Transaction Cost Analysis
Understanding Trade Execution Impact

Transaction Cost Analysis (TCA) lets investment managers determine the effectiveness of their portfolio transactions. By providing greater transparency into investment strategies and trading performance, TCA helps investment managers lower their trading costs. The Charles River Investment Management Solution (CR IMS) provides TCA seamlessly integrated with order, execution and portfolio management capabilities. Charles River’s TCA scales with your analytics needs, from pre-trade to post-trade capabilities. Pre-trade TCA is included as standard functionality in Charles River IMS.

Real-Time Decision Support
Charles River’s integrated TCA capability produces immediately actionable intelligence, accessible directly from the blotter. Extensive reporting and visualization options provide portfolio managers and traders with highly individualized feedback, helping them improve performance and reduce slippage. For example, Charles River TCA provides insight into questions such as:
- Which algorithm is working for me?
- What’s my optimal execution rate?
- Should I use crossing networks for my orders?
- Do my orders differ by time of day, order size, sector, PM?

Key Benefits
- Evaluate trading costs and trends on one platform
- Measure the performance of portfolio managers, traders & brokers
- Make more informed trading decisions
- Helps improve quality of trade execution
- Can reduce execution costs and slippage
- Seeks to maximize alpha

Advanced Capabilities
- Pre- and post-trade analytics application
- Multi-agent perspective on order life-cycle
- Best-in-class customized reporting
- Optimize trading strategies to fit PM and trader profiles
- Align behavioral profiles with implementation strategies
- Covering: Global Equity Markets, US/Canada inter-listed, EU composite
- Supports entire order life-cycle
- Real-time implementation shortfall
- Real-time unrealized gain/loss (UGL)
- %ADV and liquidity indicators
- UI-based research tool

Screenshots are for informative purposes only; no live data being used.
Pre-Trade TCA

Pre-Trade TCA provides portfolio managers with estimates of trade costs and market impact based on extensive historical trade information for a particular name. It evaluates all relevant trade execution strategies and recommends the strategy that is most consistent with a manager’s risk preferences.

Charles River’s TCA helps portfolio managers, traders and buy-side firms understand trade execution impact throughout the trade lifecycle.

Post-Trade TCA

Post-Trade TCA helps firms and portfolio managers profile and analyze trader performance across numerous metrics. Users can assess trade execution quality by comparing actual executed prices to user-selected benchmark prices. A full suite of benchmarks are provided, including volume-weighted average price, opportunity cost, performance, open/close/previous close price. Custom benchmarks are also supported.
ABOUT CHARLES RIVER

Investment firms, asset owners, wealth managers, hedge funds and insurers in more than 30 countries rely on Charles River’s front and middle office investment management platform to manage more than US$30 Trillion in assets. Together with State Street’s middle and back office capabilities, Charles River’s software technology forms the foundation of State Street Alpha℠. The Charles River Investment Management Solution (Charles River IMS) is designed to automate and simplify the institutional investment process across asset classes, from portfolio management and risk analytics through trading and post-trade settlement, with integrated compliance and managed data throughout. Charles River’s growing partner ecosystem enables clients to seamlessly access external data and analytics, applications and liquidity venues that support the unique demands of their product and asset class mix. Headquartered in Burlington, Massachusetts, we serve clients globally with more than 975 employees in 11 regional offices. (Statistics as of October 2019)