



Alternative Data for Hedge Funds

When considering investments, hedge funds and investment firms must minimize risk exposure while maximizing opportunities for profit. Data modeling and analytics plays a crucial role in accelerating the time to insight—whether for undertaking third-party due diligence or conducting financial, legal, competitor and sentiment analysis. The damaging impact of disruption on stock prices only emphasizes the importance of tracking the macroeconomic effects of market-moving events and predicting how a company will act in the face of a future crisis.

Amid the mountain of data available, alternative data has been proven to be particularly effective. Alternative data represents **90% of all data in circulation** in recent years, according to IBM¹. But the effectiveness of data modeling depends on having the right datasets available.

How Nexis® Data as a Service Helps

Pinpoint innovation & uncover trends

Uncover critical intellectual property intelligence to inform investment decisions. Access to enhanced, full-text global patent documents enables data modeling across languages, technology areas and more.

Power machine learning and analytics applications with millions of original language documents from 100+ patent authorities to strengthen valuations and risk analysis.



Understand potential legal risks or opportunities

Create a competitive advantage when determining buy/sell strategies by leveraging past or existing court dockets to anticipate potential legal challenges or pending actions that signal an emerging opportunity.

Ingest more than 226M court dockets to analyze litigation histories going back decades or review current Federal and State dockets to inform investment strategies.



Support responsible investment

Companies who invest in Environmental, Social and Governance (ESG) criteria have good long-term potential, compared to firms who are not seen to act with ethics and integrity.

Conduct semantic analysis of news and company using key terms related to ESG to identify likely investment opportunities. Customize the adverse news feed to focus on a company's ESG record.



Address supply chain sustainability & risk

Consumers and investors expect companies to meet high ethical standards, and that applies to their suppliers as well. Likewise, regulators hold companies accountable for the bad actions of the third parties they engage.

Access IHS Shipping Data on more than 207,000 ships, including a live fleet of 129,000 ships to understand the complexities of companies' supply chains and verify if vessels related to companies of interest are subject to sanctions.



Proactively manage compliance risk

Funds should determine whether third parties carry a high risk of bribery and corruption by screening against lists of Politically Exposed Persons (PEPs), sanctions, and watchlists.

Capture a near real-time picture into PEPs, sanctions, and other compliance risks with data spanning 1,400+ sources of sanctions, watch lists and blacklists and 1.5+ million PEPs across 240 countries and territories. Review historical data on agency decisions and enforcement actions.



Keep tabs on corporate activities

Stay alert to major announcements to anticipate how a corporate event, product launch or other announcement might impact stock values.

Monitor news, newswires and press releases from around the world.



Analyze corporate reputations

How a company is perceived in the media affects its standing with customers, investors, employees, third parties and regulators, negatively impacting a company's bottom line and long-term sustainability.

Take advantage of a world-leading database of current and 40+ years of historical news to power quant models. A customizable adverse news feed makes it easy to ingest negative news into analytics engines.



Understand the competitive landscape

Understanding the sector in which a company operates including competitive intelligence is a reliable way to gauge a company's potential in the stock market.

Capture data on 280 million companies and the executives that run them from 44 sources of company data, executive biographies, and industry blogs and influencers.



Identify market-moving signals

Knowing what top executives say in media interviews provides clues into a company's strategic thinking, but you need more than cherry picked quotes offered by some news sources.

Take advantage of Critical Mentions data, featuring 2.3+ billion documents across 1,500+ news channels. Capture complete transcripts and videos of executive interviews for more well-rounded insights.



Track market-moving events

Macroeconomic events like terrorist attacks, natural disasters or pandemics can have a major effect on markets.

Analysis of general and adverse news can identify patterns related to macroeconomic events over time.



Predictive data analytics, machine learning algorithms and quant models can't run on empty.

Maximize the value achieved from quant models and artificial intelligence applications with the petabytes of alternative data available through Nexis® Data as a Service. Integrate clean, semi-structured XML data into your artificial intelligence applications via flexible Bulk or Search & Retrieve APIs, depending on the data needed. Our data fabrication, classification and enrichment process means you spend less time wrangling data and more time deriving actionable insights from it.

Contact your LexisNexis® consultant to learn more.

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