



380 Madison Avenue, New York, NY 10017  
Tel. 212.588.4000 [www.itg.com](http://www.itg.com)

**FOR IMMEDIATE RELEASE**

## **Investment Technology Group Announces New List-Based Algorithm**

**NEW YORK, August 23, 2007** – Investment Technology Group, Inc. (NYSE: ITG), a leading provider of technology-based trading services and transaction research, today announced the addition of Dynamic Implementation Shortfall (Dynamic IS) to the ITG Algorithms<sup>SM</sup> suite of trading tools. This list-based algorithm is designed for portfolio and quantitative traders whose main objective is to trade opportunistically according to real-time market conditions to minimize trading costs and manage risk while optimizing the entire portfolio.

To use Dynamic IS, clients select from a list of parameters, including cash imbalance, sector neutrality, time horizon and speed of execution, and the algorithm reacts in real time to benchmark, spread levels, volatility and liquidity to execute the portfolio over single or multiple days. Dynamic IS differs from most list-based implementation shortfall algorithms which are static and follow a predetermined trading schedule based on historic volatility and liquidity estimates.

“Portfolio managers are faced with the challenge of maintaining balance in their portfolio while avoiding risk,” said Tony Huck, Managing Director at ITG. “ITG’s Dynamic IS algorithm helps clients reduce the volatility of an unexecuted list in real time by adjusting parameters to meet their investment strategy.”

Clients using Dynamic IS can opt to expose their orders via the ITG Dark Algorithm<sup>®</sup>, a liquidity-seeking algorithm, to reach ITG's liquidity pools, POSIT Match<sup>SM</sup>, POSIT Now<sup>SM</sup>, and BLOCKalert<sup>SM</sup>, as well as to other alternative trading systems (ATSS) and electronic communication networks (ECNs).



### **About Investment Technology Group**

Investment Technology Group, Inc. (NYSE:ITG), is a specialized agency brokerage and technology firm that partners with clients globally to provide innovative solutions spanning the entire investment process. A pioneer in electronic trading, ITG has a unique approach that combines pre-trade analysis, order management, trade execution, and post-trade evaluation to provide clients with continuous improvements in trading and cost efficiency. The firm is headquartered in New York with offices in North America, Europe and the Asia Pacific regions. For more information on ITG, please visit [www.itg.com](http://www.itg.com).

*In addition to historical information, this press release may contain "forward-looking" statements, as defined in the Private Securities Litigation Reform Act of 1995, that reflect management's expectations for the future. A variety of important factors could cause results to differ materially from such statements. These factors include the company's ability to achieve expected future levels of sales; the actions of both current and potential new competitors; rapid changes in technology; financial market volatility; general economic conditions in the United States and elsewhere; evolving industry regulation; cash flows into or redemption from equity funds; effects of inflation; customer trading patterns; and new products and services. These and other risks are described in greater detail in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, and other documents filed with the Securities and Exchange Commission and available on the company's web site.*

### **Investor and Media Relations Contact:**

Alicia Curran  
(212) 444-6130

###