



IT Resources on Demand – An Abacus Private Cloud Framework

767 3rd Avenue
New York, NY
Phone: (646)-808-0200
www.abacusgroupllc.com

Overview

A Chief Operating Officer and Head Trader were tasked with building out the infrastructure for their new quantitative hedge fund. Both of them had been employees of a very large multi-billion dollar investment management firm.

Their challenge was twofold. First, architect an environment that would run multiple applications concurrently with their proprietary algorithms to effectively assist them with making the proper investment decisions. The system would have to be able to store and process up to 10 Terabytes of active data, with the capability of adding several new Terabytes of data on-the-fly. Further, their systems would need to be connected to multiple real-time pricing feeds, FIX connections, news feeds, multiple prime brokers, fund administrators; as well as an internal CRM system for operational purposes. Secondly, they would need to develop this quantitative platform without having to hire an internal IT staff and/or spend millions dollars on infrastructure.

Their solution -- hire the Abacus Group to build and manage a Private Cloud environment for the firm's quantitative platform.

The Deployment Process

Abacus met with the client to determine their immediate needs to deploy and test the fund's applications, models and data. Within a few days, Abacus was able to deliver the fund an environment which contained multiple instances of Windows and SQL servers for them to migrate their quantitative platform onto. Initially, Abacus provided them with up to 50 processor core's, 500GB of RAM, and One Terabyte (TB) of storage capacity. All of the technology resources were being managed out of Abacus's Mirrored Data Centers, such that all of the data and applications were replicated to different geographical regions for High Availability and Disaster Recovery purposes. Within, one week of their initial meeting with Abacus, the fund had deployed the initial instance of their quantitative platform. After the deployment, the portfolio managers began to increase the number of data feeds into the platform, and quickly reached the 1 Terabyte of data initially allocated. Abacus's personnel monitored the funds resource usage on a daily basis, and made them aware of current utilization levels. As the fund began to reach capacity, Abacus deployed more storage capacity on-the-fly to ensure the performance of their quantitative platform would not be compromised at any time.

After one month on the Abacus platform, the fund wanted to add more research and execution applications which required additional instances of SQL as well as the associated processors and memory. Abacus was able to deploy these resources within 1 hour of the request.

Upon launch, the fund was running multiple applications on top of a data store of 10 Terabytes of data. Realizing the benefit of Abacus's hosted platform, they asked Abacus to take over all of their email, BlackBerry, file and Citrix connectivity services, which they had been using through an out-sourced provider who sells these services to small and medium businesses. Abacus migrated all of these services on a Friday evening, after the market closed.

At the launch of the fund, all of the firm's technology was being run out of Abacus's Production Data Center, and replicated to another Abacus Data Center across the country for Disaster Recovery purposes. Further, Abacus provided the fund with all of the necessary documentation for their investor DDQ, as well as made themselves available for calls/meetings with prospective investors during the due diligence process.

The Benefit

The principal benefits to the fund were:

- 1) Speed of Deployment
- 2) Cost Savings on Hardware
- 3) Cost Savings on Staffing

Historically, the fund would have had to procure a significant amount of hardware which could have taken multiple months to deploy. Abacus shortened this timeline from months to days. Further, the cost to build this platform was estimated to be 10% of what they would have paid if they decided to build this internally and hire the IT staff to manage. Further, as the fund grows and the number of securities they will trade increases, Abacus can deploy required resources on the fly. Thus eliminating the need to buy additional hardware and/or change the IT architecture as they grow.

There were several other benefits;

Data/Communications Room Cost Savings - The fund did not have to build a dedicated technology communications room in their office. This additional real estate, along with the associated power and cooling can be very expensive. With Abacus, the need for a robust technology communications room was eliminated.

Portability for Future Office Move- A further benefit to the fund was with the fact they were growing quickly and will have to move to new office space within the next 12 months. With the Abacus platform, all of their technology is run out of multiple data centers; thus, eliminating the need to move equipment, circuits as well as procure project managers and hands-on resources to complete the move.

Hedge Fund Technology & Operations Experience - The Portfolio Manager and Traders of the firm can now lean on multiple personnel at Abacus for IT support. The Abacus team is comprised of senior IT individuals in multiple cities in the US, whom collectively have experience across all aspects of hedge fund technology and operations. Whether, it is questions on Connectivity to an Order Management System, integration with Prime Brokers or Fund Administrators, SQL requirements for industry applications, or even standard desktop support, Abacus provided the resources to help.

About The Abacus Group

The Abacus Group is an IT Solutions firm focused on helping hedge funds and private equity funds deploy and manage hosted IT solutions. Our objective is to provide investment managers and technology executives with solutions to improve their IT service experience. Abacus has developed a scalable, redundant and highly available IT platform to allow investment managers to run all of their technology as a service. The days of purchasing new hardware every few years are over. Abacus manages mirrored data centers throughout the US and provides cost effective and efficient solutions to firms who require redundancy, high availability and disaster recovery. Firms connect to their IT applications and data through high speed circuits with minimal onsite equipment.