



CASE STUDY

Global hedge fund

Using Duco Cube to consolidate controls across cash, trades, positions and portfolio recs

400

reconciliations
set up in the
first year

1.3 bn

lines of data
reconciled so far

2 systems

replaced by
Duco Cube

BACKGROUND

The client is a \$70bn hedge fund looking to increase efficiency and reduce costs in its operations department. The firm trades all asset classes, from equities to CFDs and swaps. Operating in multiple locations globally, the manager has extensive broker, custodian and fund administrator relationships.

ISSUES WITH THE CURRENT PROCESS

The client had a number of issues they wanted to address:

MULTIPLE SYSTEMS - There were multiple control systems in place: one for cash, another for trades and positions and a separate service for portfolio reconciliations. This made operations somewhat inefficient and presented unnecessary cost.

INEFFICIENCY - There was inefficiency in the broker, fund administrator and manager relationship, with duplicated work and processes.

LACK OF 'BIRD'S EYE' VIEW - The client wanted to operate on a functional basis across controls. For example, the dividend team needed to see across cash and corporate action reconciliations. They had no easy way of 'slicing' across multiple control functions to achieve this.

MANUAL WORK - Manual processes around balance and total equity control were time consuming.

“Duco provides us with flexible, next generation technology that puts the end users firmly back in control.”

Head of Operations, Global Hedge Fund

WHY DUCO CUBE?

The client performed several test reconciliations on Duco, from portfolio to custodian reconciliations. Using Duco's 'self service' approach, the client's operations team was able to load data 'as is' without a technology project.

THE OUTCOME

The client went live on Duco Cube within 24 hours and was able to immediately set up portfolio reconciliations and SWIFT MT535 custodian controls. As the deployment footprint was large, Duco partnered with the client to further invest in building out the platform, including:

- + Jointly pushing forward a best in class 'total equity' module
- + Adding controls that deal effectively with thousands of cash accounts, cutting down operations overhead
- + Working together on a new dispute resolution strategy
- + Ensure that their trade reporting systems were reporting correctly

In addition, over a period of 12 months, Duco is working with the client to consolidate all three former reconciliation systems and services, removing inefficiency and cost.

**FOR MORE INFORMATION**

Please email us at info@du.co or contact us at one of our office locations at du.co/contact