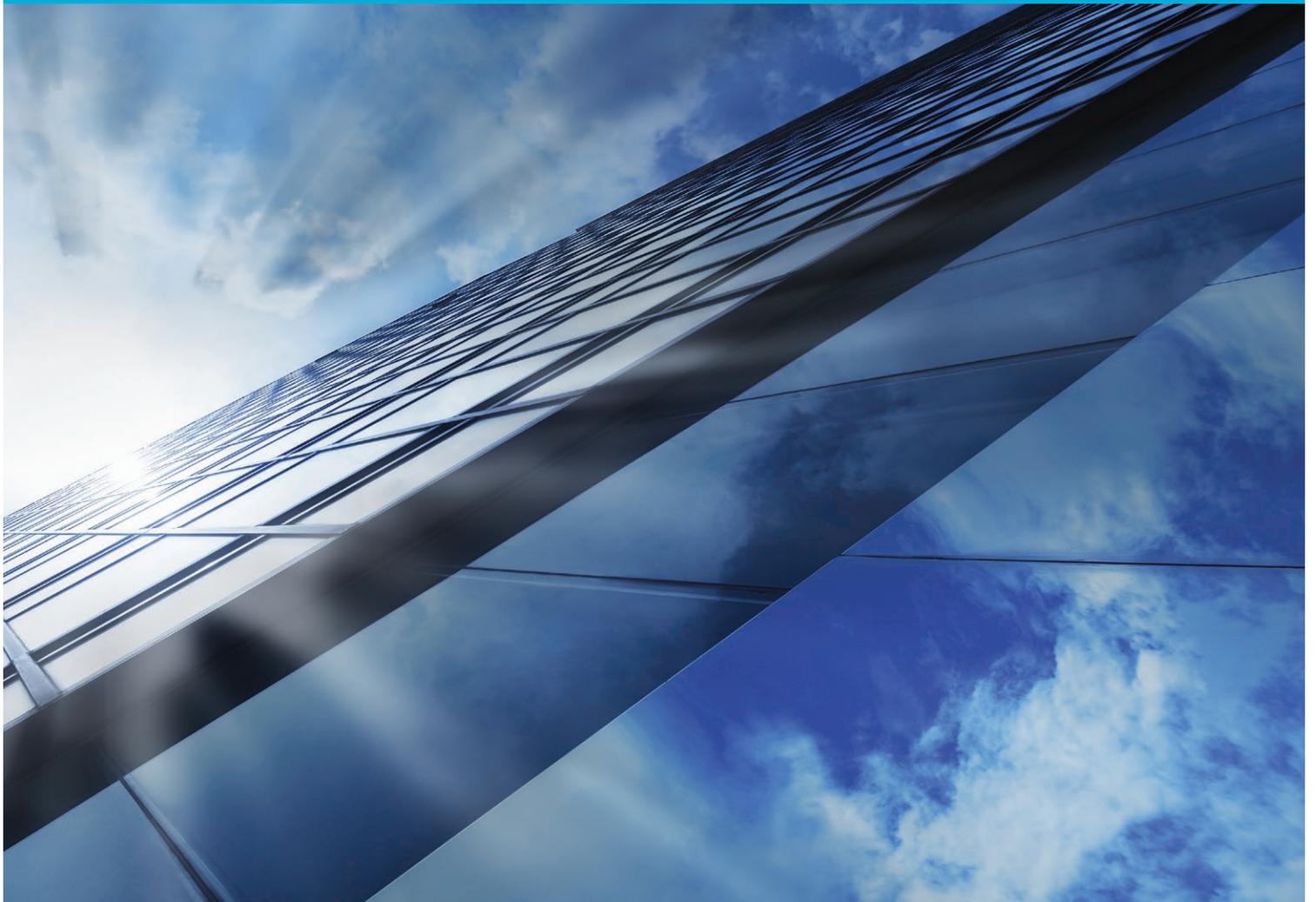


markit[®]

Solutions for Mandatory OTC Derivatives Clearing

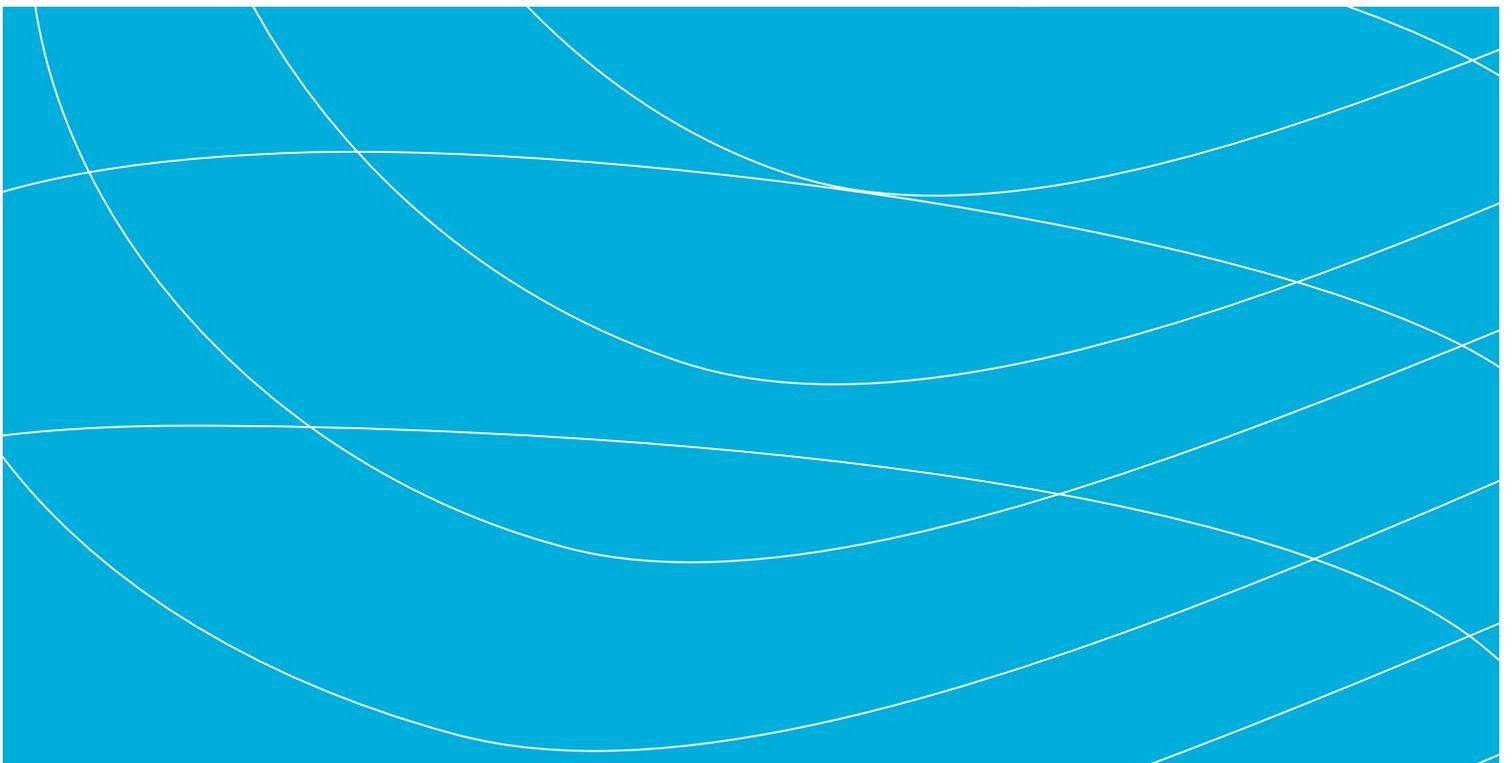


Realtime, independent connectivity to
multiple clearinghouses

Enhance transparency and reduce risk

Ensure compliance for future
regulatory change

Focus on the bottom line



Regulations requiring central clearing of over-the-counter derivatives are driving substantial overhauls in infrastructure and processes across the industry. Firms are challenged with keeping costs low while ensuring compliance and maintaining flexibility.

Markit helps you meet your compliance needs in a cost-effective and operationally efficient manner. Our solutions keep you connected to counterparties, clearinghouses, trading venues and trade repositories, to support your pre- and post trade processes. We help streamline the way you access daily settlement prices of centrally cleared products, and independently verify prices.

By taking on your connectivity and processing burdens and simplifying the workflow, Markit allows you to focus on your core business and objectives.

Information

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To increase transparency and reduce risk in the OTC derivatives market, regulators are aiming for all OTC derivatives to be centrally cleared and are starting with the most liquid instruments first. The CFTC's clearing requirements initially apply to certain CDS and interest rate swaps, with certain Markit CDX® and Markit iTraxx® index swaps being the first—and currently the only—classes of credit indices falling under the new rules. Since 2009, a significant percentage of these swaps have been cleared by market participants, and the initial regulatory focus on the Markit Indices for credit speaks to their value as widely-traded, liquid instruments.

Markit's Reference Data and Pricing Data for CDS helps participants manage risk and maintain operational efficiency. Our verified Reference Data for CDS allows customers to efficiently confirm trades and manage their positions, while our daily CDS settlement prices can be used to help calculate their gains and losses, as well as margin requirements.

Markit Indices for credit

Liquidity, tradability, global coverage

Markit Indices for credit are global CDS indices that are liquid, transparent, and efficient to trade, representing the bulk of all traded volume in the CDS market. Index characteristics are standardised and documented, and straight-through processing provides operational efficiency.

Markit Indices for CDX cover North American and emerging markets, while Markit iTraxx indices cover the rest of the world.

Investors can leverage these instruments to express bullish or bearish sentiments on credit as an asset class, and portfolio managers can actively manage their credit exposure.

Markit owns and manages these indices, and the selection methodology ensures that the indices represent the most liquid segment of the market. Rules, constituents, coupon and daily prices are all made publicly available.

Markit Reference Data for CDS

Industry leading service for credit derivatives reference data

Markit Reference Data for CDS verifies reference entity, reference obligation, corporate event and credit index data. It enables counterparties to rapidly agree on transactions and have confidence in the integrity of the underlying reference data.

Unique alphanumeric RED codes are assigned to all reference entities and reference obligations. RED codes are used to confirm trades on MarkitSERV and other trade matching and clearing platforms, reducing the risk of errors and enabling timely trade execution.

CDS corporate action and succession event alerts allow customers to effectively monitor portfolios over the life of a trade.

Subscribers can access Markit Reference Data for CDS through automated downloads of XML reports on Markit.com or third-party data platforms.

Markit Pricing Data for CDS

Independent daily settlement prices

Markit Pricing Data for CDS provides daily CDS settlement prices for multiple clearinghouses, including ICE Clear Credit, ICE Clear Europe, Japan Securities Clearing Corporation and LCH. Clearnet S.A. The service delivers daily price and spread levels for cleared instruments, including single names and Markit Indices for CDS. Markit settlement prices are used by clearinghouses in their risk management processes with their clearing members and clients.

Unbiased and objective prices are determined by a daily settlement price calculation process. High-quality inputs contributed by clearing members with an open position at the clearinghouses are subjected to stringent validation tests. Clients can access the data through an automated feed or via download from Markit's website. Files are available in CSV, TAB and XML formats.

The clearinghouses, instruments covered and availability of settlement prices in Pricing Data for CDS are detailed below:

As of January 2014

Clearinghouse	Instrument Type	Coverage *	Expected Time	SLA Time
ICE Clear Credit	Indices	110	5:20pm EST	5:20pm EST
ICE Clear Credit	Single Names	288	4:45pm EST	5:00pm EST
ICE Clear Europe	Indices	44	5:00pm GMT	5:20pm GMT
ICE Clear Europe	Single Names	121	4:45pm GMT	5:00pm GMT
JSCC	Single Names	10	3:45pm JST	3:45pm JST
LCH.Clearnet S.A.	Indices	145	5:30pm GMT	5:30pm GMT
LCH.Clearnet S.A.	Single Names	187	5:30pm GMT	5:30pm GMT
CME	Indices	61	5:15pm EST	6:00pm EST

*Instruments for Indices; Entities/Sovereigns for Single Names*Instruments for Indices; Entities/Sovereigns for Single Names

Portfolio Valuations

Independent, validated portfolio valuation and risk analysis service

Markit Portfolio Valuations is an independent, multi-contributor, validated service providing valuations for exchange-traded, OTC cleared and bilateral derivatives and cash instruments. Through a single interface, customers can connect to leading clearinghouses, with Portfolio Valuations handling each clearinghouse's bespoke interface to reduce your operational burden. Customers can receive cleared prices for OTC trades from Markit and validate clearinghouse prices by requesting independent valuations for the trades from Portfolio Valuations.

With access to OTC cleared prices on a consistent and timely basis, users can incorporate these into their daily fund Net Asset Value calculations. In addition to pricing, Portfolio Valuations also provides trade-level standard sensitivity measures calculated using the clearinghouse's or Markit's pricing curves.

Portfolio Valuations has access to the following CDS and IRS instruments for each central counterparty:

AS OF JANUARY 2014

Clearinghouse	Credit	Instruments	Rates	Instruments
CME US	Planned for H1 2014	CDX IG, CDX HY, CDX HiVol and CDX EM	Planned for H1 2014	USD, EUR,GBP (out to 50 years) CAD, JPY, CHF, AUD, NOK, SEK, DKK (out to 30 years) Libor swaps 1M, 3M, 6M Libor Indices OIS (out to 5 years) Basis Swaps. FRAs Upcoming: Additional Currencies Amortizing Swaps Swaptions, Caps and Floors, Cross Currency Swaps, Inflation Products
CME Europe	N/A	N/A	Planned for H1 2014	USD, EUR,GBP (out to 50 years) CAD, JPY, CHF, AUD, NOK, SEK, DKK (out to 30 years) Libor swaps USD, EUR, GBP, JPY OIS
LCH Europe	Live	iTraxx Main, iTraxx HiVol and iTraxx Crossover	Planned for H1 2014	N/A
ICE US	Live	CDX IG, CDX HY, CDX EM, CDX HiVol: 288 Entities, 4 Sovereign (Latam)	N/A	N/A
ICE Europe	Live	iTraxx Main, iTraxx HiVol and iTraxx Crossover: 121 Entities	N/A	N/A
JSCC	Live	Itraxx Japan	Planned for H2 2014	N/A

PROCESSING

Ongoing market structure changes for OTC derivatives trading are dramatically changing the industry. The need to connect to new execution venues and clearinghouses creates significant connectivity and processing burdens on firms. The costs of supporting regulatory compliance while maintaining operational flexibility are now higher than ever.

MarkitSERV solutions and services provide the connectivity to help you meet evolving regulatory requirements, while streamlining workflow and minimising cost. Our offerings are already recognized for their connectivity to counterparties, trading venues and clearinghouses.

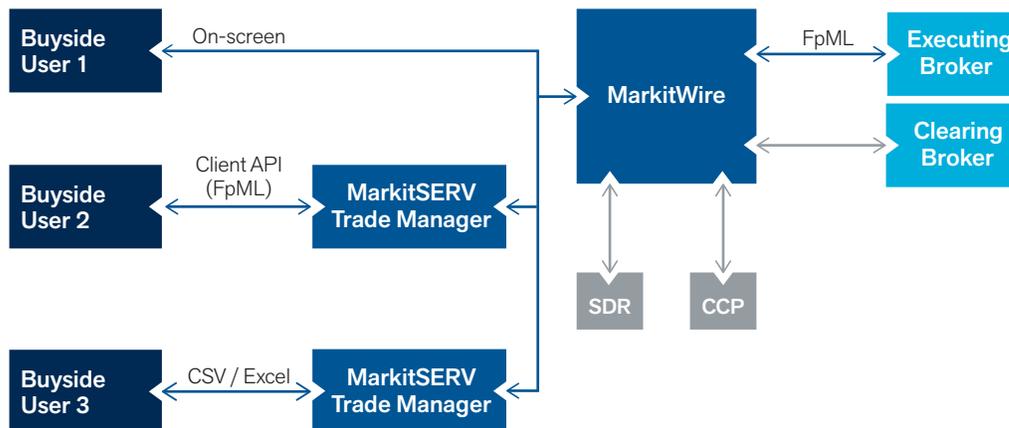
MarkitSERV

Cross-asset class solution for OTC derivatives trade processing with services spanning the trade lifecycle

MarkitSERV enables the submission, monitoring and reporting of cleared and uncleared derivatives trades across counterparties, execution venues and clearinghouses. It supports multiple asset classes, including CDS, interest rates, FX and equities. Supporting both straight-through processing (STP) and non-STP trades, our platform connects firms to counterparties and more than a dozen clearinghouses and facilitates regulatory reporting across jurisdictions.

MarkitSERV delivers a complete solution for OTC trade processing, helping you to focus on your core business. MarkitSERV has been routing credit derivative trades to clearinghouses since 2009 and interdealer interest rate swap trades for clearing since 2004. We provide the broadest clearing support for all market participants in the OTC derivatives marketplace.

Bilaterally traded/centrally cleared operational workflow



80,000+ OTC derivatives processing actions per day

1,500+ network of active clients, including dealers,
buyside and execution venues

4 million+ independent valuations per month by
Portfolio Valuations

*These numbers are changing as you read this

About Markit

Markit is a leading global diversified provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency.

Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund administrators and insurance companies. Founded in 2003, we employ over 3,000 people in 10 countries.

For more information, please see markit.com

More Information

For more information on the products and services from Markit, please contact us at sales@markit.com or call one of our regional offices:

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Dallas	+1 972 560 4420
Frankfurt	+49 69 299 868 100
Hong Kong	+852 3478 3948
Tokyo	+81 3 6402 0130
Toronto	+1 416 777 4485
Singapore	+65 6922 4200
Sydney	+61 2 8076 1111

markit[®] mines data,
pools intelligence,
surfaces information,
enables transparency,
builds platforms,
provides access,
extends networks,
& transforms business.