

Risk and Performance Analytics

A Hedge Fund Case Study

In multi-manager, multi-strategy investing, asset owners face complex challenges attaining clear, consolidated views of risk and performance. Leading institutions engaged BeyondRiskX Consulting to unify analytics and drive informed allocation decisions.



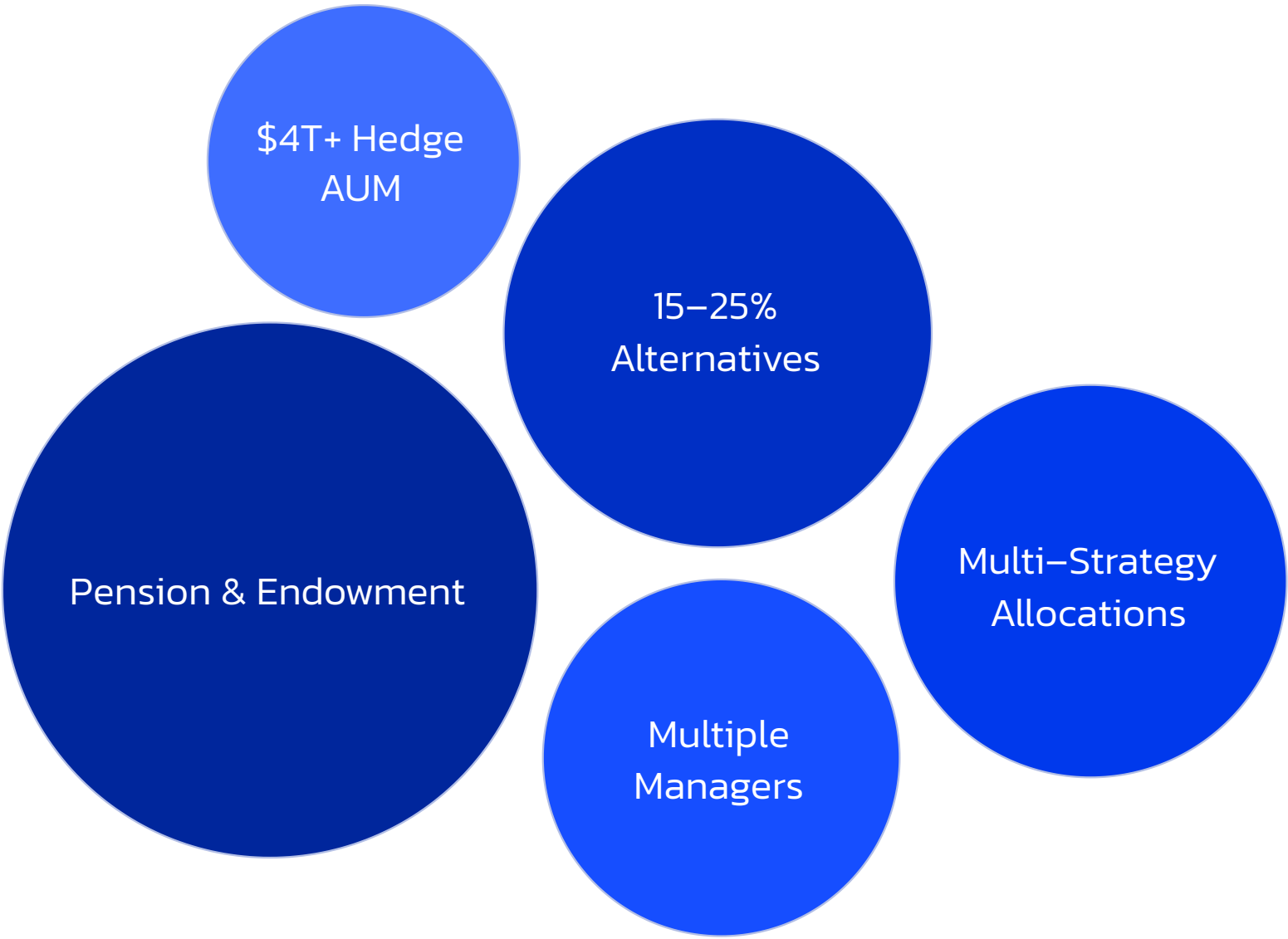
The Modern Investment Landscape

Complex Environment

Pension funds and endowments manage substantial hedge fund allocations across multiple strategies and managers, with the average institutional investor allocating 15-25% of their portfolio to alternative investments, representing over \$4 trillion in global hedge fund AUM.

Critical Need

Fragmented data, inconsistent benchmarks, and hidden factor exposures compromise oversight and alpha generation. Studies show that 60% of institutional investors cite data consolidation as their top operational challenge.



Sources: Preqin Global Hedge Fund Report 2024, Institutional Investor Survey 2024

Key Challenges



Fragmented Data Silos

Data and risk spread across diverse platforms and external managers



Inconsistent Performance Metrics

Lack of standardized analytics impeded meaningful cross-strategy comparison



Undetected Risk Concentrations

Concentration and correlation risk undermined risk-adjusted returns



Inefficient Capital Allocation

Ad hoc analytics hindered systematic, evidence-based investing

The Solution

BeyondRiskX developed a comprehensive analytics platform to deliver unified insights for portfolio management. This powerful solution integrates disparate data sources for a singular, consistent view of all investments and associated risks.



The platform integrates disparate data sources from internal systems and external manager reports, providing a singular, consistent view of all investments and associated risks.



Standardized performance metrics and risk analytics enable clear comparisons across investment strategies and asset classes, empowering investors to identify risk concentrations and make evidence-based allocation decisions.

Performance Measurement

BeyondRiskX's platform delivers comprehensive analytics across all time horizons, providing unified insights for robust portfolio management.



Comprehensive Metrics

Delivers multi-dimensional analytics including absolute and relative returns, volatility, drawdowns, and risk-adjusted metrics like Sharpe and Sortino ratios.



Standardized Data

Standardizes diverse manager reporting formats – PDFs, Excel, and proprietary systems – into a unified data model, enabling true apples-to-apples comparisons and consistent time-series analysis.

Multi-Dimensional Risk Analysis

1

Market Risk

Comprehensive exposure analysis across asset classes and geographies

2

Credit Risk

Deep dive into counterparty and issuer exposures

3

Operational Risk

Manager-level operational due diligence and monitoring



Benchmark and Attribution

Our robust benchmarking and attribution platform revolutionized how we assess portfolio performance, providing actionable insights that drive superior investment decisions and foster accountability.



Identified Underperformance

By meticulously comparing our portfolios against relevant industry standards, we pinpointed underperforming managers. For instance, our analysis revealed that two equity long-short managers were consistently lagging their peer group by 200 basis points, prompting a strategic re-evaluation.



Revealed True Alpha Generation

Tailored custom benchmarks allowed us to go beyond market beta and isolate genuine skill. This revealed precisely which strategies were adding real value, empowering us to optimize allocations towards those with proven alpha generation capabilities.



Informed Strategic Reallocation

Our in-depth attribution analysis determined the exact drivers of returns. For example, understanding that performance was primarily driven by sector allocation rather than individual security selection directly informed a more effective reallocation strategy, enhancing overall portfolio efficiency.

Enhanced Operational Efficiency

Automation Benefits

The platform's automation capabilities transformed operational workflows across the organization:

- Reduced manual data aggregation by 70%, eliminating hours of repetitive work previously required to collect and reconcile data from multiple sources.
- Freed investment staff from operational tasks to focus on deeper analysis, enabling more time for strategic research and manager evaluation.
- Enabled strategic planning focus by providing real-time data access, allowing leadership to concentrate on forward-looking initiatives rather than historical reporting.
- Accelerated decision-making cycles from weeks to days, enabling faster response to market opportunities and risk events.



The Impact

4

Key Benefits

Delivered across the organization

01

Unified Data Infrastructure

Consolidated disparate data sources into a single platform, eliminating silos and providing complete visibility across all managers and strategies

03

Proactive Risk Management

Identified and monitored hidden correlations and concentration risks, enabling preemptive action to protect risk-adjusted returns

02

Standardized Performance Metrics

Implemented consistent analytics framework enabling apples-to-apples comparisons and transparent performance measurement across the entire portfolio

04

Data-Driven Allocation Decisions

Replaced ad hoc processes with systematic, evidence-based investment decisions backed by comprehensive analytics

Transforming Investment Management

BeyondRisX's comprehensive analytics platform unified fragmented data, delivered consistent performance measurement, and enabled data-driven allocation decisions—transforming how leading asset owners manage complex hedge fund portfolios.

