



Client Case Study

Moxy Streamlines Modeling and Improves Decision Making at Knightsbridge

PROFILE

Client: Knightsbridge Asset Management LLC

Description: Manages all-cap value portfolio; seeks stocks exhibiting “anomalies”

Clientele: 50/50 individuals/institutions

AUM: \$950 million as of 9/30/09

BACKGROUND

- Firm was using laborious spreadsheet-based process to rebalance portfolios, prepare trades and check restrictions.
- Needed faster, more accurate process for getting trades out to the market.

SOLUTION

Implemented Advent’s Moxy® order management solution:

- Built-in portfolio modeling and construction capability in Moxy.
- Built-in restriction checking.
- Seamless integration and real-time communication between trading and Advent’s portfolio management platforms.

BENEFITS

- Trade preparation and implementation process reduced from one day to two hours.
- Full automation across the trade life-cycle streamlines the process and reduces risk of errors.

Knightsbridge Asset Management seeks to outperform the market by identifying “anomalies” among equities—situations where a stock may be temporarily out of favor with the market, presenting an attractive entry point. It’s a strategy that requires the ability to move quickly to take advantage of opportunities that may be fleeting.

And that, in turn, requires a highly streamlined process for preparing and executing trades.

The Integrated Solution from Advent

In 2007, Knightsbridge implemented Advent’s Moxy® trade order management solution in order to facilitate its investment objectives.

With built-in modeling capabilities, Moxy serves as the hub of the firm’s trading operation. “We are using Moxy to prepare all of our equity trades for all of our clients,” explains Chad Neault, a Knightsbridge analyst. “And we are executing the vast majority of trades through Moxy.”

Moxy also allows the firm to spend less time on the phone with brokers, and more time tracking the progress of trades. “We trade with over a dozen brokers, and with the largest ones, we are fully automated. We are executing orders electronically and getting the fills back over the FIX network as well, and we are watching all that on the Moxy screen.”

Speeding Trading Time to Market—Up to 75%

Moxy has dramatically improved the firm’s trading time to market in two key areas:

Trade order preparation: Moxy’s portfolio construction functionality eliminates the need for offline modeling. “Before, we just had a portfolio accounting system, and we were pretty much exporting data into spreadsheets to do rebalancing of accounts,” Mr. Neault says. “Moxy is extremely faster. It’s really night and day, because we can buy stocks across all of our accounts. And we can do that quickly because Moxy is talking to Advent Portfolio Exchange® (APX).”

“With Advent, we feel that we are able to implement our investment team’s decisions expediently and more accurately. Not only does Moxy provide our firm’s staff with a streamlined trading solution, it has also enhanced our offering to clients and partners by dramatically improving time to trade.”
*Chad Neault, Analyst,
Knightsbridge Asset Management*

Rules checking: Moxy has built-in trading compliance capabilities that enable firms to flag trades that don't conform to guidelines. "Before, if we had a handful of accounts that couldn't buy 'sin' stocks, or an IBM executive that couldn't buy IBM, we would have to take our modeling spreadsheets and cross-check them against another spreadsheet that had a list of restrictions," Mr. Neault recalls. "Now it's all hard-coded into Moxy."

As a result, Knightsbridge can get trades out in a quarter of the time it used to take. "On a highly liquid stock, one that we know trades often, it could take us up to one business day to prepare an block order across all of our accounts—to make sure we were not violating restrictions and we were getting everyone's cash levels right. Now, we feel comfortable doing that within a couple of hours."

"We are sending orders electronically and getting the fills back over the FIX network as well, and we are watching all that on the Moxy screen."

Rapid Response to Changing Markets

Beyond everyday trade implementation, Moxy also enables Knightsbridge to adjust its clients' portfolios quickly as market conditions change.

"Here's another good example of how we use rebalancing in Moxy," Mr. Neault explains. "When the market is picking up, as it has throughout this year, we want to take our cash level down. We can query the system for everybody who has, for example, over 20 percent cash, and get that money invested into our model. That's just monumentally easier with Moxy. That's another exercise that has been reduced from a day to a few hours."

About Advent

Advent Software, Inc., a global firm, has provided trusted solutions to the world's leading financial professionals since 1983. Firms in 60 countries rely on Advent technology to run their mission-critical operations. Advent's quality software, data, services, and tools enable financial professionals to improve service and communication to their clients, allowing them to grow their business while controlling costs. Advent is the only financial services software company to be awarded the Service Capability and Performance certification for its service and support organizations.

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Bottom Line: Better Decisions

For a firm that seeks to capitalize on unique opportunities, time is truly of the essence. By enabling Knightsbridge to formulate and implement strategies more quickly, Advent solutions deliver more than operational efficiency.

"It's not just buying and selling stocks or doing things across all accounts," Mr. Neault concludes. "With Advent, we feel that we are able to implement our investment team's decisions expediently and more accurately. Not only does Moxy provide our firm's staff with a streamlined trading solution, it has also enhanced our offering to clients and partners by dramatically improving time to trade."

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