



KCG STRATEGY: CATCH

Catch quality liquidity as only Catch can

Catch leverages smart logic, adaptability, and speed to find the best opportunities to capture liquidity at the right moments.

It seeks to get as close as possible to your target arrival price, yet in the process catch incremental micro alpha. This makes all the difference between good—and better—execution. We've also given Catch a highly flexible participation range—so that it has room to move and go after liquidity when it counts.

HOW IT WORKS

Catch casts a wider net, leveraging a broader set of tools when chasing liquidity.

Utilizing thoughtful, passive order placement logic and an advanced fair value model, Catch is able to be proactive and judiciously aggressive when opportunities present themselves. Catch is empowered by our fast big data analytics and low latency routing technology.

Market Awareness

It is guided by a market-aware participation strategy that uses adaptive participation guidelines. This strategy influences the urgency of trading, but will not force trading at inopportune times, as can be the case with algorithms coded with hard bands.

Aggressive Early

Volume participation will be greater at the beginning of the order, getting you closer to the fill you need sooner.

Continuous Recalibration

Catch manages opportunistic passive and aggressive trading by considering urgency, inventory, and market conditions in real time. Participation is continually recalibrated as your order progresses to ensure proper exposure and optimal execution performance.

WHEN TO USE

Use Catch when you are:

- Seeking to reduce both slippage and variance from arrival price
- Pursuing high initial participation and reduced market impact by trading over a window of time
- Planning to participate opportunistically and get done immediately, but only if quality liquidity is available
- Looking for the flexibility to interact with either lit or dark liquidity

Quality Liquidity-Focused

Leveraging our continuous, nuanced analysis of liquidity and venues, Catch seeks to complete opportunistically with the highest quality liquidity available.

No matter what the market does, your order is handled within your predetermined parameters. The algo protects you by not executing in instances where, for example, a block print reaches beyond the scope of your preferred exposure. The goal is to ensure that you will never be dragged along for the ride.

Adaptive Participation

If high quality liquidity can be sourced, the algo is free to participate at higher levels as long as it won't trigger market impact. In difficult market conditions, Catch will choose to participate at the most opportune times. You may also customize the strategy defaults to specify percentage-of-volume brackets, if you prefer.

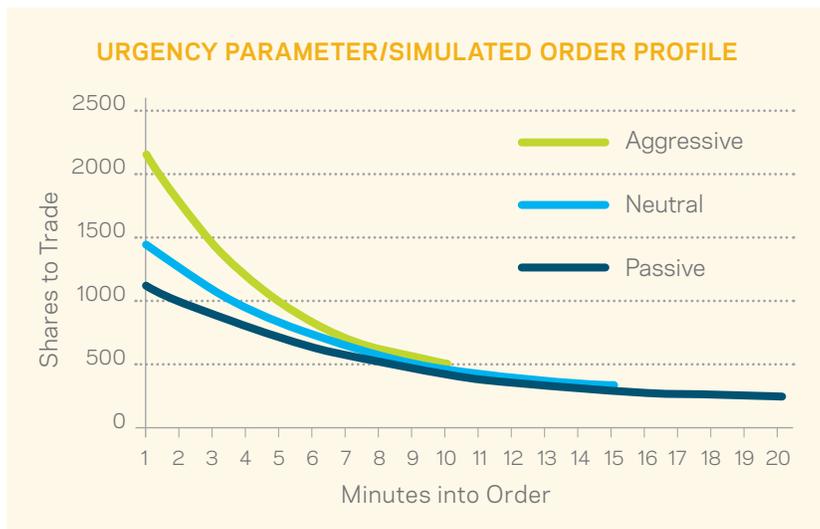
Quality Biased

Catch will generally complete, but it is not guaranteed. This enables the strategy to focus more precisely on quality of liquidity and the reduction of impact.

KCG continually seeks to refine the concept of "quality." One way we measure quality is by measuring market impact and adverse selection within specific time increments from the point of execution. Market impact happens when signals cause the market to move in the same direction as our order. Adverse selection happens when the market moves in the opposite direction of our order.

ADJUSTABLE URGENCY LEVELS

You can modify the urgency level of Catch based on how you like the strategy to behave. The highest urgency, "Aggressive," means the order will be more front-loaded and that participation will be higher. The lowest urgency level, "Passive," means the participation range overall will be lower and the order will not be as urgent at the outset—the overall execution path will be less acute.



Note: These ranges are averages over the order's duration—they are approximate soft bands. The algorithm is designed to have the flexibility to participate outside of these ranges if that will better achieve your objectives during the life of the order.

Based on your preference, you may also choose to set mandatory participation bands (min and max) for each urgency level.

Aggression	Participation Range
Passive	2% - 8%
Neutral	10% - 25%
Aggressive	15% - 35%

For additional information, contact your KCG trading services representative or:

KCG Algorithms

US Direct +1 646 981 1199
US Toll Free +1 888 443 3343
Email algorithms@kcg.com
www.kcg.com