

TRADEWEB PRESENTATION TO MARKET RISK ADVISORY COMMITTEE

JULY 2020

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A powerful client network that trades **over \$700 billion** daily across our global electronic marketplaces, which are deeply integrated and supported by our proprietary technology

OUR CLIENT NETWORK

TRUSTED RELATIONSHIPS, MANY DEVELOPED OVER 20+ YEARS

THREE CLIENT SECTORS

INSTITUTIONAL
WHOLESALE
RETAIL



2,500+

CLIENTS

65+

COUNTRIES

90%+

TOP 100 GLOBAL
ASSET MANAGERS

80%+

TOP 25
INSURANCE COMPANIES

45,000+

FINANCIAL
ADVISORS

50+

CENTRAL BANKS/
SOVEREIGN ENTITIES

RATES
CREDIT
EQUITIES
MONEY
MARKETS

GOVERNMENT
BONDS
TBA MBS
INTEREST
RATE SWAPS

40+

PRODUCTS
TRADED

TRADEWEB SEF

EFFICIENT & TRANSPARENT TRADING

A COMPREHENSIVE MARKET OFFERING

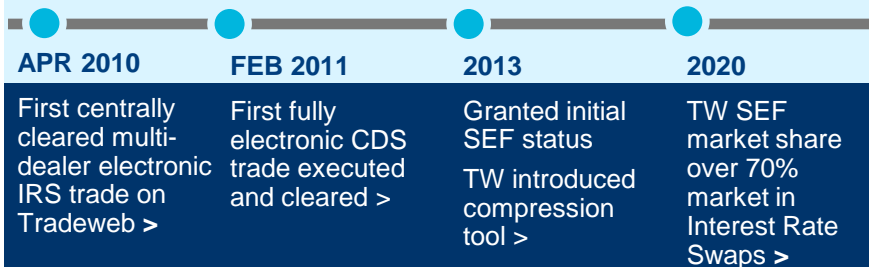
TW SEF: REQUEST FOR QUOTE (RFQ) & CLICK TO TRADE

INTEREST RATE SWAPS: 23 CURRENCIES,
OUTRIGHT SWAPS, CUSTOM DATES, MULTI LEG
PACKAGES

CREDIT DEFAULT SWAPS: CDX, ITRAXX

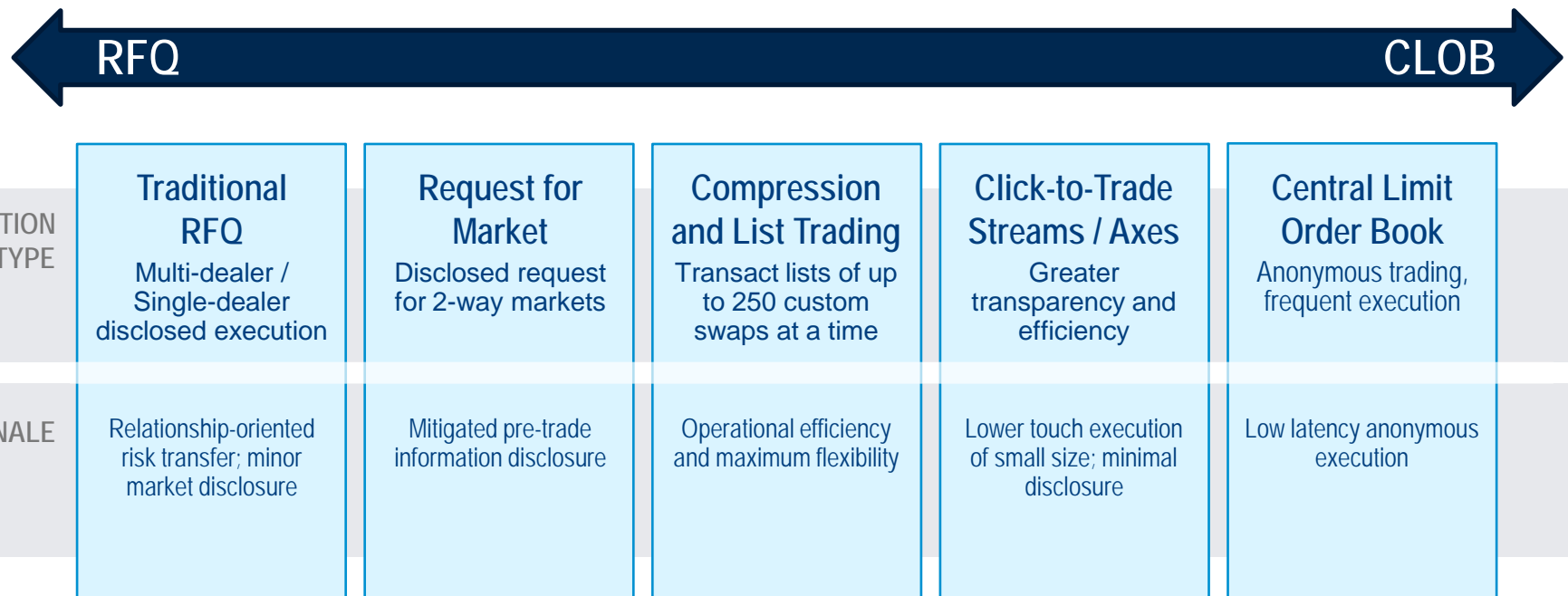
DW SEF: CENTRAL LIMIT ORDER BOOK (CLOB)

INTEREST RATE SWAPS: IRS vs. UST, CURVES,
BUTTERFLIES



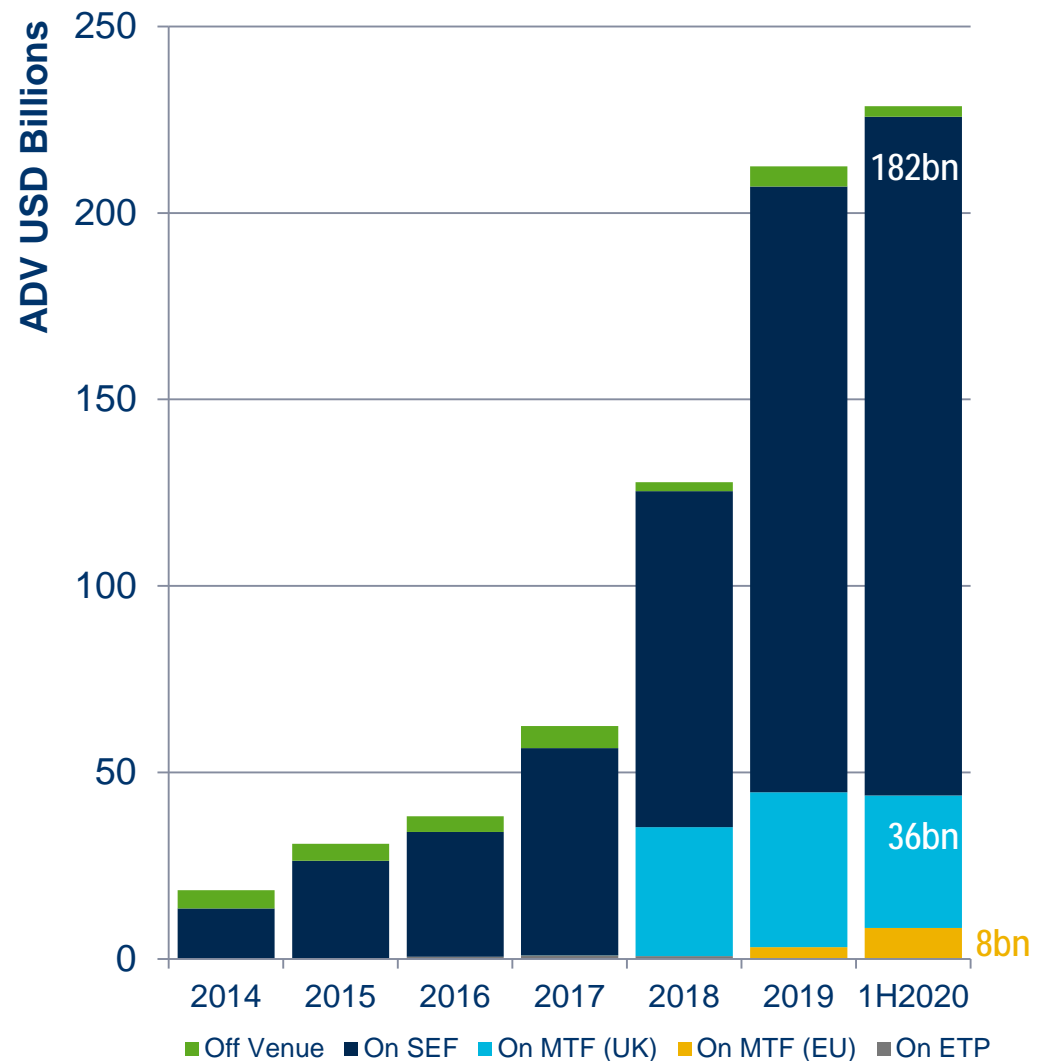
Trading Protocols

Tradeweb offers a comprehensive range of trading and workflow tools that cater for **all trading strategies** and **trade sizes** across its two SEF entities, TW SEF and DW SEF



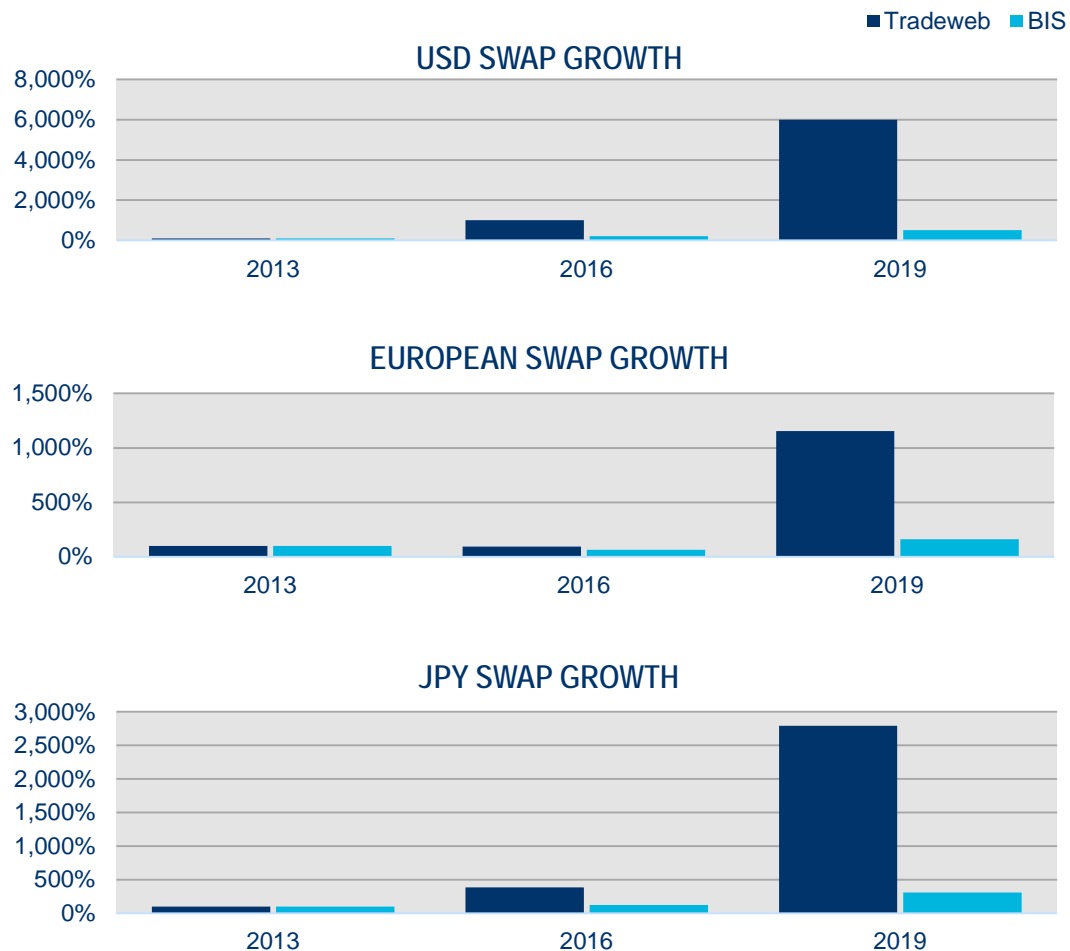
IRS Trading at Tradeweb

- TW SEF is currently the dominant swap trading venue in the dealer-to-client market place
 - TW SEF IRS Market Share is currently over 70%
- Since 2014, IRS volumes have grown over 1000% at Tradeweb
- In the first full year after the SEF mandate ~25% of Tradeweb Markets IRS volume was still done off venue
- By 2017, over 90% of global Tradeweb IRS volume was done on venue with almost all that done on SEF



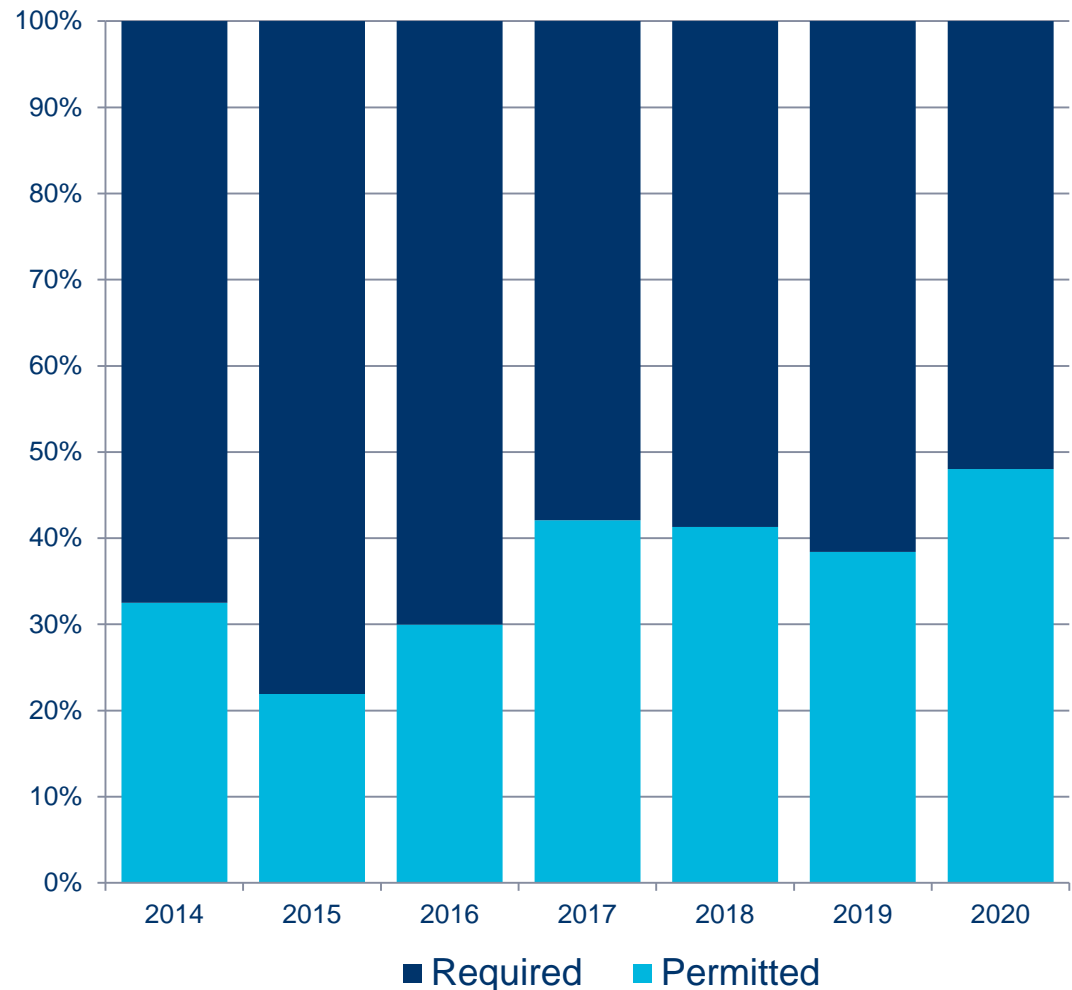
- Regulation to promote on-venue trading and pre-trade price transparency (e.g. Dodd Frank, MiFID II) has had its desired effect in every jurisdiction where it has been increased
- Most vital in these efforts has been regulatory emphases on **equivalence** and **harmonization**, which remain important

INTEREST RATE DERIVATIVE ADV GROWTH SINCE APRIL 2013



MAT vs Non-MAT Breakdown

- In the first few years of SEF trading, 20-30% of SEF IRS activity was transacted on a Permitted basis (non-MAT), as opposed to Required (MAT)
- Year to date 2020, 48% of volume on TW SEF are Permitted Transactions



In the face of extraordinary global volatility and many participants working remotely, March 2020 proved to be our busiest month ever. Average daily volume for Tradeweb Markets was a record \$1.0 trillion, an increase of 41.5% year-over-year.

This included exceptionally high volumes across asset classes in March, and a new record for daily volume was set on March 3, the day of the Federal Reserve emergency rate cut, with more than \$1.5 trillion traded.

March 2020 Highlights

Interest Rate Swaps:

- TW SEF daily volumes increased 105% YoY to a record \$265.5 billion,
- DW SEF daily volumes increased 8.9% to \$7.1bn

Credit Derivatives: TW SEF daily volumes increased 167% YoY to a record \$30.4 billion

US Treasuries: As Tradeweb's oldest product offering and one of the deepest and most liquid markets in the world, Treasury market performance presents an interesting baseline with which to compare derivatives

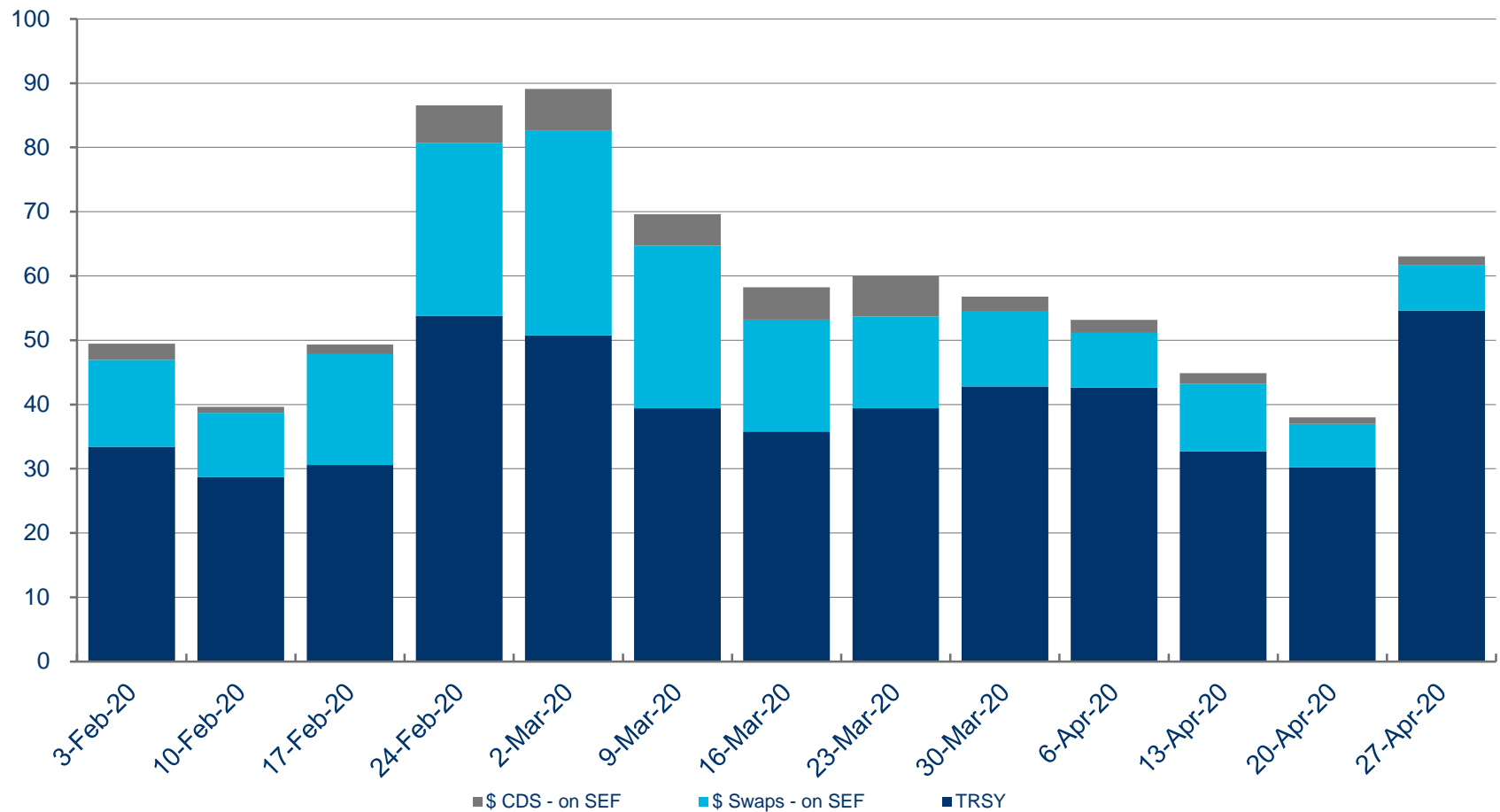
- Tradeweb dealer to client UST ADV increased 16.35% to a record \$57.5 billion
- Tradeweb Markets (including Dealerweb wholesale) increased 14.7% to \$96.4 billion

2020 Average Daily Volumes for Select Asset Classes



Increased volatility leading into the COVID crisis led to record volumes on Tradeweb across multiple asset classes in March

AVERAGE DAILY TRADED VOLUMES (TW SEF / TRADEWEB)

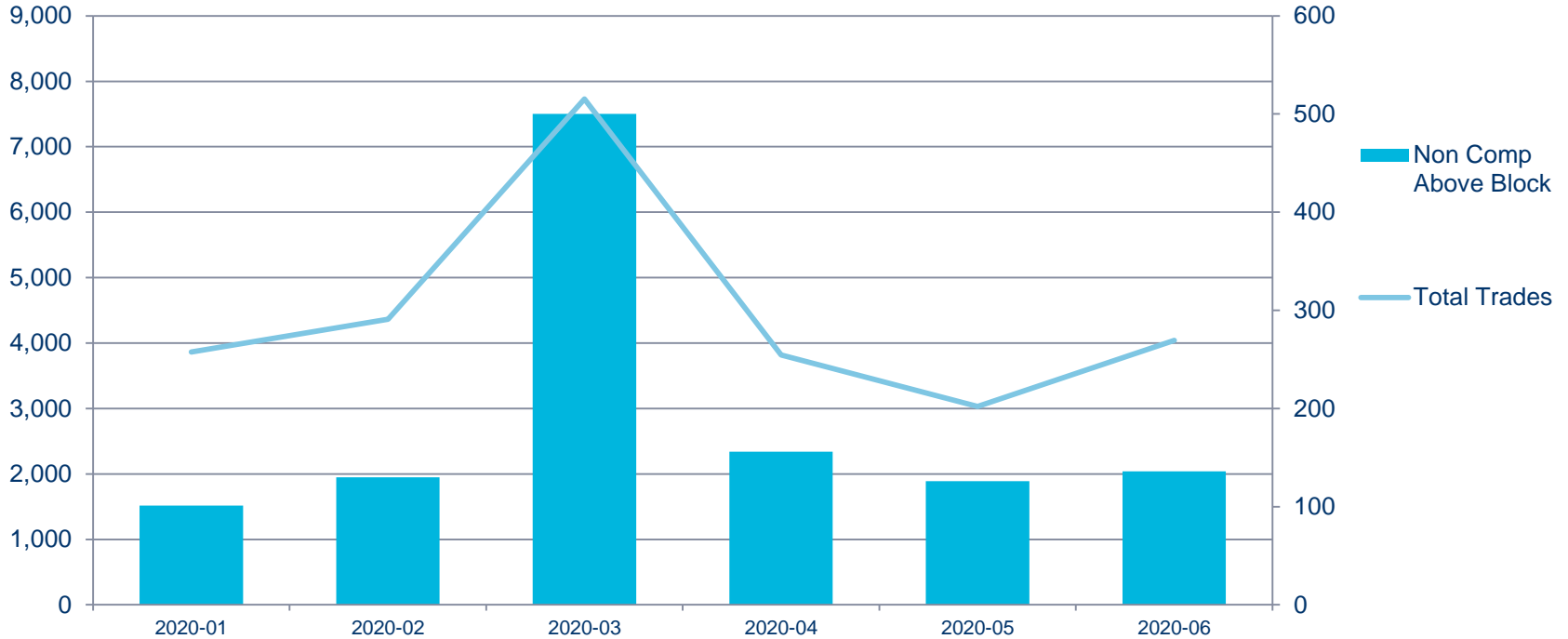


Proportion of Block Trades Grew Significantly in March



IRS trade counts and volumes increased sharply in March across the board on TW SEF; however non-competitive Block Trades saw a disproportionate increase

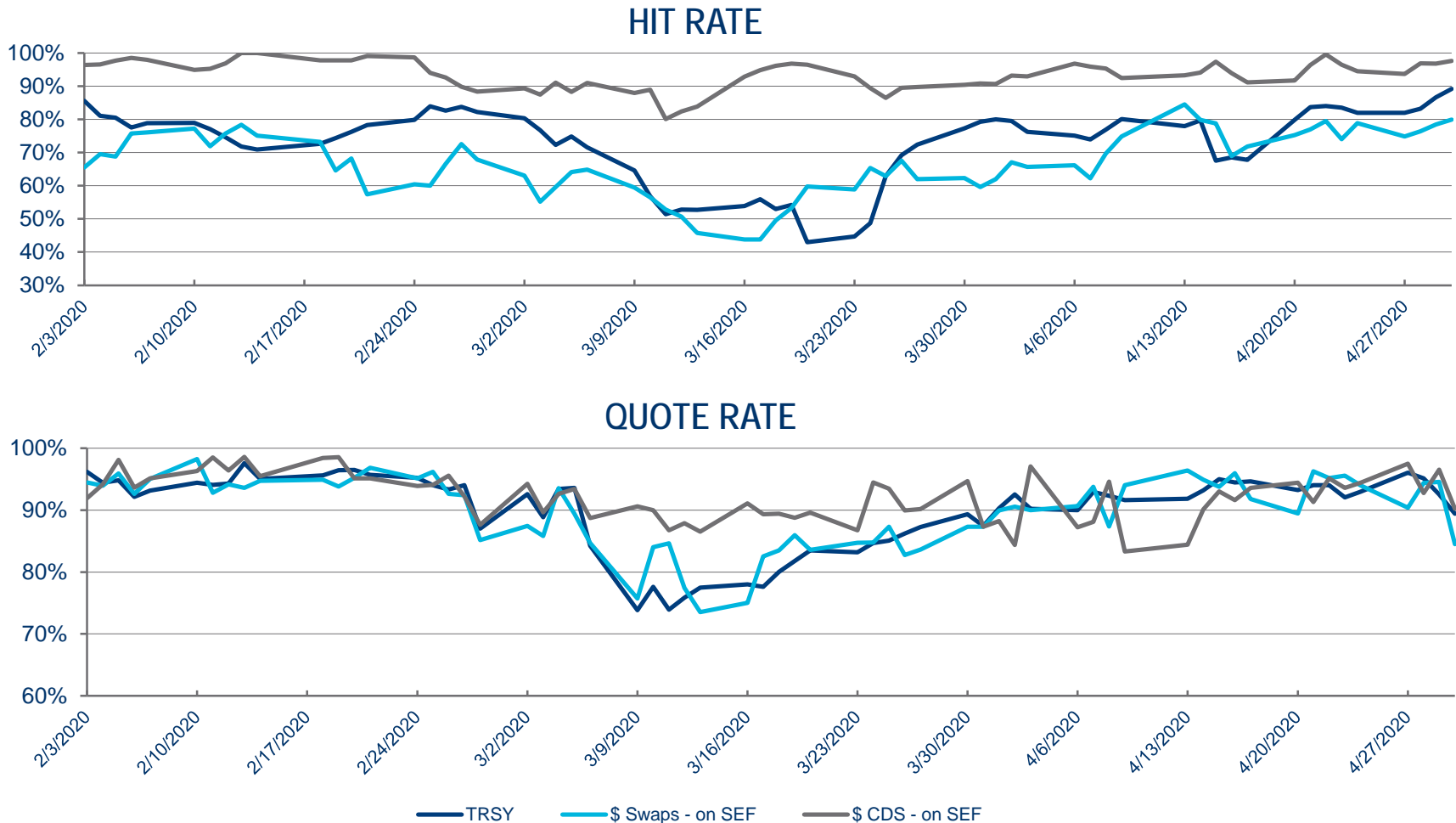
The overall number of trades on TW SEF increased 77% in March and the number of non-competitive blocks increased 285% relative to the prior month



Liquidity Metrics Impacted, but Recovered Quickly

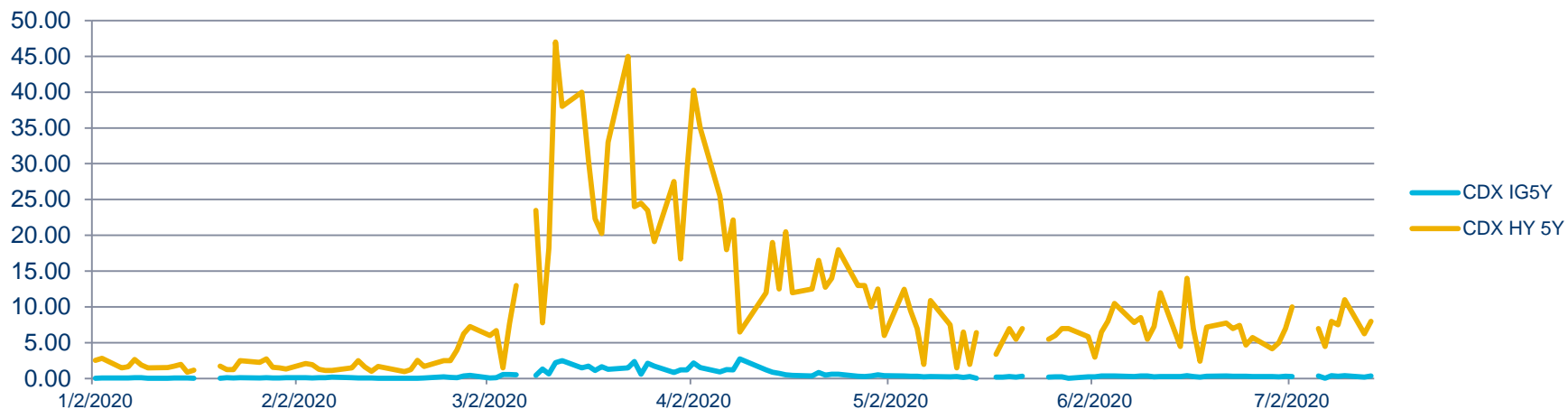
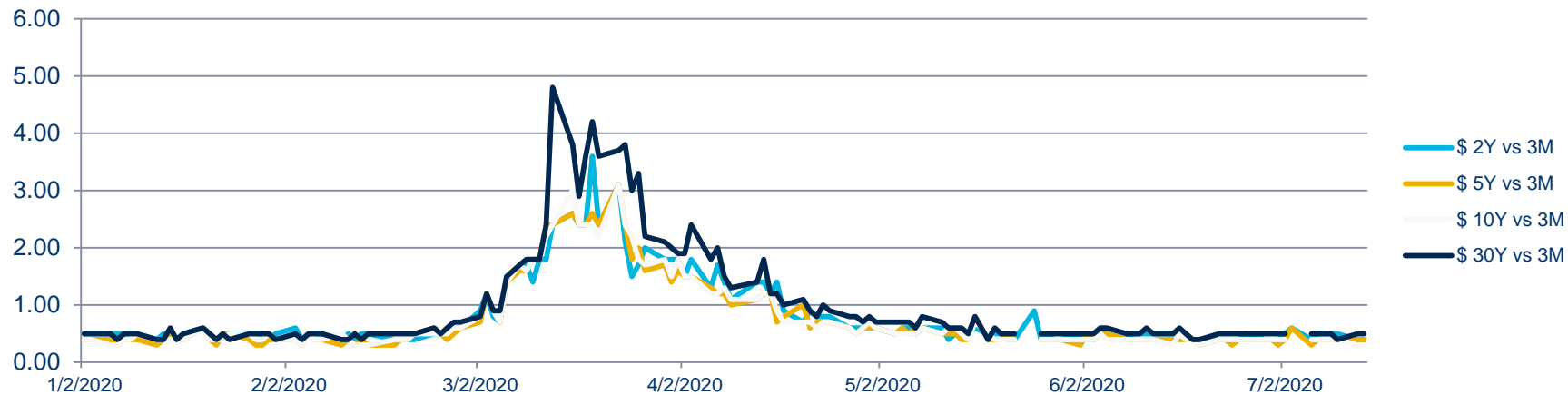


Hit Rates and Quote rates on Tradeweb and TW SEF both decreased in March, however rebounded to near pre-crisis levels in April



Impact of the crisis of Derivative Bid/Offer Spreads

Bid/Offer spreads widened out on Tradeweb and TW SEF particularly for less liquid instruments, however came quickly back in line with platform averages



What Conclusions Can We Draw?

- On TW SEF / Tradeweb and in derivatives markets on the whole, March presented a challenging landscape
- We observed market indicators of constrained liquidity, however we did not experience any market interruption
- Data driven conclusions combined with feedback from market participants indicate that despite market stress and increased volatility, derivatives markets and SEFs operated as intended
- SEFs were flexible enough to absorb modified client behavior and clients remained able to transfer risk