

# Who, What, Where, How?



## What is it?

An automated trading system platform similar (*but better!*) to Strategy Runner or Collective2, which allows clients to view the performance of different systems, start and stop trading systems, and view their personal results following the systems in real time. See here: <http://attain.tradingmotion.com/>

## Who's behind it?

The technology is developed by a Spanish company named Trading Motion, SL. ([www.tradingmotion.com/](http://www.tradingmotion.com/)), and is licensed in the US exclusively by Attain Capital Management, [www. Attaincapital.com](http://www.attaincapital.com). Attain handles all communication with the FCMs and IBs using the platform, and sends and collects any invoices for its use.

## How does it work?

Trading Motion has made a connection to the Fix API of existing order routing systems such as CQG and CTS, and routes all orders through such connection.

To get started, a customer would 'sign up' for the platform like they do for any other trading platform, asking their broker for access. The broker/FCM rep, would request access from TradingMotion via an online portal, and do the platform setup outlined below.

Once the setup is complete, the customer would receive a login and password and be able to access the platform. Once the user has access to the platform, they can browse different trading system's performance, then purchase a license (ranging from \$30 to \$300 per month) to trade a particular system, and then when ready – 'activate' a system to execute live orders for their account.

At any point, the customer may deactivate an active system for their account – taking the account flat if that system had any positions or orders, and causing the system to no longer issue orders for that account.

All trading is done in a single account, and done via the TradingMotion User Agreement, not a letter of direction or similar.

### **Is it compliant?**

Attain has worked with the NFA for the better part of the last 12 years to arrive at the 'hypothetical model account' promotional material model used to display performance on the platform, and has used many of the same charts, formats, formulas, and disclaimers on its live website for years.

As such, Attain had the platform reviewed without comment by the NFA (2013-CINV -635), and as an additional step – held numerous conference calls with NFA to discuss how the platform can and should be supported by FCMs and IBs utilizing it for their clients.

Through those talks, several tools were created and made available on the platform to enable FCMs and IBs utilizing the platform to do their own periodic review of the numbers shown, review single customers listed performance versus their statements, and other items to insure compliance.

A demo of these audit tools is recommended. Please also see the attached documents: NFA review Document, 2013-CINV-635 (no comment letter), and NFA conference call notes.

### **How is Risk handled?**

TradingMotion uses a risk protocol which occurs even before pre-trade risk, which we call pre-activation risk. In short, the platform 'requires' an amount equal to 125% of the amount a system could lose in a single day be in the account before allowing that system to be activated for the account. The amount a system could lose is based on the system's worst ever loss in backtesting and actual trading, adjusted for the length of the system's track record, and amount risked per trade based on the system's stop loss orders.

The formula cannot result in a number below 25% of the required margin for intraday systems or 100% of the required margin for systems which hold positions over night. But this amount is usually smaller than the margin required for that market, resulting from most systems offering intraday trading and all using stop orders and generally setup to risk smaller amounts than they look to earn.

The platform checks the customer balance upon each activation, and again at midnight CST each day. If the end of day check finds that an account has fallen below the required minimum, the platform will automatically disable the most recently activated system for the account until such time as the account has a large enough balance to cover the sum of all required minimums across all systems activated for the account.

The platform requires customer's accounts be set up with 20% of required margin for intraday trading and 100% for overnight positions, and is not available to FCMs or IBs requiring more than 20% margin for intraday trading, as it will cause rejections of customers system orders and create a poor user experience for customers.

Please see the attached Risk Detail sheet for more on how risk is handled.

### **What are the economics?**

Each system on the platform comes with a defined commission level of either \$15, \$20, or \$25 (or €15, €20, or €25 Euros for systems trading Eurex products) per round turn, All In (including NFA fees, clearing, exchange, CQG/CTS api fees, etc). The commissions are set per market.

The customer pays the listed All In commissions, plus a fee of \$30 to \$300 per month for licensing each trading system. The license fee is prorated if starting mid month, and charged at the beginning of each subsequent month for trading during that month. The customer agrees to this licensing fee upon each purchase of a license, and the sum of all fees and the total for each customer is invoiced to the FCM monthly by Attain, to be paid to Attain and deducted from each customer's account for trading in that month.

Attain charges a 'platform fee' of \$3, \$4, or \$5 (or €3, €4, or €5 Euros for systems trading Eurex products) depending on the commission charged for that market (\$3 for \$15, \$4 for \$20, and \$5 for \$25), and the differences between those fees and the gross commission is for the payment of NFA, clearing, exchange, and CQG/CTS API fees, and amounts retained by the FCM and IB. Attain will invoice the FCM directly for such fees due Attain.

The platform does not allow commissions to be charged higher than the All In levels set for each market, and any FCM or IB charging higher rates will cause their white labeled version of the platform to be misleading promotional material – with the customer's performance severely underperforming the numbers shown on the platform.

As such, Attain/TradingMotion will suspend the platform rights of any FCMs/IBs found to be charging more than the listed amounts.

### **Steps before going live at your FCM:**

1. Sign agreement with Attain Capital and Trading Motion detailing responsibilities, and agreeing to the fee schedule detailed above/therein.
2. Create a new 'Setup Process' at the FCM for accounts wishing to use the Platform. Upon a 'tradingmotion' platform request:
  - a. Create a unique, individually funded, account which does not have user level access to place orders via CQG, the FCMs own platform, or similar.
  - b. Add user to TradingMotion CQG/CTS superuser.
  - c. Set intraday margins to 20% of required, and end of day margins to 100% of required

d. Set commissions per market to the amounts below:

Market	Market	All In Rate per Round Turn	Currency
DM	S&P MidCap future	15	USD
ES	E-mini S&P future	15	USD
NQ	E-mini Nasdaq future	15	USD
TFS	Mini-Russell future	15	USD
YM	E-mini DowJones future	15	USD
BP	British Pound future	20	USD
SF	Swiss Franc future	20	USD
URO	EuroFX future	20	USD
QM	E-mini Crude Oil future	20	USD
CL	Crude Oil future	25	USD
FGBL	BUND future (EUR)	15	EUR
FESX	EuroStoxx future (EUR)	20	EUR
FDAX	DAX future (EUR)	25	EUR

As more markets are added, all will remain between 15 and 25 in their local currency.