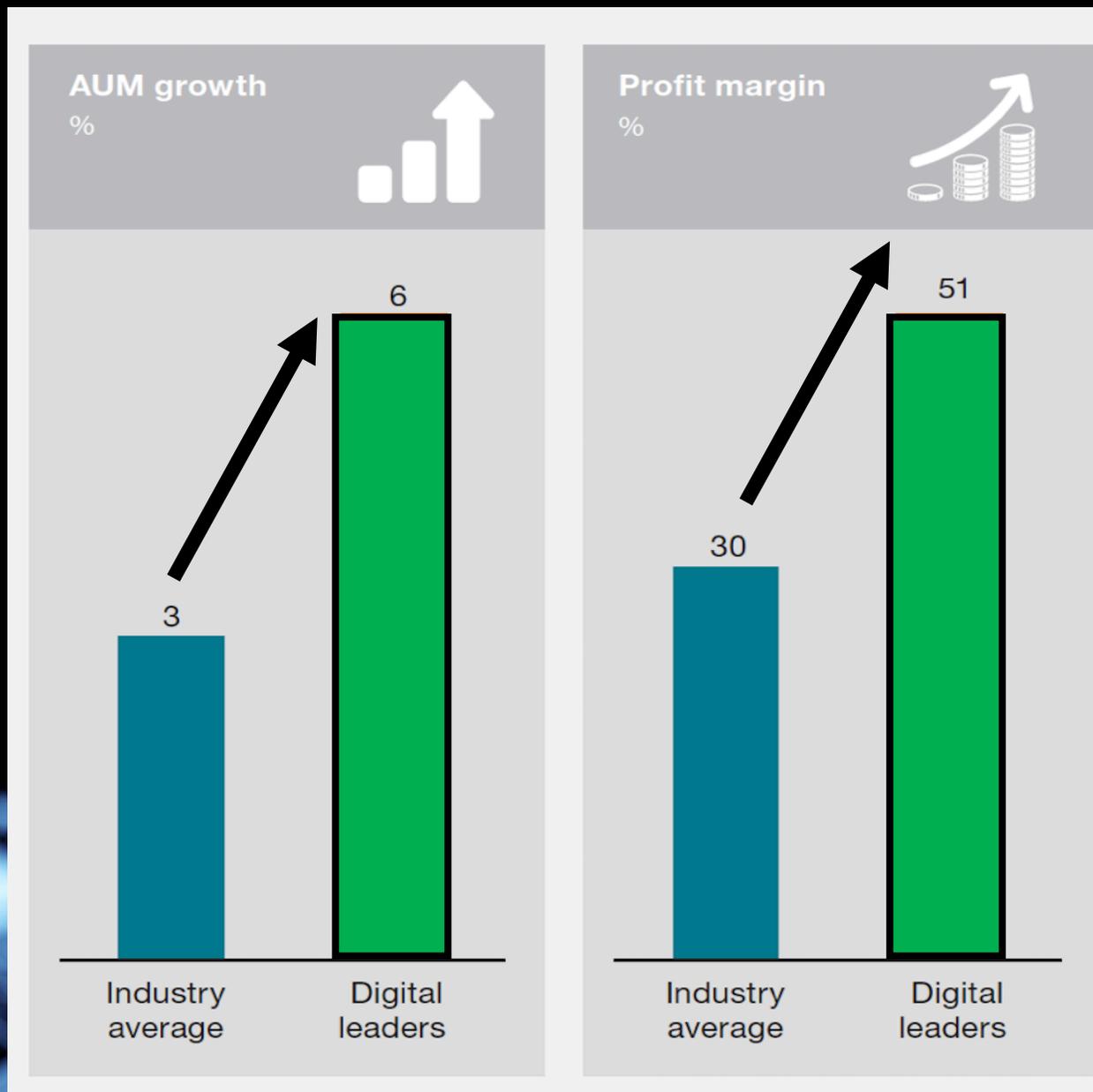
# BIG PAYOFF

(McKinsey study of 300 Asset Managers)

- Higher Profits
- Faster AUM Growth
- Better Returns

*“invested in analytics that assess portfolio managers’ actions in advance of trades, and help to counteract behavioral bias in investment decisions – adding 100 to 200 basis points to portfolio returns.”*

McKinsey 2018 – Achieving Digital Alpha

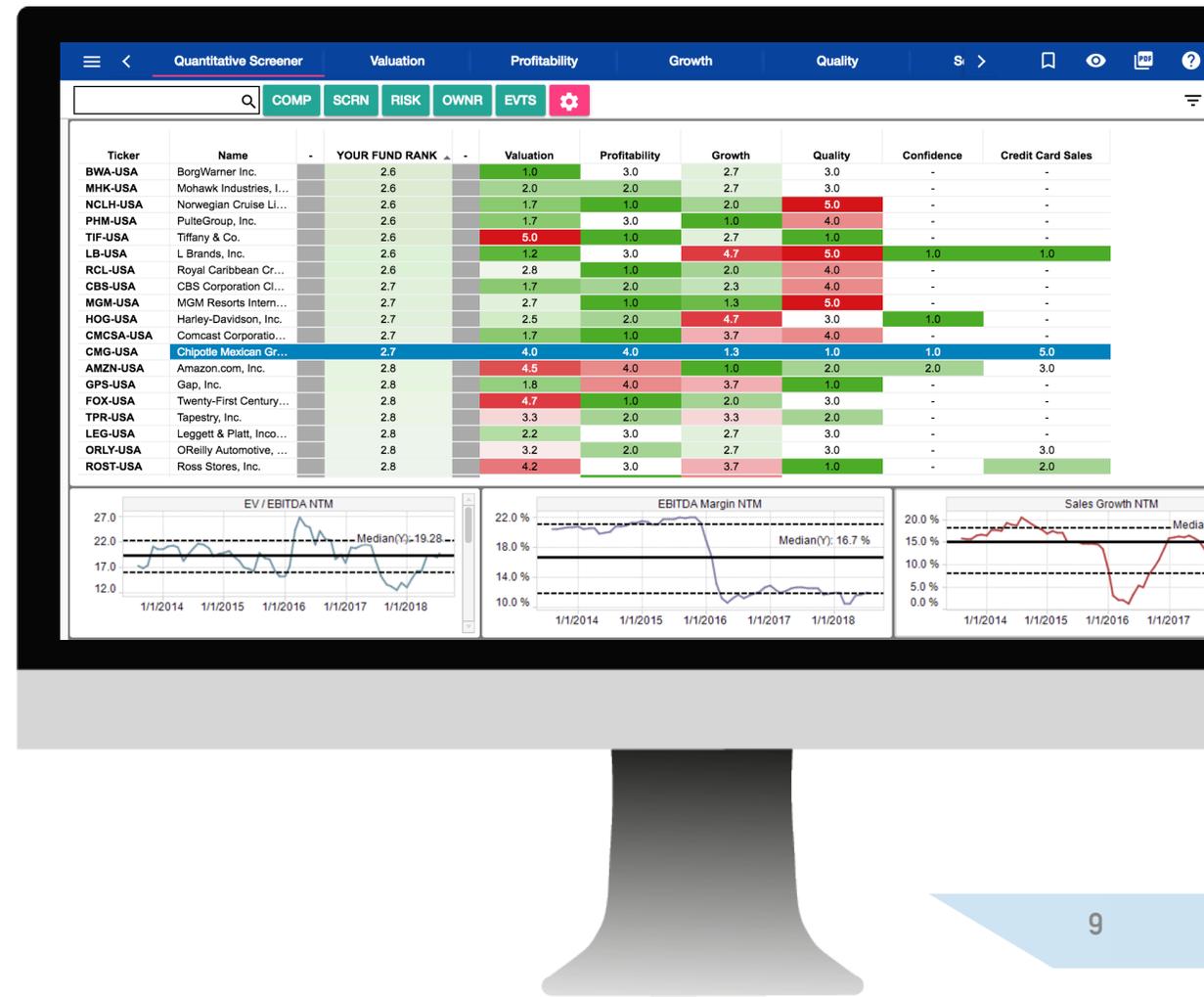


# Idea Generation & Portfolio Construction

## Challenge: Buy vs. Build

Fund was founded in the 1997 and like many firms today, the infrastructure in place to support their investment teams is fragmented & inefficient - multiple excel, word & email files spread out across the team. And while the firm has a process-oriented approach, helping them prioritize investment opportunities, it is housed in excel, and lacks the ability to analyze past inputs & decisions. Compounding the problem, the firm has multiple outside research and alternative data providers, delivering insights through email and excel. As the Fund has grown, the task of managing multiple processes & vendors, additional IT contractors and fragmented workflows was time consuming, as well as expensive.

In 2017 Fund approached EDS, by way of referral, looking to make their investment process more efficient. After due diligence, the Fund decided that EDS was more affordable and flexible than hiring internally or cobbling together multiple solutions. Initially, the Fund started with a small team. **After 18 months, EDS is rolled across across their entire team, ingesting all data sources & analyzing where their team excels and where the blind spots are - "EDS is like a real-time investment committee", according to the CIO. EDS has also replaced other internal solutions, saving additional costs.**

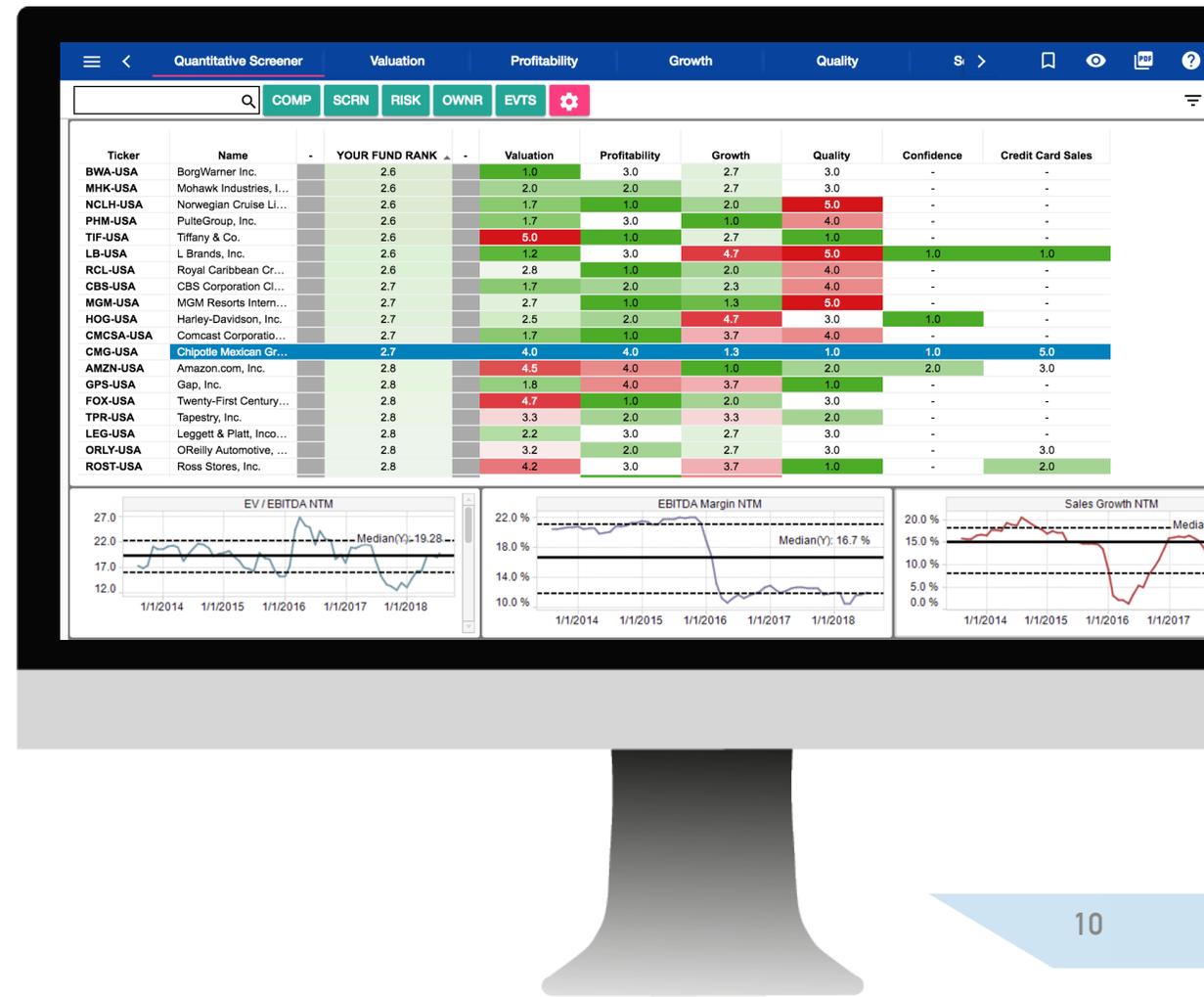


# Idea Generation & Portfolio Construction

## Challenge: Workflow Automation

As the former #1 Institutional Investor (II) ranked Chief Investment Officer at Morgan Stanley, Steve Galbraith made his career espousing the value of combining quantitative and fundamental philosophies. But when he left Maverick Capital to create Herring Creek Capital, he left behind one of the most efficient, effective, expensive and technologically rich environments on Wall Street. Replicating its significant competitive advantages, especially the powerful data analytics platform was an enormous challenge. With the EDS Analytics Platform, he was able to leverage best-in-class technology to create a holistic environment that matched best practices in the industry – helping insure that his firm could compete at the highest levels possible and all within a budget that is a fraction of custom solutions.

EDS was cost effective, quick to deploy and powerful. Herring Creek's team now has access to the same dynamic data analysis as high cost internal platforms, and it is configured to their process – they are processing more information, generating better ideas, and have improved forecast precision. And portfolio management is enhanced as risky traits, such as macro exposures are identified, and minimized – **Herring Creek now has a holistic platform for continuous learning, evaluation and improvement. Clients also noticed the improved process and assets increased.**



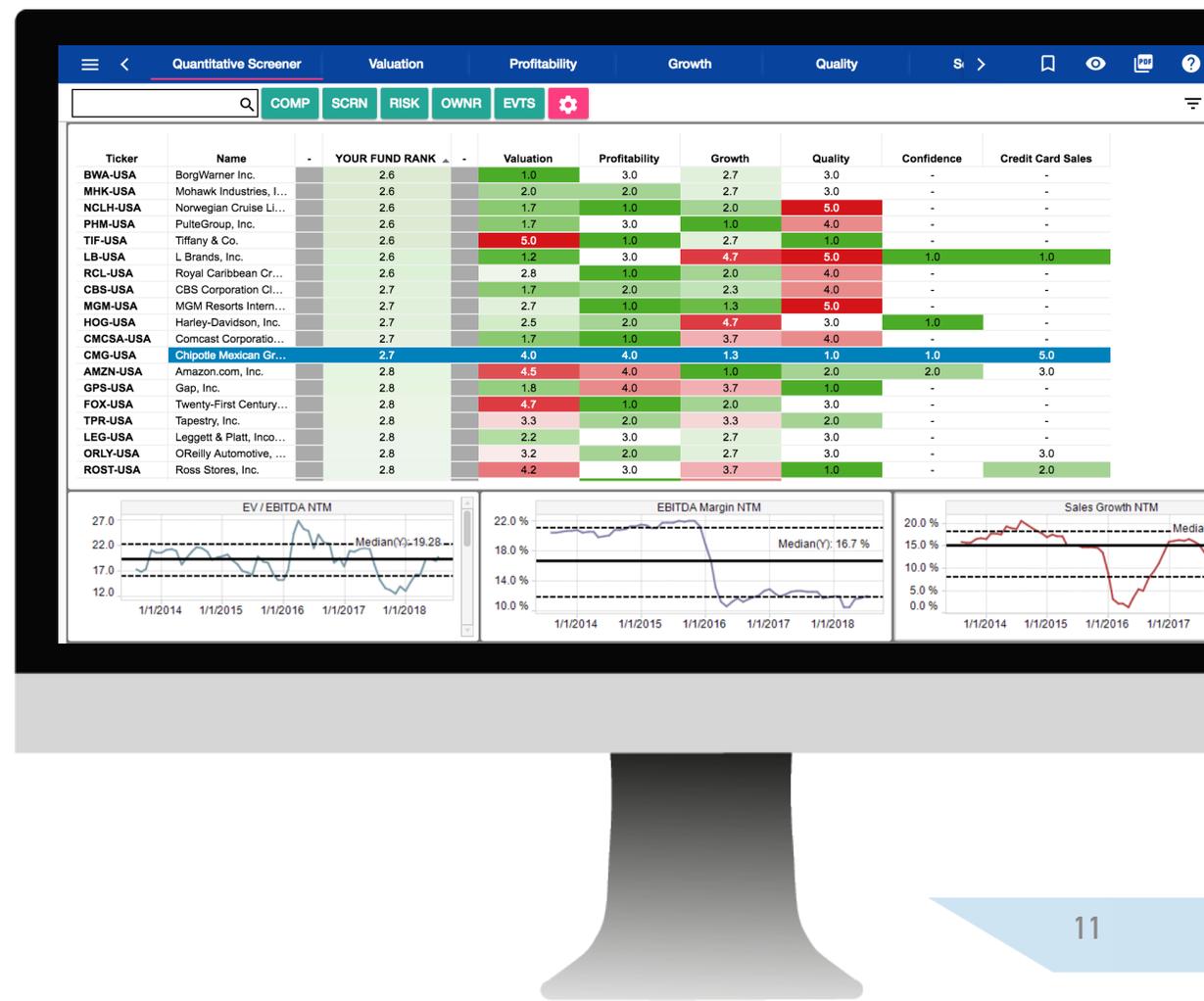
# Turn Your Risk Management Into a Performance Driver.

## Challenge: Managing Risk

Managing a Long/Short fund is much more than pairing longs and shorts, it is also about understanding (and adjusting if needed) how much of your risk/return is based on asset selection versus other market factors, such as momentum, quality, growth and other factors. Solving these challenges today takes dedicated personnel and in many cases, it is still very difficult to integrate into the investment process or is not timely enough.

With EDS, usability and the value of their factor data from MSCI skyrocketed, based on:

- A simple and intuitive application that any member of the investment can use.
- Uniquely configured to their firm, including master & sub- funds and each team and individual member.
- Once click analysis, including simulating portfolio changes and optimizing for exposure changes.
- **The Head Trader can identify multiple risk, factor, return and exposure changes across any time-series in a few clicks, helping the investment team gain valuable and actionable insights in real-time.**
- Ability to isolate both asset selection and outside risks and returns, down to analyst and stock level.
- Before the trade, they can now incorporate factors into idea generation and portfolio construction.
- Performance attribution across the team has been improved.



# What Makes Our Clients Satisfied

A robust platform that grows with your critical needs

- **Flexible to Client Requirements**

- Their stock idea process is streamlined/systematic, so they have more research time
- Unlike other software, It is exactly configured to their investment process and their proprietary metrics

- **Easy-to-Use**

- No work to get up to speed
- More intelligence into the investment process (position-sizing, Conviction) has improved portfolio discussions/meetings

- **Scalable Platform Across the Entire Investment LifeCycle**

- They are able to use their data more effectively and understand the sources of risk and reward more fully – and do so in less time than before.
- As the team grows, they are more confident in training/evaluating new members
- All the Intellectual Property they create, stays in-house

# Why We Win

Competition has an incomplete, expensive and rigid offering

## The EDS Analytics Platform – Providing Unmatchable Value

- Pre-Trade & Post-Trade Decision-Support & Analytics
- 100% Configurable to Your Investment Process
- Leading Fundamental Data (FactSet) & MSCI Factors Included

	<b>EDS</b>	Internal Teams (Complex & Expensive)	Bloomberg	Alpha Theory	CAP IQ	Axioma	Mackey	Prime Broker	Light Keeper	Omega Point	Broadridge & Charles River
Idea Generation	Yes	Yes	No	No	Yes	No	Basic	No	No	No	No
Portfolio Construction	Yes	Yes	No	Yes	Basic	No	No	No	No	Post Trade	Post Trade
Risk Management	Yes	Yes	Basic	No	Basic	Yes	No	Basic	Post Trade	Yes	Yes



**Thank you.**

[sales@equitydatascience.com](mailto:sales@equitydatascience.com)