



Investment Management Solutions

Client Case Study – Belay Partners

“Broadridge’s unique combined order management and portfolio management system is all that we need to support the entire workflow of our firm”

-Andrew Wall, COO, Belay Partners

Profile

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Introduction

Belay Partners is a London-based, European long/short fund that launched in December 2009. This high-profile start-up was co-founded by Daoud Zekrya, a former partner at Marshall Wace Asset Management, and Harry Tyser, a former New Star Asset Management veteran who managed the firm’s Firefly hedge fund.

The Belay Fund is made up of two sub-books, one that is tactical and short-term in nature, and the other that is driven by a more fundamental, and long-term approach. The firm’s two portfolio managers manage these sub-books autonomously but share a process-driven method for allocating and managing risk known as “The Belay System”. The fund invests in European equities, FX, futures and CFDs, is primed at both Credit Suisse and Morgan Stanley, and is administered by Daiwa Fund Services.

“We gave considerable thought to the solution that would support our firm,” explained Andrew Wall, COO of Belay Partners. “We came up with four distinct requirements that we were unwilling to compromise on: 1/ we wanted one flexible integrated solution; 2/ the solution had to require minimal IT resources; 3/ we demanded outstanding support; and 4/ the solution had to offer the lowest total cost of ownership of possible. In the end Broadridge turned out to be the only provider that could fully satisfy us across all of these requirements.”

Background

Belay was a start-up with a sophisticated internal structure and limited IT resources. They had four key requirements for their front- to back-office technology:

1. One flexible integrated solution
2. Limited IT resource requirement
3. Outstanding support
4. Lowest total cost of ownership

One Flexible Integrated Solution

Belay wanted one flexible system that could handle all the core business activities of their front-, middle-, and back-office. “The Belay System” meant that a real-time understanding of P&L and risk exposure within the two separate sub-books was vital.

“From the beginning we knew that we wanted one all encompassing solution, one that would also offer us complete flexibility,” explained Mr. Wall, “Our vision was to empower our two portfolio managers so that they would have the ability to see in real-time their sub-book’s complete P&L and exposure, and if need be, react instantly by right-clicking and sending their orders directly for execution via DMA. My past experience with other systems was that legacy programing issues prevented many solutions from offering this level of flexibility. These systems hamstrung their users and forced them into costly customizations or required them to build elaborate spreadsheets outside of their core systems.

Solution

The solution includes Broadridge’s Portfolio Master and Analytics Master, leveraging Hosted Services.

What intrigued us initially about Broadridge was their state- of-the-art approach that combined order management and portfolio management onto one integrated platform. This approach has provided us with complete flexibility.” Belay utilizes Broadridge’s combined order management and portfolio management, Portfolio Master, for electronic trading and order management including two-way FIX connections to various EMS platforms and brokers, pre- / post-trade compliance, real-time P&L monitoring, portfolio management, reference data management, pricing, and NAV reporting. Belay has also implemented Analytics Master for automated reconciliation to its prime brokers and fund administrator as well as for customized, firm-wide reporting.

Benefits

- One integrated solution that combines order management and portfolio management to support the entire workflow of the front-, middle-, and back-office
- Significantly reduced operating cost by leveraging Broadridge's hosted ASP deployment solution
- Flexible real-time views of firm- wide P&L and risk
- Complete solution that empowers portfolio managers to place their own trades
- Technology path for the future with seamless access to the Broadridge's network

Minimal IT Resource Requirement

A key selling point for Belay was Broadridge's ability to host the entire solution with Broadridge's industry-leading application service provider offering, Hosted Services. "As a start-up fund our priorities must obviously be focused on returns and gathering assets," commented Mr. Wall, "What was so appealing about Broadridge's Hosted Services was its ability to get us up and running quickly, and the fact that we did not need to commit resources to ongoing hardware and software support. A further consideration was that with Hosted Services we now had options for the future - depending on how Belay evolves we can now simply plug into the Broadridge's network which offers us a whole host of leading software, data, and connectivity options."

Broadridge's Hosted Services includes a fully managed IT service, 24x7 technical and product support, hardware, product upgrades and quality assurance, and mirrored ("hot site") disaster recovery.

Outstanding Support

Besides the need for a fully hosted integrated solution Belay Partners also demanded outstanding support. "We have many years of experience in this industry and we were all too aware that technology without adequate support was a recipe for disaster," said Mr. Wall, "We could not afford issues that would distract us from our primary mission of generating alpha. To date we have found Broadridge's support to be second to none. In fact we have not been able to come up with something that Broadridge has not been able to deliver. Their understanding of how hedge funds operate, and particularly their knowledge of the intricacies of European markets really allowed them to customize the solution according to the wishes of our portfolio managers. The quality of their support personnel makes it clear to me that Broadridge has made a significant commitment to become a leader here in Europe."

Lowest Total Cost of Ownership

Portfolio Master deployed via Hosted Services offers the lowest total cost of ownership for hedge funds. "Our philosophy is that while we are still growing the firm we need to be particularly conscious of cost," commented Mr. Wall, "Broadridge's hosted integrated solution provides us with a lower total cost of ownership than we would have been able to achieve elsewhere. The savings generated not only relate to hosting the solution but also because the integrated nature of Portfolio Master just requires less resources."

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