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Liquidnet Launches Fixed Income Dark Pool to Centralize Institutional Trading of Corporate Bonds

***More than 120 asset managers across the US and Europe on-board for launch
Enrolled asset managers comprise two-thirds of top 50 holders of US corporate bond assets under management***

NEW YORK, Embargoed until September 29, 2015 – Liquidnet, the global institutional trading network, today announced the launch of their Fixed Income dark pool that facilitates direct, peer-to-peer trading of corporate bonds among asset managers in the US, Canada and Europe, creating a much-needed hub of institutional liquidity. Liquidnet has enrolled more than 120 asset managers, representing a critical mass of liquidity and a sizeable portion of assets under management for high yield and investment grade bonds in the US. At launch, the platform will enable trading for US and European corporate bonds (high yield and investment grade), emerging market corporate bonds, and European convertible bonds.

The Fixed Income dark pool has been designed to provide a seamless solution for corporate bond traders, providing them a protected venue in which to trade natural liquidity safely and efficiently. The platform has been built with input from Liquidnet's network of leading asset managers and bolstered by the firm's experience operating the leading dark pool for the institutional trading of equities. Similar to Liquidnet's equities solution, the Fixed Income dark pool will provide the option for those corporate bond traders utilizing an order management system (OMS) to easily have their orders swept into the pool with minimal changes to existing workflow.

"The fixed income market has been woefully underserved by technology and, as concerns about a liquidity crunch continue to rise, it needs a transformation," said Seth Merrin, founder and CEO of Liquidnet. "With close to 15 years of experience connecting asset managers around the world to solve the unique challenges of institutional equities trading, Liquidnet is uniquely positioned to provide a more efficient trading solution and experience that delivers a critical mass of natural liquidity that minimizes information leakage and maximizes best execution."

Liquidnet has leveraged its relationships with partners and existing buy-side Member firms to ensure the platform's success at launch. In June, the firm announced successful integrations with seven OMS operators that support direct connectivity, and a partnership with Interactive Data for continuous evaluated pricing to aid in pre-trade transparency and more efficient best execution analysis. In addition to new features, Liquidnet has also expanded its Fixed Income team and expertise with the recent high-profile appointment of Chris Dennis, formerly of BlackRock, as head of US Fixed Income Sales.

"The corporate bond market is desperate for innovation and improved efficiencies, and we're starting to see several new trading platforms emerge," said Kevin McPartland, Head of Research for Market Structure and Technology at Greenwich Associates. "Greenwich Associates research found that 80% of investors find it extremely difficult to execute large block trades; as such, a platform that can help ease that burden while not causing a shift in the trader's workflow is a necessary part of the path forward."

"Liquidnet Fixed Income was designed with significant input from the buy side to create the first true dark pool for corporate bonds," said Constantinos Antoniades, Liquidnet's Head of Fixed Income. "By facilitating a high-quality critical mass of participants, including two-thirds of the top 50 holders of US corporate bonds,

Liquidnet will provide the most convenient, secure trading venue for institutional fixed income trading going forward.”

A recent survey of buy-side firms—comprising \$12.15 trillion in assets under management—conducted by fixed income magazine, The Desk, stated that 58 percent of buy-side respondents indicated that they were planning to move to Liquidnet for their fixed income trading.¹

ABOUT LIQUIDNET

Liquidnet is the global institutional trading network where more than 780 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 43 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, and the way public and private companies raise capital. For more information, visit www.liquidnet.com and follow us on Twitter @Liquidnet.

¹ As reported found in The Desk’s “Trading Intentions Survey 2015” Figure 2: <http://www.fi-desk.com/trading-intentions-survey-2015/>
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