

Platform conversion and middle/back office takeover

Background

- New York based manager with \$3.5 billion AUM
- Strategies include long/short credit, long/short equity, multi-strategy
- Multiple funds across various structures—master/feeder, ERISA fund, managed accounts, and CLOs
- Trades globally across debt, equities, derivatives, convertible bonds and loans
- High trade volume with large number of positions
- Multiple prime broker and counterparty relationships
- Multiple fund administrators
- Maintained a proprietary in-house system over ten years

Client Snapshot:

AUM: \$3.5 billion

Location: New York, NY

Strategies: Long/short Credit, Long/short Equity, Multi-strategy

Asset classes: Debt, Equities, Derivatives, Convertible Bonds, Loans

Trading region: Global

Prime brokers: Credit Suisse, Deutsche Bank, JP Morgan, Morgan Stanley

Fund Administrators: Citco, Deutsche Bank, IFS

Objectives

- Mitigate business and operational risks created by in-house system including:
 - Lack of visibility into operational roles
 - Key-man risk around technology ownership and support
 - Lack of automation
 - Increased complexity resulting from disparate systems, processes, and personnel
- Outsource core operational functions to a strategic partner
- Achieve institutional grade platform by leveraging Viteos' framework
- Enhance process efficiency
- Create scalable cost structure
- Close offshore operations and align New York team to focus on value-centric functions

Solution

- Design, customize, and implement Advent Geneva® and Markit WSO® with point-in-time conversion
- EOD transmission of positions to in-house risk system
- Conduct testing to ensure data transmission between Viteos and client systems
- Manage complete post-trade life cycle including trade booking, reference master setup/maintenance, pricing, corporate actions and non-trade activity processing
- Support loan closing and processing
- Perform middle-office functions—trade confirmations, affirmations, settlements, and break resolution
- Handle complete collateral management including accepting/challenging counterparties and wire processing
- Daily reconciliations covering prime brokers and counterparties
- Prepare independent NAV computation, economic allocations, and reconciliation to administrator
- Produce daily reporting including profit/loss, cash projections, and corporate action projections