With K3, a $1BN AUM Hedge Fund Never Misses a Trade

Customer Success:

Hedge fund with over $1BN in AUM was able to create an entirely straight through booking process by deploying K3's off the shelf exchange connectivity. Seamlessly connecting to over 5 exchanges and using off the shelf hardware, K3 was able to route and validate every trade booked with guaranteed delivery.

The hedge fund was able to reduce overall operational costs by over $500,000 per annum and eliminated their manual booking and reconciliation processes.

Hedge Fund Challenges:

1 Hedge fund trades on over 5 exchanges. Unreliable connectivity forced manual booking of transactions and other high touch process requirements.

2 Unreliable exchange connectivity and custom code inflexibility caused unreliable booking and forced additional IT hours for interface maintenance.

3 Slow and unreliable booking caused traders to question the validity of their position reports.

K3 Trade Connectivity Solution:

K3 is used by some of the world's largest traders to process millions of trades per day. With ultra-low latency and constantly monitored connections to over 30 of the world's largest exchanges, K3 is the only integration platform specifically designed to support the complexity of trading.
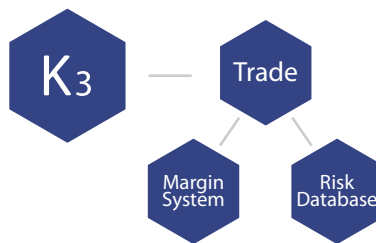
In This Case:

• K3 was deployed using off the shelf hardware to persistently connect to 5 FIX based exchanges.

• As trades are received in real time from the exchange they are transformed and routed based on the type of trade to the correct system of record. In this case, trades from the 5 exchanges were routed to two different systems of record.

• During the routing process, K3 transformed and enriched the trade message such that they could be appropriately booked to the correct portfolio, including allocation to segregated portfolios.

• During operation, every heartbeat of the exchange is monitored and tracked to ensure constant connectivity, redundancy and reliability.

"K3 was transformative in terms of how we booked trades. Once we got K3 going our traders began to believe their system of record again, and we quit wasting our best technical talent's time." - Bec Wilson

130,000
TRADES / SECOND
vs.
1,000
TRADES / DAY

On a 3Ghz, 8MB server K3 processes 130,000 trades per second. Many more than the 1000 trades per day previously executed by the hedge fund. Now, traders are able to execute any authorized exchange trade easily and efficiently. Plus, all trades are automatically allocated to the trading system of record.

K3 — Trade — Margin System — Risk Database

Through routing, K3 was able to multiplex the trades to two other key targets including the margin system and risk database all while eliminating multiple manual upload processes. Plus, Operations has the ability to see the status of every trade and whether it has been properly booked.

ELIMINATING OVER 500 PERSON HOURS PER YEAR

SAVED THE CLIENT ABOUT
$350,000

The implementation of K3 eliminated approximately 10 person hours per day of manual booking effort. This resulted in an estimated client cost savings of about $350,000.