

Sciens Fund of Funds Management Holdings Ltd

Full Rating Report

Asset Manager Rating



Outlook

Stable

Profile

Asset under management (end-March 2015)	USD5.5bn
Operating EBITDA 2014	Undisclosed
Date of creation	1988
Domicile	Cayman Islands (Sciens) UK (SCL)
Ownership	CEO (71.5%), other Sciens affiliates (28.5%)
Total staff	100 (around 31 dedicated to FoHF & MAP)
Investment professionals	4 (excluding operational due diligence)

Key Rating Drivers

High Staff Turnover: Fitch Ratings estimates an annual turnover rate of 33%, which it considers high. Multiple senior staff departed the firm in 2014 and 2015. Sciens has responded to this with some internal promotions and external new hires. Thirty-one of Sciens's 100 staff were dedicated to fund of hedge funds (FoHF) and managed account platform (MAP) activities in June 2015, down from a peak of 51 in December 2010.

Concentrated Investor Base: Assets under management (AUM) in Sciens's FoHFs fell to 8% of the total in March 2015 compared with 35% in December 2010. AUM in the MAP has also declined. As a consequence, the FoHF and MAP investor bases are concentrated with the largest investor in the FoHF representing 60% of its AUM, which exceeds Fitch's investor concentration guidelines at the 'Good Standards' level.

AIFMd-Driven Control Strengthening: The overall control environment was strengthened in 2014 and 2015 following the registration of a subsidiary under the Alternative Investment Fund Management Directive (AIFMd). Specifically, this process required additional layers of regulatory reporting (and complexity) and the build-out of (already strong) compliance policies in-line with regulatory requirements. However, there has also been turnover in the risk management team and among members of various control committees.

Capable Hedge Fund Provider: Notwithstanding the developments affecting the Company and Investments categories of Fitch's rating criteria, Sciens remains a capable provider of hedge fund and FoHF management and, increasingly, incubation services. This is reflected in the 'Highest Standards' scores in the Operations and Technology categories.

Leading IT Platform: Fitch considers that Sciens' technology is its key strength. It maintains a proprietary integrated technological platform with risk analytics and centralised in-house data management capabilities. Sciens provides investors with an interactive, customisable look-through application that allows them to perform in-depth analysis of managed accounts.

Rating Downgraded: Fitch downgraded Sciens Fund of Funds Management Holdings Ltd (Sciens) To 'Good Standards' from 'High Standards' in July 2015 because certain scores in the Company and Investments categories have fallen to 'Below Standards', which caps the overall rating at 'Good Standards'.

Category Scores

	Good Standards	High Standards	Highest Standards
Company	✓		
Controls		✓	
Investments	✓		
Operations			✓
Technology			✓

Source: Fitch

Analysts

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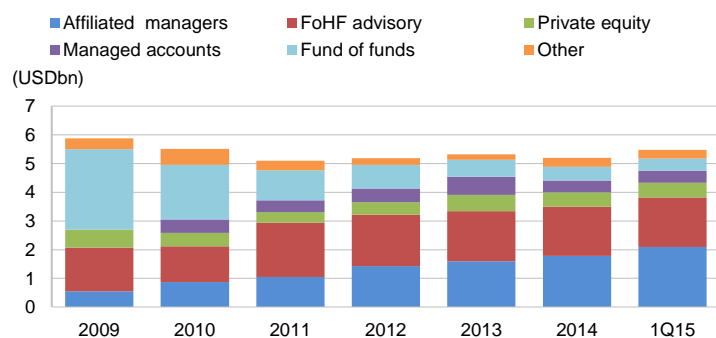
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Profile

Alternative Asset Manager: Sciens and its predecessor firms were founded in 1988 and began alternative asset management activities in 1994. Sciens is privately held. At 31 March 2015, the group managed and advised on USD5.5bn of assets, of which USD1.7bn comprised FoHF advisory mandates, USD432m the MAP and USD419m in FoHFs.

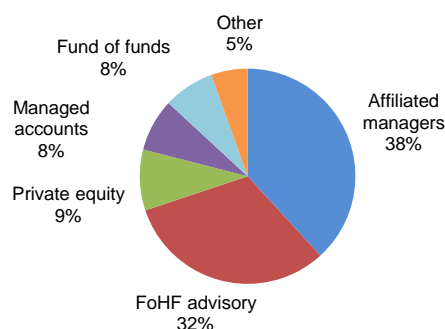
AUM Breakdowns (As of March 2015)

AUM Development



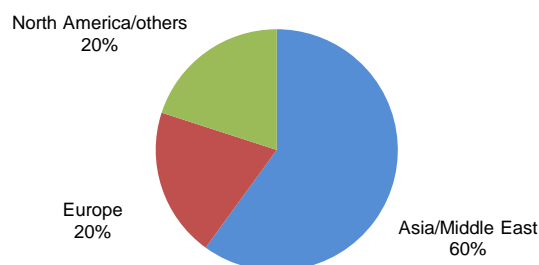
Source: Sciens; Other is Sciens International and Hedge Funds

AUM Breakdown by Product Type



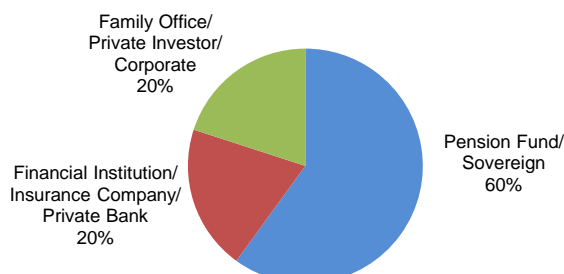
Source: Sciens

By Investor Location



Source: Sciens, FoHF only

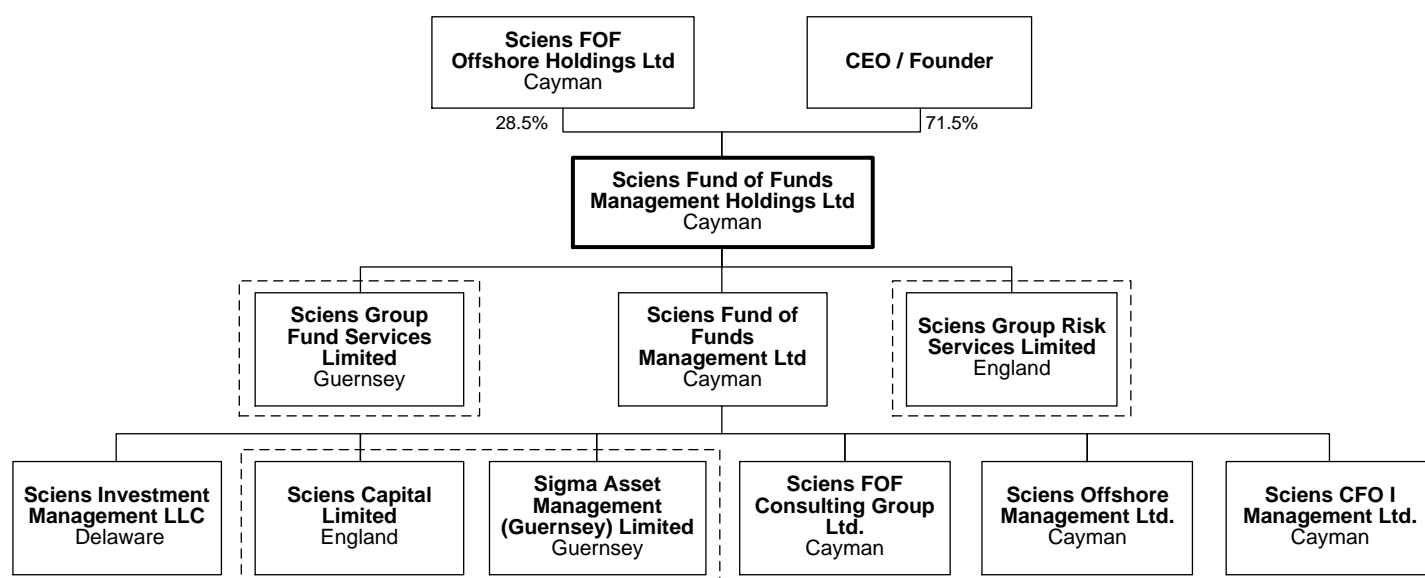
By Investor Type



Source: Sciens, FoHF only

Company Structure

Sciens Fund of Fund Management Holdings Group as at 30 June 2015



Rating Scope

Source: Sciens

Related Criteria

[Asset Manager Rating Criteria \(May 2014\)](#)

Company

Good Standards

Shareholding and Financial Standing

Privately owned alternative asset manager

Sciens is an independent, Cayman-based (albeit functionally managed from New York), alternative investment manager. The founder and ultimate owner of Sciens is also Chairman and Chief Executive Officer with overall responsibility for the firm and its management. The founder and current owner has demonstrated a long-standing commitment to the group.

The FoHF business is hosted by a dedicated affiliate, Sciens Fund of Fund Management Ltd, incorporated in the Cayman Islands.

Sciens Group Fund Services Limited (SGFS) is a managed account services provider and the manager of Sciens Group Alternative Strategies PCC Limited (SGAS), a Guernsey-based managed account platform.

Sciens Capital Limited (SCL) serves as investment advisor to Sigma, its affiliated offshore fund of funds investment manager, incorporated in Guernsey. Sigma is dedicated to management, operations, compliance with the funds' policies and legal due diligence on the underlying hedge funds for the FoHF business.

Sciens Group Risk Services Limited (SGRS) provides risk management services.

Sciens's (group-level) profitability is improving from low levels, although individual group subsidiaries are profitable in their own right. The presence or absence of performance fees makes a meaningful difference to Sciens's profitability. The business is cash flow generative and maintains adequate cash on balance sheet (transferred from group subsidiaries via dividends) to meet coupon and amortisation payments, with surplus.

Fitch estimates that the balance sheet is geared to 4-5 times operating profit in relation to acquisition finance loans coming due in 2015, 2016 and 2018, which exceeds the leverage ranges detailed in its rating criteria at the 'Good Standards' rating level.

AUM has declined in the FoHFs and MAP; however, Sciens has taken action to maintain its income on the MAP: 25 of the 29 cells on the MAP offered preferential terms beneficial to both Sciens and end investors as of June 2015.

An important consequence of the decline in AUM is concentration of the investor base. Fitch considers the level of investor concentration in the FoHF and MAP high and exceeds the agency's investor concentration guidelines at the 'Good Standards' rating level. The total investor base, in numbers of clients, is larger and is diversified by type and region.

The level of investor concentration and level of staffing resources (see below) effectively cap Sciens's rating at 'Good Standards'.

Sciens did not share its financial statements with Fitch and therefore the agency was unable to review them; however, the CFO provided a high-level verbal overview of current financial conditions to Fitch. The agency has reviewed the audited accounts of all public subsidiaries within the rating perimeter, all of which have a clean audit opinion.

**Profitability improving from low base;
Geared balance sheet**

Company (Continued)
Good Standards
Experience
Long history; AUM stable overall but declining in FoHF and MAP

Sciens was established in 1994 and originally focused on private equity. The predecessor firms of Sciens, however, trace their roots back to 1988. FoHF activities started in 2003 at Sciens and in 1994 at Atlas, a London-based FoHF advisor, acquired by Sciens in September 2008. Through Atlas, Sciens has a 21-year track record.

One of the key drivers for the acquisition of Atlas was the company's technological and operational platform. Subsequently, in April 2009, Sciens was appointed as sub-advisor of the residual FoHF activities of Fairfield Greenwich Group, which totalled USD2.4bn at the time. These portfolios remain in the process of liquidation as of July 2015 due to illiquid legacy positions. In April 2010, Sciens acquired the managed account platform (MAP) of Partners Group AG.

Sciens effectively consolidated the legacy Atlas platform and Partners Group MAP, demonstrating an ability to consolidate teams and platforms.

Sciens's AUM increased slightly to USD5.5bn in total in March 2015 compared to USD5.3bn overall in March 2014. However, AUM in FoHFs fell to 8% of total AUM in March 2015 compared with 10% in March 2014 and 35% in December 2010. Assets in the MAP also fell to 8% of total AUM in March 2015, well below the high of 13% achieved in September 2014 and below the estimated USD400m when it acquired the MAP.

Governance and Independence
Multiple layers of regulatory oversight; limited independent board representation

Sciens, through its subsidiaries, is regulated by multiple authorities. SGFS is regulated by the Guernsey Financial Service Commission (GFSC) and by the Commodities and Futures Trading Commission (CFTC) in the US. SCL is regulated by the Financial Conduct Authority (FCA), the Securities & Exchange Commission (SEC) and the CFTC. Sigma is regulated by the GFSC, the SEC and the CFTC. There have been no recent scheduled – or unscheduled – regulatory visits as of June 2015.

There is no independent board director on the board of Sciens, SCL or SGFS. Sigma has one independent director.

KPMG and its affiliates are the auditors of all Sciens' entities reviewed by Fitch. Some entities were previously audited by Deloitte until end-2014.

Well formalised intra-group relationships

Intra-group service level agreements govern the relationship between the Sciens' affiliates that have outsourced certain functions to other affiliates of the Sciens group. SCL provides management, legal, marketing and investor relations support to SGFS. SGRS provides risk management services to SGFS and Sigma. Most FoHF operations are delegated to Sigma.

The FoHF business and the MAP are segregated to prevent FoHF business from obtaining detailed information about the portfolio construction of the underlying managed accounts unless specific mandates allow this. However, the FoHF may invest in funds on the MAP. A separate risk management affiliate, SGRS, is in charge of monitoring the FoHF and MAP investment activities, thereby reinforcing the independence of the risk management function.

Company (Continued)

Good Standards

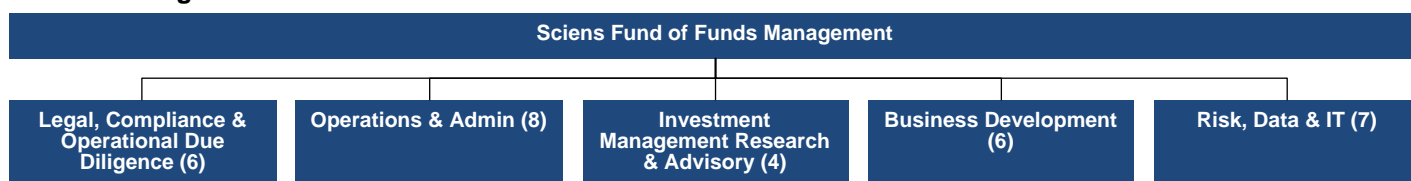
Governance and Independence (Cont.)

Sound investment vehicle governance	<p>Funds are domiciled in the Cayman Islands or Guernsey. The majority of Sigma funds have two independent board members. Fund board meetings are held every six months.</p> <p>The MAP consists of Guernsey-based protected cell company structures. MAP assets are held by the various custodians and sub-custodians. The MAP is separated from trading advisors for all governance and controls issues.</p>
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Staffing

Clear-cut organisation structure; integration of investment committee	<p>Sciens has a clear organisation structure, with adequate separation of businesses and functions, often through separate companies.</p> <p>The composition of the five-person investment committee has changed, following the departure of three of the previous members of the committee in 2014 and 2015. The changes include the introduction of operational due diligence and MAP focused members of staff to the committee. These changes contribute to a more holistic decision making forum; however, they do so at the expense of reduced overall committee experience. Excluding the committee chair, Fitch estimates the average industry experience of the committee was 12 years in June 2015 compared to 16 years in April 2014. In Fitch's opinion these changes increase reliance on the investment committee chair, who is also the group Chairman and CEO.</p>
Sustained, material staff turnover	<p>Sciens has experienced ongoing turnover of staff. Fitch estimates an annual turnover rate of 33% (based on a sample of 80 staff who joined or left the firm over the last five years), which it considers high. In 2014 and 2015 multiple senior staff departed the firm. Sciens has responded with some internal promotions and external new hires. Thirty-one members of Sciens's 100 staff were dedicated to FoHF and MAP activities in June 2015, down from 37 at end-December 2014 and a peak of 51 in December 2010.</p> <p>Fitch placed Sciens on RWN in February 2015 in response to staff turnover (see Fitch Places Sciens on Rating Watch Negative Following Material Staff Turnover, 9 February 2015). In resolving the RWN Fitch assessed the organisational structure and staffing resources supporting the investment process. Fitch resolved the RWN in July 2015 and downgraded Sciens to 'Good Standards' from 'High Standards'.</p> <p>The level of staffing resources and investor concentration (see above) effectively cap Sciens's rating at 'Good Standards'.</p>
Good alignment of interest	<p>Sciens employees have a market-competitive base salary and a discretionary bonus, which is not directly linked to fund performance for portfolio managers. A bonus is paid in three tranches per year. Employees may invest in the FoHF products, subject to the approval of the CEO and compliance officers. A long-term incentive plan for senior managers was implemented in 2012.</p> <p>Funds typically have a 10% performance fee, no hurdle rate with high water mark.</p>

Structure Diagram



Source: Sciens, as of 30 June 2015

Controls

High Standards

Overall Risk Control Framework

Enterprise-wide risk oversight by management; AIF and AIFMD manager launched in 2014

In Fitch's opinion, the overall control environment was strengthened in 2014 and 2015 YTD following the launch of an Irish Alternative Investment Fund and the registration of SGRS under the Alternative Investment Fund Management Directive. Specifically, this process required additional layers of regulatory reporting (and complexity) and the build-out of (already strong) compliance policies in-line with regulatory requirements. However, there was also turnover in the risk management team and among members of various control committees, which results in conservative scoring in some areas of Fitch's rating framework and ruled out an improvement in the score to 'Highest Standards' in the Controls category this year.

The investment committee reviews market and liquidity risks of the portfolios and includes reporting from and representation by SGRS. Sigma, which is the entity in charge of FoHF investment administration, has an operational risk committee, with the minutes reviewed by the Sigma board. The MAP does not have a risk committee; however, a dedicated committee oversees manager on-boarding.

SGRS, the dedicated risk management affiliate of four (down from five in 2014 following the departure of the co-head of risk) focuses on risk and statistical analysis. Its main duties are to screen and monitor hedge fund managers as well as to monitor, measure and report portfolio risks. This function is also responsible for data management, including the consolidation and clean-up of hedge fund and portfolio data, monitoring risk triggers and exposures and other quantitative modelling.

Sciens has a Chief Compliance Officer reporting to the group CEO and a dedicated compliance officer based in London.

Sciens does not have an internal audit function.

There is a formal separation of the MAP and FoHF parts of the business.

Embedded, system-based operational risk control

The good automated workflows and interfaces with third parties contribute to mitigating operational risk. FoHF order management is automated between SCL and Sigma. Instructions are then sent by Sigma using Sciens's core system to the fund administrator and/or custodian as appropriate with multiple layers of control ('four-eyes' principle). The MAP benefits from direct feeds from prime brokers and counterparties, thereby avoiding reliance on trading advisors.

Sciens has set up comprehensive risk controls parameters in its systems. For instance, the company tracks daily several thousand risk indicators, enforces compliance with hundreds of risk limits and monitors as many soft limits and warning limits. Risk tools automatically write the error status into an SQL error log database.

Procedures are documented, up to date and centralised. Escalation procedures are effective with a rapid notification to the board facilitated by the small size of the company.

There were no material errors in 2014 or 2015 to date.

Controls (Continued)
High Standards
Overall Risk Control Framework (Cont.)

Strong third party oversight	<p>FoHF administration is conducted independently by a number of administrators and custodians. The main administrator is Kleinwort Benson Fund Services (since 1994). The main custodian is ABN AMRO Guernsey. Service level agreements are in place with FoHF service providers and the performance of these is monitored by Sigma through key indicators and annual on-site reviews.</p> <p>SEI and SS&C Technologies Inc. provide sub-administrators' services to SGFS (NAV determinations, trade reconciliations and reporting).</p> <p>Sciens follows a rigorous on-boarding procedure to select trading advisors for the MAP. Sciens has implemented procedures to confirm that there are no potential impediments to the launch, ensure consistency and sustainability with the MAP and consider whether to approve or reject the managed account as a potential candidate for the MAP. The process is overseen by the on-boarding committee comprising senior management and representatives from operations, legal, due diligence and business development. The relationship is formalised in trading advisory agreements. Prime brokerage terms are agreed on a cell-by-cell basis. MAP service providers produce a monthly report to SGFS, which has been tailored by SGRS. The reporting is then discussed during a periodic oversight call with the service provider.</p>
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Control Framework

Board Meeting	<ul style="list-style-type: none"> • Sigma and SGFS - at least quarterly. SCL - as required • Oversight of reputation and business risks, assessment of control environment
Sigma Operational Risk	<ul style="list-style-type: none"> • Monthly • Consists of relevant Sigma, SCL and SGRS staff • Discusses all operational, legal and investment risk issues of Sigma's funds
Investment Committee	<ul style="list-style-type: none"> • Weekly • Review of portfolio investment and liquidity risk, approval of new funds (FoHF) and Trading Advisers (MAP)
Fund Boards (Sigma and MAP)	<ul style="list-style-type: none"> • Sigma funds - at least six monthly; MAP at least quarterly • Sigma funds generally have two independent directors; MAP has two independent directors
MAP On-Boarding Committee	<ul style="list-style-type: none"> • Monthly or as required • Reviews new MAP managers ahead of decision to on-board

Source: Fitch, Sciens

Controls (Continued)
High Standards
Compliance and Controls
Key controls well embedded

FoHF pre- and post-trade compliance checks, including fair allocation rules, are automated in Sciens' proprietary front-office system where all limits are coded. Exposure versus regulatory, legal or internal limits is monitored as part of a proprietary quantitative risk report on a monthly and quarterly basis for FoHF.

The execution of FoHF investment decisions is undertaken by Sigma, which has the autonomy to veto any of SCL's recommendations. Sigma reviews recommendations for consistency with strategy, clarity, liquidity impact, holding restrictions, the fund's prospectus and due diligence. This is done independently of Sciens' investment committee.

The respective trading advisors perform pre-trade compliance controls versus risk limits for the MAP. SGRS conducts post-trade compliance testing daily; it also calculates and monitors a wide range of metrics on a daily basis for the MAP. SGRS can monitor counterparty exposure across cells in the MAP (see *Technology* below).

The administrator independently obtains the underlying fund prices to produce NAVs for the FoHF, based on a valuation policy determined by Sigma. SGRS reviews and approves the NAVs on behalf of Sigma before they receive a final check in accordance with the administrator's internal policy. They are then signed off and distributed.

Investment Risk Management
Advanced quantitative market risk management

Fitch considers Sciens's investment risk management capabilities as strong, although there was turnover in the risk management team in 2014 with the departure of the co-head of risk and architect of the S.M.A.R.T. platform (see *Technology* below).

FoHF portfolio market risk is assessed quantitatively, based on the net asset value (NAV) of the underlying funds. SGRS calculates and monitors risk indicators, such as volatility, beta, risk contribution and value at risk (VAR) using proprietary analytics. It also conducts and reports periodic sensitivity analysis and other quantitative metrics.

Invested funds are closely monitored using formal risk triggers to identify material changes in AUM, style drift and abnormal fund performance. This includes performance against historical returns and versus peer funds, as represented by strategy indices. SGRS produces risk analysis systematically for each portfolio on a monthly basis and provides this to FoHF portfolio managers and investors.

Market risk management on the MAP is based on position-based VAR, sensitivities market parameters. Stress test and scenario analysis are conducted. Margin requirements, capital and risk concentrations, exposure by asset class and sectors are closely monitored. In total, around 300 metrics are calculated and monitored on a daily basis.

Good control of liquidity risk

The liquidity of underlying hedge funds is monitored monthly and reported to the IC on an aggregate basis to ensure it is consistent with liquidity offered to investors, given redemption forecasts.

Simulations are conducted to estimate the cost of a rapid liquidation and the fraction of the portfolio that could be liquidated within a certain timeframe.

Appropriate counterparty risk management

Sciens monitors counterparties daily through rating changes, CDS spreads and equity returns (where possible). Counterparty exposure is monitored around agreed limits. Over-the-counter (OTC) credit exposure is calculated based on current market value and risk-based add-on. Margin requirements and excess cash are monitored daily. Some of the MAP excess cash is unitised into a money market cell managed by JPMorgan.

Investments
Good Standards
Investment Resources
**Reduced investment staff;
number of invested hedge
funds largely unchanged**

The investment management, research and advisory team fell to four in June 2015 from six in April 2014 (33% reduction). Of these, Fitch would consider that two are dedicated investment analysts in 2015 compared with four in 2014 (50% reduction). The number of invested hedge funds has remained unchanged at around 40, although the total universe of hedge funds monitored fell to between 50 and 100 by June 2015 from 150-200 in April 2014. It had 29 cells on the MAP in June 2015, slightly down from June 2014 (12 new managers in 2014, four new in 2015 YTD).

John Rigas is the Chief Investment Officer and has 28 years' experience in the finance industry. Given the turnover, Fitch believes he plays a central role in the investment selection process.

Research analysts are responsible for manager due diligence and making recommendations to the investment committee.

Operational due diligence is the responsibility of two people — one in Sigma and one in New York — with support from the legal/risk teams and from third parties where specific expertise is required.

**Good access to
information; quality
research**

Sciens has good access to fund and markets data through feeds into a central database, allowing advanced quantitative risk analysis and reporting in the FoHFs.

The MAP set-up enables access to position-level information, provided by prime brokers and custodians in T+1. The FoHF can and does invest directly in cells on the MAP (32% of FoHF AUM). However, MAP and FoHF operations are strictly separated.

Fitch considers the investment research produced is good quality; however, it believes that the reduction in staff resources will cut the time that investment analysts can spend on research. Nonetheless, the research process is well supported by Sciens' sophisticated IT architecture.

Investments (Continued)

Good Standards

Investment Discipline

Disciplined, flexible investment process

The investment process is disciplined and well documented, based on a robust blend of fundamental and quantitative analysis. The process benefits from Sciens's strong technology platform and, more recently, a more targeted hedge fund manager search process. The combination of technological resources and a more focused investment process are an appropriate response to the reduction in investment resources; nonetheless, the number of investment staff has fallen materially between 2014 and 2015 while the number of invested managers is largely unchanged.

Sciens implements an iterative investment process, combining top-down tactical allocations with bottom-up manager selection (see diagram below). The process emphasises the maximisation of manager selection alpha (through more concentrated portfolios by number of managers) and the maximisation of downside protection (through more diversified and uncorrelated sources of risks/returns). Turnover in the FoHF portfolios is typically low at around 25%.

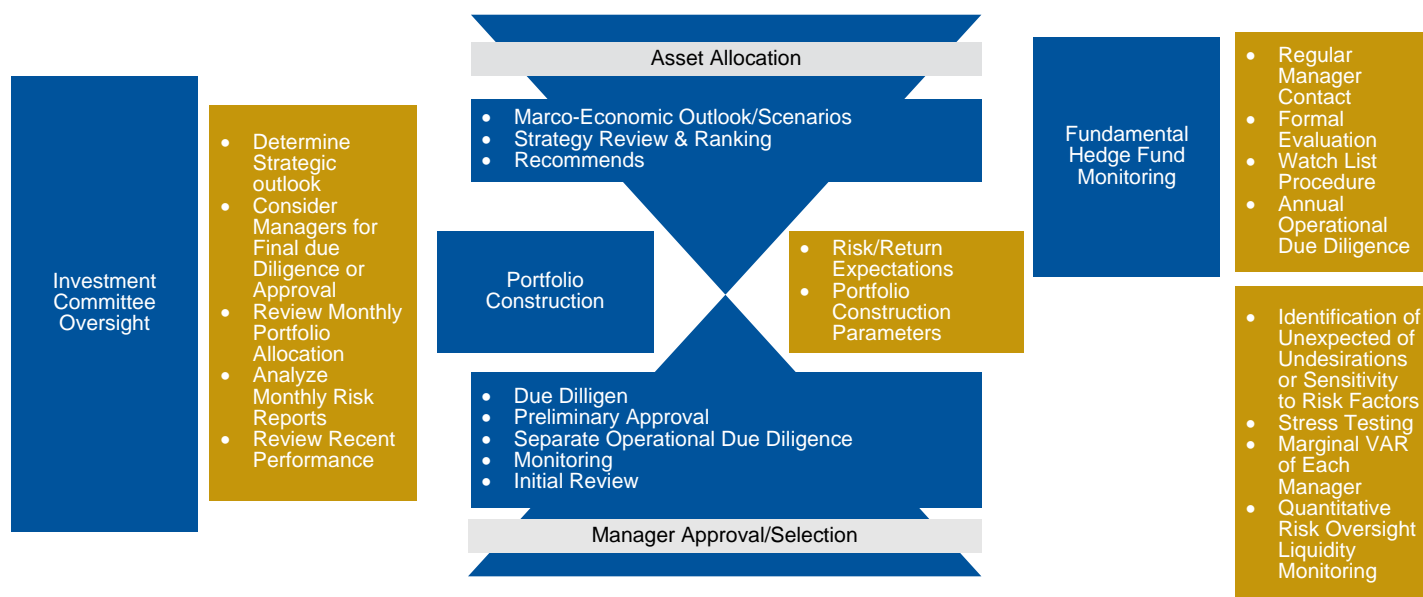
Decisions are taken at the weekly investment committee meetings, which sets guideline limits for strategic and tactical asset allocations, provides final approval for manager-recommended lists and reviews portfolio risk exposures.

Operational and legal due diligence, conducted both for the fund of funds and the MAP, covers all key risks and is documented in an appropriate manner. The process includes the review of a compulsory operational risk questionnaire, as well as a number of other requested documents and an on-site review.

Each FoHF invests in around 40 different hedge funds as of June 2015 (down from 40-45 in April 2014) with an additional 10 funds "on the bench" (compared with 20-30 previously).

The trading advisors used on the MAP are subject to a comprehensive due diligence review conducted by Sciens's risk, legal, operations and business development teams, prior to the appointment to the platform. The selection is documented in an on-boarding report.

Investment Process



Source: Sciens,Fitch

Operations

Highest Standards

Operational Procedures

Well-resourced operations teams

Sciens had a total of eight operational and administrative staff in June 2015, compared to nine in April 2014, covering both MAP and FoHF activities.

Most FoHF operations are delegated to Sigma, including cash management, relationship management with underlying fund registrars, reconciliations and currency hedging. Sigma is well equipped, with four full time staff, and process based on a proprietary application, SiMS (see *Technology* below).

Legal staff, who are responsible for fund structuring and the negotiation of legal documentation, number five in total, of which two are full-time and three are members of other Sciens group companies that can provide support as necessary.

High quality FoHF administration capabilities

A good level of straight-through processing between SCL and Sigma supports the fund administration workflows. SCL automatically submits recommendations to Sigma, which instructs administrators and/or custodians. Once due-diligence status, cash and overall consistency have been checked, an instruction is forwarded by Sigma using SiMS to the fund administrator and/or custodian as appropriate.

All residual cash positions are either placed on deposit with the custodian or in money-market funds by Sigma, which monitors and forecasts cash levels for up to three months, via SiMS. Currency management is the responsibility of Sigma, which prepares instructions on each valuation date. All active funds are systematically hedged against their base currency.

Strong MAP operating workflows

The MAP operating model is described in the diagram below. SGFS is the official manager and administrator for each cell; it has outsourced most administration activities (including pricing and valuations to independent third-party fund administrators through administration agreements.

Trading advisors are responsible for trade confirmation. Sub-administrators are responsible for trade reconciliation and NAV calculation. The operations team and sub-administrators instruct cash movements using restricted templates and dual sign-off.

Communication and Client Servicing

High quality, transparent and customisable reporting

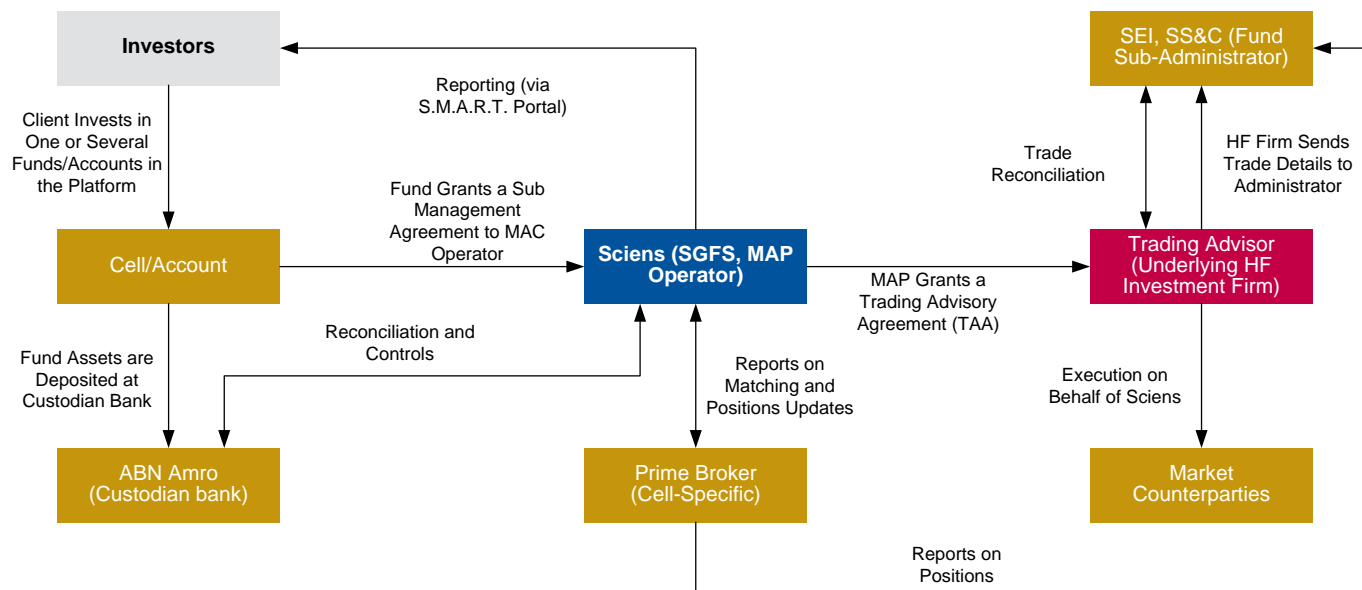
Investor relations are managed by two dedicated client services staff located in New York and London.

Monthly and quarterly investor reports are generated automatically from SiMS, which is also used as a customer relationship management (CRM) tool. Monthly factsheet reports are sent out to investors between the 15th and 20th day of the following month. Sciens' investor website is available to FoHF and MAP clients.

MAP investors have the ability to perform in-depth analysis of all cells, portfolio of client holdings in individual cells within MAP and portfolio simulation using S.M.A.R.T. – Sciens Managed Account Risk Technologies. SGRS provides bespoke risk analysis on request (to one external party as of June 2015).

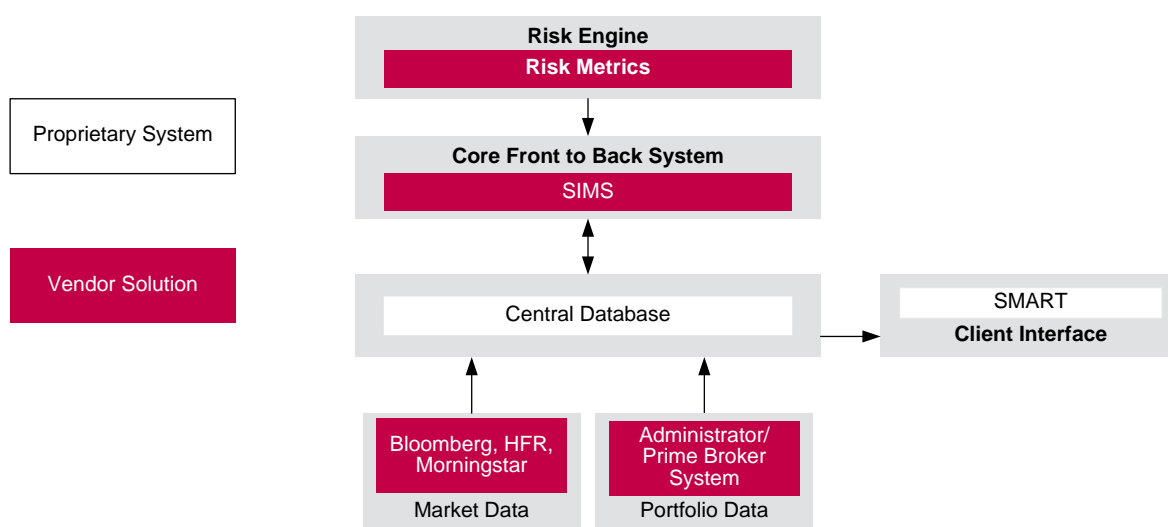
Sciens does not provide GIPS ® compliant performance reporting.

Sciens MAP Operating Model



Source: Fitch, Sciens

IT Map



Source: Sciens, Fitch

Technology

Highest Standards

IT Resources

Small in-house IT team	Sciens's in-house team consists of two IT professionals in charge of system maintenance and development. Data management and data integrity is the responsibility of SGRS, which added a full-time developer in 2014 (reporting both to SGRS and Sciens IT).
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Systems

State of the art, proprietary IT platform	<p>SiMS is a proprietary integrated web-based application, customised to Sciens' needs in research, portfolio management, front-office operational management and cash management. Risk analytics and portfolio management tools are all centralised in SiMS.</p> <p>As an enterprise-wide solution, SiMS supports MAP risk analysis functionalities, workflow management, underlying fund monitoring, portfolio management, reporting and risk control. Sciens uses RiskMetrics (routinely updated to the latest available version) as an enterprise-wide risk analytics. Salesforce is the main CRM system.</p> <p>S.M.A.R.T. is an interactive, web-based look-through engine allowing investors to perform in-depth analysis of all cells on the MAP (subject to authorisation controls), and monitor holdings. It comprises integrated share registry, holdings and risk statistics databases along with (position) reconciliation and risk management engines. It automatically monitors position limits and provides highly customisable reporting. S.M.A.R.T. also provides simulation and optimisation capabilities and offers a MAP-wide counterparty exposure monitoring tool.</p>
Superior data centralisation and system interface	<p>Data is centralised on a SQL database, which is fed by market data (automatically for Bloomberg, HFR, Morningstar), hedge fund prices (semi-automatically), portfolio valuations and cash flows (through STP).</p> <p>It consolidates the group's portfolio positions, NAVs and other information (due-diligence questionnaires, call reports and e-mail copies, for example) on hedge funds. Data collection, analysis and reporting are therefore facilitated by the central database.</p> <p>RiskMetrics, which is complemented by various add-ons, is also linked with SiMS.</p> <p>Sciens benefits from full system integration, due to a centralised infrastructure and an enterprise-wide, front-to-back office system.</p>

IT Security

Effective disaster recovery plan	Sciens has comprehensive, tested disaster recovery and business continuity plans, with daily back-up procedures and alternative emergency sites. Fitch considers the processes and practices in-place effective, following a satisfactory outcome of recent (scheduled, periodic) tests.
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