

UAT Launches iPerX To Boost Commission Recapture Programs

Patented iPerX Automates Trading Process and Increases Recapture Rates to 75%.

By Melanie Rodier

UUAT, a financial services technology firm specializing in the externally managed and sub-advised industry, launched iPerX, a web-based system that automates trading and potentially triples recapture rates for sub-advised and externally managed assets. “Compared to existing commission recapture products, iPerX is a web-based offering that automatically generates lower commission costs on up to 75% of orders for an account, dramatically increasing savings for a fund or plan,” said Tom Warren, UAT’s President.

“Money managers overseeing these assets increase the efficiency of their trading desk as they gain an automated algorithm that saves their institutional clients millions annually for the benefit of the underlying individuals in these products. iPerX is also the only product on the market that provides real-time governance reporting on holdings, activity, commission and recapture rates for sub-advised and externally managed assets.” The multi-patented iPerX product increases recapture rates for up to 75% of an account’s order flow, which is triple the current 25% industry norm, according to the vendor.

iPerX provides an algorithm to money managers that, through a single screen, enables the automation of a fund or plan’s recapture goals. This algorithm categorizes orders, using a real-time rules-based process, as high touch or low touch based on their potential market impact. The low-touch orders, typically up to 75% of an account’s order flow, are auto-routed to a fund or plan’s designated low-cost agency brokers to maximize commission savings. The money manager’s trading desk “works” the high-touch orders to provide true value-

added service on orders with significant expected market impact.

“At its most basic level for money managers, iPerX increases the efficiency of their trading desk. The money managers retain complete control over all order management and trading as well as the iPerX algorithm’s rules for determining market impact,” Mr. Warren said. “At a time when many money manager trading desks are facing staff reductions, iPerX’s automation is a valuable asset.”

As a web-based solution, iPerX requires no additional personnel or supervisory resources to run and has no installation costs or minimum requirements. iPerX is also available for licensing to current providers of commission recapture programs, with the added benefit of substantially increased revenues and enhanced services for these providers.

“Our cause at UAT is to save the sub-advised and externally managed industry \$1 billion per year. iPerX is a 21st century solution that automatically lowers commissions, improves performance and provides real-time transparency across the entire sub-advised and externally managed industry. We are looking at all possible avenues to achieve these goals.” Mr. Warren said.

UAT is also the creator of the UAT System, a first-of-its-kind solution to the decades-old inefficiencies in the \$4.0 trillion externally managed and sub-advised market. Both technologies benefit numerous organizations, including public and private defined benefit plans, defined contribution plans, mutual funds, not-for-profit funds, variable insurance products, bank trust groups, endowments and foundations. UAT holds five United States patents with additional patents pending and patent filings in 38 countries.



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