

Capital Markets CIO Outlook

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Top 10 Hedge Fund Technology Solution Providers - 2019

As competition heightens in the hedge fund landscape, organizations are proactively implementing the latest tech developments in the industry to obtain greater chances of success. By developing target-operating models and redefining the roles of their employees, organizations are revamping their existing functionalities to reach their set goals. Besides creating plans to hit their targeted mark, organizations are enhancing their scalability, and specializing their operations along with restructuring the processes in order to generate economic value.

While cognitive technologies are making an entry into the field, AI innovation is doing its part by assisting in generating trades autonomously without relying on a data scientist for aid. As new technologies come into prominence, hedge companies will be able to trade stocks without any

more human intervention. Integrated with AI and machine learning, platforms offering innovative risk management and compliance solutions are helping organizations in tackling complex regulatory and compliance challenges by proactively identifying the risks and managing them immediately.

In an effort to help decision-makers assess the activities of investors as well as understand their prospective clients, a panel of prominent CEOs, CIOs, VCs, analysts, along with the Capital Markets CIO Outlook editorial board has assessed scores of hedge fund technology solution providers and picked out a list of prime choices. We have considered the vendor's offerings, core competencies, milestones and other capabilities that cater to the requirements of a hedge fund organization.

We present to you Capital Markets CIO Outlook's "Top 10 Hedge Fund Technology Solution Providers - 2019."

Arcesium

recognized by  magazine as

TOP 10
HEDGE FUND TECHNOLOGY
SOLUTION PROVIDERS - 2019

*An annual listing of 10 companies that are at the forefront of providing
Hedge Fund Technology Solutions and transforming businesses*

Company:
Arcesium

Description:
Arcesium provides comprehensive and fully-integrated technology products and solutions designed to solve the most complex post-trade challenges of asset managers

Key Person:
Gaurav Suri
CEO
David Nable
Managing Director & Head
of Commercial Strategy

Website:
arcesium.com

Arcesium

A Modular Approach to Post-Trade

An ace in solving post-trade challenges for asset managers, Arcesium's comprehensive and fully integrated platform brings efficiency to treasury, reconciliation, accounting, and enterprise data management teams. Now a suite of modular technology solutions makes discrete parts of the platform more broadly accessible to meet a demand in the marketplace for targeted solutions. "Our modular offerings use the best-in-class technology of our full platform and are designed to act parallel to our mainstream business offerings. These will be the go-to solutions for clients looking to improve their existing processes without adding headcount or undertaking a legacy system overhaul," says David Nable, managing director and head of commercial strategy at Arcesium.

Born in 2015 out of the D. E. Shaw group, one of the world's leading asset managers, Arcesium provides comprehensive and flexible middle- and back-office solutions for sophisticated asset managers and currently supports more than \$100 billion in client assets. Arcesium's modular offering, launched in Q1 2019, comprises products and solutions for reconciliation, treasury, swaps management, and data warehousing and management that were previously only available as part of a full-platform implementation. "Our solution is a series of rapidly deployed, highly configurable modular components that easily integrate with one another and with other client systems," explains Nable. The key solution is Financial Data Stack, a series of tools developed to provide asset managers with the ability to master, store, and distribute relevant data sets in order to make critical business decisions from a single source of truth. Once implemented, a single source of truth for data can be relied upon throughout a manager's entire ecosystem, including trading, portfolio management, risk, accounting, and reconciliation systems.

While discussing the integration process of Arcesium's solution with existing systems, Nable draws an analogy: "Have you ever thought about the underlying technology of the

Uber app while hailing a cab? In a nutshell, Uber connects to GoogleMaps and various payment portals." Now, these are the services of different vendors and Uber connects with them through an amalgamation of APIs. He explains, "Arcesium uses modern APIs to connect different systems in our technologies, designed to create a golden record of financial data for the client."

Arcesium has performed reconciliation for several years as part of their broader client engagements. But presently, they are offering the Reconciliation solution as a standalone module to managers who want to automate reconciliation but maintain control and oversight over the whole process. The modular Reconciliation solution provides flexible deployment options in the form of cloud-based technology, operational outsourcing agreements, and software-as-a-service to support the operation of the most complex asset classes at a massive scale. Alongside, the Reconciliation solution empowers clients with real-time transparency into the entire workflow.

In response to the market gap created by information asymmetry, Arcesium has developed the Treasury Suite. This toolkit is designed to empower fund managers to optimize funding decisions across their prime brokers, swap counterparties, and others. It creates a transparent view of complex margins and financial agreements, which is designed to allow clients to manage exposure, fund sources, supervise counterparties, evaluate and yield investment enhancement opportunities, and automate collateral management processes.

Similarly, the asset-class-specific Swaps Management solution is exclusively designed to simplify the post-trade lifecycle and scale swap operations. Engineered as a highly automated proprietary tool to model complex swap instruments, it scales high volume data, new bespoke types of contracts and structures, as well as third-party terms to bring precision to complex swaps portfolios.

Backed by vigorous research and years of rich experience in asset management, Arcesium announced the launch of these modular products in February 2019. At launch, Arcesium already had several pilot clients live on the platforms. **CM**



David Nable