

## NEWS RELEASE

Louise Collins, Tradeweb +44 (0)20 7776 0943  
[louise.collins@tradeweb.com](mailto:louise.collins@tradeweb.com)

### **TRADEWEB INTRODUCES ELECTRONIC HEDGING TOOL FOR EUROPEAN ETFs** Combines basket sourcing and trading to improve efficiency and liquidity

LONDON June 25, 2013: Tradeweb Markets LLC has launched a new tool that makes it easier and faster to source, price and trade the basket of underlying bonds needed to create or redeem shares in fixed income exchange-traded funds (ETFs). The recent growth in demand for European fixed income ETFs has created a need for an electronic trading solution that streamlines this process. The functionality will support trading on a wide range of bonds, and clients can access a variety of price feeds to value each basket, ultimately improving efficiency and liquidity.

Tradeweb worked closely with iShares, the ETF platform of BlackRock, to design the tool in a way that would most effectively resolve this ETF industry need. It enhances the industry-leading "list functionality" already available for cash bond asset classes on Tradeweb by making it possible for users to source ETF basket constituents and weightings and then simultaneously price and trade the bonds. The new capability provides users with all the operational efficiencies and error reduction benefits inherent in electronic trading.

"Our continued focus on innovation and ongoing dialogue with our clients has been fundamental in helping us to shape this solution," said Enrico Bruni, head of the Europe and Asia business at Tradeweb. "This is a great example of how we can effectively combine technology, industry insight, and our breadth of coverage to address this specific market requirement in a way that will benefit the whole European ETF industry."

Leland Clemons, head of capital markets EMEA at iShares, commented "We've experienced a significant increase in demand for fixed income ETFs over the past few years and with this has come the need for more efficient ways to price and source bond baskets. Collaboration with Tradeweb brings to the ETF market the combined benefits of dealer expertise in pricing these securities and the operational ease of an electronic platform. This tool will help to increase efficiency and liquidity for fixed income ETFs across Europe in support of the continued market growth."

The Tradeweb ETF hedging tool supports trading on European government, corporate, and covered bonds, SSA (supranational, sovereigns and agencies), U.S. treasuries and JGBs. Users can request prices from several liquidity providers simultaneously and trade multiple line items at once. Several calculations will be available to value the baskets, including volume weighted average price (VWAP), total principal proceeds (TPP) and total net proceeds (TNP). Tradeweb launched its ETF trading platform in 2012.

#### **Tradeweb Markets LLC**

Tradeweb Markets builds and operates many of the world's most efficient financial marketplaces, providing 2,000 institutional investors and dealers with greater transparency and better ways to execute their business. In addition to its dealer-to-institutional client marketplace, the company operates Dealerweb, its inter-dealer division, which includes the Hilliard Farber & Co, Inc, RaffCap, and JJ Kenny Drake brands. Tradeweb Markets also provides trading services to the financial advisor community through its Tradeweb Retail platform.

For more information, visit [www.tradeweb.com](http://www.tradeweb.com)

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