



August 2013

GUIDE To CISDM DATABASE

Overview

The Morningstar CISDM Database (formerly the MAR Database) is the oldest Hedge Fund and CTA database in the market. The Morningstar CISDM Database tracks the performance of hedge funds, commodity trading advisors, and managed futures funds. Tracking qualitative and quantitative information for more than 6000 hedge funds, funds of funds and CTAs since 1994, the Morningstar CISDM Database is highly recognized as a research tool by academics in their studies and in articles related to the hedge fund and CTA industries. In addition to 5000+ surviving funds, the Morningstar CISDM Database also includes a graveyard database of dead funds - which contains qualitative and quantitative information for over 13000 inactive hedge funds, funds of funds and CTAs.

No minimum asset requirements or audited financials are required to be included .The Morningstar CISDM database is divided into active/live funds and dead/defunct funds. If a fund stops reporting, then the fund is moved to the dead funds database. However, if a fund has some missing returns for previous months but continues to report its most recent performance, then the fund is kept in the live funds database and an attempt to fill the missing returns by contacting the manager is made.

The Morningstar CISDM database gives information about the returns and asset size, not the portfolio construction or asset allocation.



August 2013

The Morningstar CISDM Database Features

The Morningstar CISDM Database provides information for hedge funds, funds of funds and CTAs in Excel format of three separate clusters:

1. **Fund Information Cluster:** This cluster provides qualitative firm and/or fund details including manager name and history, fund category, fund domicile, registrations, firm total assets, inception date, base currency, management fee, performance fee and minimum purchase.
2. **Fund Returns Cluster:** This cluster provides monthly returns of active funds since their inception date. Each monthly return data is in fund's base currency and net of all fees.
 - o **Missing Return Flag:** Users have the ability to flag or filter out the funds with *unreported/ missing returns* between their inception dates and March 2013.
 - For the Return Cluster, returns will be set as **9999.9999** and **highlighted yellow** if it is unreported till March 2013 and missing in the Database.
 - Flag Description is as follows:
 - 0 – No missing return between inception date and December 2011
 - 1 – At least one unreported return between inception date and March 2013
3. **Fund Assets Cluster:** This cluster provides monthly net AUM of active funds since 1994. Each monthly net AUM data is in fund's base currency.



August 2013

THE MORNINGSTAR CISDM DATABASE - ACTIVE FUNDS		THE MORNINGSTAR CISDM DATABASE - DEAD FUNDS	
Hedge Funds	4090	Hedge Funds	5331
Fund of Funds	1936	Fund of Funds	3726
CTAs	460	CTAs	532
Unclassified	46	Unclassified	3514
TOTAL	6532	TOTAL	13103

HEDGE FUNDS BY STRATEGY CLASSIFICATION			FUND OF FUNDS BY STRATEGY CLASSIFICATION		
Equity Long - Short	2052	50.17%	Multistrategy	961	49.64%
Emerging Markets	270	6.60%	Single Strategy	615	31.77%
Multistrategy	322	7.87%	Macro/Systematic	205	10.59%
Fixed Income	73	1.78%	Relative Value	85	4.39%
Global Macro	203	4.96%	Event Driven	70	3.62%
Equity Market Neutral	112	2.74%	TOTAL	1936	100.00%
Event Driven	110	2.69%			
Merger Arbitrage	34	0.83%			
Distressed Securities	82	2.00%			
Equity Long-Only	148	3.62%			
Convertible Arbitrage	86	2.10%			
Other	598	14.62%			
TOTAL	4090	100.00%			

CTAs BY STRATEGY CLASSIFICATION		
Systematic	413	89.78%
Currency	47	10.22%
TOTAL	460	100.00%



August 2013

Field Descriptions

Firm Name:

The full name legal name of the management company

Registration Company:

This section is used by the management company to indicate under what regulatory bodies is the manager registered and what specific registrations they are operating under.

Company Inception Date:

The date of incorporation (or formation) of the management company

Company AUM, Date, Currency:

This should be the total assets under management that the company is currently managing.

This should include all funds, including traditional asset classes, funds, managed accounts, etc.

The date should be the actual date on which the measurement is based and the currency should be the currency of the reported number.

Fund Name:

The legal name of the fund that is being input into the database. This should also include the class or the series if the fund has more than one class or series.

SecId:

The unique identifier for each fund.

Morningstar Category:

Indicate whether the fund is a Hedge Fund, a Fund of Funds, a Commodity Trading Advisor or a Commodity Pool Operator

Domicile:



August 2013

Indicates the country of registration of the fund. If the fund is a US registered fund, should also indicate what state or jurisdiction the fund is registered in.

Inception Date:

That date that the fund was started. This is not the date that the first investment was made into the fund.

Fund Legal Structure (Ltd, LLC, etc.):

Indicates the legal structure of the fund

Firm Total Assets:

Indicates the total assets of the fund.

Holding of an Investment:

Indicates whether a firm is holding an investment or not.

Offshore Vehicle:

Indicates if the current fund is an offshore vehicle.

Current Capacity (MM):

The manager's self-determined capacity of the fund. This indicates at what asset level the manager would expect to close the fund to additional investment.

Auditor:

The auditor for the fund.

Administrator:

This should be the primary administrator for the fund.

Prime Broker:

The prime brokers for the fund.

Legal Counsel:

The legal counsel for the fund.

Custodian:

The custodian for the fund.



August 2013

Base Currency:

The currency that the fund is denominated in.

Leverage Ratio:

Indicates the leverage ratio for the fund.

ISIN:

International Securities Number assigned to each fund to comply with ISO standards.

Commodity Pool Operator:

Indicates whether a fund operates in commodities or not.

Commodity Trading Advisor:

Indicates if the fund is a CTA or not.

Exchange:

If the fund is listed on an exchange, what exchange it is listed on.

Minimum Purchase:

Indicates the minimum purchase amount that the fund requires from any individual investor in the fund.

Subsequent Investment Frequency:

The frequency in which the manager will accept investment. This is typically monthly or quarterly.

Redemption Frequency:

The frequency in which the manager will allow redemptions from the fund. This is typically monthly, quarterly, semi-annually or annually.

Lockup Months:

This indicates if a fund has a lock up period. For example, a fund may have a 1 year lock-up period during which an investor may not redeem monies from the fund.

Redemption Fee:



August 2013

Some funds will impose an early redemption fee such that an investor redeeming monies within a certain time period (typically 1 – 2 years) may be subject to a fee. The amount of that fee is indicated here.

Management Fee % (Annual):

The annual management fee that the fund is charged by the investment manager.

Performance Fee % (Annual):

The annual incentive compensation that the fund manager will receive on new profits.

Claw Back:

It is a provision to refund investment under special circumstances.

Hurdle Rate:

The amount of the hurdle rate that must be exceeded in order to collect incentive fee. Typically, a fund will only collect incentive compensation on profits that exceed the hurdle rate.

High Water Mark:

Whether the fund employs a high water mark philosophy when calculating new profits. For example, a fund that does use a high water mark will calculate incentive fees once any losses are made up. If a fund ends a year at a loss of 5%, and in June of the following year the fund earns 6% year-to-date, a fund employing a high water mark would only calculate incentive fees on the 1%, but if the fund does not use a high watermark philosophy, the fund manager would calculate their incentive fee on the full 6% profits.

Investor Reports:

The frequency that the manager of the fund releases data to the funds investors.

Initial Payout (%):

Indicates the initial payout percentage.

Final Payout (%):

Indicates the target final payout percentage.



August 2013

Uses Leverage:

Indicates whether the fund employs leverage when trading various instrument classes

Leverage with futures:

Indicates whether the fund invests in futures contracts

Leverage with Other Derivatives:

Indicates whether the fund invests in other derivative instruments such as swaps

Leverage with Margin Borrowing:

Whether the fund borrows on margin at its prime brokerage accounts

Leverage with Bank Credit:

Whether the fund utilizes bank credit lines to provide either leverage or liquidity

Maximum Leverage Allowed:

What the maximum gross leverage that the fund will ever apply.

Average Leverage:

Although the fund may be mandated to employ high leverage ratios, this is the actual historic average that the fund has employed.

Country Available for Sale:

Indicates what specific geographical areas the fund focuses its investments in.

AUM:

The historical AUM of the fund.

RETURNS:

The historical returns of the fund.

NAV:

The historical net asset value (NAV) of the fund.



August 2013

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