

PRESS RELEASE

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LIQUIDNET RAISES THE BAR FOR TRANSPARENCY & CONTROL

Liquidnet's Transparency Controls Settings Set New Industry Standard; Nearly 80% of Members Globally Confirm Settings

NEW YORK, May 21, 2014 – Liquidnet, the global institutional trading network, today announced that nearly 80% of its members have met with Liquidnet in person to review and confirm their Liquidnet Transparency Controls settings. This new global technology, introduced in October 2013, represents one of the industry's leading approaches to transparency, giving buy-side traders and trading desks at 740 of the world's leading asset management firms ultimate control over the liquidity they can access and how their data is used when trading through Liquidnet. Liquidnet continues to engage with its Members to complete the Transparency Controls rollout.

"In recent weeks, we have seen a growing chorus of industry participants, market analysts, and policymakers highlight the importance of transparency and we couldn't agree more. We believe that transparency is a continuous process and cannot be achieved by a single, one shot solution," commented John Kelly, Chief Operating Officer, Liquidnet. "That is why we have spent significant time and resources creating technology that enhances the level of transparency and control that our Members have when they trade with Liquidnet. These controls have allowed us to systemize an industry leading approach to transparency. It was an enormous effort throughout our company to create this technology and then to roll it out to Members globally. The response has been extremely positive."

About Liquidnet Transparency Controls

Liquidnet introduced Transparency Controls to provide traders with unprecedented control over their Liquidnet trading experience. This new technology gives them access to a web-based portal where they can both monitor and manage the liquidity sources they interact with and the Liquidnet products and services in which their data is included. Once the trader or trading desk has confirmed its Transparency Controls settings, the system conveys those choices directly into Liquidnet's back-office databases where they are automatically applied and stored. The system is dynamic, allowing traders to easily change settings based on their trading strategies and goals.

"We applaud the efforts of trading venues that have proactively taken steps to make publicly available details surrounding their operating processes and procedures. The financial markets have changed and the level of detail the buy-side needs to understand how their order is handled has dramatically increased. Today's venues have a responsibility to communicate to their customers exactly how an institutional order is handled," commented Sang Lee, Managing Partner at AITE Group.

Additional Transparency Initiatives

In addition to Transparency Controls and plans to make its Form ATS filing available to the public via its website, Liquidnet has also implemented several transparency and disclosure initiatives to ensure that traders understand all aspects of Liquidnet's business, procedures and processes. These include:

- **Liquidnet Trading Rules:** Liquidnet's Trading Rules is a comprehensive document that describes how Liquidnet's trading system works globally and has been provided to Members since 2001. These Trading Rules are submitted to the SEC in the U.S. in conjunction with Liquidnet's Form ATS. This document is available to Liquidnet Members and Customers on a secure Member website and updates are communicated regularly via e-mail to Members and Customers.
- **Liquidnet Order Handling FAQ:** Since the Fall of 2011, Liquidnet has been sending its Order Handling FAQ to all Members and customers globally every quarter. This document details Liquidnet's order handling processes and data usage procedures in a question-and-answer format. Some Members have chosen to adopt this template into their own broker questionnaire.
- **Member Site Visits:** Upon request, Liquidnet provides Members and clients with a first-hand, on-site overview of its operations and procedures. These visits are customized to each Member's needs.
- **Transparency Working Group:** In early 2012, Liquidnet proactively established an oversight body focused on applying and preserving Liquidnet's guiding principles on transparency and disclosure. This group advises Liquidnet employees and business areas on these principles to ensure that they are being fully adhered to.

ABOUT LIQUIDNET

Liquidnet is the global institutional trading network that connects over 700 of the world's top asset managers to large-scale trading opportunities across the globe — 42 markets across five continents. With an average trade size of more than 41,000 shares in the US, 57,000 in Canada, and \$1.5 million in Europe, Africa and \$1.1 million in Asia Pacific, Liquidnet is a leader in large block trading globally. Liquidnet does this by going beyond what the retail market can provide by defending and securing the integrity and the anonymity of the block trade while continuously looking for ways to bring in new sources of safe, actionable liquidity from asset management firms, exchanges, brokers and corporations. Asset Managers rely on Liquidnet to help them protect the performance of their portfolios by allowing them to enter and exit their portfolio positions more efficiently. For more information on the Liquidnet community, its liquidity, block executions and additional investment capabilities, visit www.liquidnet.com and follow us on Twitter [@Liquidnet](https://twitter.com/Liquidnet).*

*as of Q1 2014

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