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If you are considering or currently employing algorithmic trading strategies, this session is for you. During the course of this fast-paced seminar, you will learn how to code, develop, back test and trade your strategies.

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WHAT'S NEW WITH RTS' SOFTWARE SOLUTIONS?

RTD Realtime Trading Desktop

- Change quote quantity based on overall position delta
- Create hedge order based on total risk line delta
- View Template Builder
- Spread Matrix Dartboard View
- Basket Trader AutoHedging Functionality

Connectivity

- Performance Improvement: Enhanced Market Subscription
- New connectivity to Xetra Scoach
- New connectivity to Turquoise

eRTD

- New Options View in eRTD
- Improved instrument search in eRTD

RTD Tango

- RTD Tango XML API
- New date/time and random number built-in functions in RTD Tango

1. **RTS HOSTS ALGORITHMIC TRADING SEMINAR IN NEW YORK**

RTS is proud to host a June 12th seminar, "Solutions for Automated Algorithmic Traders," in the state-of-the-art ICE Trading Center at Two World Financial Center in New York. Taking place from 2 p.m. to 4 p.m. as part of the ICE Education Trading Seminar, the RTS session will help those currently employing algorithmic trading strategies learn how to code, develop, back test and trade strategies using RTD Tango.

RTD Tango is a high-performance, event-based automated algorithmic trading system that enables users to code and deploy thousands of trading strategies simultaneously. The multi-asset, multi-exchange solution handles complex multi-layer algorithmic trading strategies and is suitable for a broad range of industry professionals including Proprietary Traders, Algorithmic Trading Professionals, Hedge Fund Managers,

Financial Engineers and other industry professionals. The event immediately follows the Securities Industry and Financial Markets Association (SIFMA) Technology Management Conference & Exhibit June 10-12 at The Hilton New York. Please visit the RTS booth, #4219, during the show.

Interested in attending the seminar? **Contact info@rtsgroup.net** ■

EDITORIAL

STEFFEN GEMUENDEN

Co-CEO of RTS Realtime Systems Group



In recent weeks, RTS has been active in forging new alliances, providing more connectivity solutions and continuing to grow our presence in key markets worldwide. In this issue, we describe our new Taiwanese distributi-

on partnership, our featured technology role with some of the newest non-traditional marketplaces based in the U.S. and U.K. and our eRTD Java-based front-end.

In March, we proudly became a partner-level sponsor of the newly established MarketsWiki, founded by John Lothian. We are pleased to feature an interview with John on page 3 about this important endeavor.

Last month, we successfully supported the launch of side-by-side grain and oilseed options at CME Group as key market players turned to RTS' technology to transition from floor to electronic trading. As one of the few technology partners supporting the entire suite of enhanced options functionality offered by CME Group, our solution gives market participants all the tools they need to take advantage of arbitrage and spread opportunities in the markets.

Our upcoming New York algorithmic trading seminar on June 12th (see page 1) will take place at the ICE Trading Center, where interested parties can now test and use our electronic trading solutions. We are also exhibiting at the SIFMA Technology Management Conference & Exhibit in June.

In closing, for those of you near to our home office in Frankfurt, we hope you'll join us as we get in the spirit of summer and express our appreciation to our customers with a Beach Party on June 4th.

Sincerely,
Steffen Gemuenden

2. ALTERNATIVE TRADING SYSTEMS MAKE HEADWAY

BY SARAH RUDOLPH

Six months after it became law in Europe, Markets in Financial Instruments Directive (MiFID) has led to a burgeoning of alternative trading systems and a push from independent software vendors (ISVs) to make sure they are connected to these systems. The big investment banks in the U.S. and Europe are increasingly starting up their own trading venues to rival the established exchanges. MiFID has been instrumental in making it easier for these alternative trading systems to form by harmonizing market rules across Europe and eliminating the "concentration rule", which required that stocks be traded through local markets. The advent of algorithmic trading and use of the FIX protocol have also given a boost to these new all-electronic trading systems.

These Multilateral Trading Facilities (MTFs) promise fast order fills, high capacity and lower fees than traditional exchanges. Lower fees are crucial to the investment banks, who have often complained about fees since exchanges began demutualizing and becoming profit-driven entities. MTFs can charge less by using direct market access systems that automatically route orders straight to the execution venue, eliminating intermediaries.

The first to launch, Chi-X, has succeeded in taking about 10 percent of the volume in the FTSE blue-chips from the established exchanges in its first year. Chi-X, developed by the broker Instinet, was first launched in the U.S. but expanded to Europe to take advantage of MiFID's best execution requirement. That success is inspiring the other MTFs. In the derivatives space there is Project Rainbow, co-owned by Barclays Capital, Deutsche Bank, Goldman Sachs, JPMorgan Chase & Co, MF Global, NewEdge and UBS.

BATS, an ECN designed for high-speed algorithmic trading, began trading equities in the U.S. and has since moved into the European market as well.

Two more MTFs that plan to launch this September are ELX (Electronic Liquidity Exchange) and Turquoise. Turquoise will concentrate on European equities and ELX will trade Treasury futures. ELX's founders are Bank of America, Barclays Bank, Citigroup, Citadel, Credit Suisse, Deutsche Bank, eSpeed (which also provides the technology), GETCO, JP Morgan, Merrill Lynch, Peak6 and RBS. Its first product will be Treasury futures; it may expand to other fixed income derivatives. Though based in the U.S., ELX expects to have a large share of customers from Europe and Asia. "The Treasury market is, without question, an international one", said an ELX spokesman. "China, for example, has the largest pile of Treasury debt in the world."

Turquoise is owned by nine European investment banks (BNP Paribas, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, Merrill Lynch, Morgan Stanley, Societe Generale and UBS.). It will integrate both "lit" and "dark" trading pools, enabling customers to access the dark book from the lit book. "More important, we'll start with a commitment from each of the nine founders to make markets in the 300 ,lit' books, so there will be instant liquidity on the lit books – and, one would hope, price improvement", said a spokesman for Turquoise.

In order to ensure best execution, MTFs say, one must be able to access all sources of liquidity from one platform. Turquoise, for example, will provide one settlement party, Euro-CCP, the European subsidiary of the DTCC.

"That creates a huge reduction in cost we can offer to customers", the Turquoise spokesman said. "That should encourage the ability to trade cross-currency and trade in more names (stocks) and increase interest in trading strategies that may have been difficult to pursue because trading costs were higher. We expect to trade at well under half the European average."



» Article 2 continued from second page

ISVs will need to accommodate global customers by connecting to these new trading systems. They will need smart order

routing technology with minimum latency – in the low sub milliseconds – for both execution and market data. “Our strategic concern is that we have access to the ISVs with a powerful presence and highly re-

garded front-end technology”, said the ELX spokesman. “The more people who use the system, the more liquidity and the deeper the markets. You want very customer-oriented ISVs with powerful technology.” ■

3. AN INTERVIEW WITH JOHN LOTHIAN ON MARKETSWIKI



MarketsWiki, founded by John Lothian, has become a comprehensive new source of information about all things markets-related.

Based on the popular open source Wiki software that is the foundation of the Wikipedia online encyclopedia, the site is a compilation of web pages written by Lothian and staff and supplemented by members throughout the financial markets community worldwide. ScreenShot spoke with Lothian, founder and editor of the John Lothian Newsletter, about the creation of the site and its growth in popularity in such a short time.

Why did you create MarketsWiki?

There were four major issues we were trying to address. The first was the loss of intellectual capital and collaboration from trading floors across the markets that we were witnessing last year as electronic trading continued to grow.

The second was the continued convergence of the futures and securities worlds, despite the continued separation from a regulatory standpoint in the U.S. As people have tended to be in one world or the other, the languages and customs are different, and we wanted to figure out how

to teach people about the other world. The third was the globalization of markets, and the growing development of new localized markets. We wanted to determine how to teach people in these localized markets to trade.

Finally, as environmental markets began to take off, which is why we introduced the Environmental Markets Newsletter, we wanted to help new participants enter those markets by giving them a resource for information.

How do you hope it will be used?

Since I started the newsletter in 2000, I've asked myself, how do I keep what I'm doing fresh and continue to add value to it? As blogs began to grow in popularity, it seemed like a natural progression for me to go ahead and try to do this. There's so much change that has occurred over the last eight years, and the velocity of change is so high, it created an ideal opportunity. If this works, I believe it will be a really powerful tool, to have people adding information from all over the world. It has the potential to become a 24/7 version of the newsletter. Registered users of the site can click on “recent changes” and see what's new. Any paid subscriber of the John Lothian Newsletter or Environmental Markets Newsletter is a registered user; you just have to sign up. You can also arrange to have certain information e-mailed to you whenever it is updated.

How did you get the support to start MarketsWiki? It seems like a lot of work.

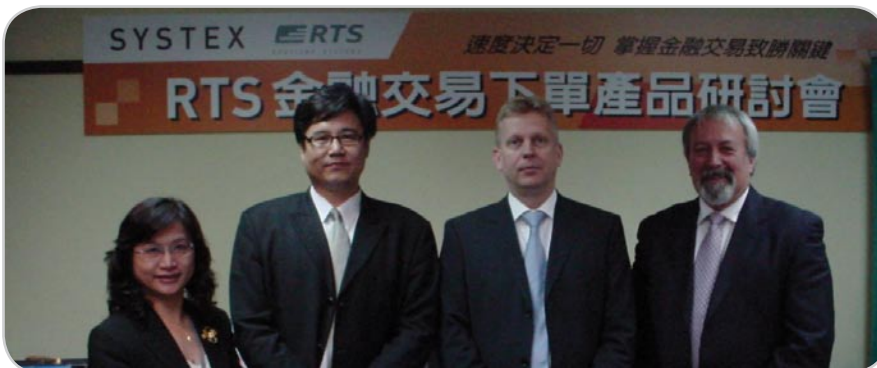
When I started it, I was the only one involved. I consulted with numerous customers of the newsletter last year at the Futures Industry Association conference in Boca Raton. I started the newsletters with no sponsors and hired Jon Matte to help write and edit it. He has effectively been a co-founder. We've since been very fortunate to add partner-level sponsors, such as RTS, and other levels of sponsorship to enable us to bring in the staff to write and edit the [thousands] of pages that comprise the site.

It is a lot of work and never ending, but it's rewarding because it has allowed me to do things I hadn't been able to do before. Given the moderate price of the newsletter, I believe I had generated a tremendous amount of goodwill in the community, and I think that the strong response we've received from sponsors of MarketsWiki is a representation of that goodwill. I've been very encouraged by that.

If someone has an idea for a web page for a term or entity within the industry, how does it get started?

The process is, if there isn't something there, it's easy enough to start it, and then the community and my team can build on it. We get requests all the time, and you can make a request by sending me an email to johnlothian@johnlothian.com.

4. SYSTEX BECOMES RTS CERTIFIED DISTRIBUTION PARTNER IN TAIWAN



In early April, RTS and SYSTEX Corporation announced that they have entered into a distribution agreement to sell and support the entire portfolio of RTS' trading solutions to the Taiwanese market. SYSTEX is a world-class information technology services and software services provider operating its businesses throughout Asia.

According to a PricewaterhouseCoopers 2007 report entitled, “Entering the financial services market in Taiwan”: »

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“Taiwan’s financial services sector is increasingly opening up to foreign investment as local institutions seek the capital and expertise of international partners.” The report indicates that Taiwan’s gross domestic product per capita at purchasing power parity has surpassed that of South Korea and is approaching that of Japan. “Asia will

5. ANOTHER OPTION: eRTD

eRTD is the Java-based front-end to the RTD Realtime Trading Desktop, offering RTS clients and their customers an Internet solution to access both equity and derivatives markets globally.

RTS clients using eRTD include hedge funds, proprietary trading firms, brokerage firms, FCMs, Introducing Brokers or individual traders. RTS can provide firms with a white-labeled version of eRTD for distribution to their customers.

clearly continue to be among the most important markets for financial services in the next decade”, said Steffen Gemuenden, RTS Co-CEO and President. “Partnering with SYSTEX gives us strong local representation in one of the most promising and prosperous markets, and it builds on our growing presence in Asia following the establishment last summer of our distribution partnership for the Japanese market.” ■

Trade and display options in a customized format.

RTS has developed a new Options View component for eRTD to provide enhanced performance with new market update displays, column configurations, trading, and context menus offering additional features to trade and display options in a customized format.

These include:

- Easy Load Line for outright and strategy contracts
- Enhanced filter capabilities
- Fully customizable option trading view including market depth display and easy underlying replacement
- Improved contract search

THE eRTD PACKAGE INCLUDES:

- Intuitive Trading Front-end
- Server based Spread Trading Functionality
- Vertical Dartboard
- Options Management
- Position Management, including Realtime P&L
- Order & Trade Management
- Risk Management via RTD
- Integrated Charting

CAREER OPPORTUNITIES

RTS offers distinctive career opportunities in a fast-growing, global, team-driven technology company.

To meet the growing demand for our popular algorithmic trading offerings, we are currently seeking:

- Product Managers/Algorithmic Trading
- Sales & Account Managers/Algorithmic Trading

Positions are available in all of our worldwide offices.

For more information, please visit www.rtsgroup.net or send an email to: human_resources@rtsgroup.net

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LATEST PRESS RELEASES:

RTS...

- ... To offer access to Turquoise
- ... Successfully Deploys Solutions at CME
- ... Announces New Alliance in Taiwan
- ... Unveils New Corporate Branding

UPCOMING EVENTS:

Summer Beach Party

June 4th, Frankfurt

SIFMA (Booth #4219)

June 10-12th, New York

IDX Expo (Booth #7)

June 10/11th, London

Seminar for Algorithmic Trading

June 12th, New York