

Putting Alternative Data to Use in Financial Markets

September 12, 2017

Executive Summary:

Alternative data is becoming a coveted tool for institutional investors seeking alpha. But as many on the buy side can attest, turning a seemingly endless array of data into something useful can be a complex and costly endeavor.

For those fortunate few who have found the needle in the haystack, utilizing alternative data comes with two major challenges:

- Finding and gaining access to the data you need (or don't yet know you need);
- Securing the tools needed to analyze these often huge data sets and then take action on those findings.

Methodology:

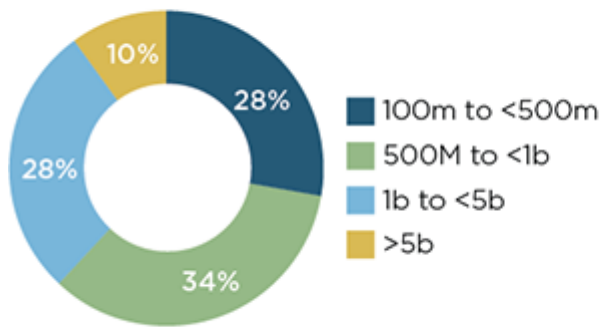
In June of 2017, Greenwich Associates interviewed 50 asset managers and hedge funds in the U.S. and Europe.

More than half the firms reported having a long-short investment strategy, while 22% each said they were long only or market neutral. Two-thirds of the respondents invest in equities, almost half in interest rates, roughly 40% invest in each of credit and commodities, and 13% invest in FX.

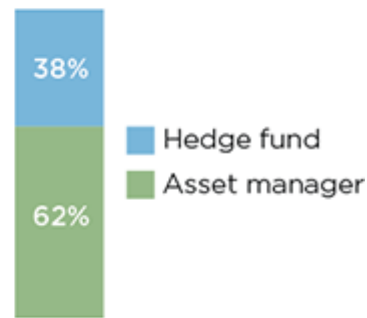
Study participants were asked about their current and expected use of alternative data and its contribution to the investment process.

DEMOGRAPHICS

AUM (in US\$/GB£)



Firm Type



Note: Based on 50 respondents.
Source: Greenwich Associates 2017 Alternative Data Usage Study



The data reported in this document reflect solely the views reported to Greenwich Associates by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Greenwich Associates compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results. Unless otherwise indicated, any opinions or market observations made are strictly our own.

©2019 Greenwich Associates, LLC. Javelin Strategy & Research is a division of Greenwich Associates. All rights reserved. No portion of these materials may be copied, reproduced, distributed or transmitted, electronically or otherwise, to external parties or publicly without the permission of Greenwich Associates, LLC. Greenwich Associates,® Competitive Challenges,® Greenwich Quality Index,® Greenwich ACCESS,™ Greenwich AIM™ and Greenwich Reports® are registered marks of Greenwich Associates, LLC. Greenwich Associates may also have rights in certain other marks used in these materials.