The information you are about to see was provided to the SEC and discussed at the June 1\textsuperscript{st}, 2020 Fixed Income Market Structure Advisory Committee Meeting.

The content was created to respond to specific questions from FIMSAC to BondCliQ regarding the role of price transparency in the US Corporate Bond Market.
What is BondCliQ? (The SIP for Corporate Bonds)

BondCliQ is a DaaS business for corporate bonds (NOT a trading platform)

We gather, organize and distribute high-quality institutional US corporate bond data

Real-time & historical trade (TRACE) and pricing (consolidated quotes) data available via:

- Data Visualization Applications
- Direct API Feeds Real-time
- Flat Files End-of-Day Reports

BondCliQ is the ONLY provider of centralized pricing data in the market
FIMSAC Question #1

**QUESTION**: How does dealer access to pre-trade data improve corporate bond data quality and market liquidity?

**BondCliQ Response:**

1. Dealers are the primary providers of corporate bond pricing data.
2. Currently, dealers do not have adequate access to pricing data.
3. Lack of information negatively impacts the quality of dealer prices.
4. Access to pricing data allows dealers to make informed markets.
Expected Impact on the Institutional Market

Buy-side Impact
- Better institutional price discovery
  - Improves institutional pre-trade data quality
- Fair & Efficient dealer selection process
  - Attracts buy-side client order flow
- Expands the scope of bonds that can trade
  - Increases number of risk-taking dealers
  - Increases the velocity of institutional trading
  - More alpha opportunities

Sell-side Impact
- Dealer access to institutional pricing data
  - Enhance institutional market making capabilities
- Improves a dealer’s ability to take risk
  - More market making opportunities
  - More alpha opportunities

Reliable and accurate pricing with consistent liquidity and limited information leakage
FIMSAC Question #2

QUESTION: How does centralized pricing data help improve evaluated pricing solutions and other areas of the market?

BondCliQ Response:

- Current pricing data is fragmented, incomplete and non-standard
- Disorganized pricing data negatively impacts information quality
- Poor quality source data compromises EPS, valuations, and other analytics

Centralized pricing data produces high-quality source information
BondCliQ Consolidated Quote System

How does centralized pricing through consolidated quotes create high-quality data?

**Dealers can SEE** the institutional market

Market makers can **position their markets properly** throughout the day

**Result:** Reduction in stale and inaccurate quotes

**Dealers are ranked** based on pricing performance

Market makers are **ranked according to the quality and consistency** of their prices

**Result:** Dealers compete for order flow based on customer service

**Pricing data is presented symmetrically**

All buy-side **participants see the same pricing information** at the same time

**Result:** Eliminates fragmentation and creates the TRUE market
Essential Architecture for Financial Market Evolution

Centralized data systems are the foundation for market modernization

- Live Electronic Markets
- Algorithmic Trading
- Real-time Risk
- Intra-day NAV Calculations
- Automated Market Making
- Machine Learning
- Index and Derivatives
- Futures
- Options

US OTC Equities:
- NASDAQ 1971

US Listed Equities:
- CQS 1975

Foreign Exchange:
- RMDS 1981

European Equities:
- SEAQ 1986

US Treasuries:
- GOVPX 1991

An environment with comprehensive and sustainable market liquidity
To find out more about BondCliQ, please visit our website – www.bondcliq.com

If you are interested in a demo or a free-trial of the system, please email us at info@bondcliq.com

Thank you