

## **Albourne Cites The Ability Of MSCI's RiskMetrics To Generate Open Protocol Based Reports For Over 1,500 Funds As The Key Trigger For Amending Its Own Fund Rating Methodology**

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New York – October 02, 2012 - Albourne (<http://www.albourne.com>), a leading specialist consultant, predominantly advising institutional investors on their allocation to hedge funds, announced today they will emphasize a fund's participation in Open Protocol reporting as an additional factor in its proprietary hedge fund rating system. MSCI Inc. (<http://www.msci.com>), a leading provider of investment decision support tools worldwide, offers production of Open Protocol based reports for the Global Hedge Fund Industry through RiskMetrics reporting services.

Through this industry wide initiative, Albourne helped to create Open Protocol, a detailed, and publically defined, template by which hedge fund managers can convey various forms of risk information to their investors (<http://www.theopenprotocol.org>). The aspiration behind standardizing such communication is that, if broadly adopted, it would help investors to aggregate the information they receive and it could also reduce the proliferation of requests received by funds for bespoke reporting. Furthermore, it is hoped that regulators around the world might also adopt the Open Protocol as a unified data structure that greatly empowers their own data collection, whilst minimizing the incremental administrative burden for fund managers. The Open Protocol was developed by a working group drawn from a broad range of industry participants.

Ron Papanek, Head of the RiskMetrics Alternative Investments Business at MSCI, added, "Having spent the last decade building our RiskMetrics HedgePlatform database of 1500+ position based hedge fund portfolios, we are excited to offer managers a simple, cost effective way of producing reports based on the Open Protocol Enabling Risk Aggregation for their investors."

Albourne is a leading specialist consultant, predominantly advising institutional investors on their allocation to hedge funds. Its clients have over \$300bn invested across more than 2,000 hedge funds. Albourne co-chairs the Open Protocol initiative. "We believe that the RiskMetrics offering will prove to be the definitive tipping point in the global adoption of the Open Protocol", explains Simon Ruddick, Albourne's Managing Director. "From today, a willingness to provide Open Protocol based reports will mechanically impact Albourne's



internal processes, through to and including, how funds will be rated. A fuller description of how this will work is available to the 4500+ hedge funds who already submit information to us via our manager portal called Moatspace (<http://www.albourne.com/moatspace>), as well as to all our clients and prospects via our investor portal called 'Free Parking' (<http://www.albourne.com/albourne/freeparking>) " adds Ruddick.

Amongst those fund managers and investors supporting the Open Protocol initiative, early adopters and enthusiasts include Och-Ziff and the Utah Retirement Systems. "As an organization, URS is fully committed to transparency and better governance. We are asking all of the funds that we are invested with to report on this basis", confirmed URS' CIO, Bruce Cudnick. "We are very supportive of the Open Protocol and we believe that it can be a benefit not only to our firm but to the industry in general", explained Daniel Och, Chairman and CEO of Och-Ziff.

Albourne has contacted 1,489 fund managers to gauge their intentions regarding the Open Protocol. 31% claim to have either produced Open Protocol based reports, or are working on producing them themselves versus 7% that have stated no intention to produce the reports. "52% of funds have responded by saying that either they will produce these reports when their service provider can do this for them or when they are asked by their investors", outlines Ruddick. "Concurrent with this, we have canvassed over 200 investors and 49% have shown 'strong interest' versus 47% who are 'interested'. Our clients, and ourselves, have been pleased with the response to date but today's announcement directly impacts our tolerance towards any remaining manager reluctance", concludes Ruddick.