**TRADER TALK**

# Marie Lim

Head of central dealing, UOB Asset Management

Marie Lim joined Singapore's UOB Asset Management two years ago as head of central dealing with a mandate to centralize the trading team. The aim has been to ensure the desk can execute on a fully multi-asset basis across cash management, equities and fixed income, including derivatives.

Each of the five traders is being trained to focus on a certain asset class, but also to be able to execute in other areas.

Lim has 16 years' experience of trading across multiple asset classes, including at fund managers RCM and ING Investment Management, as well as at ING Private Bank and OCBC. She also helped set up the central dealing desk at Singapore-based insurer NTUC Income.

One thing that has allowed the dealers to execute in different asset classes more efficiently was UOB AM's switch two years ago to Bloomberg's order management system (OMS), says Lim. The software coordinates the trading process from front to back office, including for compliance, settlement etcetera.

UOB AM is rebuilding its back-end core system to ensure all asset classes employ straight-through processing, as well as for product scalability and other requirements. It implemented connectivity and STP for equities and fixed income when the OMS went live in early 2010.

Cash management and FX remain largely manual for now, says Lim, but the plan is to have them STP-ready within the next two years. In the meantime, the firm will start to trade live FX multi-dealer platforms.

As for specific instruments, UOB AM trades most of the international equity markets, using all the standard contracts from cash to derivatives, including options and exchange-traded funds (ETFs).

The firm uses ETFs for its unit trusts and for certain segregated funds that have a mandate to invest in such products.

For best execution, UOB AM has three lists of brokers it uses for each of its asset classes, and it reviews them all separately.

"For equities, we tend to classify brokers into three categories – top, middle and third tier," says Lim. "The top tier are typically the global brokers that give us full service, including dark pool liquidity."

UOB AM puts less than 10% of its trades through algorithms and direct market access (DMA), for which it uses two providers: Credit Suisse and agency broker ITG.

Lim stresses the importance of analyzing transactions when using DMA or algos. "It seems like traders often engage in algos without awareness of stock peculiarities or trading patterns," she says. "It's good trading ethics and practice to perform pre-trade analysis regardless of mode of execution."

Meanwhile, transaction cost analysis (TCA) is becoming an increasingly important tool for UOB AM, which has been helping Bloomberg develop the vendor's TCA offering.