TALOS

CASE STUDY

Firinne Capital Scales Fund Operations and Risk Oversight with the Talos PMS

FIRINNE CAPITAL

Introduction

Firinne Capital, a digital assets fund manager, implemented the Talos Portfolio Management System (PMS) to streamline and scale its operations. As the firm expanded, maintaining and reconciling its in-house PMS became increasingly resource intensive. With Talos, Firinne Capital gained a unified, real-time view of positions, risk, and P&L across exchanges and custodians, enabling them to replace manual workflows with automated reconciliation, and to free up valuable time to focus on growing the business.

The Company

Firinne Capital is a digital assets fund manager that derives its name from the Gaelic word for "truth". The firm bridges the worlds of traditional finance and blockchain-based assets. Its founding partners combine their experiences as early digital assets adopters with deep institutional investment management and technology expertise. Firinne Capital's fund aims to provide investors with the opportunity for capital appreciation and income generation that exceed market benchmarks over a market cycle. The team employs a multi-faceted research approach which combines in-depth fundamental research with data-driven quantitative insights, incorporating top-down macro and thematic trends with bottoms-up asset analysis.

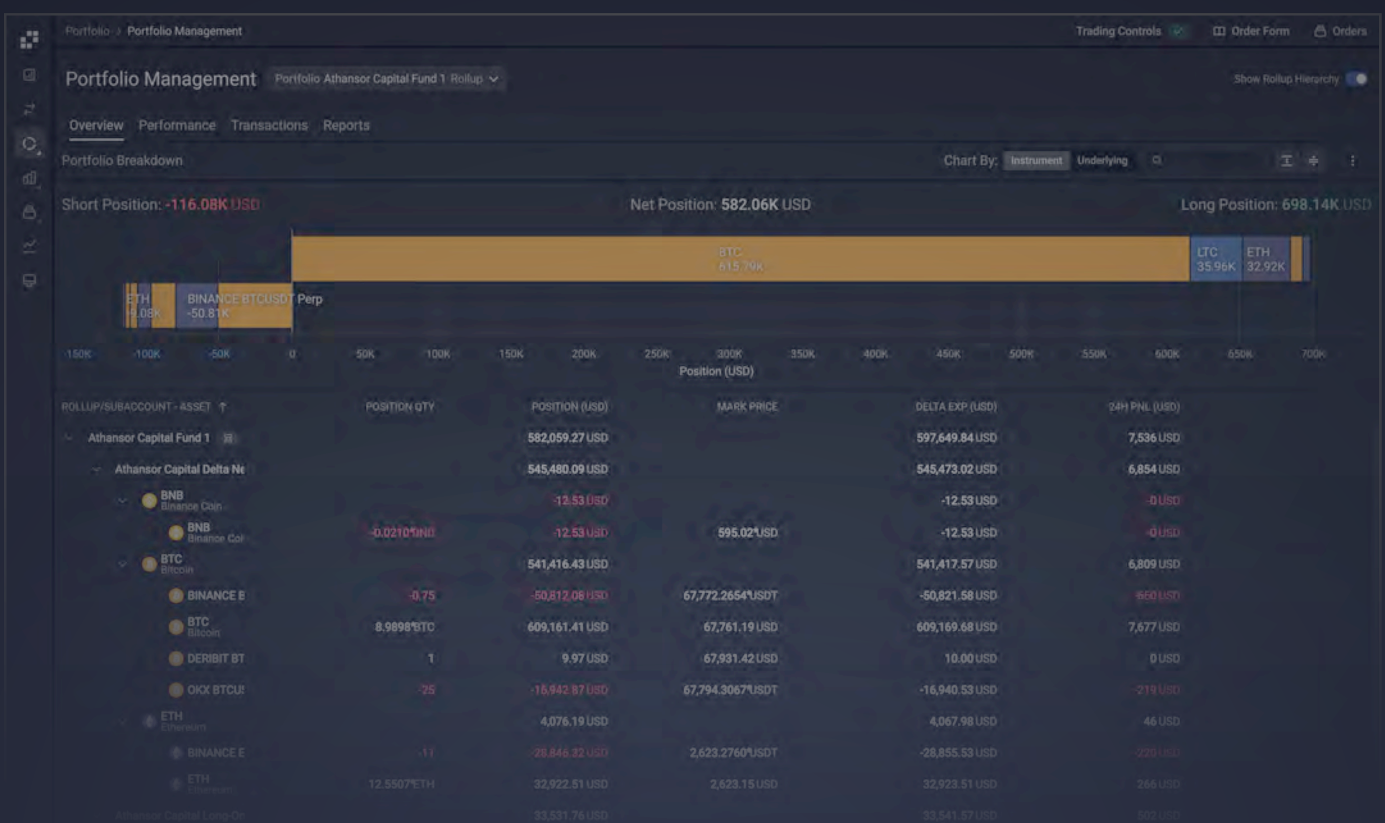
The Challenge

As Firinne Capital expanded its strategies, they were outgrowing their in-house portfolio management system. They had built not only the PMS, but also the sourcing for all the market data required to operate it. As they expanded to trade with more exchanges, building and maintaining their system was becoming a burden. Furthermore, the month-end reconciliation process with their fund administrator was increasingly consuming more time that could be better spent on activities to grow the fund: alpha research, strategy development and meeting with top institutional investors.

The Solution

Firinne Capital chose to adopt the Talos PMS as a standalone module. While the Talos PMS is tightly integrated with the Talos OEMS, the investment book of record (IBOR) can receive updates from any supported exchange or custodian, even if Firinne Capital was not trading through the Talos OEMS. They onboarded to the Talos PMS their read-only API credentials for exchanges and custodians to monitor multiple strategies simultaneously, with real-time prices, position updates and risk calculations. They leveraged the platform's synthetic accounts feature – with configurable sub accounts and roll-ups – to group connections and strategies, offering both strategy-by-strategy risk, position and P&L views, as well as a "top of the house" view for the whole multi-strategy fund.

Starting with the year-end positions from the fund accountant, the Talos team was able to pull in and reconcile all YTD transactions from Firinne Capital's exchanges and custodians. Leveraging the reconciliation facility, the team helped ensure month-by-month tie-outs to the fund administrator's reports up until onboarding was complete.



For illustrative purposes

The Results

With positions, risk and P&L fully locked in and Talos PMS's automatic reconciliation constantly monitoring for breaks, Firinne Capital's COO was able to cut time spent every month on reconciliation from three days to several hours, freeing up valuable time to focus on the growth of the fund. The Talos PMS replaced the in-house portfolio management system and replaced their in-house connectivity with Talos's institutional-grade, resilient connectivity to their exchanges and custodians.

"With Talos, we've been able to save time and cost on maintaining our own PMS while getting much more in return. We no longer needed to buy an extensive dataset, manage the ever-changing API calls to connect with data vendors and exchanges, and shortened the time required to reconcile our fund valuations published by our administrator."

Jim Hwang
COO | Firinne Capital

"By integrating positions, P&L, prices and risk, the Talos PMS offers innovative hedge funds like Firinne Capital the freedom to focus on alpha, not infrastructure. It is part of a comprehensive, front-to-back suite from essential research data & back testing tools all the way to back-office settlement. We look forward to continuing to partner with the team at Firinne Capital as they grow."

Kyle Downey
Head of Product Strategy | Talos

The Future

As Firinne Capital continues to expand its strategies and investor base, the firm has significant potential to deepen its integration with Talos. With the flexibility to seamlessly integrate the Talos OEMS into its PMS environment, Firinne Capital can further streamline front-to-back workflows as complexity grows. Looking ahead within the Talos PMS, the team stands to benefit from the expanding platform with planned features that include: OTC derivatives, loans, CVaR risk reporting, liquidation risk monitoring, stress testing and DeFi integration. As the broader Talos platform expands with new integrations including Coin Metrics data and new features such as notifications, these additions will help support Firinne Capital in satisfying the growing needs of their most demanding investors.

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