Jump Trading Group
Algo Due Diligence Template

GENERAL	
This general section outlines the core features of the algorithm. Providers may consolidate answers 1–5 into a table or grid if they wish to cover multiple algorithms with the same template.	
Q1	Algo Provider (also referred to as "you" or "your" below as required):
A1	Jump Trading Futures, LLC ("Jump Party")
Q2	Algo name(s):
A2	Please see the "Jump Trading Group FX Algos" presentation (available upon request).
Q3	Liquidity type (internal, external, hybrid):
A3	Hybrid
Q4	Products covered (spot, NDF):
A4	Spot FX
Q5	Description of algo(s):
A5	Please see the "Jump Trading Group FX Algos" presentation (available upon request).
Q6	Please describe any parameters or controls the user may adjust:
A6	Please see the "Jump Trading Group FX Algos" presentation (available upon request).
Q7	Please specify if the product is built internally or externally:
A7	The FX algo system was built on proprietary technology.
CONFLICTS OF INTEREST	
Some conflicts of interest may be expected but it is important to know what they are and what steps have been taken to manage them. This way the Algo User can make an informed decision.	
Q8	If principal liquidity interacts with the Algo User's order, how does this happen and what steps are taken to ensure the fill is a fair one from the order's point of view?
A8	The FX algo system accesses liquidity from multiple execution venues, including Jump Party's single dealer platform ("JLQD") and other liquidity providers. JLQD is treated like any other execution venue or liquidity provider from an order routing perspective. When the FX algo system trades on JLQD, the fill that is passed back to the counterparty will have a FIX tag 30 (LastMkt) value of "JLQD."

Q9	If another part of your business needs to hedge or trade in the same direction as the Algo User's order, how are fills allocated between the two?
A9	Jump Party's proprietarty strategies operate independently from the FX algo system, but such strategies may use the FX algo system for execution in certain situations. Such strategies have no awareness of any other trading activity in the FX algo system. The FX algo system treats each parent order individually (whether received from a proprietary strategy,, or counterparty), and each child order submitted to an execution venue is linked back to a single parent order. Consequently, fills do not need to be allocated amongst parent orders.
Q10	Are there any particular commercial interests in trading venues or other relevant service providers that interact with the algorithm provided by you? If so, how are such conflicts addressed?
A10	Yes, any commercial interest in an execution venue or service provider that the firm holds does not factor into FX algo system order routing decisions.
Q11	Please elaborate on your role as regards market risk, counterparty risk, and settlement risk.
A11	As it pertains to the operation of the FX algo system, Jump Party is not subject to market risk as it does not typically maintain open FX positions. Counterparty risk is managed pursuant to agreed upon limits related to net open positions ("NOP"). Settlement risk is mitigated via Jump Party's use of a prime broker for trading conducted using the FX algo system and via contractual agreements with counterparties.
Q12	Is there anything else of which you feel the Algo User should be aware?
A12	Please see the "Foreign Exchange Trading Disclosure" (available upon request).
ALLOCATION POLICY	
There are many different approaches to allocations. It is important to understand what happens in circumstances where multiple clients wish to trade or, indeed, when one order would be used to fill the order of another client.	
Q13	If you have more than one client order wishing to trade in the same pair and on the same side, how are fills allocated amongst these orders?
A13	The FX algo system treats each parent order individually, and each child order submitted to an execution venue is linked back to a single parent order. Consequently, fills do not need to be allocated amongst parent orders.
Q14	If two client orders are eligible for execution netting, how does this process work?
A14	The FX algo system does not currently support execution netting.
ROUTING POLICY	
Routing policy is an important topic. There are several components such as how execution venues are evaluated, curated, and prioritised. Also covered is the question of what fair-value mid the algo uses to make routing decisions and how information leakage is avoided when placing lit orders. Finally, internalisation is defined: some providers have a strict definition such as 'two algo orders netting'	

whereas others will include midbooks and trades where they have shown a skew through mid externally to incentivise another counterparty to fill them.	
Q15	How are hedging execution venues evaluated, including both observable (spread, impact) and implicit costs (information leakage)?
A15	Execution venues are evaluated on an ongoing basis based on a variety of factors including, but not limited to, spread, probability of fill, and/or markout profile.
Q16	How do you prioritise between different execution venues (both external and internal sources) when routing orders?
A16	Venue selection by the FX algo system is prioritised as follows: • Aggressive/marketable orders: Price, probability of fill, venue cost. • Passive/non-marketable orders: Predicted "time to fill."
Q17	If multiple clients enter orders in the same pair, will you aggregate these orders before placing orders externally or treat each client order individually and place multiple similar orders, which may compete with one another for fills?
A17	The FX algo system treats each parent order individually.
Q18	What – if any – ongoing work do you do in order to curate execution venues, where curation is possible? Approximately how often is this conducted?
A18	Execution venues are not currently curated. See A15.
Q19	Do you have any logic to avoid orders on venues where the order book is visible to all participants (lit execution venues) causing information leakage? If so, please describe it.
A19	Where such an outcome is deemed to be detrimental to execution performance, the FX algo system seeks to utilize a mixture of order types and venues to minimize posting orders that are "visible to all."
Q20	Does the mid/fair-value used by the algorithm differ from the one used by your own market making system for pricing and risk management? If yes, please specify.
A20	While the FX algo system uses the same underlying technology as the firm's market making strategies, the methodology for determining fair value may differ depending on a variety of factors including, but not limited to, currency pair and time of day.
Q21	Please define your understanding of 'internalisation' and, using an example, describe how this works in practice, demonstrating if/how your Algo Clients benefit from this process. If you wish to do so you may provide an indication of how much volume is internalised on average.
A21	Internalisation is defined as "two algo orders netting." The FX algo system does not currently internalize counterparty orders.
SEGREGATION POLICY	
Segregation policy is all about keeping order information private and reducing the risk of signalling.	
Q22	Please describe if and how the algo orders are segregated within your institution.

A22	Jump Party's proprietarty strategies operate independently from the FX algo system, but such strategies may use the FX algo system for execution in certain situations. Such strategies have no awareness of any other trading activity in the FX algo system. The FX algo system treats each parent order individually (whether received from a proprietary strategy or a counterparty).
Q23	Can sales and trading personnel who provide intraday 'market colour' view algo orders at any stage? If so, what steps have been taken to minimise the risk of information leakage?
A23	N/A – sales and trading personnel do not provide intraday 'market colour.'
Q24	Can discretionary traders who may enter or exit risk for your institution view algo orders at any stage? If so, what steps have been taken to minimise the risk of information leakage?
A24	Discretionary traders who manage risk are unable to view parent order level information (whether open or closed) but are able to view positions across the institution for risk management purposes. To mitigate the risk of information leakage, discretionary traders undergo regular training regarding the importance of protecting counterparty trading information and do not make discretionary trading decisions, for risk management purposes or otherwise, based on counterparty trading information.
Q25	Can an electronic market making system view algo orders at any stage? If so, what steps have been taken to minimise the risk of information leakage or misuse of information?
A25	No.
Q26	Are algo order flows included in any market positioning tools or analyses that other clients may use?
A26	N/A – Jump Party does not provide such tools or analyses.
SAFETY FEATURES	
Safety features might include fat-finger limits, kill switches or protections that automatically suspend the order when it trades too fast or in certain market conditions.	
Q27	Please describe any in-built safety features you have that may cause an order to be suspended or rejected.
A27	The FX algo system has the following risk checks, which may cause an order to be suspended or rejected: Parent orders: • Order integrity check (valid order parameters for requested strategy, order times valid for specified instrument); • Duplicate order check; • Net open position; • Max order quantity; • Max order notional; • Market impact rate (applicable to schedule-based execution algo strategies); • Limit price required (applicable to non-schedule-based execution algo strategies); • Clearly erroneous check of limit price (applicable to non-schedule-based execution algo strategies); and/or • Cancel on disconnect (opt-in feature).

	Child orders: • Clearly erroneous limit price; • Order submission rate; • Number of exchange rejects; • Number of unacknowledged orders; • Max quantity; • Conformance to venue quantity requirements; and/or • Cancel on disconnect.
Q28	Please explain what you have done, and will continue to do, to ensure the integrity of the electronic trading system you provide for clients to use (including the system's reliability, security, capacity and contingency measures).
A28	The FX algo system employs a combination of industry standard best practices with respect to system operations/monitoring, development standards, testing, and change management. The firm follows a layered approach to security and system integrity using of a variety of software and hardware solutions. The FX algo system can be operated in multiple data centers globally in conjunction with a redundant system design to ensure system resiliency and reliability.
TCA	
TCA is an increasingly important part of the service. Where the TCA is not third party it is important to understand internal metrics. For example, if you have 'beaten risk transfer price' by 3bp how is that risk transfer price calculated?	
Q29	Do you support any TCA or analytics? If so, please specify which providers.
A29	Jump Party offers proprietary TCA.
Q30	If you provide proprietary analytics, please describe how relevant metrics are calculated (mid-price, risk-transfer benchmarks, etc.).
A30	Metrics for Jump Party's proprietary TCA are calculated as follows: • MidPrice: primary exchange unweighted mid price • ArrivalPrice: mid price at order start • TWAP: time weighted mid price over the duration of the order (start to stop or start to cancel) • VWAP: volume weighted mid price over the duration of the order (start to stop or start to cancel) where volume curve is fitted to proprietary data • Slippage: difference between average execution price and benchmark price multiplied by FilledQty * (1 if Side == Buy else -1) • SlippageInBps: 10000 * Slippage Measure / Executed Notional
Q31	If you provide proprietary analytics, is there a difference in data provided to different users? If so, please elaborate.
A31	Jump Party's offers a standard TCA report format, which can be customised at the request of counterparties and may result in different data being provided to different counterparties.
SWAPS	

Algo Users may have a need to roll an algo execution entirely/partially to one or more forward value date/s. If roll forwards are executed with the Algo Provider, it is crucial to understand if the respective swap prices are competitive and whether potentially sensitive order information is exposed. For example, does the swaps trader know which side of the quote the algo execution is on or do they receive a two-sided RFQ? Also, does the swap trader know they are quoting a captive spot fill or does it appear the same as RFQs that are priced in competition with other banks?	
Q32	What information is provided to the STIRT desk when there is a request for swap pricing from an algo order?
A32	N/A – As it pertains to the operation of the FX algo system, Jump Party does not have swaps traders or a STIRT desk.