

New AI-Powered RFQ+ Protocol Launched by LTX, a Broadridge company

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Enhanced version of the industry standard RFQ protocol facilitates larger trades using patent-pending aggregation capability

NEW YORK, June 22, 2023 /PRNewswire/ -- To better facilitate large trade sizes and reduce information leakage, **LTX**, a subsidiary of **Broadridge Financial Solutions Inc.** (NYSE: BR), today announced the launch of RFQ+, a patent-pending enhanced RFQ protocol that combines pre-trade dealer selection analytics with liquidity aggregation capabilities. RFQ+ builds on existing RFQ workflows and facilitates larger trades by aggregating multiple dealer responses for their desired amounts. RFQ+ was developed based upon client feedback as a complement to LTX's unique RFX protocol. Through RFQ+ and the recent **launch of BondGPT** powered by OpenAI GPT-4, LTX is driving innovation with the next generation of AI-enabled workflows.

"Executing size in today's credit markets is often challenging," said Steve Chylinski, Head of FI Trading at Eagle Asset Management. "The approach that LTX is taking to build on the familiar RFQ protocol with RFQ+, the innovative aggregation capabilities and AI powered Dealer Selection Scores can potentially be a game changer for the buy-side and dealers to execute larger trades electronically."

While electronically traded volumes have grown in the corporate bond market in recent years, electronic execution methods currently available do not accommodate larger trades sizes, which continue to be traded bilaterally. A 2023 survey from The DESK found that nearly half of mid-market credit asset managers say they never use e-trading for orders between \$5-10M. 64% say they never use e-trading for orders over \$10M. When asked about their most difficult execution objectives, almost 40% said size, and 23% said both size and price.

"RFQ+ combines AI-powered pre-trade Dealer Selection Scores with novel liquidity aggregation functionality to solve

genuine client pain points and further electronify the segment of the market that is still being traded bilaterally," said Jim Kwiatkowski, CEO of LTX. "This is the most recent example of LTX using emerging technologies to drive efficiency in the corporate bond market to the benefit of dealers and the buy side."

Dealer Selection Scores allow a buy-side client to optimize the number of dealers to whom the client sends each RFQ, based on dealers' real-time and historical **LTX Liquidity Cloud**® inputs as well as pricing and platform behavior. Dealer Selection Scores also benefit dealers, allowing them to enhance direct networking to their clients.

After an RFQ+ is sent to an optimal group of dealers, multiple dealer responders can bid/offer for the size they each want. Patent-pending technology aggregates the bids/offers, allowing the buy-side client to fulfill the block in one session with multiple dealers.

To date, more than 30 dealers and more than 80 asset managers have joined the LTX platform, representing a significant liquidity pool. LTX has attracted many of the world's leading asset managers and dealers, with over \$7 billion in initiated firm orders and an average daily volume of over \$25 billion in the Liquidity Cloud in Q1 2023.

About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with more than \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than U.S. \$9 trillion of equities, fixed income, and other securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 14,000 associates in 21 countries.

For more information about us and what we can do for you, please visit www.broadridge.com.

About LTX

LTX is an electronic trading platform that enables corporate bond market participants to trade smarter, combining powerful, patented artificial intelligence with innovative e-trading protocols to improve liquidity, efficiency, and execution. The Liquidity Cloud is the LTX network of anonymous real-time buy- and sell-side indications of interest which include CUSIP, direction, price, and size.

LTX is a division of Broadridge Business Process Outsourcing LLC, the broker-dealer subsidiary of Broadridge

Financial Solutions.

For more information about LTX, please visit www.ltxtrading.com.

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