

Hedge Fund & Investment Technology

NEWS ANALYSIS: NEW PRODUCT | VENDOR UNVEILS TRIO OF FUND OF HEDGE FUND APPLICATIONS

New offerings from Cogency

BURLINGAME, Calif. – Cogency Software has developed a suite of integrated portfolio management, accounting and investor relations applications targeting the funds of hedge funds market.

Currently being deployed at three US funds of hedge funds (FoHF), the Cogency Insight Manager for Funds of Hedge Funds contains three modules:

- FoHF Insight for portfolio accounting and performance tracking
- FoHF Portfolio Insight for position-level portfolio monitoring
- FOHF Investor Insight, relationship management tools for investors and underlying hedge fund managers

Avanish Sahai, Cogency chief executive, says given the rapid growth of the FOHF market and the limited options available to these managers in terms of integrated products, his firm consulted a number of US funds to develop applications designed for their requirements. According to Sahai, the most common IT issues mentioned by FoHFs are the needs for data consistency gathered from underlying hedge funds and scalability of infrastructures, as well as greater automation and easily deployed applications.

He notes that Cogency was able to leverage some of its existing technologies developed for the hedge fund market for its FOHF Portfolio Insight and FOHF Investor Insight applications, while the FOHF Insight tool required a more innovative design.

"FOHF Insight is what we describe as FOHF accounting," Sahai says. "Whereas you have typical portfolio accounting solutions for hedge funds with positions, attribution and aggregation of data around pricing, when you apply that to funds of funds it doesn't work. They're strictly investing in hedge fund managers. Here, the asset is your underlying manager." Sahai adds that the application enables managers to define all their underlying fund structures, and collects funds' net asset value (NAV) information in standardised formats for enhanced performance monitoring.