

# BLX\*

Bringing Back the Block

\*Patent-pending

BLX is a new block-trading paradigm that dynamically initiates point-in-time crosses within a continuous crossing framework. BLX is designed to increase average trade size while minimizing risk – it aggregates buy and sell orders in a stock and triggers a passive cross when matchable volume grows to a meaningful size. A brand new trading concept from Instinet, BLX aims to clean up the tape in a fragmented, algo-driven world.

## BLOCK-FOCUSED

BLX consolidates orders into block-size trades, activating only when aggregate matchable volume hits a minimum threshold.

## MULTI-PARTY PROTECTION

Unlike peer-to-peer or negotiation systems, BLX's multi-party participations helps build blocks faster, ensure anonymity and protect trading information.

## DIVERSE LIQUIDITY

A large institutional user base and broad roster of dark pool participants provides style diversity and reduces information content.

## ALGO-FRIENDLY

BLX provides institutions with a value-added block-trading venue by aggregating the growing volume of order flow dispersed across algorithmic channels.

## ANTI-GAMING

Built-in features like the volume trigger, mid-point pricing and succinct IOX alert (symbol-only is sent, post-match) protect information and reduce gaming risk.

## PING-RESISTANT

Unlike some continuous crossing pools, BLX matches cannot be pinged to expose interest levels, making them unattractive to information-seeking traders.

## BEST COMBINATION

With multiple execution opportunities, aggregated liquidity and risk mitigation, BLX combines the best features of continuous and point-in-time crosses.

To learn more, call +1 877 467 8463  
INSTINET INSTITUTIONAL SALES GROUP

## HOW BLX WORKS

**1. Accumulation/First Match:** Orders accumulate and are pooled. When the minimum volume threshold is reached, the pricing window opens.

**2. Pricing:** The BLX price is set by snapping the NBBO midpoint at a random time during the 10-second pricing window. Once the price is set, the first match executes, with orders filled pro rata.

**3. Second Match:** An IOX (indication-of-cross) is sent to participants disclosing only the stock symbol and inviting additional orders inside a short window (eg, 3 seconds). Orders are pooled with residuals from the first match. There is no volume trigger but this match executes only if the market price is within range of the BLX set price within the window.

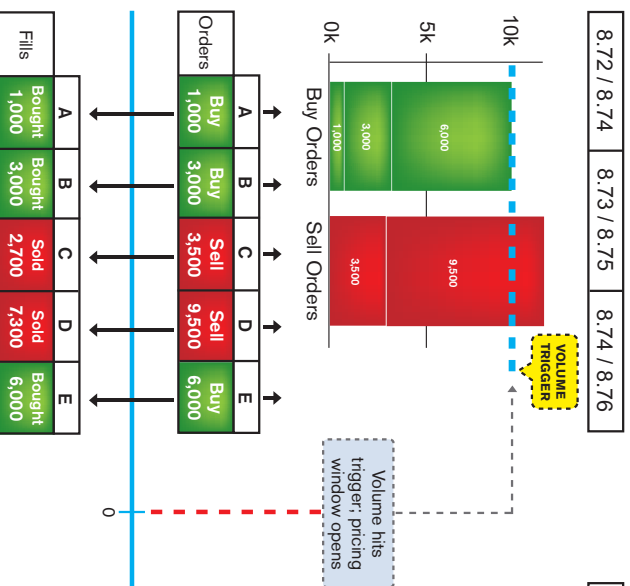
**4: Prints:** Separate prints are put up for the first and second (if any) BLX matches.



Access BLX through your Instinet front end (Newport®3, Instinet Trading Portal®) or through Instinet Execution Experts™ algorithms.

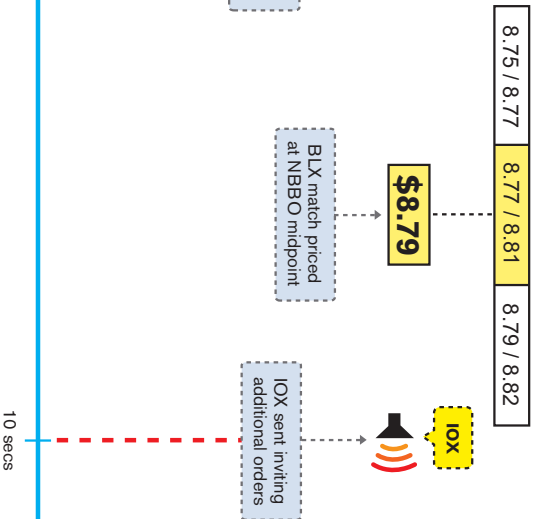
### A Order Accumulation

Buy and sell orders accumulate. When matchable volume hits a specified volume threshold, pricing commences.



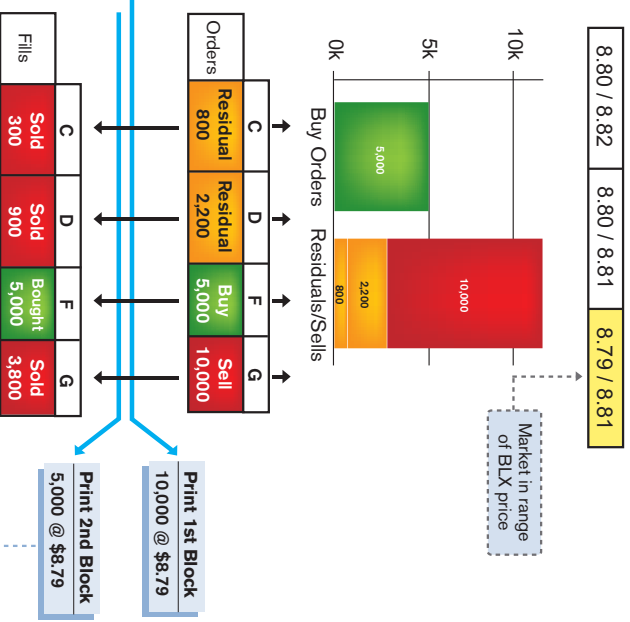
### B Pricing Window

BLX snaps the NBBO midpoint at a random time during the 10-second pricing window. An IOX (symbol only) is sent to solicit additional order flow.



### C Building Onto the Block

Order flow responding to the IOX is combined with any residuals from the first match. A second match occurs at the same price as the first. There is no volume trigger, but the market must be in range of the match price to execute.



### D Printing

Once the entire process is complete, each BLX match is printed separately.