



# A MODERN PLATFORM FOR FUNDAMENTAL INVESTING

Investment Process Infrastructure for Decision-Support and Analytics

## Optimize Your Investment Process

### Agenda:

1. End-to-End Configurable Investment Platform
2. EDS Platform Overview
3. Customer Examples
4. Getting Started: Proof-of-Value Upfront

# About EDS

A centralized platform that grows with your critical needs

- **Tier-One Customers**

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

- **Expanding Partnerships**

- FactSet
- MSCI
- Northern Trust

- **Broadening Market Adoption**

- Hedge Funds
- Asset Managers
- Credit Funds
- Corporate IR



# Challenge for Fundamental Funds: More Intelligence to Process

EDS drives large improvements in efficiency & critical investment processes

In-House  
Intelligence

Fundamental  
& Market Data

Research  
Data

Alternative  
Data



Idea  
Generation

Portfolio  
Construction

Risk  
Management



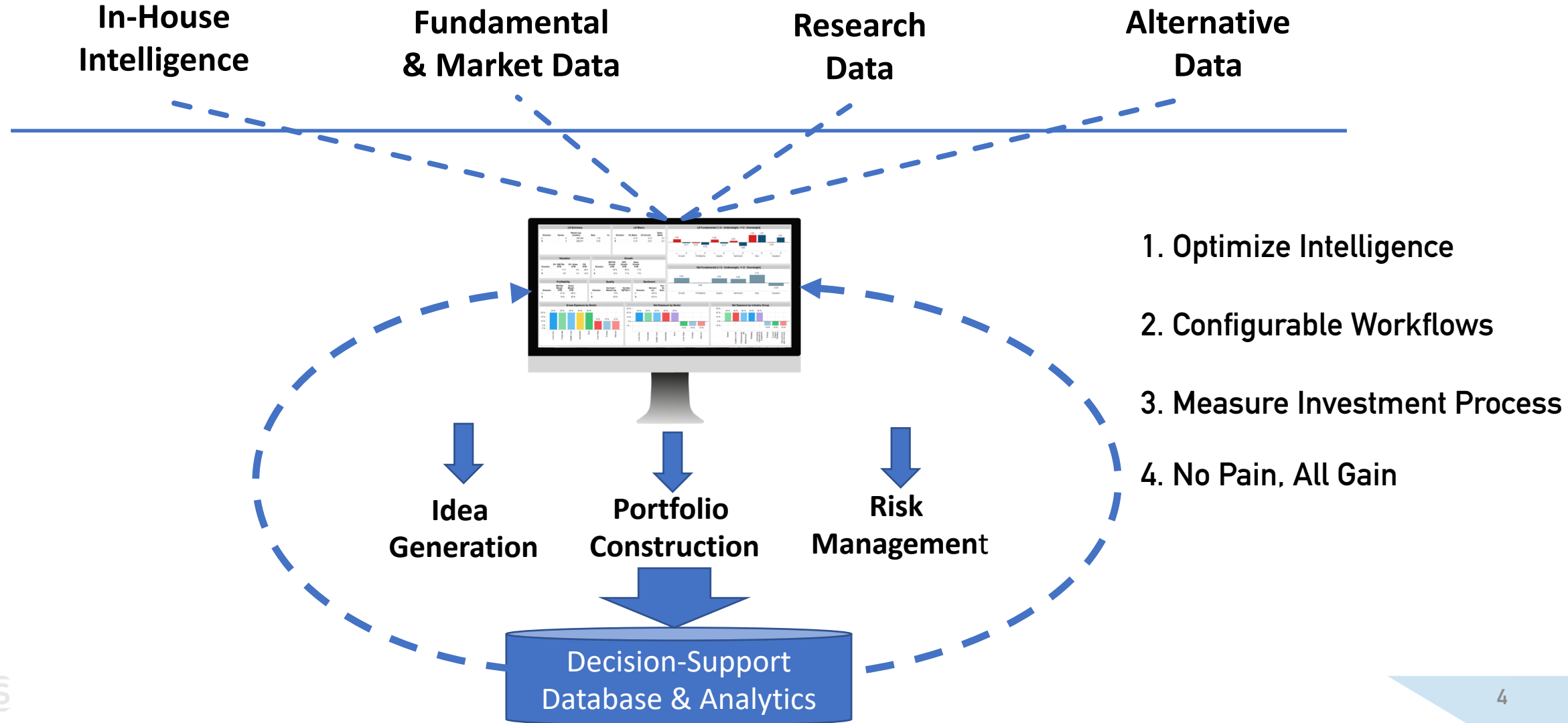
Decision-Support  
(Database)

- What Have We Learned (Measure Your Process)
- Drives Continuous Improvement
- Intellectual Property Stays In-House



# Why Clients Hire EDS

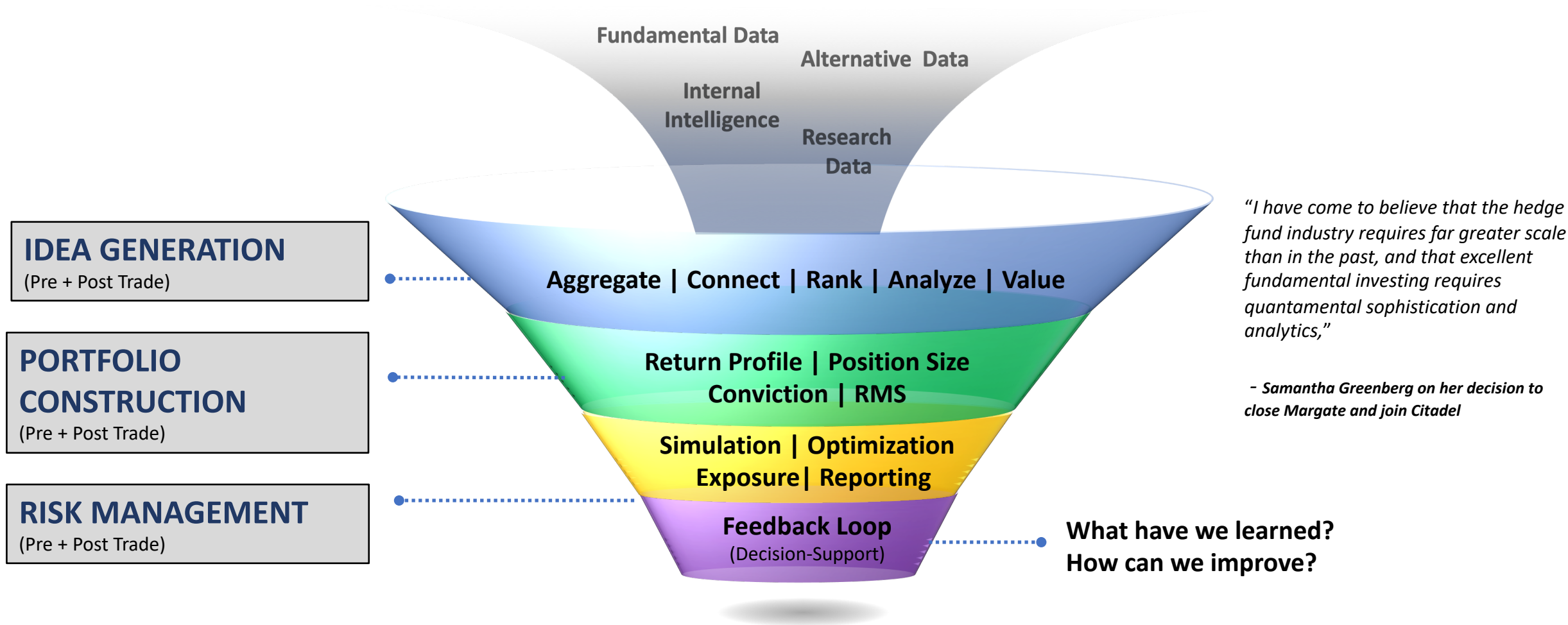
EDS drives large improvements in efficiency & critical investment processes through a centralized platform





# EDS is a Modern Workflow Platform For Active Investors

Modules Built Around Common Workflows & Configurable to Each User



# Proof of Concept (POC)

EDS provides validation of our value proposition upfront

**‘Configured to meet critical needs’**

**‘No long term commitment’**

**‘Minimal Financial Cost’**



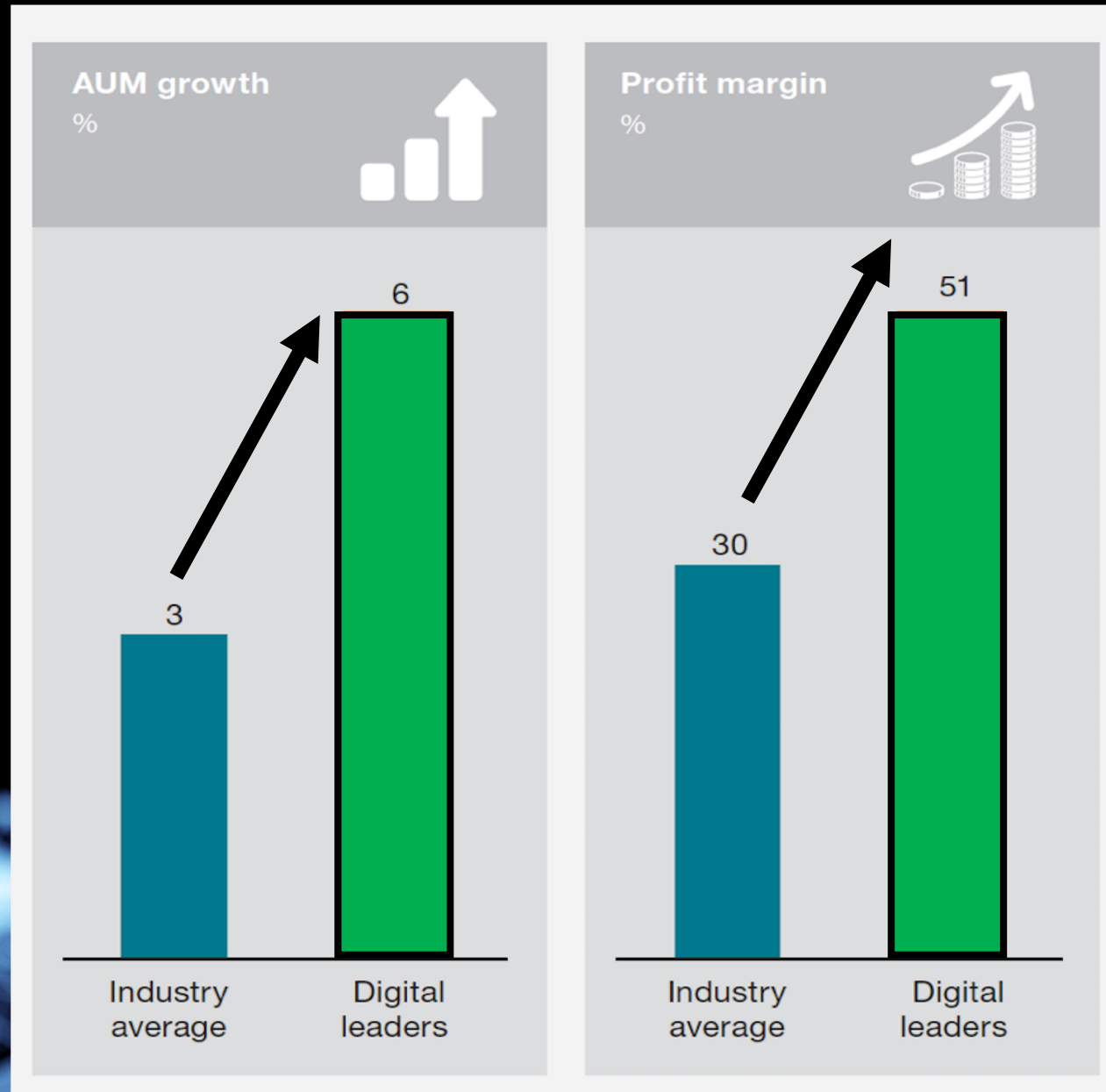
# BIG PAYOFF

(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





# INVESTMENT PROCESS QUESTIONS

1. **Current infrastructure**  
*(data sources, vendors, decision-support, risk systems)*
2. **What are you using excel for**  
*(investment processes, such as ranking, price targets, scenarios, risk)*
3. **How do you size positions, make trading decisions**  
*(anecdotal, vote, systematic)*
4. **How do you measure your process**

Aggregating intelligence improves utilization and lowers costs

Modern tools improve productivity, collaboration & culture

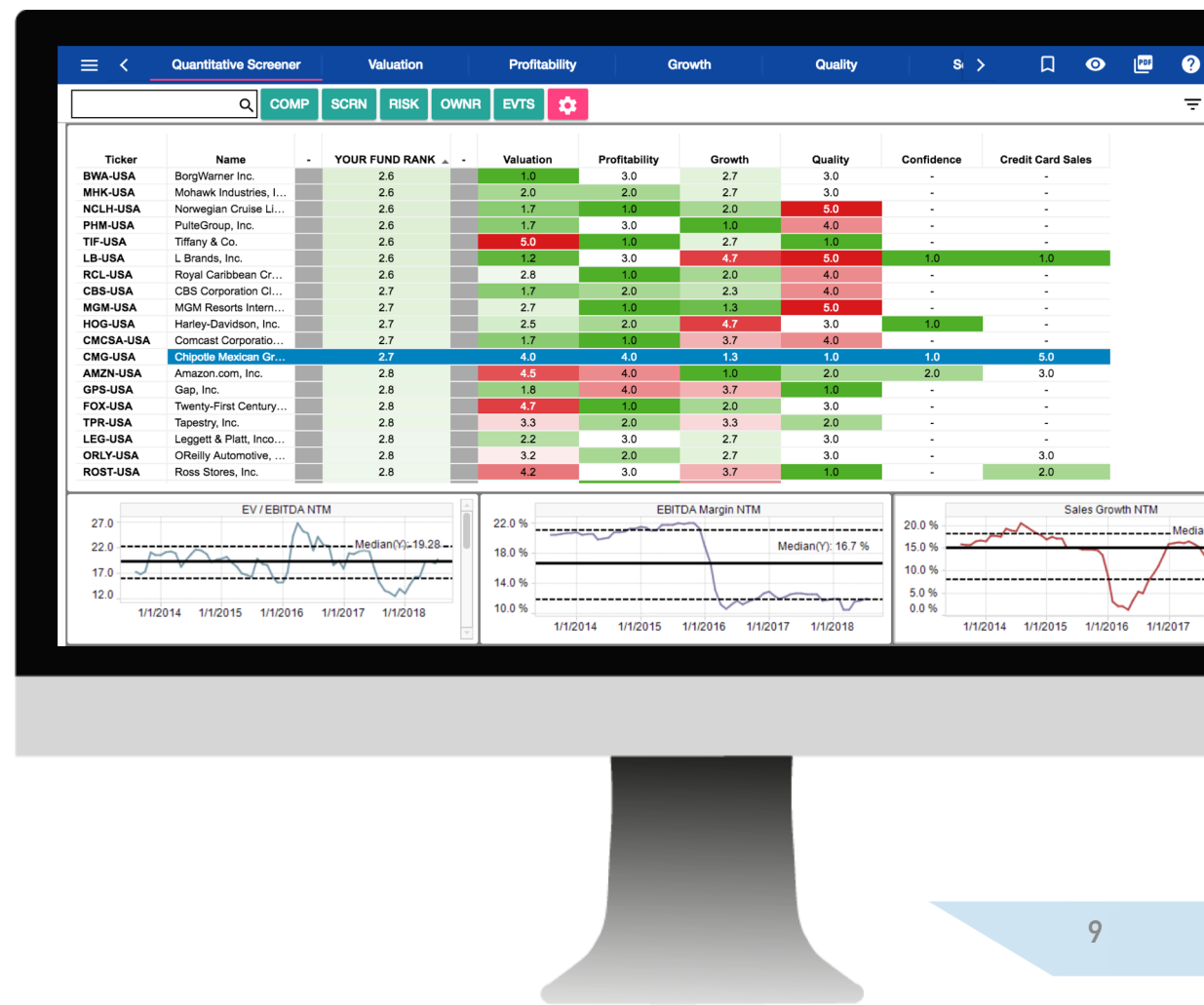
Supporting decision-making improves performance and accountability

# Idea Generation & Portfolio Construction

## Challenge: Buy vs. Build

HF 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 HF has grown, the task of managing multiple processes & vendors, additional IT contractors and fragmented workflows was time consuming, as well as expensive.

In 2017 HF approached EDS, by way of referral, looking to make their investment process more efficient. After due diligence, HF decided that EDS was more affordable and flexible than hiring internally or cobbling together multiple solutions. Initially, the HF 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.



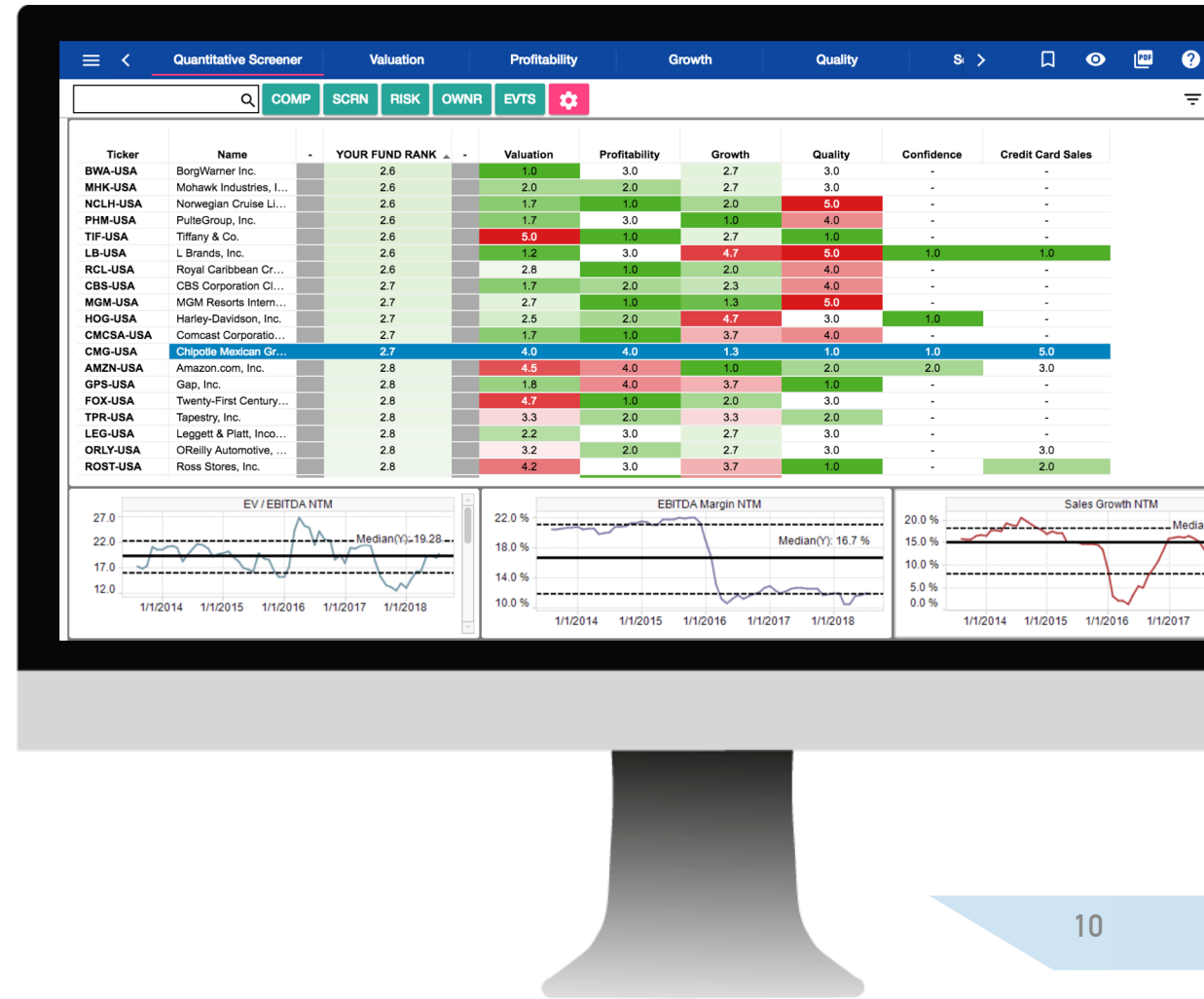


# Idea Generation & Portfolio Construction

## 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.



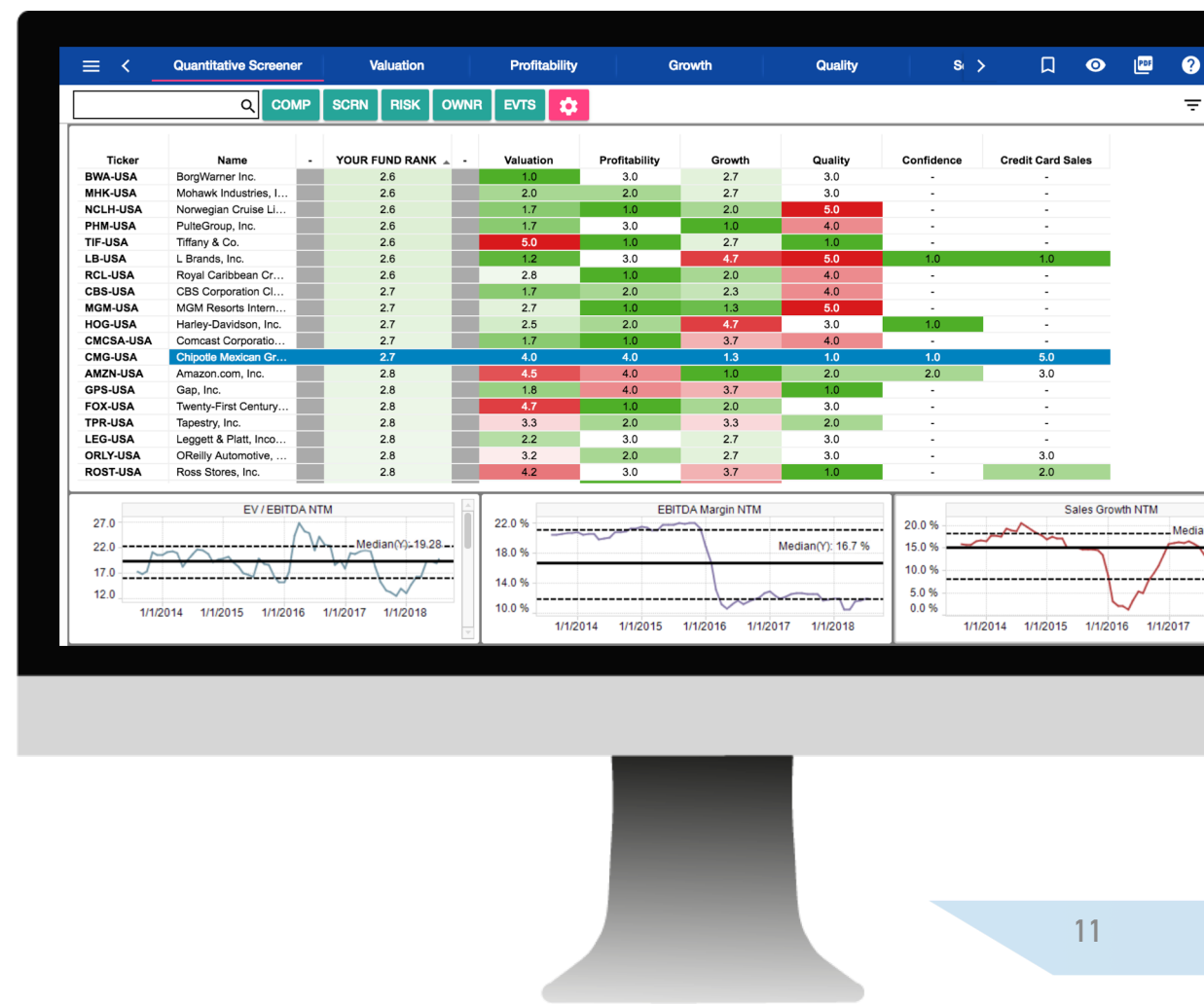
# Turn Your Risk Management Into a Performance Driver.

## Challenge: Managing Risk in a Market Neutral Portfolio

Managing a market neutral 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 Our Clients Tell Us

EDS provides validation upfront

‘Able to tell my PM what is happening (with specific evidence)’– *Trader , Multi-Billion Fund*

‘Codified our process - more confidence in our forecasts (estimates and price targets)’– *CIO*

‘Saved a ton of time, by automating ad-hoc excel processes’ – *PM, Growth Fund PM*

‘I can pinpoint how we are positioned vs. consensus & alt data vendors” – *Analyst, Value Fund*

‘My position sizes match my best ideas’, ‘Like a real-time investment committee’ – *CIO*

# 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

# Example. Tier One Fund Launch

The EDS Analytics Platform – Providing Unmatchable Value

- Pre & Post Trade Decision-Support & Analytics
- 100% Configurable to Your Investment Process
- Scalable Platform vs. Single-Point Solutions
- Price Point that is a Fraction of Competitive Solutions

Vendors	Risk Management	Portfolio Construction (Pre + Post Trade)	Idea Generation	RMS	Data Management	Configurable & Consulting
EDS	Yes	Yes	Yes	Yes	Yes	Yes
MSFS	Limited	No	No	No	No	Limited
Omega Point	Yes (Axioma)	Post Trade	No	No	No	?
MSCI	Limited	No	No	No	No	No



# Competition. Delivering an Expensive and Incomplete Solution

## 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

	EDS	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.

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