



CQS Streamlines Operations and Achieves Success with SunGard's Front Arena and Monis

PROFILE

Client: CQS

<http://www.cqs.ch/>

Description: CQS is a global multi-strategy asset management firm with a strong long-term track record of performance in its absolute return strategies.

BUSINESS CHALLENGE

Improve operational efficiency on a global scale whilst increasing insight into risk exposure.

SOLUTION

SunGard's Front Arena

- Real-time portfolio management, operations and risk.

SunGard's Monis

- Analysis and modeling, pricing, trading and portfolio management solutions for convertible bonds.

The Company

CQS is a US\$10bn global multi-strategy asset management firm established in 1999, with over 200 staff worldwide. The firm has a strong long-term track record of performance in its absolute return strategies. CQS' investment process is based on fundamental bottom-up research and it has experienced portfolio management teams located in key financial centres. Its robust operational platform provides a strong liquidity management and risk monitoring capability enabling effective management of client portfolios.

CQS' success is a result of detailed fundamental analysis, combined with use of models and a deep understanding of derivative markets. At the core of its approach to alpha generation are shared team-generated market insights and adjacent portfolio management and trading skills.

The Challenge

CQS needed a solution that could help improve its operational efficiency on a global scale. Investing in a wide range of markets and asset classes, CQS required a sophisticated portfolio management solution which could handle its multiple investment strategies, including global convertible and equity arbitrage, directional and relative value strategies, and Asian convertible and credit/long short strategies.

CQS wanted to increase its insight into its desk-level and firm-wide exposure, and was looking for a solution that could provide it with real-time P&L and risk management across its multi strategy funds. The solution needed to be flexible, with the ability to integrate into CQS' back-office system, and provide the option to integrate the solution to prime brokers.

Importantly, CQS wanted a stable and proven solution that it could depend on for the years to come.

"SunGard's Front Arena and Monis were chosen independently by CQS as the market leaders in their own right. The seamless integration between the two solutions provides our traders with a complete view of cross-asset portfolio risk in one platform."

Marc Biggs, Head of applications, CQS



SUNGARD'S FRONT ARENA AND MONIS

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The Solution

CQS selected SunGard's Front Arena and Monis to provide it with a single system to handle all its portfolio management requirements. The solution seamlessly integrates with its back-office system, helping to streamline CQS' operational efficiency.

SunGard's Front Arena is a robust cross-asset solution for portfolio management, operations and risk. Front Arena's real-time risk management provides CQS with immediate updates on its exposures, current risk measures and P&L. Trades can be modeled and executed quickly, enabling traders to act instantly to market events or changing conditions. CQS use Front Arena for securities and derivatives processing, pricing and trade capture. Its customizable reports help CQS' middle-office staff to view and manage portfolios, trades, P&L and cash from the highest level and drill down to the lowest levels in real-time.

SunGard's Monis, the specialist solution for convertible bonds, is integrated into Front Arena to help CQS price, trade and hedge its convertible bond portfolios. The analytics provided by Monis and coverage of the wide range of instruments needed to hedge and leverage convertibles, help CQS manage its positions accurately and efficiently. Monis' comprehensive search functionality enables CQS to set up customized watch lists that search for required terms and conditions, helping to identify trading opportunities in real-time.

Success

Awarded the 'Best performing in-house fund of hedge funds' award at the Ninth European Fund of Hedge Fund Awards 2010 for its CQS Diversified Fund and EuroHedge's 2010 'Fund of the Year' award for the CQS Directional Opportunities Fund, CQS has performed well throughout difficult market conditions, during and following the financial crisis.

Tim Green, chief operating officer of SunGard's Alternative Investment business said, 'CQS are a valued and long-standing customer of SunGard's Front Arena and Monis. In today's market environment, our customers have benefitted from having a robust solution in place from a stable vendor. The flexibility of SunGard's solutions has enabled them to evolve and adapt with CQS as they have grown over the years, and has further strengthened our relationship with CQS.'

Front Arena and Monis have also been successfully integrated at a substantial amount of prime brokers over the course of the business relationship.

As the expectations of today's investors become increasingly demanding, the SunGard solution will ensure CQS remains transparent with regards to their portfolio risk, and continue to help the firm satisfy the needs of their stakeholders.



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