

NEWS RELEASE

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FIRST ON-SEF MBS SWAP PACKAGE TRADED ON THE TRADEWEB TW SEF *New Packages Go Live on TW SEF Before CFTC Relief Expires*

NEW YORK, NY (May 14, 2015) – Tradeweb Markets, the leading global provider of fixed income and derivatives marketplaces, announced the completion of the industry’s first packaged mortgage backed security (MBS) and U.S. Dollar swap transaction on a swap execution facility (SEF). Axonic Capital executed the trade on the Tradeweb TW SEF before the expiration of no-action relief by the Commodity Futures Trading Commission (CFTC) requires the mandatory swap leg of these types of packages to trade on SEFs or designated contract markets (DCM) after May 15, 2015. The trade was cleared at CME Group.

The new MBS package trade functionality on TW SEF provides market participants with flexible access to the deep pool of liquidity on Tradeweb’s leading MBS platform, as well as for interest rates swaps on its SEF. Unlike other packages, the package trade is received, quoted and executed by counterparties’ MBS desks, representing the first transaction that was traded on-SEF, but by MBS traders off of derivatives trading desks.

“As the leading electronic mortgage marketplace and IRS SEF, we’re ideally positioned to deliver liquidity and a streamlined trading workflow for this type of package trade,” said Billy Hult, President of Tradeweb Markets. “We have been laser focused on helping our clients navigate derivatives reform, and this is another important step forward for the industry in achieving greater transparency within more efficient markets.”

“Tradeweb’s SEF provides a quick and easy way to access the liquidity we need in executing MBS v. swap packages,” said Olivier de Bellefonds, Principal at Axonic Capital. “Ahead of the expiration of no action relief for these trades, this is a helpful solution to ensure we can continue trading during the transition to a newly regulated environment.”

On November 10, 2014, the CFTC extended no-action relief for made available to trade (MAT) swaps executed as part of a MAT v. Agency MBS package transactions until May 15, 2015. Following the expiration of no-action relief, the MAT leg of these package trades is required to be traded on a SEF or DCM.

The addition of MBS v. Swap packages onto Tradeweb expands our mortgage offering with another tool to help hedge risk, alongside MBS v. Futures and MBS v. Treasury trades. To be announced (TBA) MBS represents the majority of all institutional residential mortgage trading. Introduced in February 2001, there has been over \$211 trillion in transactions executed by asset managers and other institutional clients on the Tradeweb MBS platform since inception. In 2015, monthly trading volumes reached approximately \$2 trillion on the electronic multi-dealer-to-customer marketplace.

Since launching in 2005, more than \$14 trillion in notional volume and over 170,000 trades have been executed on the Tradeweb Markets institutional and inter-dealer derivatives platforms. More than 20 liquidity providers and over 350 institutional customers have traded across Tradeweb derivatives platforms for interest rate and credit default swap indices, accessing liquidity through request-for-quote (RFQ), request-for-market (RFM), click-to-trade and order book trading protocols. Tradeweb currently operates two SEFs: the disclosed and request-based TW SEF, and DW SEF, an anonymous CLOB.

About Tradeweb Markets

Tradeweb Markets builds and operates many of the world’s most efficient financial marketplaces, providing market participants with greater transparency and efficiency in fixed income and derivatives. Focused on applying technology to enhance efficiency throughout the trade lifecycle, Tradeweb pioneered straight-through-processing in fixed income and now supports marketplaces for more than 20 asset classes with electronic execution, processing, post-trade analysis and market data in an integrated workflow. Tradeweb Markets serves the dealer-



to-customer markets through the Tradeweb institutional platform, inter-dealer trading through Dealerweb, and the US-based retail fixed income community on Tradeweb Direct. Customers rely on Tradeweb to drive the evolution of fixed income and derivatives through flexible trading architecture and more efficient, transparent markets.

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