PRESS RELEASE

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LIQUIDNET UNLOCKS HIDDEN CORPORATE BOND LIQUIDITY WITH POWERFUL NEW TRADING TOOL

Targeted Invitations empowers buy-side firms to seek out latent market liquidity with anonymity and precision

NEW YORK, July 19, 2016 – Liquidnet, the global institutional trading network, announced today the launch of Fixed Income Targeted Invitations, a tool to seek latent liquidity across its critical mass of institutional participants, for the U.S. and EMEA.

Targeted Invitations allow qualifying Members of Liquidnet's Fixed Income Dark Pool to anonymously send invitations to trade to a select number of participants who recently had the opposite side of the sender's order. In addition, the functionality gives traders the option to seek opposite liquidity in multiple bonds of the same issuer simultaneously with minimum effort. The result is a new source of previously unavailable hidden or dormant liquidity for buy-side traders.

"Targeted Invitations for our equities dark pool was a global success, reaching $1.7 billion traded[1] in just nine months. But the credit markets have an even greater need for this type of innovation," said Seth Merrin, Founder and CEO of Liquidnet. "Technology is the best solution for traders restricted by the inadequate liquidity that hinders their ability to capture and preserve alpha."

This enhancement follows a June 2016 TABB Group report that found asset managers are increasingly adopting all-to-all and dark protocols in fixed income, especially in less liquid issues. These findings led TABB Group to estimate that over the next 3-5 years, as much as 5-10% of US and European corporate bond volume could be executed using dark protocols.

"It's clear that corporate bond traders are often confronted with a trade-off between accessing scarce liquidity and information leakage," said Constantinos Antoniades, Global Head of Fixed Income at Liquidnet. "Targeted Invitations ensure that traders directly, yet anonymously, interact only with other buy-side firms that previously had the other side of their order. And it achieves this in a very targeted and protected manner. The new functionality, which was designed with input from several asset managers in our Member community, is

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[1] Notional value, double counted

seamlessly incorporated into the Liquidnet dark pool workflow. As of today, the Liquidnet Fixed Income dark pool is in use by more than 430 traders in the US and EMEA."

The Targeted Invitations functionality is currently available for all of Liquidnet's US-based fixed income clients and is being steadily rolled out to its European client base over the coming weeks. As of July, 2016, Liquidnet's Fixed Income Member community consists of 196 firms.

ABOUT LIQUIDNET
Liquidnet is the global institutional trading network where more than 800 of the world's top asset managers and other like-minded investors come to execute their large trades with maximum anonymity and minimum market impact. As the global leader in large block trading, Liquidnet provides access to unique trading opportunities in 44 markets across five continents. Liquidnet approaches every market with the same bold vision to provide a better, more efficient way to trade on a massive scale. It is this focus on size, combined with the strength of its network, disruptive technology, and commitment to transparency, that is revolutionizing the way equities and corporate bonds are traded. For more information, visit www.liquidnet.com and follow us on Twitter @Liquidnet.