

CLIENT CASE STUDY



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JOHN BURKERT



Tiden Capitals Implementation of Quantifi Risk Wins
American Financial Technology Award

Why Tiden Selected Quantifi

Tiden required a solution that could aggregate their risks for individual trades with a robust set of reporting tools to analyse results. A system with an intuitive user interface which would make it easier for traders and portfolio managers to interface with.

Tiden has been a Quantifi client since 2006.

Quantifi Risk 'The Perfect Solution' For Tiden

- ✓ Extensive pricing and risk management support of a full range of structured products
- ✓ Ability of Quantifi Risk to support multiple funds simultaneously
- ✓ Simple user interfaces and trading screens
- ✓ Cost-effective and easy to implement
- ✓ Automation of trade entry
- ✓ Support for base correlation and blended surfaces
- ✓ Experienced and innovative management team
- ✓ In-depth understanding of the financial models and the ability to keep them up to date with market needs

Overview

Tiden is focused on relative value and corporate structured credit opportunities. When John Burkert and Rex Goulding, the founders of Tiden, launched their strategy in the early 2000s, they developed an internal system to process trades and run risk aggregation. As the firm expanded, they realised the limitations of their proprietary internal system. Not only did it require extensive maintenance and support, it also did not include the requisite reporting and data integration capabilities.

Requirements & Selection

With these limitations in mind, Tiden decided to partner with a third-party vendor that could provide them with the necessary solutions to run their complex investment strategy and ultimately help drive the firm's growth.

"We looked at numerous vendors, but Quantifi was the only vendor who could provide everything we needed. Both Tiden and our investors wanted to have a system in place that could look at individual trades, model the underlying portfolio and aggregate the risk on those trades. Quantifi Risk was the perfect turnkey solution as it is simple, sophisticated and supports a range of financial products from vanilla instruments to complex structured products, while requiring minimal internal infrastructure and internal resource. Quantifi was the obvious choice." commented Mr. Burkert.

Rohan Douglas, CEO of Quantifi, notes, "When we met with Tiden to understand their specific requirements, it was clear that Quantifi Risk would be the most appropriate solution to support their growth strategy. Quantifi Risk is a 'one-stop' solution for many of our clients as it provides front-office pricing, hedging and risk analysis for a wide array of products and is easily implemented and simple to use. Tiden had a small, focused team and therefore was unable to dedicate the resources required to manage the IT and operational demands of an in-house system. Quantifi Risk matched their needs well and we were also able to provide the additional support and services they needed. It made perfect sense, and they clearly recognised that."

Results & Benefits

"Tiden has saved more than one point seven (1.7MM) million dollars over the years and no longer needed to hire an additional two resources that were going to be required to continue the development and maintenance of our in-house system, which was eventually replaced by Quantifi Risk."

John Burkert

Benefits realised by Tiden

- ✓ **ROI of 354%** with total savings of **\$1.7MM** and a **payback** period of **17 months**
- ✓ Direct and indirect **cost savings**
- ✓ A **scalable** and **flexible** risk platform that is **easy to use** and **maintain**
- ✓ An **infrastructure** that gives investors and prospective investors **confidence**
- ✓ **Rapid** implementation
- ✓ A system **that stays ahead** of rapid changes in the **OTC markets**
- ✓ A **partner** with deep **experience** and **expertise**

Mr. Burkert comments, "I truly view our relationship with Quantifi as a partnership. They've worked closely with us since the inception of the firm, and we've come to rely on their expertise and insight, especially with the rapidly evolving market in which we operate. By working with Quantifi, we get access to the top minds in the business and having their involvement in developing custom models and making sure we are prepared for new products and market changes is invaluable. We're not just getting a software solution; we are also getting a partner."

Since the start of the relationship, Quantifi has helped Tiden become highly efficient by scaling and growing with minimal further investment in money and resources. "Tiden has saved more than \$1.7MM over the years and no longer needed to hire an additional two resources that were going to be required to continue the development and maintenance of our in-house system, which was eventually replaced by Quantifi Risk." Comments John Burkert

Interestingly, Tiden utilises Quantifi as a key client benefit. "We show Quantifi Risk to our investors so they can see the risk exposures and to highlight the input and output of the system as a result of the sophisticated models. Tiden now has the ability to manage their client's risk across the entire portfolio, aggregating results by a variety of different attributes including but not limited to product, strategy, sector, or individual reference name. As for our clients which include large institutional investors, fund of funds, endowment funds, high-net worth family offices and investors, it's critically important for us to be able to demonstrate that we have a solid infrastructure in place to efficiently and effectively manage and monitor risk," comments Mr. Burkert.

A further key benefit for Tiden is the ability to keep pace with the changing credit landscape. The Quantifi team is dedicated to making sure that models are updated to reflect both market shifts and the firm's evolving strategy. With the move toward the standardised North American CDS contract (SNAC), Quantifi was the first vendor to develop and release SNAC support, which Tiden immediately adopted.

"Another key highlight of our relationship with Quantifi is the sheer level of support the firm provides to us," continues Mr. Burkert. "We view the Quantifi team as an extension of our own in-house team. They're quick to respond and have turned around ad hoc requests within 24 hours. We've maintained a long and successful partnership with Quantifi and are looking to further expand our work with them as a result of the widespread benefits we've experienced."

ABOUT QUANTIFI

Quantifi Inc is a leading provider of state of the art models, pricing tools and risk analysis for the global credit markets. Quantifi's extensive suite of integrated products and services provide fast, accurate and innovative solutions which set the standard for advanced pricing and risk analysis.

Since 2002, active participants in the global credit markets including banks, hedge funds, asset management and insurance companies have relied on Quantifi to provide immediate time-to-market advantages along with independent market-validated pricing.

Quantifi's team of professionals have many years of experience working for top-tier firms within the financial services sector, offering clients applied capital markets experience combined with technological expertise.

For further information, please visit:

www.quantifisolutions.com

ABOUT TIDEN

Tiden Capital is a private investment company with over \$100 million in assets under management, based in Durham, North Carolina. The firm specializes in relative value and corporate structured credit opportunities, including CDS and CDS index tranche products.

The firm was founded by Silverback veterans John Burkert and Rex Goulding in March 2007 after launching the initial fund as part of Silverback in 2003.

CONTACT QUANTIFI

EUROPE

Quantifi Limited
St. Martin's House
16 Martin's Le Grand
London, EC1A 4EN
UK
+44 20 7397 8788

NORTH AMERICA

Quantifi Inc.
230 Park Avenue
10th Floor
New York, NY 10169
USA
+1 212 784 6815

ASIA PACIFIC

Quantifi Pty Ltd
Level 1
111 Elizabeth St
Sydney, NSW, 2000
Australia
+61 2 9221 0133

enquire@quantifisolutions.com