

VERSION CONTROL

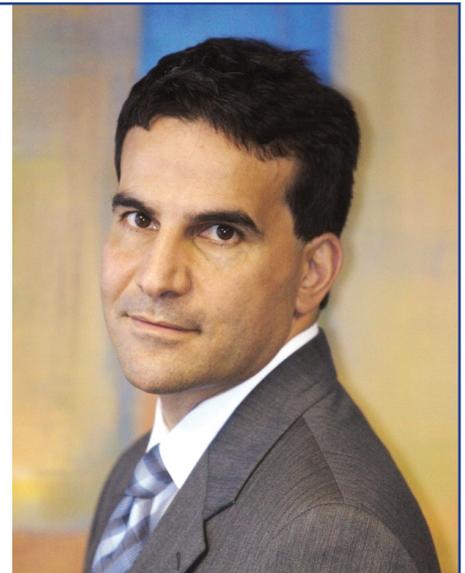
january 14th/ 2011

Paladyne

Noble Knight of Investment Software

investment management/ industry insight

Sameer Shalaby,
CEO of Paladyne, recently spoke with RFPConnect to share some fresh thoughts about next generation investment management solutions.



Paladyne

Paladyne is the leading provider of next generation investment management solutions. Paladyne offers its integrated front-, middle- and back-office platform, known as the Paladyne® Suite, to hedge funds, asset managers, fund administrators, and prime brokers. The modular Paladyne® Suite includes order management, portfolio management, reference data management, data warehouse reporting and reconciliation, and is complemented by the Paladyne Network™, which is comprised of a number of preferred strategic partnerships with leading software and market data firms. The solution can be delivered onsite or via Paladyne's industry-leading application service provider solution, Paladyne ASP™. Paladyne was established in 2005 and now serves over 125 clients worldwide. The firm has approximately 160 employees, and is headquartered in New York, with regional offices in New Jersey, London, Russia, and Hong Kong.

The use of trading software has long become an indispensable reality in the world of financial operations. Despite a reduction in the transaction volumes due to the recent financial downturn, demand for trading automation is still in vogue. Choosing the proper trading and investment software can be overwhelming due to the number of vendors in the marketplace. Nevertheless, providers that offer a range of functionalities in one integrated solution are rare. Paladyne Systems stands out among multiple vendors for its ability to tackle the problem of user experience and to focus both on pre- and post-trade environments.

One of the most outstanding software breakthroughs of Paladyne is the invention of Paladyne Portfolio Master™. This product offers a unique combination of order management and portfolio management functionality including electronic trading and order management, pre-/post-trade compliance, real-time P&L, risk monitoring, and NAV accounting.

The product is available either as a fully-hosted Application Service Provider (ASP) solution via Paladyne ASP™ or as a local installation at a client site.

Sameer Shalaby, CEO of Paladyne, pointed out two key differentiators of Paladyne Portfolio Master™, both of which benefit fund managers in this challenging economic environment and stand out in the industry against over offerings.

"Firstly, the solution combines both order management and portfolio management on one platform. This allows a firm to run their entire front- to back-office workflow with one cost-effective solution. And the



The extended functionality and richness of Paladyne Portfolio Master™ has allowed Paladyne to outstrip other vendors



Press releases from Paladyne:

Paladyne Introduces a Bundled Technology and Services Offering for Growing Hedge Funds, Paladyne FastStart™

Paladyne Systems, Inc. announced a new bundled offering known as Paladyne FastStart™, to address the operational and budgetary requirements of today's start-up and growing hedge funds. The solution combines Paladyne's firm-wide technology platform, with a selection of operational and IT support and hosting services designed to reduce cost and improve operational efficiency and control. Paladyne has completed its 30th start-up implementation in 2010 and continues to experience strong global demand for Paladyne FastStart™.

Paladyne Releases Latest Version of its Combined Order Management and Portfolio Management Solution – Paladyne Portfolio Master™ 7.0

Paladyne Systems, Inc. announced a major new release of Paladyne Portfolio Master™, its combined order management and portfolio management solution. Version 7.0 provides extended functionality in the areas of compliance, risk management, real-time portfolio analysis and trading, and introduces many new features including a real-time short locator module, and extended integration with Bloomberg®, SunGard®, and RiskMetrics®.

Paladyne Announces Sixty (60) Global Clients on Paladyne Portfolio Master™

Paladyne Systems, Inc. announced that 60 clients have implemented Paladyne Portfolio Master™, a multi-asset class trading and real-time portfolio management solution. Paladyne also announced a number of new "live" production clients including: Belay Partners, Timescape Global Capital Management, Blue Rice Investment Management, Farema Capital, Linzor Asset Management, MissionPoint Investment Partners, Phalanx Capital Management and Saka Capital.

second advantage is that Paladyne Portfolio Master™ is offered as a fully hosted solution using our industry-leading Paladyne ASP™. This means clients do not have to spend time and resources implementing and supporting the technology that underlies our solution. The software is also offered as a local install."

There are several elements to Paladyne's strategy and philosophy that have been fundamental to the company's success. The extended functionality of Paladyne Portfolio Master™ has allowed Paladyne to outstrip other vendors that typically offer more narrowly defined solutions. This product strategy is combined with Paladyne's philosophy of constant dialog with clients and keeping ahead of industry change.

Looking ahead at the demands of financial firms on their technology, Sameer outlines the following key trends: "Firms today are more interested in integrated or turnkey solutions. They are less willing, than in the past, to buy and integrate solutions from multiple vendors. Another key trend is that firms are very focused on their core competencies of investing and client service. Anything outside of these priorities such as technology is increasingly seen as a distraction. Therefore we are seeing significant demand for hosted and outsourced technology offerings."

Paladyne has been ahead of this trend for a number of years. Even before the economic slowdown, Paladyne was dedicated to offering cost effective operational innovations. As such, prices for the Paladyne products are based on AUM levels and the number of users.

"Our strategy is to create relevant bundles of technology, services and data for each segment. For example we recently launched Paladyne FastStart™. This turnkey solution is aimed at start-up and growing hedge funds, and combines Paladyne Portfolio Master™ with selected operational market data, and IT support services," concludes Sameer.

Events on the Edge

TradeTech Architecture Data Technology

26 January 2011 | The America Square Conference Centre, London
The TradeTech Architecture Data Technology conference is a spin-off from our TradeTech Architecture conference. As a banking data technology conference, this event will highlight the most relevant data technology services and solutions.

Contact details: Eleonor d'Allaines, Marketing Manager
Phone: + 44 (0) 20 7368 9829 Fax: + 44 (0) 20 7368 9401
eleonor.dallaines@wbr.co.uk

Cloud Computing on Wall Street Breakfast Briefing

January 26, 2011 | Bayards, One Hanover Square, New York, NY
What's the Cloud Computing Forecast for Wall Street?

- What are the top cloud complaints & how to overcome them
- The importance of investing in the cloud
- Do the risks outweigh the benefits?
- Will Wall Street ever fully embrace the Cloud?

Contact details: Caitlin Collins, Conference Coordinator
Phone: 646-395-6345



Freshest Product Releases, Investment Management Technology

Jefferies



Jefferies & Company, Inc., the global securities and investment banking firm, has become

the latest fixed income market participant to adopt Axeom, Xios' inquiry management platform. The system effectively brings together the tools and information that fixed income salespeople and traders need. The local installation keeps the data secure and allows for easy customization. [Know more](#)



Orion Advisor Services, a portfolio accounting service provider founded by and for

Registered Investment Advisors (RIAs), launched the Orion Mobile App at Droid and Apple stores. The Orion Mobile App enables the mobile tracking of account values, performance, market commentary and includes a full reporting package. The App operates across a variety of smart phone platforms. [Know more](#)



Together with blauMobilfunk, VoiceCash introduced the first prepaid card for electronic

payment transactions in Germany—the blauworld PREPAID MasterCard—which also can be used to assign money worldwide. In cooperation with Lekkerland Deutschland the blauworld PREPAID MasterCard will be available at more than 6,000 points of sale, kiosks and fuel stations nationwide. [Know more](#)



Alternative Soft has released a new version of its software dedicated to fund of funds,

banks, asset managers and pension funds investing in multi asset financial portfolios. In addition to portfolio construction, asset selection, return forecasting and index replication, the software platform now includes data integration with the Morningstarlong only database. [Know more](#)



VeriFone Systems, Inc. and Gemalto further developed their broad strategic partnership.

The partnership entails cooperative efforts in EMV chip card solutions, the handover of Gemalto's point of sale (POS) solutions business to VeriFone, and Gemalto's appointment as the preferred supplier of Machine-to-Machine wireless modules and related solutions for VeriFone payment systems. [Know more](#)



PriceMetrix launched ClientCheck, a client dashboard for advisors. At the click of a

mouse, ClientCheck gives advisors a complete snapshot of each client at the household level. ClientCheck delivers all the important vitals an advisor needs to know to better service and enhance their client relationships. The dashboard is powered by an automated search and proprietary BI engine. [Know more](#)



Banker's Dashboard has integrated its community bank management tool with Automated

Systems, Inc.'s (ASI) core Insite Banking System. With this move, the companies have made it effortless for ASI customers to take advantage of Banker's Dashboard and gain the daily visibility they need to drive their bank's financial performance. Union State Bank is the first to adopt the tool. [Know more](#)



Fiserv, Inc. launched the first solution in its series of new tools to support the Cost Basis

Reporting Regulation, a provision of the Emergency Economic Stabilization Act of 2008. This cost basis solution allows for efficient daily import and calculation of data from books and records to provide adjusted cost basis information for reporting tax-aware strategies. [Know more](#)



Deutsche Bank's Global Prime Finance business released GlobalPrime Mobile,

a Prime Services mobile application for the iPad and iPhone. GlobalPrime Mobile allows clients to quickly retrieve daily margin information, and access portfolio reporting and analysis tools. The app provides a powerful set of filters to streamline report selection for mobile device users. [Know more](#)



Visa made significant improvements to its security capabilities which will

dramatically improve its ability to detect and prevent global electronic payments fraud. Upgrades to Visa's global processing platform—VisaNet—have allowed Visa to develop new fraud models that enhance the speed and accuracy with which Visa detects attempted payment card fraud and malware. [Know more](#)



Did you know RFPConnect's periodical newsletter, Version Control is sent out to over 35,000 subscribers including key decision makers from FTSE 500 and Forbes Global 2000 companies? You can buy special editions for 750 GBP and get a one year premium listing on RFPConnect.com for free. Call us at +44 (0) 208 466 5650 or +44 (0) 207 148 4285 or email sales@rfpconnect.com



Deals of Giddy Height



Indeval, Mexico's central securities depository (CSD), is using IBM to settle securities trades in seconds, reducing the risk of financial losses. Rapid trade settlement has reduced the amount of cash that banks must have on hand to cover trades by 52 percent and saved Mexican banks more than \$240 million in interest in 18 months. Availability of real-time net settlement mode. [Know more](#)



Gesa Credit Union of Richland, Wash., has chosen to implement the Acumen account processing solution from Fiserv, Inc. with in-house delivery. In addition to the Acumen solution, Gesa selected Nautilus from Fiserv for enterprise content management and ATM Source Capture, Branch Source Capture and Teller Source Capture(TM). The system supports all services for business members... [Know more](#)



CME Group is using the Calypso System from Calypso Technology Inc. to support OTC derivatives processing for clearing interest rate swaps. The Calypso Platform is one of the components of the CME Group's new offering that allows members to clear OTC derivatives trades. CME Group has also implemented the Calypso system's limits functionality for the control of intra-day risk. [Know more](#)



Plus-SX, a London based stock exchange, has deployed the Progress Apama Market Surveillance and Monitoring solution accelerator from Progress Software to stay ahead of ever-changing financial regulations. By using the Apama Market Surveillance and Monitoring solution accelerator, PLUS-SX can detect suspicious trading patterns and illegal activities in real-time. [Know more](#)



Two exchanges within the CEE Stock Exchange Group (CEESEG), Vienna and Ljubljana, have gone live with CameronFIX—the financial high performance Financial Information eXchange (FIX) offering from CameronTec. The CameronFIX implementation for CEESEG currently covers around 20 financial institutions for order routing and market data. The agreement was completed in Q1 2010. [Know more](#)



Broadridge City Networks, recently acquired business of Broadridge Financial Solutions, has signed DBS Bank as a new user of the PROactive Reconciliation solution. The Broadridge City Networks solution will support DBS for its cash reconciliation requirements across multiple locations in the Asia region. Clear and competitive pricing of PROactive Reconciliations and... [Know more](#)



Intrust Wealth Management, a division of Intrust Bank N.A., has implemented SunGard's WealthStation fund source, an investment monitoring and reporting solution in the retirement plan industry. INTRUST uses SunGard's WealthStation fund source integrated with SunGard's ReliusAdministration retirement plan recordkeeping solution to help improve efficiencies of fund monitoring... [Know more](#)



SunGard has enhanced its Stream GMI post-trade listed derivatives solution to provide processing and accounting support for CME Group cleared interest rate swaps, which it began clearing in October 2010. Stream GMI's support of CME Group interest rate swaps helps provide automated, centralized clearing, settlement and reduce counterparty risk and gain processing efficiencies. [Know more](#)



Firm58, Inc., a financial management company, has been appointed to manage the online billing function for the recently launched C2 Options Exchange (C2) of CBOE Holdings, Inc. A Software as a Service (SaaS) provider of middle- and back-office technology solutions enables C2 and its market participants to access daily trade and billing details at any time via an online portal. [Know more](#)



BancoInternacional of Ecuador, a member of the IF Group, has licensed Surecomp's Java-based end-to-end trade finance solution. Based on the agreement, BancoInternacional will deploy allTRA®, Surecomp's Java J2EE trade finance back-office system, and allNETT®, the vendor's Java J2EE Web-based trade finance front end. allNETT® V4.0 is an enhanced bank/corporate front-end system. [Know more](#)



Did you know RFPConnect's periodical newsletter, Version Control is sent out to over 35,000 subscribers including key decision makers from FTSE 500 and Forbes Global 2000 companies? You can buy special editions for 750 GBP and get a one year premium listing on RFPConnect.com for free. Call us at +44 (0) 208 466 5650 or +44 (0) 207 148 4285 or email sales@rfpconnect.com



OUTSOURCING TRENDS IN THE HEDGE FUND INDUSTRY

The global financial crisis of 2008 topped off an already difficult year for alternative investment managers. Turbulent markets severely impacted both fund performance and investor confidence, and forced regulators to scrutinize the industry more than ever before. For fund managers, client retention has been the main focus, but with continued market volatility, massive redemptions became inevitable as investors sought to minimize losses and hold cash.

Looking to 2009 and beyond, the industry will face significant change in the form of regulation, consolidation, fund closures, reduced asset allocation, and revised fee structures. With the view that investor confidence will slowly improve, historical track records, transparency reporting, operational and risk management processes, and fees will be the major determinants in a fund manager's ability to attract investors. Those managers who are able to meet these stricter demands will be forced to negotiate lower performance and management fees, even at a time when many funds are well below their performance fee water marks. According to a recent industry report, an estimated 20% of managers reportedly did not generate performance fees in 2008.¹

How will hedge funds deal with intensifying operational demands under these difficult market conditions? In the past, fund managers would hire more people and implement in-house technology in an effort to demonstrate tight operational control. Given the intense cost pressure facing today's fund managers, we predict that 2009 will mark a major change in the way hedge funds approach their IT and operational requirements. We expect hedge fund managers to shift away from building technology and staffing infrastructure, and instead, move aggressively toward outsourced solutions in the areas of IT, software and services. Hedge funds will establish a network of relationships including multiple prime brokers, fund administrators, and trusted outsourcing providers, with the goal of improving their systems and operations at a substantially lower cost.

As the outsourcing trend gains momentum, software companies and fund administrators will be forced to adapt. Fund administrators will require expanded service offerings including client-facing technology, intra-day reporting, and middle office processing in order to stay competitive. Software providers will be forced to provide Application Service Provider ("ASP") solutions with bundled IT services in order to keep pace with the outsourcing trend.

This paper discusses a new "outsourced-based" operational model for hedge funds and identifies a number of solutions currently available in the marketplace. We conclude that the right combination of outsourced solutions will enable fund managers to significantly reduce their expenses, improve their technology, and effectively meet investor demands.

¹ Hedge fund cost survey, KPMG, September 2008.