

# FTEN RiskXposure



For traders, clearing firms and broker-dealers to profitably manage their trading operations and meet regulatory requirements, effective trading risk management is critical. The technological and administrative demands of modern trading combined with the speed and volatility of global markets put stress on profitability, credit allocation to clients and compliance at firms of all sizes.

How a firm responds to today's trading risk management challenges carries tremendous weight on how successful the firm will be tomorrow. Historically, and at many firms still, a consolidated approach to trading risk management does not exist. Whether due to limitations of organizational structure, technology, or simply not having the resources and expertise, too many firms do not have a complete plan or consolidated architecture for pre-, at- and post-trade trading risk.

FTEN processes up to  
1/3 of the daily US  
equities volume  
through its risk system >>

## Real-Time, Comprehensive Risk Management, Analysis and Control

FTEN's risk engine, RiskXposure (RX), provides firms with a holistic view of their trading risk pre-, at- and post-trade. FTEN's highly configurable dashboard displays real-time views of aggregated trading activity across markets, asset classes and trading systems. The comprehensive visibility, insight and control delivered by FTEN RiskXposure protects firms against volatility, excess leverage and any number of breached limit situations. As a result, firms are more able to flexibly manage and mitigate risk, onboard additional clients and manage capital more efficiently.



## FTEN RiskXposure for Prime Brokers

For brokers that provide sponsored access and high frequency trading infrastructure to trading clients, there exists substantial intraday credit risk. With microsecond speed trading, firms can be put out of business and brokers left holding substantial liabilities in mere seconds. FTEN RiskXposure gives brokers confidence to run their operations with comprehensive risk and compliance controls that help prevent loss by monitoring each and every trade. With FTEN RiskXposure a broker-dealer can establish pre-, at- and post-trade risk parameters on a granular level and automate alerts and control actions to shut down activity if needed.

## FTEN RiskXposure for Clearing Brokers

As one of the parties ultimately liable for a transaction, clearing firms need to both maintain and safeguard sufficient capital levels at all times. Many clearing brokers have no visibility or control over the intraday risk for which they are ultimately liable. FTEN RiskXposure provides clearing brokers with an easy-to-use dashboard application that monitors overall intraday market exposure across all the entities for which they clear.

## FTEN RiskXposure for Broker-Dealers

Each trading firm, regardless of investment structure, has its own trading risk management strategy. Applying that methodology across multiple markets and asset classes is impossible with siloed solutions or disparate products sourced from multiple vendors. FTEN RiskXposure benefits from FTEN's 10-plus year history of developing high performance risk management technology. The solution gives traders cross-market, cross-asset and cross-system aggregated transaction views, the ability to monitor overall committed capital, open order exposure and intraday market risk exposure.

The image shows a screenshot of the FTEN RiskXposure software interface. The interface is dark-themed and contains various data tables and navigation menus. A large white arrow points from the interface towards the right, where the text is located. The interface includes sections for 'Top Level Firm', 'Exposure Levels', and 'Top Level Firm: Garage Details'.

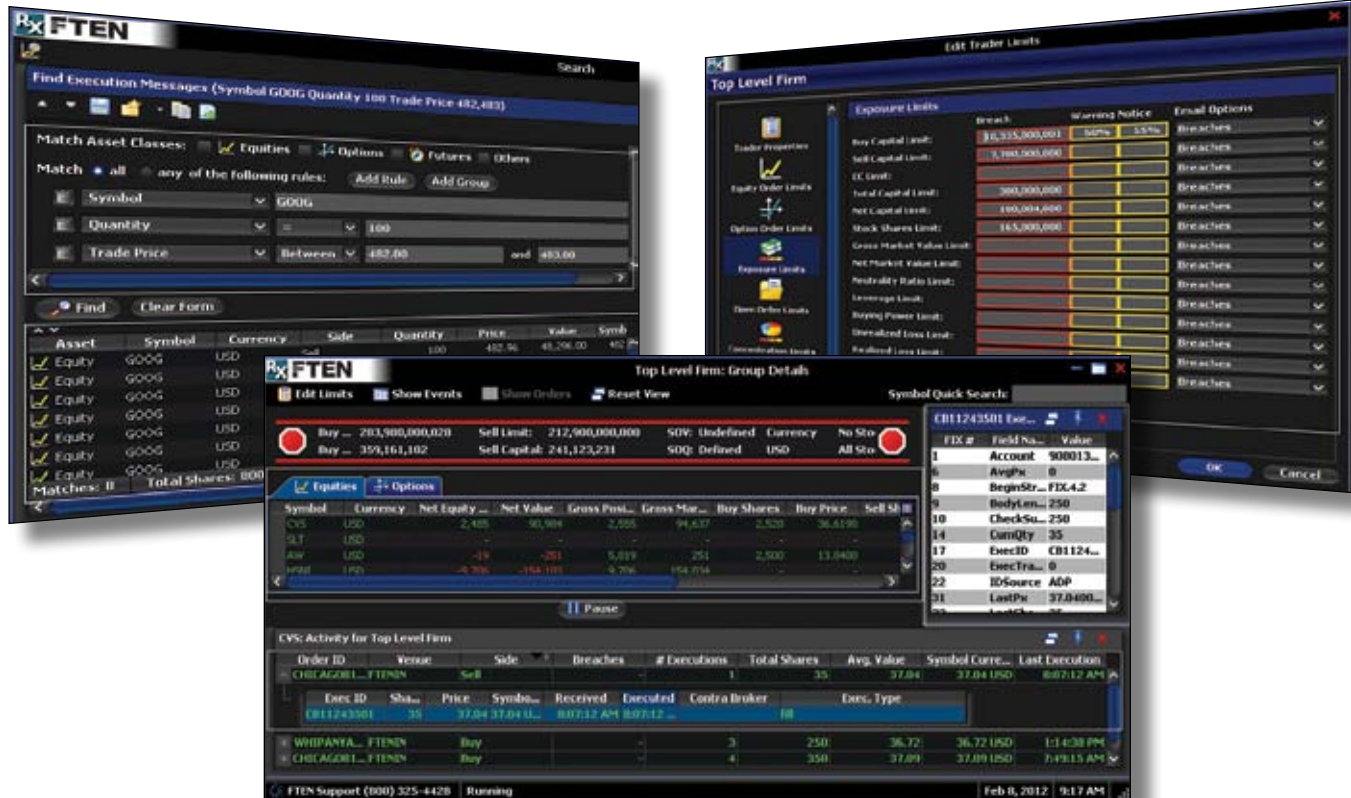
# FTEN RiskXposure Interface

## Examples of FTEN RiskXposure checks include:

- Portfolio Risk Checks
  - Intraday market exposure including gross, long, short and net position balances
  - Single name concentration (gross, long, short and net)
  - Average daily value and buying power
  - Checks for positions in illiquid instruments
- Open Exposure Checks
  - Open gross market value
  - Open buying power
- Reasonableness Checks
  - Fat finger (single order value, single order quantity, etc.)
  - Price collar
- Compliance Checks
  - Region-specific mandated compliance
  - Restricted stock list enforcement

The RX search capability enables users to slice-and-dice data and create queries as needed to easily identify risk from a number of parameters.

Dynamic limit setting enables adjustment across a number of parameters, in real-time.



FTEN's highly configurable dashboard displays real-time views of aggregated trading activity across markets, asset classes and trading systems, as well as granular views of activity down to the symbol or account level.

## About FTEN

FTEN provides traders, brokers and clearing firms with comprehensive risk management and execution infrastructure tools that help them minimize risks and ultimately increase profits in increasingly regulated, latency sensitive, high-volume and global trading environments.

FTEN's risk platform is the product of a unique 10-year focus on the regulatory and risk management challenges facing the trading community. This focus has resulted in proven systems that enable firms to monitor and manage their risk exposure across markets, asset classes, regions and accounts in real-time through flexible pre-, at- and post-trade controls.

Organizations that use FTEN's patented technology are able to integrate front- and back-office systems and processes and ultimately attract more clients with greater returns on less capital.

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