

The Power of Alaris Trading



## Nine Tools to Optimize Trading Performance

### **Ambush™ (AMB)**

is best used for orders where both time and information leakage are critical. Ambush utilizes sophisticated order placement techniques and allows traders to choose their urgency based on aggressive, neutral and passive settings. A high percentage of interval volume is to be expected.

### **Arrival Price (AP)**

is a “master-balancer” of the key variables associated with “implementation shortfall”: market impact, volatility, volume, spread, time and return. The strike for an AP order is the midpoint of the bid/ask spread at the time of its arrival. AP will determine the optimal execution time frame for each order as it works to the arrival price benchmark.

### **Departure Price (DP)**

balances the joint effect of market impact and price volatility with respect to the departure price. The order normally arrives during the expected completion day, and the strategy optimizes the trading curve between the arrival and end of trade time. DP is designed for any stock where your target price is the departure price or better.

### **Market Call (MC)**

facilitates your specific market call on a stock. Implements your market call, ranging from passive to aggressive, over a flexible execution time frame.

### **Premier Block Trading (PBT™)**

provides anonymous, block execution capabilities for 1,400+ securities. Functionality enhanced to include short sale capabilities and opportunity for price improvement on the original stop price.

### **Razor (R)**

cuts orders into slices based on available liquidity in names where liquidity may be difficult to predict. Designed for optimizing results on small and mid cap stocks. Razor will accelerate its “liquidity blades” to capture hidden liquidity.

### **Target Volume (TVOL)**

determines completion time of the order and price based on market “ticks” or volume. This strategy provides excellent support for a busy trading desk by effectively working orders in line with market volume, and frees up the trading time to focus on the big picture.

### **Time Weighted Average Price (TWAP)**

aims to evenly distribute an order over user-specified duration, dynamically balancing adverse selection and market impact in real time. Typically utilized for liquid names, generating many small and frequent orders.

### **Volume Weighted Average Price (VWAP)**

utilizes smart order placement in conjunction with sophisticated methods of predicting volume for individual securities. Delivers an average execution price in line with the VWAP benchmark, while minimizing impact to the VWAP itself.

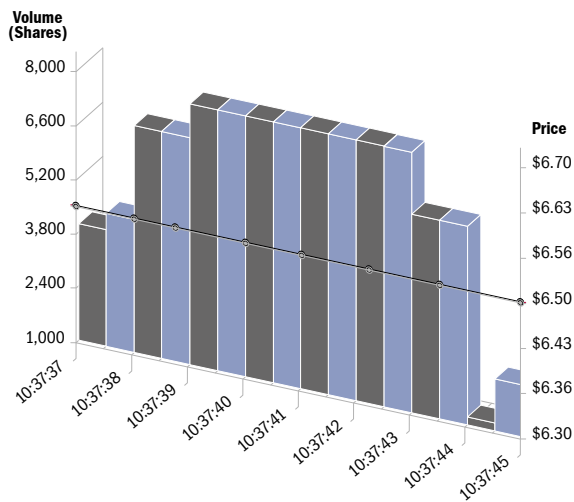
## Trading Scenario 1

You have 50,000 shares to sell in a name that trades 420,000 per day. You need to complete the order immediately, and you do not want to “show your hand” to the market. The Ambush strategy takes stock in waves while balancing the speed of execution versus market impact.

Strategy Option: Ambush

Time	Ambush Volume	Market Volume	% Market Volume	Stock Price	Average Interval Price
10:37:38 am	4,400	4,400	100%	\$6.50	\$6.4965
10:37:39 am	7,000	7,000	100%	\$6.50	\$6.4965
10:37:40 am	7,700	7,700	100%	\$6.50	\$6.4965
10:37:41 am	7,700	7,700	100%	\$6.50	\$6.4965
10:37:42 am	7,700	7,700	100%	\$6.50	\$6.4965
10:37:43 am	7,700	7,700	100%	\$6.50	\$6.4965
10:37:44 am	6,400	6,400	100%	\$6.50	\$6.4965
10:37:45 am	1,400	2,400	58%	\$6.50	\$6.4965
<b>Total</b>	<b>50,000</b>	<b>51,000</b>	<b>99%</b>		
Average Fill Price					\$6.4965

Strategy Options



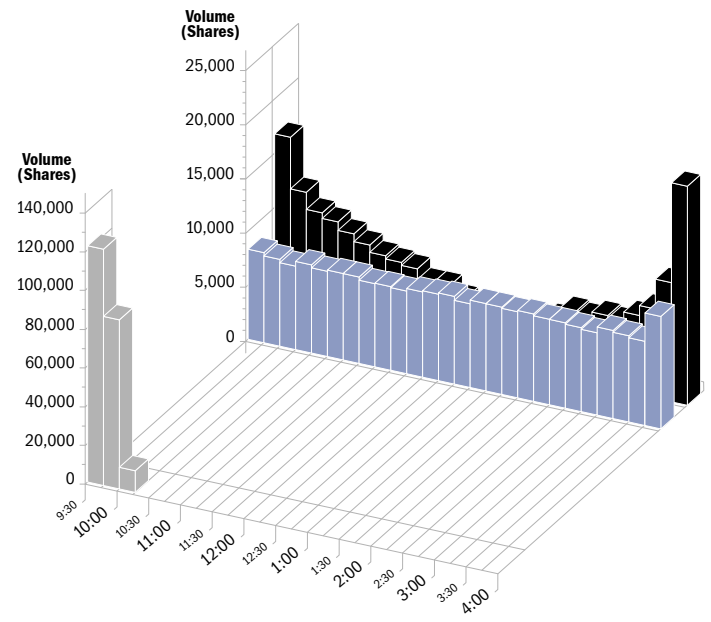
## Trading Scenario 2

You have an order to buy 210,000 shares of IBM along with several other, more complicated orders that demand your attention. Given the liquidity and volatility characteristics of IBM, there are several execution strategies that can complete the order.

Strategy Options: VWAP, TVOL, TWAP

Time	Market Volume	Average Interval Price	VWAP	TVOL 10%	TWAP
9:30 am	3,061,500	73.1177	49,400	210,000	32,200
10:30 am	1,522,700	73.1935	33,200	0	39,700
11:30 am	1,630,500	73.5896	25,100	0	23,700
12:30 pm	838,600	73.6410	18,700	0	32,300
1:30 pm	1,354,100	73.8106	23,300	0	32,000
2:30 pm	1,239,500	73.7676	29,000	0	31,700
3:30 pm	1,955,400	73.9467	31,300	0	18,400
<b>Total</b>	<b>11,602,300</b>		<b>210,000</b>	<b>210,000</b>	<b>210,000</b>
Average Fill Price			\$73.5229	\$73.0975	\$73.5421

Strategy Options



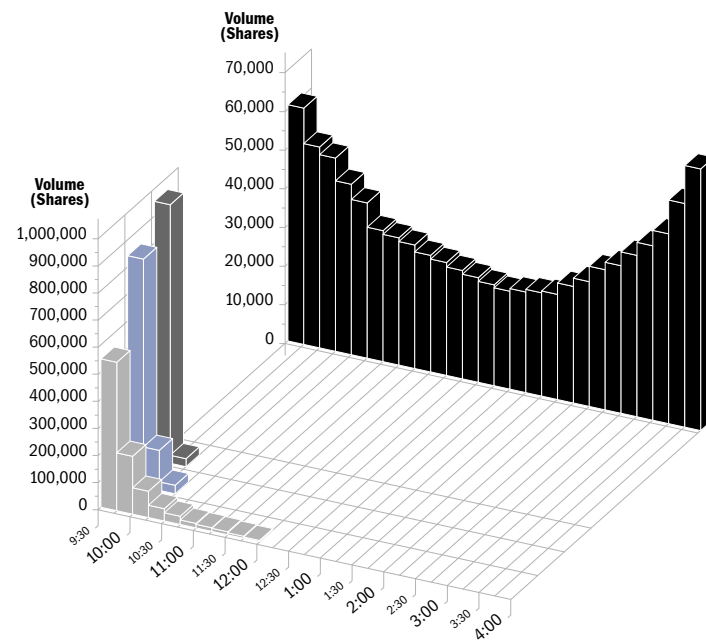
## Trading Scenario 3

You need to buy 1,000,000 shares of MSFT. The order is submitted at 9:30 a.m. and could run until the end of the day. Using the Arrival Price Strategy, you are able to define the trade path according to your risk tolerance.

### Strategy Options: Arrival Price (Passive, Neutral, Aggressive)

Time	Market Volume	Average Interval Price	AP Pass.	AP Neut.	AP Aggr.	VWAP
9:30 am	4,022,533	24.5619	550,500	842,000	967,500	137,600
10:00 am	3,488,626	24.6222	222,000	124,500	32,500	101,600
10:30 am	3,145,406	24.7113	104,000	33,500	0	88,600
11:00 am	4,081,189	24.7541	50,500	0	0	71,200
11:30 am	2,478,053	24.8355	29,000	0	0	59,800
12:00 pm	4,009,543	25.0025	16,500	0	0	56,000
12:30 pm	2,971,591	25.0226	10,000	0	0	51,000
1:00 pm	1,189,611	25.0549	7,500	0	0	48,700
1:30 pm	1,851,240	25.0908	5,500	0	0	54,300
2:00 pm	3,270,438	25.2651	4,500	0	0	63,600
2:30 pm	2,257,631	25.2093	0	0	0	69,900
3:00 pm	2,797,130	25.1623	0	0	0	78,600
3:30 pm	4,258,374	25.2140	0	0	0	119,100
<b>Total</b>	<b>39,821,365</b>		<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Average Fill Price</b>			<b>\$24.6193</b>	<b>\$24.5935</b>	<b>\$24.5751</b>	<b>\$24.9401</b>

### Strategy Options



## Order Management Integration

Company	Version
Advent	5.0 or higher
Bloomberg	All
Charles River	7.2.3.3 or higher
Eze Castle	4.0 or higher
Fidessa	All
Flextrade	All
ITG Triton	3.0 or higher
InstaQuote	All
LatentZero	3.5 or higher
Lava Blotter	2.9.46 or higher
LongView	6.2.3 or higher
Macgregor	6.14.6-21 or higher 6.14.7-34 or higher 7.1 or higher
Neovest	All
NYFIX	4.2 or higher
Portware	All
Reuters Trade Station	All
Sungard, UMA, U2	All
UNX	All

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