



Customer Call – September 9, 2015

*Preparation for the London Matching Engine Launch at LD4
& U.S. Matching Engine Migration to the NY5 Data Center*

Hotspot Update

- Today's Agenda
 - London Matching Engine at LD4 – Final Weekend Test/Monday Go-live
 - U.S. Matching Engine Migration to NY5 – Roadmap and Planning
 - Business Update
 - Q&A Session for Customers
- Today's Speakers
 - Chris Isaacson, EVP, Global Chief Information Officer
 - Paul Reidy, Head of FX Technology
 - Bill Goodbody, SVP, Head of FX

London Matching Engine: Launch Timeline

- **Final Weekend Test Opportunity** – This Saturday, September 12th
 - Test Hours: 12:00 noon – 4:00 p.m. BST / 7:00 a.m. – 11:00 a.m. ET
 - Synthetic pairs USD/XXX and USD/YYY will be available in the Production environment for this Saturday's test
 - We encourage everyone to participate to avoid any go-live surprises
- **1st Day of Live Trading at LD4** – Monday, September 14th
 - We will start London matching at 10 p.m. BST/5 p.m. ET on Sunday, September 13th
- **Daily Testing Opportunities**
 - Cert/UAT: All currency pairs now available for testing
 - Production: Synthetic pairs (EUR/XXX, USD/XXX and USD/YYY) now available for testing

London Matching Engine: Connectivity & Certification

- Connectivity

- Participants choose and arrange for connectivity to and within data center
- It is not possible to access Hotspot using existing connectivity into the BATS equities markets

CONNECTIVITY INQUIRIES	SALES INQUIRIES
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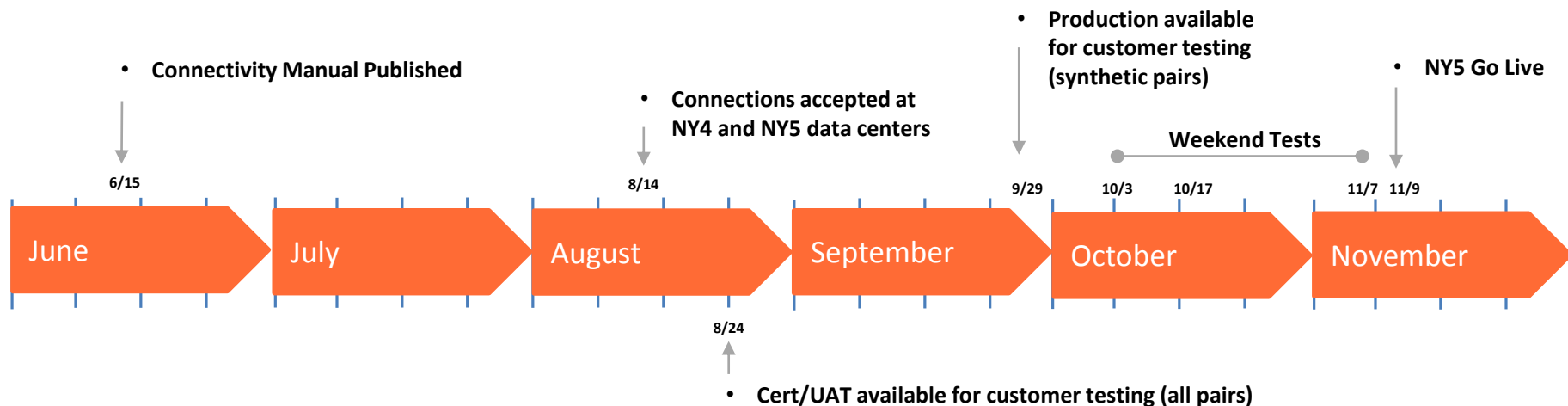
- Certification

- All Customers are required to certify to one of the [Hotspot Trading Protocols](#) within the London Cert/UAT environment prior to trading on the new production London matching engine

U.S. Matching Engine Migration to NY5: Roadmap

Target Date (2015)	Milestone
June 15	Connectivity Manual Published
August 14	Connections accepted at NY4 and NY5 data centers
August 24	Cert/UAT available for customer testing (all pairs)
September 29	Production available for customer testing (synthetic pairs)
October 3	Test weekend (all pairs)
October 17	Test weekend (all pairs)
November 7	Go-live weekend test (all pairs)
November 9*	Go-live

*November 8th at 5:00 p.m. ET, to match our existing trading schedule.



NY5 Migration: Connectivity & Testing

- Connectivity
 - Participants choose and arrange for connectivity to and within data center
 - It is not possible to access Hotspot using existing connectivity into the BATS equities markets
 - Like BATS equities markets in NY5, all connections will be latency-equalized between and within NY4 and NY5
- Certification
 - All Customers are required to certify to one of the [Hotspot Trading Protocols](#) within the NY5 Cert/UAT environment prior to trading on the new production NY5 matching engine
- Testing Opportunities
 - Daily testing now available (Cert – all pairs) and September 29th (Production – synthetic pairs)
 - Three weekend tests with all pairs: October 3rd, October 17th, November 7th

NY5 Migration: Additional Items to Note

- Bilateral Credit
 - Bilateral Credit will be shared dynamically between Participating Financial Institutions (PFIs) for the New York and London matching engines
 - Credit document is available on the Hotspot website
- LD4 to NY5 connectivity
 - Post migration of the NY matching engine to Equinix NY5, Hotspot will offer access to the NY5 matching engine from LD4 and vice-versa via a Hotspot provided trans-Atlantic wide area network.
 - Hotspot plans to offer all access protocols for market data, order entry & drop copy. This connectivity will be available from January 1, 2016.
 - Further details, including pricing will be published after the NY matching engine migration to NY5.

Additional Information & Contacts

- Information Portals:
 - **London Launch:** www.hotspotfx.com/london
 - **NY5 Migration:** www.hotspotfx.com/ny5
 - Will include all materials related to the launches including technical documentation, account documentation and notices
- Key Contacts:

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Business Update – Free Trading on Hotspot London

- Hotspot will be offering free trading for all transactions on the London matching engine until the end of the year
- Our goal is to build a market with deep, consistent and stable liquidity
- Europe, as the leading global FX center, is a top priority for Hotspot



Business Update – Additional Pricing Initiatives

- Pricing initiatives designed to drive deep liquidity and bring long overdue price competition to the global FX market
 - Free Gold Promotion
 - Hotspot is continuing to offer free trading for spot gold and silver pairs through at least the end of the year
 - “Hot List” Pricing
 - No transaction fees for liquidity removal in more than 30 currency pairs
 - Hotspot has seen a 19% ADV increase in its 30+ Hot List pairs since introducing free liquidity removal in June, including a 31% gain in August¹

Top performers in August¹:
USD/SGD (+\$252M ADV, +85%)
USD/CNH (+\$188M ADV, +186%)
USD/HKD (+\$29M ADV, +66%)
EUR/NOK (+\$86M ADV, +34%)
USD/ZAR (+\$40M ADV, +18%)

Business Update – August Volume & Activity

- Hotspot posted average daily volume of \$28.3 billion in August (21 days), a 20% increase from July¹
- Total volume traded on Hotspot in August was \$594.3 billion¹
- ADV for the 12 months ending in August stands at \$29.8B¹

Summary

- **The London matching engine will launch on Monday, September 14th** (with trading beginning September 13th at 10:00 p.m. BST/5:00 p.m. ET, to match our existing trading schedule)
- **The final weekend testing opportunity** for the London matching engine is this **Saturday, September 12th**
- We will be offering **free trading in London** through the remainder of 2015
- **Migrating current U.S. matching engine** to the Equinix NY5 data center on Monday, November 9th (with trading beginning November 8th at 5:00 p.m. ET, to match our existing trading schedule)
- Customers are **required to certify** to one of the Hotspot Trading Protocols within the Cert/UAT environments (for LD4 & NY5) in order to begin trading on the new production matching engines
- We encourage all customers to **take advantage of the testing opportunities** to ensure their systems are ready
- If you have questions or need help **establishing connectivity** to either platform, please reach out to our Production Support and/or Sales teams as soon as possible