



Unique, independent, timely, consistent and accurate

HIGH LEVEL SUMMARY: The SS&C GlobeOp Hedge Fund Index (the Index) is an independent, timely and consistent set of monthly indices that measure hedge fund investment activity and performance. Published by SS&C GlobeOp, a leading, independent global administrator, the Index is an accurate window on hedge fund industry performance, liquidity and investor sentiment.

What makes the SS&C GlobeOp Hedge Fund Index unique?

▪ Independent, credible, consistent and timely

- The SS&C GlobeOp Hedge Fund Index data is independently derived and confirmed, with none of the selection, survivorship and back-fill biases found in other indices
- Many other major market indices, both for capital flows and performance, are voluntarily reported by fund managers themselves. It is often possible, in any particular month, for a manager to self-select, change their methodology, not report or provide data that has not been independently verified
- The SS&C GlobeOp Hedge Fund Index represents the first fund administrator solution in which a significant platform of assets contributes aggregate liquidity, investor sentiment and performance transparency

▪ SS&C GlobeOp Capital Movement Index

- An independently derived index of capital movements into and out of hedge funds
- Based on actual subscriptions and redemptions that have been received from investors
- Calculated from capital movements as a percentage of total assets under administration (AuA) for SS&C GlobeOp's fund administration clients on the SS&C GlobeOp platform
- Calculated within a few days after the capital movements occur

▪ SS&C GlobeOp Hedge Fund Performance Index

- An asset-weighted (also known as capital- or dollar-weighted) index of aggregated hedge fund performance, in terms of the capital invested in funds. An initial flash estimate in the first month is calculated on aggregate fund performance followed by interim and final values in the second and third months, respectively. The initial flash estimate is reported on a gross basis – net of management but not incentive fees. The interim and final estimates are reported on gross and net bases – net of management and incentive fees
- Free from selection and survivorship bias
- More representative than most other indices in reflecting investment in hedge funds as a unique asset class and as a proxy for a diversified portfolio of hedge fund investments
- Slightly more weighted to complex fund strategies and not as heavily weighted to equity long/short strategies as other indices

▪ SS&C GlobeOp Forward Redemption Indicator

- An independently derived indicator of investor redemptions

received for SS&C GlobeOp's fund administration clients on the SS&C GlobeOp platform

- Based on actual investor redemption requests received
- Calculated from redemption requests received, as a percentage of total AuA for SS&C GlobeOp's fund administration clients on the SS&C GlobeOp platform

Fund Universe Definition

▪ Fund criteria – defined, unambiguous

- The SS&C GlobeOp Hedge Fund Index does not report capital activity and performance of funds for which SS&C GlobeOp performs only a subset of its services without full administration, e.g., middle and back office, valuations or stand-alone risk services
- The Index does not include the capital activity and performance of funds of funds, terminated funds and funds with suspended NAVs during the month
- The Index does not include the performance of managed accounts, funds launched during the month and funds with daily, weekly or quarterly NAV production
- Managed account platforms administered by SS&C GlobeOp on the SS&C GlobeOp platform are included in the SS&C GlobeOp Capital Movement Index and SS&C GlobeOp Forward Redemption Indicator, but only at the platform level so as to avoid double counting
- Managed account platforms administered by SS&C GlobeOp on the GlobeOp platform are not included in the SS&C GlobeOp Hedge Fund Performance Index due to the multiple levels of the structures which currently preclude the timely release of performance results
- Transfers (name changes within the same fund) and switches (share class change within the same fund) are excluded. The Index tracks only capital movements in and out of the SS&C GlobeOp administration platform
- SS&C GlobeOp fund clients are reported only after their official launch on the service platform
- Funds in liquidation or transfer are reported until the last completed month-end on the SS&C GlobeOp administration platform
- No minimum AuA is required for inclusion in the Index

Fund criteria – continued

- **Data timeliness**

- Capital activity includes subscriptions and redemptions received by SS&C GlobeOp for each month
- If a subscription or redemption is reported after the quarter-end close, no adjustment will be made for that quarter after reports have been released
- Actual cash inflows, outflows and profit and loss are converted into, and presented in, US dollars using month-end exchange rates
- On the 9th business day of each month, performance data for the prior month is published as an initial estimate of gross returns only. Interim and final values of gross and net returns are published in the next two consecutive months respectively

- **Methodology and controls**

- All constituent funds of the Index use SS&C GlobeOp's rigorous month-end process. That process is included in SS&C GlobeOp's annual Service Organization Control (SOC) 1, in accordance with the SSAE No. 16 and ISAE 3402 examinations
- The SS&C GlobeOp Hedge Fund Index Committee, composed of members of SS&C GlobeOp's Investor Analytics Group and senior executives of the firm, is responsible for constructing the rules of the Index, maintaining the Index and determining any changes to the rules or constitution of the Index

DETAILED SUMMARY

- **What**

- The SS&C GlobeOp Hedge Fund Index is a series of hedge fund indices published monthly by SS&C GlobeOp, a leading independent hedge fund administrator
- SS&C GlobeOp is the first administrator to develop a solution in which a significant platform of assets contributes aggregate liquidity, investor sentiment and performance transparency to clients, their investors and the overall market
- The first two indices, the SS&C GlobeOp Capital Movement Index and the SS&C GlobeOp Forward Redemption Indicator, launched in April 2011, track capital flows and redemption notifications
- The third index, the SS&C GlobeOp Hedge Fund Performance Index, launched in May 2012, measures fund performance on an asset-weighted basis (also known as capital- or dollar-weighted)

- **Why**

- There is a real lack of independently confirmed industry data against which hedge fund managers and investors can benchmark their allocations and performance
- As they are independently calculated and/or verified each month at the same point in time using consistent mathematical methodology, the indices are a unique and positive response to market concerns about self-selection and self-reporting
- The three indices of the SS&C GlobeOp Hedge Fund Index family are more representative than most other indices in reflecting

investments in hedge funds as a unique asset class and as a proxy for a diversified portfolio of hedge fund investments. They are not as heavily weighted to equity long/short strategies as other indices that may be dominated by this single strategy

- The SS&C GlobeOp Hedge Fund Performance Index offers a true reflection of the return on capital invested in funds

- **When**

- On the 9th business day of each month, the SS&C GlobeOp Capital Movement Index offers a view of investments, or capital movements into and out of hedge funds administered by SS&C GlobeOp on the SS&C GlobeOp platform. Data is based on actual subscriptions and redemptions received and independently processed from real capital movements, and published only a few business days after they occur
- Also on the 9th business day of each month, a flash estimate of the SS&C GlobeOp Hedge Fund Performance Index is published for the prior month. Unlike the interim and final index values, the flash estimate may use inputs provided by managers and reviewed by SS&C GlobeOp analysts for coherence and consistency. On the 9th business day of the second month, an interim value is reported for the SS&C GlobeOp Hedge Fund Performance Index. It is based on inputs independently calculated and/or verified by SS&C GlobeOp. On the 9th business day of the third month, a final value is reported. The flash estimate is reported on a gross basis, i.e., net of management fees but not incentive fees. The interim and final estimates are reported on a gross as well as net basis, i.e., net of management fees and incentive fees
- On the 15th business day of each month, the SS&C GlobeOp Forward Redemption Indicator reports on redemption notifications received from investors in hedge funds administered by SS&C GlobeOp on the GlobeOp platform. Data is based on actual redemption requests received. Investors may, and sometimes do, cancel redemption notices. Unlike subscriptions, redemption notifications are typically received 30 to 90 days in advance of the redemption date, depending on individual fund redemption notice requirements

Detailed summary – continued

▪ Who

- The SS&C GlobeOp Hedge Fund Index provides timely, consistent, accurate, independent data about hedge fund investment activity to institutional investors, asset allocators, hedge and other fund managers, media and academics
- The indices offer insights into market trends, events and investor liquidity, from a statistically valid sample size on a current (capital movements) and future basis (forward redemption notifications) or return on net capital invested basis (fund performance). These insights help stakeholders analyze wider market patterns in a timely manner

▪ How

- The SS&C GlobeOp Capital Movement Index is calculated based on subscriptions and redemptions from hedge funds administered by SS&C GlobeOp on the SS&C GlobeOp platform, divided by the AuA of funds administered by SS&C GlobeOp on the SS&C GlobeOp platform. This index was set at 100 on 1 January 2006
- The SS&C GlobeOp Hedge Fund Performance Index initially reports a flash estimate on a gross basis (net of management fees but including incentive fees) from inputs calculated by SS&C GlobeOp and potentially from manager input that SS&C GlobeOp analysts review for coherence and consistency. In the second and third months, respectively, interim and final values are calculated and/or verified by SS&C GlobeOp, and reported on gross and net bases, i.e., net of management and incentive fees
- The SS&C GlobeOp Forward Redemption Indicator consists of actual redemption notifications received from investors for hedge funds administered by SS&C GlobeOp on the SS&C GlobeOp platform, divided by the AuA for hedge funds administered by SS&C GlobeOp on the SS&C GlobeOp platform. Investors may, and sometimes do, cancel redemption notices. In addition, the establishment and enforcement of redemption notification deadlines may vary from fund to fund
- Data for middle and back office clients who are not fund administration clients is not included in the Index, but is included in the Company's financial results announcement figures

▪ Where

- The SS&C GlobeOp Hedge Fund Index is available via:
 - www.sscglobeopindex.com
 - Link on the homepage of www.sscglobeop.com
 - SS&C GlobeOp press releases
 - › 9th business day of each month: SS&C GlobeOp Hedge Fund Performance Index and Capital Movement Index
 - › 15th business day of each month: SS&C GlobeOp Forward Redemption Indicator
 - Alert and RSS subscriber options at www.sscglobeop.com
 - Index Twitter comments: [#HFIndex](https://twitter.com/HFIndex)

KEY DIFFERENTIATORS

- The SS&C GlobeOp Hedge Fund Index is based on data that SS&C GlobeOp independently collects from all hedge fund clients for whom SS&C GlobeOp provides administration services on the SS&C GlobeOp platform
- While individual fund data is protected by aggregation and anonymization, the Index data is based on the same reconciled fund data SS&C GlobeOp uses to produce monthly net asset value (NAV) reports for its clients
- Each index offers a unique, independent, consistently calculated, timely view of monthly hedge fund data, including actual capital movements and forward redemption notifications
- The SS&C GlobeOp Hedge Fund Performance Index is asset-weighted, free from survivorship bias and reflects the actual return on invested capital
- SS&C GlobeOp's total AuA on the SS&C GlobeOp platform represents approximately 10% of the estimated assets currently invested in the hedge fund sector. Representative of the industry as a whole, although weighted to the more complex funds, the database tracks a balanced spectrum of industry strategies
- Since inception, the correlation of the SS&C GlobeOp Performance Index is 25% and 32% as measured against the S&P 500 and MSCI World Index, respectively. This is substantially lower than the equivalent correlation of other widely followed hedge fund performance indices
- Confidence in the data is achieved through a combination of three key elements:
 - **Timeliness** – available within days of each month-end, in contrast to the one-to-six-month delays found in other indices
 - **Consistency** – of both funds included and the calculation methodology. All active hedge fund administration clients on the SS&C GlobeOp platform are automatically included each month. Funds using SS&C GlobeOp services other than administration service are excluded
 - **Independent data** – fund managers do not self-select or self-report data. Index data is based on the same reconciled fund data used to produce NAVs, removing the selection bias found in many other indices which rely on optional data reporting