

## Trade Optimization

Trade Optimization is a suite of services that optimizes a pool of needs and inventory across multiple participants via a “best fit” matching algorithm



### Equity for Equity (E4E)

Equity for Equity (E4E) provides an efficient and cost-effective way to match purpose for purpose trades. Traders submit needs and inventory to EquiLend at defined times.

EquiLend’s matching algorithm automates the trading process by optimizing the number of possible trades across all participants. Traders can set credit limits to control the maximum notional value filled with each counterparty.

### Top Off

As a function of E4E, EquiLend’s matching algorithm will allow for one-sided trades to top off balances. Purpose for purpose trades between two counterparties may become imbalanced as returns and recalls are processed throughout the day.

### Equity for Cash (E4C)

Equity for Cash (E4C) is an extension of the E4E service. Unlike E4E, this service caters to executing cash trades with rebate rates, and cash pool as collateral. Traders can set their rebate rates and decide to borrow and/or lend to various counterparties by setting credit limits.

EquiLend’s matching algorithm automates the trading process by optimizing the number of possible trades across all participants. Traders can set credit limits to control the maximum notional value filled with each counterparty.

# How Trade Optimization Works

Equity for Equity (E4E)	All participants commit needs and inventory in a matching session. Traders can participate in multiple sessions per day Matching engine runs through all securities and matches needs to inventory, optimizing the total notional value traded across all participants
Top Off	Counterparties can set top-off amounts between one another for a matching session EquiLend's matching algorithm will fill trades up to the top off amount
Equity for Cash (E4C)	All participants commit needs and/or inventory files for participation in a matching session. Traders can participate in multiple sessions per day Trades are executed as long as rates are in line between borrowers and lenders

## Key Features

- “Best Fit” matching algorithm maximizes the total trade value across all participants
- EquiLend minimizes the time necessary to hold inventory as each session is completed within minutes
- Set multiple types of limits: a limit for the overall session and credit limits for each counterparty
- The matching algorithm will take all limits into account
- Borrowers and lenders propose rates based off of industry benchmarks within E4C
- Bilaterally agree to novate trades to a central counterparty
- Multiple sessions are available daily per market if required
- Screens exist that allow traders to manage limits, review results, and submit needs and/or inventory
- Firms can build straight through processing to receive electronic trade tickets
- Download an XLS spreadsheet of all executed trades
- Upload needs and inventory lists via XLS file
- Price improvement for lenders to encourage supply



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