



# ORDER ROUTING

## Use the IEX Router to Capture Liquidity with Confidence.

The IEX routing options are designed to interact with liquidity resting on IEX and sweep all markets displaying protected quotations. Once posted to the IEX Order Book, routable orders re-sweep to capture protected quotations that lock or cross the order's limit. IEX's unique POP architecture and low latency network protects routing orders from information leakage while maximizing fill rates. The two routing options are **Router** and **Router Basic**.

### Router

**Router** is a routing option under which an order is sent to the IEX Order Book to check for available shares in a way designed to minimize market impact (see reverse for additional detail), and then any remainder is sent to destinations on the System routing table, which may include the IEX Order Book. If shares remain unexecuted after routing, they are posted on the Order Book or canceled, in accordance with User instruction. Once posted on the Order Book, the unexecuted portion of such order is eligible for the re-sweep behavior ("**Router**: IEX Check, then Sweep the Street").



### Router Basic

**Router Basic** is a routing option under which an order is sent to destinations on the System routing table, including the IEX Order Book. If shares remain unexecuted after routing, they are posted on the IEX Order Book or canceled, in accordance with User instruction. Once posted on the Order Book, the unexecuted portion of such an order is eligible for the re-sweep behavior ("**Router Basic**: Sweep the Street").





# IEX Check with Minimal Market Impact

The IEX Router “checks” IEX when using the **Router** routing option by routing the entire order with either an FOK (“Fill-or-Kill”) or IOC (“Immediate-or-Cancel”) time-in-force to the IEX Order Book. Depending on the size of the order and the cumulative shares from protected quotations at the NBBO (“PBBO”), the IEX Router will choose one of the techniques below to minimize market impact (i.e., liquidity fade) from any fills received on the IEX Order Book.

## Undersized Order

If the routable order size is substantially smaller than the cumulative shares at the PBBO, the IEX Router checks the IEX Order Book to the PBBO with a standard IOC (no minimum quantity condition) because the risk of missing shares due to liquidity fade is low.



E.g., 1000 share routable buy order with 5000 share PBO = IOC

## All Other Orders

Otherwise, the IEX Router checks the IEX Order Book to the PBBO using an FOK order (i.e., minimum quantity equal to order size), meaning the order must be completely filled or no execution occurs, so as to not create a signal unless the order is fully executed on IEX.



E.g., 1000 share routable sell order with 1000 share PBB = FOK

# Rest Easy, then Re-sweep Available Liquidity

If the limit price of a resting routable order is crossed or locked by one or more protected quotations, the IEX Router removes all or a portion of the order from the IEX Order Book, respectively, and routes to the protected quotation(s).

## Route with Confidence

Through IEX’s low latency, deterministic network to all protected markets, coupled with our patent pending system architecture, IEX has minimized the opportunity for quotes to fade while routing orders.

IEX passes full execution information about every routed trade to users, including Last Market and Liquidity Indicators. IEX encourages users to review IEX’s routing options; in-depth fill rate analysis reports can be supplied on request.

# MORE INFORMATION

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