



In the Media

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Good Things Come To Those Who Wait



Dimensional's risk-based investment philosophy and its unique position as a liquidity provider enable a patient and flexible trading approach that provides measurable advantages over other managers.

The glossary below explains technical trading terms in the article.

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Equity Trading Glossary

Algorithms: Automated sets of rules developed by programmers and traders to efficiently conduct trades in the market place. The strict rules built into the model attempt to determine the optimal time for an order to be placed that will cause the least amount of impact on a stock's price.

Child order: Subset of a large security order or parent order that is small enough in size to be executed in a timely manner.

Dark pools: Trading venues where orders are not displayed and the trading parties remain anonymous. They are networks operated by third parties, brokers or exchanges that match institutional flow against other customer flow. Asset managers access dark pools through negotiating agreements with the dark pool operator. Dark pools provide additional sources of liquidity that can improve trading efficiency.

FIX network: Short for Financial Information Exchange. FIX is a messaging system that allows orders to be transmitted to the trading systems that will execute the orders.

Parent order: An aggregated buy or sell order that is too large to be conducted in a single transaction. Instead the order is broken down into smaller orders called child orders that can be transacted over time.

Self-directed trading: Also known as direct market access, this type of trading is executed and controlled by the asset manager.

Smart order routing (SOR): The process of electronically routing orders to the venues offering the best executions with the least market impact. SOR is driven by algorithms and other software and communications tools.

TCA: transaction cost analysis

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