

## Multi-Tasking Marks Fidessa LatentZero Capstone Suite

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NEW YORK — Nicholas Applegate Capital Management (NACM) had been using a proprietary compliance engine for its investment management operations, but found it needed to set and keep track of more rules than before. After signing on to use Fidessa LatentZero’s Sentinel compliance system, the San Diego-based money management firm found it could increase the number of rules without losing performance in tracking them, according to Sean Hudson, Manager of Investment and Compliance Systems at Nicholas Applegate.

“The biggest benefit is that the compliance department can write all its own compliance rules now and the number of rules it can write has dramatically increased compared to our old proprietary compliance engine,” says Hudson. “We chose Sentinel because it was a newer technology and its compliance rules engine was amazingly scalable. Investment managers like the fact that Sentinel offers comprehensive restriction checks at every stage of the investment process, the intuitive user interface and the overall look and feel. They also appreciate that the pre-configured rule libraries cover every major regulator around the world and are straightforward to update.”

Nicholas Applegate, which has about \$16 billion in assets under management, integrated Sentinel into its proprietary order management system. The firm began using parts of the Sentinel system about three years ago. “It’s good to have some-

one to partner with, and they can keep their system up to date at a lower cost than we can do ourselves,” says Hudson.

In July 2007, Nicholas Applegate began using the complete Fidessa LatentZero Capstone applications suite, which includes Sentinel as well as the Minerva OEMS order management and trading solution and the Tesseract portfolio analysis, scenario modeling and order-generation fund management tool. “When we started the search for an OEMS and decision-support tool it made sense to consider Fidessa LatentZero,” says Hudson.

The other two elements of Capstone fitted precisely with Nicholas Applegate’s needs. “Our portfolio managers liked Capstone Tesseract’s functionality, particularly its ability to analyze portfolios against models and benchmarks, perform “what if” scenarios and set-up multiple tabs, each with a different set of accounts, models and constructs,” says Hudson. “Capstone Minerva gives our traders lots of options. They like the fact that it is a true real-time platform, with highly configurable workflows and trade screens. It enables them to manage order flows from different managers on one blotter, provides access to the industry-leading data providers through pre-built feeds, filters information, and presents users with a consolidated view of their current positions, relationships and activity across all asset classes.”

Under Minerva’s integrated order and execution management systems,

**Fidessa's full ticker plant differentiates it in terms of the quality of data and speed of execution.**

**Fidessa LatentZero has also rolled out its EMS Workstation complementing Capstone's capabilities in position management, portfolio analysis, and other activities.**

Nicholas Applegate can “grab an order from the portfolio manager and route it to the market in seconds,” adds Kevin Chapman, Head Trader at NACM. “The result is an incredibly smooth, simplified workflow, which means we can focus more on optimizing the trading strategy itself rather than the nuts and bolts of the process.”

Fidessa LatentZero aims to differentiate itself from its major competitors, **Charles River Development** and **Linedata**, by offering a full end-to-end solution through the Fidessa ticker plant and execution capability via FIX and its managed network service without risking information leakage, says Dan Watkins, co-founder and Director, North America, at LatentZero.

Fidessa LatentZero first put together its OMS and EMS into the Minerva OEMS following the acquisition of LatentZero by **Royalblue Group plc**, the maker of Fidessa products, and the company's subsequent renaming in April 2007. “That's the future of this space. You must have both,” says Watkins. “That's put us into competition with other vendors. But we believe we have the better technology platform, and with Fidessa, we have a full ticker plant, so we can differentiate ourselves in [terms of] the quality of data and speed of execution.”

The Minerva OEMS can interact easily with trading systems provided by **FlexTrade Systems Inc.** and by **Portware LLC**, according to Watkins. “There's a unique benefit to having the two together,” he says. “You can do staged workflow in two ways. One is a formal placement from your blotter to the staged system. If I want to work 500,000 shares in FlexTrade, but see something somewhere else, I would need to cancel the order in FlexTrade, get it back and re-issue it. If you just have it swivel and execute in other systems, you could accidentally double execute your order. You can combine blotter information with the real market and execution information to show your trading.”

Norwegian financial services group **DnB NOR**, which has total combined assets of 1.6 trillion Norway Kroner (about \$295 billion), began using the Minerva OEMS in 2006 as part of an overhaul of its technology systems, according to Johan Erikson, Head of Global Trading, DnB NOR. “Minerva fit our technological and functional requirements, and its message-based architecture provided for scalability, and allowed for global deployment from a single local installation,” says Erikson. “Minerva OEMS gives people roles that are more clearly defined. Traders want to trade and have targets. That is their main motivation. So technology that enables them to be traders is very attractive.”

Fidessa LatentZero has also rolled out its EMS Workstation complementing Capstone's capabilities in position management, portfolio analysis, order generation, compliance, order routing, trade capture, commission management and trade confirmation. “We fully expect EMS functionality to become a standard and necessary feature of an OMS very rapidly,” says Richard Jones, Chief Executive Officer of Fidessa LatentZero.

**IND-X Securities Ltd.** of London, a broker-neutral execution hub for Japanese stock trading launched in November 2007 as a unit of Tokyo-based independent research firm **Japaninvest Group plc**, began using the EMS Workstation in early December 2007.

“Our aim is to provide a sensibly-priced execution venue for smaller research firms,” says Peter Twist, Chief Executive Officer of IND-X Securities. “Using Fidessa LatentZero's EMS solution and the skills of our experienced execution specialists, we can level the playing field for the smaller sell-side firms, providing them with access to a broad range of execution venues at a reasonable cost. As more and more venues open up in the post-MiFID trading environment we will be able to route client orders to these venues to ensure continuing compliance with clients' best execution policies.” □