

PRESS RELEASE

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LIQUIDNET EXPANDS INTO FIXED INCOME MARKET WITH ACQUISITION OF BOND TRADING PLATFORM VEGA-CHI

*Will Deliver Market-wide Solution that Increases Liquidity and Accelerates New
Efficiencies in Corporate Bond Market*

NEW YORK, March 18, 2014

Liquidnet, the global institutional trading network, announced today that it will enter the fixed income market with its acquisition of bond trading platform Vega-Chi. This partnership, subject to regulatory approval, will combine Liquidnet's experience, scale and global reach within the institutional investment community with Vega-Chi's proven corporate bond trading platform and sector expertise to accelerate efficiencies within the corporate bond market.

"There has been a massive increase in corporate bond issuance and at the same time a depletion of capital that dealers can use to facilitate trading. The result has been increasing difficulty among investment managers and dealers in accessing liquidity. To fix this liquidity drought over the long term, it's important for market participants to come together and establish new systems and processes and an open platform that will facilitate the flow of liquidity within the corporate bond market more efficiently," commented Seth Merrin, Founder and CEO of Liquidnet. "Vega-Chi has already built an efficient way to trade high yield and convertible bonds. By combining this platform with Liquidnet's institutional network and our track record for making institutional markets more efficient, we can create trading opportunities worldwide while building out the largest institutional sized liquidity pool dedicated to corporate bonds."

Initially, Vega-Chi's trading platform will continue to operate separately from Liquidnet's core equities business. The platform is currently available to all approved market participants who trade U.S. and European high yield bonds as well as European convertible bonds. Through a single platform, market participants are able to source liquidity in one place to execute their institutional, large-scale bond orders. Liquidnet will leverage its extensive network—which includes more than 740 asset managers and relationships with many exchanges and broker dealers around the globe—to create a critical mass of liquidity focused on the corporate bond market. In addition, Liquidnet and Vega-Chi expect to introduce the trading of US investment grade corporate bonds during 2014.

"We launched Vega-Chi to enable our clients to access better liquidity and achieve best price execution in an anonymous, secure and conflict-of-interest-free marketplace. By partnering with Liquidnet, we will be able to bring to the market an industry-wide solution with the aim of building a large pool of institutional sized corporate bond liquidity. We strongly believe that the market will benefit immensely from a neutral "all-to-all" electronic order book which combines the distribution, relationships, technology and expertise of Liquidnet and Vega-Chi," commented Constantinos Antoniadis, Founder and CEO, Vega-Chi.

According to a recent research report issued by the TABB Group, there is high demand for a corporate bond market structure that allows diverse sources of liquidity to connect more easily. More than three-quarters of the buy side firms TABB spoke with said that now is the time for an alternative trading system to emerge to help provide greater transparency and support for the liquidity-strained corporate bond market.

“We have heard from both the sell side and buy side communities about the need to evolve the way bonds are traded. The current market structure for corporate bonds is facing a number of significant hurdles, primarily due to the current dealer-focused business model. The market is crying out for new alternatives to source liquidity. The time may be ripe for a new corporate bond trading platform or protocol to emerge that will challenge the status quo,” commented Larry Tabb, Founder and CEO, The TABB Group.

About Liquidnet

Liquidnet is the global institutional trading network that connects investors with the liquidity they need. We go beyond what the retail market can provide by defending and securing the integrity and the anonymity of the block trade. We do this while continuously looking for ways to bring in new sources of safe, actionable liquidity from asset management firms, exchanges, brokers and corporations. Since we launched in 2001, our ability to anticipate and meet institutional demand has allowed us to extend trading to 42 equity markets across five continents for asset management firms who collectively manage US\$13 trillion. For more information on the Liquidnet community, its liquidity, block executions, and additional investment capabilities, visit www.liquidnet.com.

About Vega-Chi

Vega-Chi is a world leader in electronic trading facilities dedicated to high yield bonds and convertible bonds. Vega-Chi launched the first central limit order book dedicated to the US high yield market in October 2012, Europe's first multilateral trading facility dedicated to convertible bonds in February 2010, and Europe's first high bond yield central limit order book in February 2012. They currently have more than 150 participant firms, including some of the largest institutional investors in the relevant asset classes. Since inception, Vega-Chi received more than 36,000 client orders with notional value in excess of \$73 billion. Investors in Vega-Chi include Octopus Investments.