

TO: LIGHTSPEED TRADING CUSTOMERS/TRADERS
FROM: OPERATIONS GROUP
SUBJECT: KNIGHT'S SMART ORDER EXECUTION STRATEGIES NOW IN LIGHTSPEED TRADER
DATE: 10/7/2011

Lightspeed Trader now has connectivity to Knight's Smart Order Execution strategies providing robust liquidity sourcing in a fragmented-market.

FAN – Sweeps and posts orders in both displayed and non-displayed venues while re-circulating to the destinations where executions are taking place. In addition, FAN leverages Knight's broad inter-market connectivity and internal liquidity, resulting in faster routing and increased liquidity capture.

COVERT – Based on FAN's technology, this strategy is for traders who desire to only interact with liquidity in non-displayed markets, particularly when the potential for negative exposure is of paramount importance. It posts and fills orders in dark pools exclusively.

SUMO – An aggressive, time-sensitive strategy designed to complete trades quickly while minimizing market impact and information leakage. Sumo works in both the displayed and non-displayed venues and is considered a preferred solution to a typically unshielded market order.

Knight's strategies can be accessed by adding a new Custom "Route" in the Custom Orders Tab. The acronym NITE should be used in the Market field and FANx, FNxH (hidden), CVTx, or SUMx should be used in the Contra field, where x = A for aggressive, P for Passive, N for Neutral. The options for the Contra field per strategy are seen below:

FAN - FANA (aggressive=peg market), FANN (neutral=peg mid), FANP (passive =peg prime)

FAN (hidden) - FNAH (aggressive), FNNH (neutral), FNPH (passive)

COVERT - CVTA (aggressive=peg market), CVTN (neutral=peg mid), CVTP (passive=peg prime)

SUMO - SUMA (aggressive=most aggressive), SUMN (neutral=more aggressive), SUMP (passive=aggressive)

Name your Key with Defining Properties **Enter NITE in the Market Field, Enter the Strategy Code in the Contra Field [FANA]** **Remember to Mouse-click Done when Complete**

The screenshot shows the 'Custom Orders' window in Lightspeed Trader. The 'Name' field contains 'FANA-BUY'. The 'Market' field contains 'NITE' and the 'Contra' field contains 'FANA'. The 'Through' price is set to '0.000'. The 'Order Size' section has 'Tiers' selected with a value of '1'. The 'Done' button is highlighted in the top right corner. Red boxes and arrows are used to highlight and point to these specific elements from external text labels.

Remember to Create Both Buy AND Sell Keys

Configure the Price of your Order

Set your Quantity Preference

Once you have created the Routes you can map them to a Hotbutton or any Key via your Keyboard Tab.