

CLIENT CASE STUDY

Profile

Client: First Trust Advisors LP

Description: Diversified portfolio management firm using quantitative strategies for unit investment trusts, mutual funds, CEFs, ETFs and SMAs.

AUM: Approximately \$22 billion under management or supervision as of 10/31/09

Background

Converted from multiple systems to Advent's Moxy® and Axy's® in 2003.

- ▶ Uses Moxy primarily for trading in SMAs.
- ▶ Wanted to leverage FIX connection with UBS for trade allocations.
- ▶ Needed to accelerate process of uploading trades into Moxy.

“When we go to rebalance accounts, we need to automate as much as possible. Moxy has helped us automate the whole process.”

Roger Testin, *Portfolio Manager, First Trust Advisors*

Custom Solutions in Moxy Help First Trust Manage Growth

Faced with rapid growth in its SMA business, and escalating trading volume in particular, First Trust Advisors installed Advent's Moxy® trade order management system as part of a comprehensive portfolio management and trading solution in 2003. Today, First Trust manages around \$900 million across 4,000 SMAs.

“Moxy is really the hub of our trading desk,” says Roger Testin, a First Trust portfolio manager. “Certain critical functions—compliance restrictions, for example—are built into Moxy. So we definitely rely on Moxy to put together the right trades.”

Automated Rebalancing

A key feature of Moxy is a built-in modeling capability which bridges the gap between portfolio construction and trade execution. The modeling engine has provided First Trust with the scalability to keep pace with its ever-increasing trade volume.

“The way our business has grown over the last five years, it just makes a system like Moxy very important,” Mr. Testin says. “When we go to rebalance accounts, we need to automate as much as possible. Moxy has helped us automate the whole process.”

Once accounts are rebalanced and trades are set up in Moxy, they must be converted to other formats for execution on some 20 different platforms, including all the major wirehouses and money-center banks. Fortunately, Moxy interfaces easily with a variety of third-party systems. “We have to use a combination of systems,” Mr. Testin, “but it all centers around Moxy.”

Custom Solutions

Moxy offers the flexibility for a high degree of customization and integration to a firm's particular workflow. Advent's Trading Services Specialists are dedicated to helping firms tailor Moxy to their needs and derive the most value from it. First Trust has called on Advent




Solution


Engaged Advent's Trading Services Specialists to optimize Moxy for the firm's specific needs. Advent:

- ▶ Implemented FIX trading and allocation capability between First Trust and UBS.
- ▶ Built a custom order import utility for faster uploading of trades into Moxy.
- ▶ Provides advice on using Moxy effectively and increasing efficiency.

Benefits

- ▶ Scalability to handle growing number of accounts and trading volume.
- ▶ Ability to interface with multiple trading platforms.
- ▶ Greater speed and accuracy in post-trade allocations.
- ▶ Improved trader productivity through faster order entry

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 "We can send thousands of allocations to the proper accounts within seconds."



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to address a variety of challenges in its trading operations—with powerful results. For example:

- ▶ **Setting Up Trade Allocation Notifications via FIX:** A key trading counterparty, UBS, was using the FIX protocol for trade allocations. First Trust wanted to take advantage of it. "Advent helped us set up the process and put test trades through," says Mr. Testin. "If we had tried to do it ourselves, it probably would have taken a lot longer with more errors."

"It's a very seamless process," adds Chris Van Til, assistant portfolio manager. "UBS is set up with SunGard Transaction Network to send allocations over through FIX. The system tells SunGard which accounts to allocate a block trade to, and Moxy helps facilitate that. We can send thousands of allocations to the proper accounts within seconds."

- ▶ **Accelerating Order Importing From 20 Minutes to 1 Minute:** "For some of our funds, we were putting trades together in Excel, then we needed to get them into Moxy for restriction checking before we sent them out," Mr. Testin explains. "It took about two seconds for each trade to get into Moxy, so for 1,000 trades it could take 20 or 30 minutes. Our traders couldn't do anything but sit and wait."

Advent's trading specialists created a custom order import utility in Moxy. "Now, we put the trades together in Excel and push a button, and in a matter of seconds all those trades pop into Moxy. What used to take 20 or 30 minutes now takes maybe 1 minute. And our traders are getting the trades out to the market 20 minutes faster than in the past."

Getting the Most out of Moxy

Between Moxy's flexibility and Advent's expertise in trading operations, First Trust has gained the scalability and efficiency to manage rapid growth in a fast trading environment. Mr. Testin credits Advent with being responsive to the firm's needs.

"If we need a quick answer, we call the Moxy helpdesk," he says. "If we're trying to solve a major work-around, we go to Advent's trading services specialists and bounce ideas around to come up with a long-term solution. They have come in person and seen our workflow, and offered tips to make us more efficient. It's been really helpful."

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