

Tech Team Offering Treasury Tool

A team of longtime industry professionals is offering technology that automates complex treasury functions for hedge fund managers.

The first client of London-based **Kayenta** went live with the service in January. Several more are in the pipeline, representing a mix of managers worldwide with asset sizes of \$100 million to several billion dollars, chief executive **Chris Hagstrom** said.

Kayenta is the brainchild of **Dan Childs** and **Matt Peakman**, who started working on the concept together in 2019.

Childs' resume includes leading treasury and operations roles at **Citadel**, with Peakman formerly overseeing a derivatives unit at **Nomura**. Last year, they enlisted Hagstrom — formerly the head of **UBS'** U.S. prime-brokerage team — to handle leadership functions that include oversight of marketing efforts in the States.

Among the critical functions for the treasurer at a hedge fund firm is monitoring and managing the costs associated with financing both broad portfolios and individual trades. The pitch for Kayenta is that its service can drive down related expenses.

The firm estimates that hedge fund operators paid more than \$20 billion of fees to equity-financing counterparties in 2020, among those shops' costliest functions. Its cloud-based technology consolidates disparate data from prime brokers, custodians, administrators and other service providers into a readable format. The operation also is working with an undisclosed company that supplies securities-financing data that treasurers could use to compare information including borrowing costs.

What's more, Kayenta is moving aggressively to add functions and analysis that treasurers and operations specialists could use to manage data efficiently and to handle relationships with counterparties. "It's really putting the information that the hedge fund treasurer needs in front of them," one professional in the field said. He added that many existing services allow him to compare individual positions efficiently, but that the task is far more difficult "on an industrial perspective with say, 10,000 positions. ... You can't just replicate that with a **Bloomberg** terminal."



Kayenta charges users \$40,000 to \$100,000 annually based on the complexity of each firm's treasury functions. The operation faces fierce competition from established players including **SS&C Technologies** unit **Advent**, **Arcesium**, **Calyppo Technology**, **Hazeltree**, **MIK Fund Solutions**, **Fidelity Investments** unit **PB Optimize** and **S3 Partners**.

Hagstrom worked at UBS from 2004 to 2019. Childs was at Citadel from 2008 to 2016 and has been involved in a few ventures since then. Earlier, he spent time at **Societe Generale** and **RBC**. Peakman, Kayenta's chief operating officer, was at Nomura from 2004 to 2017 and before that was at **Merrill Lynch**.