



# Managing Billions from the Cloud – A Large Hedge Fund Utilizes Abacus

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## Overview

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A Chief Financial Officer of a \$3B hedge fund was tasked with moving the fund's IT services away from their current IT provider whom was a division of their Prime Broker. When the fund was founded 10 years ago, they moved into a co-location facility offered to them by their Prime Broker. This is a typical service offered by some Prime Brokers to newer hedge funds, so they do not have to sign a long-term office lease or spend capital on infrastructure. In this instance, as the hedge fund grew their assets and operations to more than 30 people and \$3B in assets, they moved to their own office, and now wanted to move IT services away from the Prime Broker.

## The Process

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The fund hired an external consultant to evaluate the various options available to them. Through this process, they looked at the cost and time line to build the infrastructure and manage it themselves. They quickly determined this was not the optimal solution as it would require a significant amount of capital to procure hardware, and extensive resources to manage the build-out and on-going maintenance. They looked at various methods of hosting their technology services. One was to hire a large IT service provider such as Rackspace (RAX) or Internap (INAP) to provide them with managed servers on which they could host their infrastructure. The other was to hire Abacus to implement and manage their entire infrastructure.

They decided to hire Abacus to utilize the company's mirrored data centers on both sides of the country for High Availability and Disaster Recovery. Further, Abacus's domain experience with hedge fund applications and investment managers assured them that the hosted management of their Proprietary Research/Pricing/Performance System , as well as their Order Management System and all of their FIX connections would be proactively monitored and managed. Lastly, utilizing Abacus's personnel, all of whom have extensive experience working with hedge funds, gave them confidence that their service levels would meet or exceed expectations.

## The Deployment

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Abacus met with the hedge fund to understand their specific needs and requirements. Abacus outlined specific details with respect to all of their applications, databases, circuits, pricing feeds, FIX connections, and integration points required with other third party providers (Prime Brokers and Fund Administrators). From this meeting Abacus produced a detailed project plan and timeline, which commenced two weeks from the initial meeting with the fund.

Abacus outlined a one-week project plan to completely migrate the fund away from the Prime Brokerage's IT Services and onto the Abacus platform. Abacus created the required servers in their Production and Disaster Recovery Data Centers on the first day of the project. Abacus's large scale infrastructure in multiple Tier III Data Centers allows them to deploy required resources rapidly.

Once the environment was created, Abacus then began to coordinate with the fund's third parties who required changes/updates to the connectivity and IP address schemes to facilitate the

transition. Lastly, Abacus recommended the fund replace a number of their current user's PC's which were out of warranty. Abacus facilitated the PC orders with market leading Value Added Resellers to ensure the fund received high-quality equipment at a fair price.

Within one week of the initial meeting, all the new PC's were delivered, the environment in the Production and Disaster Recovery Data Centers were created and all third parties were made aware of the details and requirements for updating connectivity and IP configurations. Abacus then began the migration process.

On a Friday evening, Abacus re-pointed all the funds active connections away from the current provider and into the Abacus Production Data Center. These connections included all routing for e-mail, message archiving, pricing feeds, FIX connections, and FTP connections to their Prime Brokers and Fund Administrators. Concurrently, Abacus migrated all historical files, data, e-mail, securities positions and historical transactions over to the Abacus platform. Abacus personnel then began the re-configuration of all user PC's to the new Abacus environment.

On Saturday, the replication of all services was completed. Abacus, then began testing of all services to ensure all users would log-in and utilize all of the fund's IT services in an identical manner to how they had been set-up, prior to the migration.

The fund and all of the users went live on the Abacus platform on Monday.

## The Benefit

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Through moving to the Abacus platform, the fund was able to achieve their objective of migrating IT services away for their existing provider. Through utilizing the Abacus Hosted Services and Team, the fund was able to accomplish the following:

**Cost Savings** – Other than procuring new PC's for some of the users, the fund did not have to buy and hardware or software for the deployment. They calculated this savings to be several hundred thousand dollars.

**Speed of Deployment**– Abacus was able to move the fund to their new environment within weeks of the fund making their decision. This saved the fund time and resources versus if they were to engage in a large scale build-out which could take several months.

**Scale** – As the fund grows their business, and requires additional IT resources for new applications and data, they will be able to do so quickly and cost effectively when required.

**Experience** – The fund was able to leverage the experience of the Abacus Team, whom collectively have managed several hundred IT projects for hedge funds. This domain expertise allowed the fund to ensure their investors that they were utilizing industry best practices to manage and grow their business.

## About The Abacus Group

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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 whom require redundancy, high availability and disaster recovery. Firms connect to their IT applications and data through high speed circuits with minimal onsite equipment.