

Case study

A flexible automation solution to create equity trading efficiency.

Blue Lake Partners

Location

Sydney, Australia

Industry

Asset management

Customer profile

- A privately funded alternative asset manager that generates consistent, positive risk-adjusted returns across market cycles.
- Its three core strategies are: forward thinking, active equities and fund of funds.
- Its trading team uses multiple trading strategies across global equity markets including long/short, event-driven arbitrage and algorithmic strategies.

Business situation

Each trader at Blue Lake Partners makes approximately 1,000 trades a day through various systems, including ADRs (American Deposit Receipts). Its interest in an automated trading solution was driven by a need to overcome the inefficiency, workload and risk of error of its largely manual systems and processes.

Bloomberg solution

- Rule Builder (RBLD)
- Multi-asset class trading platform – Execution Management System (EMSX)
- Bloomberg Tradebook®

Solution benefits

Rule Builder's ease of implementation has led to fast results at Blue Lake. The asset manager reports greater accuracy, less manual handling, flexibility, options for personalisation and customisation, and enabling improved responsiveness to changing market conditions.

Blue Lake Partners

Blue Lake Partners is a privately funded alternative asset manager that was founded in 1999 and is based in Sydney, Australia. It generates consistent, positive risk-adjusted returns across market cycles deploying three core strategies: forward thinking, active equities and fund of funds. It invests in Australian small-cap listed and unlisted companies, focusing on companies with strong leadership, unique competitive advantages and a clear vision of the future. Its trading team uses multiple trading strategies across global equity markets including long/short, event-driven arbitrage and algorithmic strategies. It invests in a portfolio of like-minded boutique managers who have skin in the game and demonstrate consistent long-term out-performance.

An opportunity for operational improvement and accuracy

Rule Builder was implemented to overcome a number of operational pain points the two main traders at Blue Lake Partners were experiencing. Each making approximately 1,000 trades a day through various systems, including ADRs (American Deposit Receipts), their process was largely manual. Every single order had to be individually logged and eyeballed, which was time-consuming, inefficient, and at risk of human error. An automated solution presented the opportunity for significant improvements in efficiency, flexibility and accuracy. The traders felt confident that the time gains would enable them to spend more time on complex trades, prioritise further operational improvements, and spend time increasing their market reach and expertise.

An integrated turnkey solution

Blue Lake Partners have used Bloomberg's EMSX and Tradebook electronic trading platforms since 2014, so selecting another Bloomberg solution to meet its needs in this area made sense for the company. Bloomberg's solutions integrate well with each other, enabling an unparalleled level of flexibility and customisation. It also made for a smooth implementation phase, meaning the team at Blue Lake Partners were able to quickly transition to doing business better than usual with the new solution.

"We investigated other automated solutions, but they required a lot of coding and onboarding. Rule Builder is basically a turnkey solution; and it integrates with our other Bloomberg solutions. It's been a great transition for us as individuals, and as a team."

—James Chen

Trader, Blue Lake Partners

Harnessing the power of automation to drive future-forward results

Rule Builder's ease of implementation has led to fast results for Blue Lake Partners. Its key benefits for the asset manager are greater accuracy, less manual handling, flexibility, options for personalisation and customisation, and enabling improved responsiveness to changing market conditions.

"The errors in our trades have gone down drastically. That's been our number one gain. You can't really measure the time saved, but we know that's another significant gain for us," said James Chen, Trader at Blue Lake Partners.

Chen is based in Australia, and often gets up at night to trade the U.S. market. He readily admits it can be a struggle but says Rule Builder has helped to ease the pain.

Rule Builder also presents an attractive level of flexibility for its user. Chen, for example, likes to stay relatively "hands on", looking over his trades before they go. As a coder, he likes to make his own modifications and parameter changes. But Chen's fellow trader at Blue Lake doesn't code and makes more use of Rule Builder's automation. Both are enjoying exploring the solution's alert functionality, and plan to spend more time on this in the future.

It also gives Chen the ability to be more agile and responsive to changing market conditions.

"If something happens in the market and I want to act, I now have the capacity to move quickly, without having to build my basket from scratch. Rule Builder's execution capability means I have everything pre-set and built up; I'm ready to go."

About Bloomberg Rule Builder

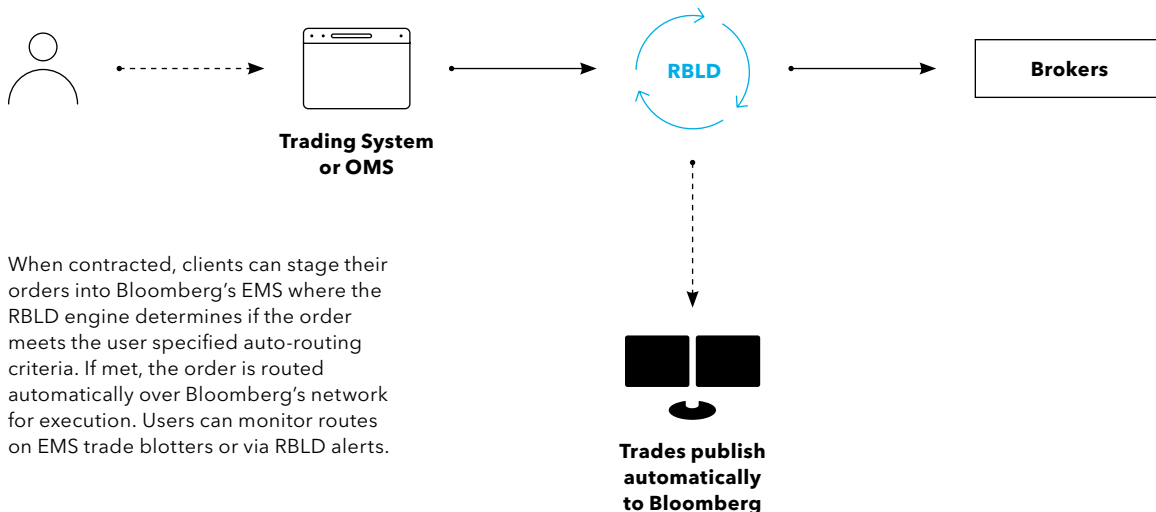
Bloomberg Rule Builder, **RBLD <GO>** enables Equity and Futures execution traders to create rules that facilitate fully automated trading through our Execution Management System, **EMSX <GO>**. RBLD can take an order and route it to your broker or preferred wheel of brokers with zero mouse clicks. It ensures that your routing conditions are adhered to. Finally, you are able to customize those conditions based on your preferences.

Learn more

Bloomberg brings together the technology, connectivity and expertise you need to drive automation and efficiency. We can help you integrate automation into your analysis, trading and operations. We've built our electronic trading software from the ground up, ensuring that you've got access to the latest technology and thought leadership in the space. Our experts are constantly updating the Terminal's algorithms to fit your needs.

To learn more, email our electronic trading solutions team at bbg_ets@bloomberg.net.

How RBLD works



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Beijing
+86 10 6649 7500

Dubai
+971 4 364 1000

Frankfurt
+49 69 9204 1210

Hong Kong
+852 2977 6000

London
+44 20 7330 7500

Mumbai
+91 22 6120 3600

New York
+1 212 318 2000

San Francisco
+1 415 912 2960

São Paulo
+55 11 2395 9000

Singapore
+65 6212 1000

Sydney
+61 2 9777 8600

Tokyo
+81 3 4565 8900

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