**AIMA**

## Alternative data – short questionnaire

### Examining hedge funds use of alternative data

**Please take a few minutes to answer the below set of questions to help us better understand hedge funds use of alternative data. Alternative data is defined as information used to obtain insight into the investment process that comes from using non-traditional data sources. Often categorised as "big data" meaning the data can be very large and complex and often cannot be handled by software traditionally used for storing or handling data, such as Microsoft Excel. The data can be compiled from sources such as financial transactions, mobile devices, satellites, public record and the internet.**

**All data provided from this survey will be collated and retained by AIMA. Ad data used in publications will only be presented or shared in the aggregate, and not be attributed to any specific firm or individual. Thank you for your support.**

\* 1. What is the primary strategy of your hedge fund?

○ Equity Long/Short

○ Credit Long/Short

○ Relative Value

○ Event Driven

○ Macro

○ CTA

○ Market Neutral

○ Fund of Funds

○ Activist

○ Other (please specify)

○ Other (please specify)

[                                        ]

* 2. What is the net asset value (US$) of hedge fund assets under management of your firm?

○ $0m - $100m

○ $100m-$250m

○ $250m-$500m

○ $500m-$1bn

○ $1bn-$3bn

○ $3bn-$5bn

○ $5bn-10bn

○ $10bn-$15bn

○ $15n-$20bn

○ $20bn+

* 3. Where is your firm headquartered?

○ North America ex USA

○ USA

○ South America

○ Europe

○ Middle-East

○ Asia

○ Australia

* 4. Over the coming 12 months, are you likely to use alternative data across your firm's business?

○ Yes

○ No

○ Currently assessing the use of alternative data

* 5. How many years has your firm used alternative data?

○ 0-1 years                               ○ Greater than 10 years

○ 1-5 years                               ○ Not Applicable

○ 5-10 years

\* 6. How would you best describe your firm's use of alternative data?

○ Active/heavy user of alternative data

○ Light user of alternative data

○ Currently evaluating opportunities

○ Not currently using alternative data


\* 7. For what purposes do you use alternative data? Select all that apply.

☐ As a research tool to help source new investment opportunities.

☐ As a research tool to help better inform investment decisions.

☐ As input for a quantitative research process being practised by the fund

☐ To get better insight into existing portfolio ideas

☐ Helps us to generate outperformance.

☐ To help improve our risk management and compliance models.

☐ Do not use alternative data


\* 8. What is the type of alternative datasets that you use? Select all that apply.

☐ Satellite imagery/drones/wearables/other internet of things

☐ Sentiment data from social networks

☐ Data sourced from using expert networks

☐ Business performance metrics

☐ Consumer spending/lifestyle data

☐ Payments data

☐ Logistics data

☐ Online reviews

☐ Web crawled data

☐ Weather patterns

☐ Private polling data

☐ Other

☐ Not applicable

☐ Other (please specify)

[                                                        ]

* 9. What are the challenges you encounter when using alternative data? Select all that apply.

☐ Data is not compatible with proprietary systems that we use

☐ Difficult to back-test historical data

☐ Demonstrating that the return on investment from using alternative data is greater than the costs incurred in sourcing it

☐ Using alternative data is deemed to carry a greater risk than using traditional data

☐ Regulatory/Compliance/Legal risks

☐ Lack of time needed to evaluate the quality of the data vendor

☐ Difficulty sourcing quality data sets

☐ Portfolio managers are not convinced of its value

☐ Internal procurement processes to source the data are too slow

☐ We are not experiencing any challenges using alternative data

* 10. What are the key factors you see as being instrumental to the successful adoption of alternative data across the hedge fund industry? Select all that apply.

☐ Recruiting and retaining the relevant key talent to source and harness this data

☐ Having the technological capacity to collect, store and assess alternative data

☐ Generating an attractive ROI on the alternative data spend

☐ Investor demand for alternative data sources

☐ Reliability and relevance of alternative data

☐ Time to value an alternative data investment

* 11. How important do you see the use of alternative data for enhancing the value proposition of your offering?

○ Very important

○ Important

○ Marginally important

○ Unimportant

* 12. What percentage of your investment teams are working with alternative data?

○ None

○ Less than 1%

○ Between 1% and 10%

○ Between 10% and 20%

○ Greater than 20%

* 13. Is this number likely to increase/decrease over the coming 3 years?

○ Not Applicable

○ Increase

○ Decrease

○ No change

* 14. What are the most popular hires your firm is making to incorporate the use of alternative data? Select all that apply

☐ Chief Data Officer

☐ Head of Data

☐ SEO professional

☐ Data engineer

☐ Data scientist

☐ Data Compliance Officer

☐ Other

☐ Not applicable

☐ Other (please specify)

[            ]

* 15. Do you have the necessary talent to analyse and implement alternative data in your investment process?

○ Yes

○ No

\* 16. Presently what part/person is providing oversight to the use of alternative data?

( ) Operations – COO

( ) Investment – CIO/PM

( ) CEO

( ) CFO

( ) CRO

( ) CCO

( ) Dedicated Chief Data Officer (CDO)

( ) No dedicated role in place to provide oversight regarding the use of alternative data by your firm

\* 17. What percentage of your firm's total expenses (not including salaries) is currently set aside for sourcing alternative data?

( ) Non Applicable

( ) Less than 1%

( ) Between 1% and 3%

( ) Between 3% and 5%

( ) Between 5% and 10%

( ) Between 10% and 20%

( ) Greater than 20%

\* 18. Is this number likely to increase/decrease over the coming 3 years?

( ) Increase

( ) Decrease

( ) No change

\* 19. How quickly do you think the use of alternative data will become mainstream in its use across the hedge fund sector?

( ) Within the next 1-3 years

( ) Within the next 3-5 years

( ) Within the next 5-7 years

( ) Within the next 7-10 years

( ) Greater than 10 years

( ) I don't believe the use of alternative data will become mainstream

* 20. Are you concerned that the proliferation of alternative data sources will eventually diminish the information edge gained from analysing non-traditional data?

◯ Yes

◯ No

21. Please complete the below contact details.

| | |
|---|---|
| **Name** | |
| **Company** | |
| **Email Address** | |