

Managed services help hedge funds enhance efficiencies, grow firms

With the sector facing various pressures, including limited resources, cost constraints, operational challenges, and heightened investor scrutiny, Elizabeth Desino, director of APAC Client Service at SS&C Eze, explains how SS&C's services and technology are helping managers thrive.

A global pandemic, resource limitations, including the loss of in-house operations experts, and growing investor scrutiny are just some of the challenges the hedge fund sector has faced over the last year. These obstacles have contributed to the already growing number of firms turning to managed service solutions for support.

SS&C provides solutions to help global asset managers transform their investment processes, optimise operations, generate alpha, and grow their businesses.

SS&C Eze is focused on helping more than 1,900 clients worldwide maximise efficiencies across trade order management, execution, compliance, commission management, portfolio accounting, and investor accounting.

Last year, cloud-native investment solution Eze Eclipse was named Best Cloud Tech Provider – Public at the HFM Asia Services Awards for its flexibility, scalability, reliability, and continued ability to serve the investment management community with unmatched client service and product innovation.

Elizabeth Desino, SS&C Eze's Hong Kong-based director of client service, explains the benefits of turning to a managed service provider in these

challenging times, and sets out how SS&C continues to innovate to help money managers improve efficiencies and scale their firms in the year ahead.

What are the main challenges driving hedge funds to adopt managed services over the past year?

COVID-19 has been a catalyst for attrition and the limited availability of experienced human capital.

Over the past two years, some hedge funds have had difficulty launching – getting a license and securing the funding they need, as well as building up an operations team. For leaner teams, managed services are one way to extend their capacity and capabilities.

For funds of any stage, high turnover of operations professionals, coupled with fee pressure and cost constraints, are driving the need to operate more effectively. Offloading operational tasks to a managed service provider offers an alternative to hiring in-house, lowering costs, streamlining operations, and increasing efficiency.

What are the benefits of a managed service provider for a hedge fund manager? What should they look for in a provider?

In addition to operational efficiency and cost benefits, scalability and the ability to seamlessly manage growth or expansion without new fixed costs is a key benefit hedge funds find in leveraging a managed service provider. By utilizing managed services, they can offload large chunks of their repeatable daily and monthly tasks, freeing up more time to focus on the high-value activities that matter most to their businesses.

In looking for a managed service provider, flexibility is hugely important. Funds should look for a vendor offering a wide array of operational capabilities to augment their internal resources. They should also ensure this mix of services is adjustable to continue to meet their needs as their fund grows and business needs change.

Technical and operational expertise and a reputation for quality, reliable service are also incredibly important.

How has SS&C Eze helped clients overcome these challenges?

With a flexible menu of front-, middle-, and back-office managed service capabilities, clients can create a customized solution to fit their current needs and can adjust as their situation evolves. One example of this is institutional growth or shrinkage. The COVID-19 pandemic caused many

managers to consider downsizing to cut costs. With Eze Managed Services, funds can offboard some of their operational work and shift their focus to alpha-generating activities and creating more value without incurring the high costs of hiring and training staff.

Because our offering is so flexible, the extent to which we are involved differs on a client-by-client basis. Sometimes we provide all-inclusive packages where we conduct all – or the majority – of operational tasks within our systems. Other clients may choose to maintain an operations team in-house and are just looking to offload some of their low-hanging fruit so they can focus on higher-value or revenue-generating opportunities.

What makes SS&C Eze one of the standout service providers for hedge funds?

Unlike other third-party vendors, the Eze Managed Service team works directly within clients' existing systems, acting as an extension of their firm. Benefits include the ability for institutions to retain control and visibility over operations and maintain the enhanced data privacy and integrity benefits stemming from the platforms' straight-through processing capabilities. The arrangement also simplifies communications and vendor landscapes and helps lower TCO.

Our team is made up of highly specialized accounting and operations professionals with more than 120 collective years of industry experience and the operational expertise to support the most sophisticated and complex strategies and fund structures. Because our Managed Service teams operate within our platforms, they know the systems and are incredibly

well-versed on the technology.

Over its 25+ years in business, SS&C Eze has been recognized by the industry as well as local authorities, like the Monetary Authority of Singapore and the Tokyo Metropolitan Government, for delivering on service and being a partner investment firms can trust.

As a business unit of SS&C Technologies, Eze is backed by one of the largest fintech companies in the world. SS&C's stack includes integrated middle- and back-office solutions, risk and compliance solutions, leading cloud technology and world-class global data centers and solutions, not to mention extensive expertise in investment accounting and all aspects of investment management technology. Being part of this framework ensures we can always meet our clients' needs as they grow and mature.

How did SS&C Eze innovate in 2021?

Throughout 2021, we continued to expand our industry-leading services and solutions and once again invested over \$40M USD into research and development, rolling out new features weekly for Eze Eclipse and more than 50+ product updates with new features for both Eze Investment Suite and Eze Eclipse.

This included key updates to the Eze mobile app, like the ability to execute trades with our simple tap-to-trade feature and route orders to brokers in a single click with our Quick Send buttons. Now, clients can trade, view analytics, and run compliance on orders all from their smartphones.

We also launched Eze Marketplace, which enables plug-and-play access to a rapidly growing menu of ready-to-enable solutions directly

from SS&C and other trusted partners. Current offerings include enhanced risk management, portfolio analytics, FX trading, market intelligence, and event monitoring capabilities. Similar to downloading an app on an Apple or Android device, users can log in to their Eze platform, review the solutions available, subscribe to enable what is needed, and begin using the embedded interactive solutions nearly instantly, all from within the Eze interface. With Eze Marketplace, firms can customize their technology experience to best meet their needs and quickly solve the challenges they face with turnkey apps and solutions for risk, market intelligence, data visualization, workflow controls, chat, transaction cost analysis, and more.

How will SS&C Eze continue to innovate in 2022, and why are your products and services so important in the year ahead?

As we've discussed, hedge funds are facing a number of pressures and challenges. SS&C Eze's products and services are built with flexibility and scalability at the core of their design, enabling institutions to be more agile in adjusting to fluctuations in the industry and improving efficiencies so they can scale more quickly and easily.

We will keep investing in and partnering with not only our clients but third-party providers to continue to expand our holistic, front-to-back solutions to help fund managers solve the challenges they face and grow their firms.

As always, our biggest focus will be on looking at where we can add value for funds, allowing them to do more with less and focus on what matters most – generating alpha.