



The Provider of ALIGNED Buy-Side Trading Desks

Buy-Side Traders are Being Asked to Replace Themselves

Can traders outsource themselves? Dalzell Trading has seen more buy-side firms asking their traders this specific question.

Many traders are being asked by their bosses to examine outsourcing their job function to an outsourced trading firm as investment managers and hedge funds rein in costs, grapple with increased regulation, and react to the move to passive management. While this may seem counterintuitive to some traders, it makes sense for all parties involved when you take a deeper dive into the reasons and solutions.

The key to any good partnership is a shared goal and vision. This is most easily accomplished when signing on with an independent, conflict-free outsourced trading partner who has aligned interests with fund managers. With a robust, buy-side focused platform and experience executing this exact type of conversion with other buy-side traders, Dalzell Trading can assist in fulfilling each funds' fiduciary duty to its clients while allowing the trader to transition from the old school buy-side model to Dalzell Trading.

- Eliminate the cost of in-house trading
- Continue executing trades with "their" trader (now employed by Dalzell Trading)
- Continue receiving everything their current trading desk provides (now from Dalzell Trading)
- Add our team of experienced traders working alongside "their" trader
- Technology allows for a seamless transition of "their" trader working from any location

Evolution, not Elimination

Many investment management firms have already restructured various business units as they evolve: COO, CFO, middle and back-office, operations, etc. The trend has many looking to outsource some or all trading desk functions. This allows managers to convert their trading desk from a fixed cost to a variable expense. It also moves the expense from the manager level to the fund level; utilizing trading commissions that are already being generated whether or not the manager outsources.

Most buy-side traders previously viewed outsourced trading firms as competitors and rivals. In a world with buy-side margin compression, these outsourced firms should be viewed as an ally and collaborator. As the landscape of the buy-side trading desk evolves, many synergies are created when the buy-side desk "outsources" themselves to an aligned business partner.

Be Proactive

Contact us for more information on how outsourcing benefits both the trader and your firm.

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