

FOR IMMEDIATE RELEASE

New Alpha Omega White Paper Cites FIX Protocol to be Post-Trade Platform of the Future

*Paper also Highlights Technology Risks and
benefits of competition in US equity post-trade*

SAN FRANCISCO – August 18, 2014 – Alpha Omega Financial Systems, Inc., (“Alpha Omega”), an innovator in post-trade technology, today announced the publication of a white paper, “[Looking Back to Shape the Future](#).” The paper reviews the evolution of the Financial Information eXchange (FIX) Protocol in the 1990s, how FIX revolutionized trade execution and became the de facto messaging standard, and illustrates how FIX can deliver Straight-Through-Processing, mitigate risk, improve efficiencies and reduce post-trade costs.

Alpha Omega estimates that post-trade costs for equity transactions globally could drop by 30% or more using a FIX-based solution. For both buy side and sell side trading desks that are under increasing pressure to reduce operational risks while containing costs, FIX-based post-trade presents compelling advantages.

The paper also highlights the need for more than one post-trade vendor to submit trade confirmations/affirmations to the Depository Trust & Clearing Corporation (DTCC), citing technology risks and the benefits of competition.

“There’s little competition to reduce risk and create a vibrant post-trade market in the U.S.,” said Ignatius John, president and co-founder of Alpha Omega Financial Systems. “The \$24 trillion U.S. equity market has a single point of failure in the post-trade funnel and almost no price competition. Beneficial owners and institutions trading in the world’s largest market deserve the benefits of a competitive marketplace.”

Thanks to the leadership of a few innovators in the early ‘90s, the FIX Protocol has been widely adopted as the messaging standard for trade execution. In turn, FIX has supported continued innovation that has advanced the state-of-the-art in trading technology.

“Today, we face a similar landscape for the adoption of FIX for post-trade. A number of large, global asset managers have identified post-trade as an area where they are looking to improve efficiencies, reduce costs and capture more alpha,” continued Ignatius John. “As with the evolution of trade execution, the efforts of these early adopters is driving the industry’s migration towards FIX for post-trade.”

FIX-based post-trade will further advance Straight-Through-Processing (STP), enabling traders to allocate, confirm and affirm their trades in near real-time. In addition, the FIX Protocol's open architecture will allow for the continued development of innovative post-trade solutions, both internally built and vendor-provided.

The FIX post-trade process provides bilateral matching directly between the asset manager and broker/dealer. Execution and allocation details can flow seamlessly from an order management system to the post-trade system and on to the counterparty immediately after trade execution. In short, the post-trade process becomes a natural extension of trade execution, relying on an established protocol and infrastructure to transmit trade details between counterparties.

"FIX can address the post-trade demands of an evolving industry, one in which trading technology has progressed much faster and further than post-trade. FIX stands to change the way we trade once again, this time as the post-trade platform of the future," concluded John.

About Alpha Omega

Founded by prominent industry veterans, Alpha Omega provides innovative technology to make the post-trade process more efficient and cost-effective for the investment management industry. With over five decades of experience in portfolio management, trading and post-trade processes, Alpha Omega is uniquely positioned to bring advanced FIX-based technology to asset managers and broker/dealers. The company's flagship product, FIXAffirm™, directly connects counterparties to deliver fully automated allocation, confirmation and affirmation of trades for equities and fixed income securities. For more information, please visit www.ao-fs.com.

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