FLOW TRADERS

Flow Traders Q2 2020 Results Presentation

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Operator: Good morning ladies and gentlemen, thank you for holding and welcome to the Flow Traders Q2 and half-year results 2020. At this moment, all participants are in listen-only mode. After the presentation there will be an opportunity to ask questions. I would like to hand over the conference to Mr Jonathan Berger. Please go ahead, sir.

Jonathan Berger: As you'll no doubt already seen, we released our results first thing this morning. I'm joined here on the call by Flow Traders CEO Dennis Dijkstra, as well as Chief Trading Officer, Folkert Joling, who will run through the results presentation. Afterwards, we will be happy to take any questions that you may have.

Before we begin, let me draw your attention to the disclaimer on page two. Please be advised that if you continue to listen to this presentation, you will be bound by this disclaimer. Also, please note that the results we will discuss in this presentation are unaudited.

With the formalities out of the way, I would now like to hand over to Dennis for his opening remarks.

Dennis Dijkstra: Thank you Jonathan. Good morning and thank you all for joining this call, where we will provide additional colour on our second quarter and first half 2020 results. As is evident from the monthly market data published on our website, the first half of 2020 overall saw heightened levels of market activity, with increased traded volumes and higher levels of volatility compared to 2019.

Market ETP value traded increased by 69% year on year. The exceptional market circumstances experienced in the first quarter eased somewhat in the second quarter as markets began to normalise. This was reflected in the ETP market value traded, which decreased 16% quarter on quarter. We continued to grow our ETP value traded, outperforming the broader market in the second quarter, as Flow Traders continued to gain market share. This is once again testament to our market presence and global footprint. Consequently, this market environment, along with Flow Traders' own pricing, hedging and risk management capabilities, translated into net trading income of €724.8 million in the first half of 2020, compared to €117 million in the same period last year. This was a record half for Flow Traders by some distance and we saw clear outperformance in all regions and across all asset classes. We demonstrated strong operational leverage, with an EBITDA margin of 64% in the first half, with an EBITDA of €464 million. Ultimately, we recorded a net profit for the first half 2020 of €375.3 million, with an EPS of €8.25.

Taking all of this into account, Flow Traders proposes an interim dividend for full year 2020 of €4, which will be paid on August 21st. It is also worth highlighting that our business and operations functioned as normal during the first half following the activation of our business continuity plans globally and we were able to continuously provide liquidity and pricing to the ETP markets on a global basis.

Despite the strong operational focus during the first half, we have also continued to execute our growth strategy in terms of broadening our ETP footprint, as well as enhancing coverage of fixed income returns trading. We will cover this in greater detail later in the presentation.

Let's now take a closer look at the market developments, as well as a deeper dive into Flow Traders performance and accomplishments. Firstly, we will review recent ETP market dynamics, on slide four.

As shown on the top-left-hand side of this slide, ETP market value traded declined 16% in the second quarter of 2020 compared to the first quarter, as markets began to normalise. Clearly Q1 and Q2 were both hugely more active from an ETP market value traded standpoint than any recent quarter. Implied volatility also reduced during the second quarter from the highs seen in the first quarter. Nonetheless, average VIX levels were still much higher than those seen in 2019. Accordingly, this reduced market velocity in the second quarter, after a pretty significant uptick seen in the first quarter. From an ETP assets under management perspective, we again saw significant increases in fixed income, ESG and commodity ETFs. As a key part of the ecosystem, Flow Traders facilitated trading in these ETP asset classes.

In summary, it is fair to say that momentum in the ETP universe remained extremely positive in the first half, particularly when compared to 2019.

Now I will hand over to Folkert, who will review Flow Traders regional performance in greater detail on the next slide.

Folkert Joling: Thank you Dennis and good morning all. On this slide, we present an overview of some of the key performance indicators for the second quarter and for the first half 2020 on a regional basis. As Dennis mentioned earlier, we have seen strong performance across the board from all our regions. Heightened market activity and the disciplined execution of Flow Traders growth strategy resulted in a marked growth in ETP value traded as well as NTI in every region in the first half.

In Europe, we continued to be the leading liquidity provider in ETPs and the region remained the largest NTI contributor in Flow Traders most important markets. This is a reflection of the region's high level of flow visibility, as well as counterparty and product coverage. Flow Traders ETP value traded in Europe outperformed market value traded year on year, as well as quarter on quarter, given our leading competitive position in the region. We are now also among the top three market makers on major FX ECNs in spot precious metals.

Moving to the Americas, we continued to enhance our position with robust NTI contribution from all desks and significant outperformance versus market ETP value traded in Q2. We saw meaningful contributions, in particular, from commodity and fixed income ETFs in Q2. From a footprint perspective, we connected with additional counterparties and increased our OTC volumes further. In fact, we demonstrated the strength of our platform in the US by successfully executing multiple multi-billion dollar US OTC trades, including the largest as such in the US for Flow Traders.

Our long-term commitment to the US equities ecosystem was also confirmed through the strategic investment in Members Exchange.

Lastly, there was strong trading performance in APAC across the board, both off and on exchange. Our business there benefited from specific investments with increased on exchange presence, as well as connecting with additional regional counterparties. We are also seeing increased adoption of RFQ systems in the region and further electronification of trading, which is a positive trend for Flow Traders. We also deepened the relationship with the

Hong Kong Exchange, by becoming the lead liquidity provider for their new suites of MSCI futures.

I will hand over back to Dennis for the next slide, where we will cover the cost base in greater detail.

Dennis Dijkstra: Thank you Folkert. The main drivers of the 12% year-over-year increase in fixed expenses related to technology investments to support our diversification initiatives and efficiency improvements, as well as the full impact of new hires made in the second quarter.

On the other hand, there has been a decrease in fixed operating expenses quarter on quarter. This reflects reduced employee and travel expenses, given a substantial working from home presence. We have incurred €1.5 million of additional one-off expenses in the first half which relate primarily to the ongoing activation of the business continuity plan.

Given the increase in headcount in 2019 and ongoing organisational and technological improvements, headcount has remained broadly flat through the first six months of the year. This is in line with the guidance we gave at the time of the full-year results.

In terms of cost for the full year, we still expect a maximum of 10% fixed operating increase – expenses increase.

Now I will take a closer look at Flow Traders capital position on slide seven. We show our required Core Tier 1 capital levels on the top-left-hand part of the slide. After accounting for the dividend, Flow Traders capital buffers have remained strong and remain comfortably above our requirements under CRR. Our own fund requirements reduced to €201 million at the end of June from €261 million at the end of March. This reflects a lower level of trading activity and normalising markets and operational risk. We had a total CET1 of €456 million at the end of June 2020.

On the top-right-hand side of the slide, you can see that our solvency ratio with the prime brokers, as at 30th June, increased markedly compared to the previous quarter, reflecting the €915 million of trading capital, as well as overall trading activity levels. Again, we are comfortably above our prime broker requirements.

Looking forward, our initial IFD/IFR analysis has been completed following the publication of the Level 2 text in June 2020. The outcome indicates that we should receive some capital relief, given that the incoming IFD/IFR requirements should be more tailored to Flow Traders' specific risk profile. Accordingly, capital requirements should be markedly lower, once IFD/IFR comes into course in June next year.

It is envisaged that this capital relief will be partially offset by our growth in our business activities. Considering all these developments, Flow Traders has set the financial year 2020 interim dividend at €4 per share. The cash returned to shareholders since IPO now amounts to €11.08, including our full-year 2020 interim dividend and the share buyback.

Now I will hand back to Folkert again to discuss our strategy and medium-term growth focus areas.

Folkert Joling: Thank you Dennis. Our growth areas remain very much as we outlined earlier in the year and developments during the first half of the year have further confirmed our growth certainty. Provision of liquidity has never been more important to the orderly functioning of global financial markets. Seeking to enlarge our global ETP footprint means that we can align ourselves with the continuing structural growth in passive investments.

This has been particularly evident in fixed income and ESG investments, which have seen a strong growth over recent quarters, which has translated into increased trading activity in those areas.

Moreover, the fact that the ETP ecosystem performed as intended during the Q1's exceptional market circumstances only increases the attractiveness of ETPs for investors, both retail and institutional.

Our goal is to further strengthen our position as market leader in Europe and seek to be overall top five in the US. In terms of enhancing our coverage of fixed income, we want to build on the fact that fixed income is the fastest-growing ETP asset class by becoming the global top-three liquidity provider in fixed income ETPs. This will be done through promoting and driving market electronification, which will create a more level playing field and increased transparency.

From a currency trading perspective, we are leveraging our global infrastructure to provide liquidity to currency pools and counterparties. Our aim is to be a top-15 FX liquidity provider on Euromoney, top five on ECNs and to provide 24/5 or 24/7 liquidity.

These growth focus areas have the ultimate goal of driving structural NTI growth.

I will now turn to the final slide of the presentation and review our strategic progress so far in 2020. As Dennis mentioned earlier in the presentation, despite a strong operational focus in the first half, we nonetheless made good progress in all these growth focus areas and we will deliver additional progress during the remainder of 2020.

In the first half of the year, Flow Traders built on our leading ETP global liquidity provider position and grew our presence in all regions, especially in the US and Asia. We also increased value traded in all regions, as we traded with more counterparties from a large array of venues. In the second half, we will focus on further expanding our counterparty base, as well as increasing and deepening product coverage and connecting with additional venues.

We have enhanced coverage of fixed income in the first half through expanding our infrastructure, broadening our prime broker set up, as well as increasing our market share in fixed income ETFs. The focus of the rest of the year is on further enhancing our pricing capabilities, as well as accessing more liquidity and increasing volumes.

From a currency and crypto perspective, we are now consistently trading more than $5 billion a day. We have also upgraded our technology suite and have expanded our time zone coverage, as well as our spot metal spreading, where we are now among the top three market makers of major FX ECNs in spot metals.

Work will continue in the second half on building bilateral connectivity, expanding trading hours, increasing product coverage and broadening our prime broker base.

I will now hand back the call to Jonathan.

Jonathan Berger: Thanks Folkert. This now concludes the formal part of our presentation. We'd now like to open up the floor to questions from the analysts. Operator?

Questions and Answers

Operator: Thank you sir. Ladies and gentlemen, we will start the question and answer session now. If you have a question or remark, please press star one on your telephone. Go ahead, please, star one for questions or remarks. And the first question is coming from Michael Roeg, Degroof Petercam. Please go ahead sir, your line is open now.

Michael Roeg (Degroof Petercam): Good morning gentlemen. I have a couple of questions. The first one is on the revenue capture, which is typically much higher in Europe than in the Americas but in Q2 it was almost the same. So was Europe relatively weaker or Americas relatively stronger or was there something else going on?

Then the second question is on the dividend. In the past five years, the payout was, on average, 68% and the €4 interim dividend is 48% of your half-year EPS, so why are you so conservative on the interim dividend?

And the third question is on the cash flow statement. It's clear that all the profits that you generate you park in the working capital. My question on that is: how fast can you unwind this if you need the cash for dividends or bonuses and what is the financial benefit that you have from parking it in the working capital? Could you quantify that? I guess it must be lowering your funding costs but it is a couple of million or more substantial? That's it.

Dennis Dijkstra: Folkert, do you want to answer the first one and I will take the second and third?

Folkert Joling: Yeah, we are not focusing on the revenue capture as such as being a KPI. What we did see in the first half of the year was that the high market volatility and some of the dislocations in March and April meant different spreads of the underlying as well. So the comparisons to statistics from earlier quarters are a bit more difficult to do. So the product mix and the way we are covering specific asset classes – so slightly less competitive in the straightforward products and more competitive in the more broader pricings – lead to this balance being slightly more in line in the first half. So there is no structural change which is driven by some other factors. Really, it's market activity which is causing this KPI to look like this.

Michael Roeg: So this is sheer coincidence, because just one of the things mentioned in the press release and also in the presentation is those multi-billion-dollar OTC trades, which – well, without knowing the details, of course, automatically you think, 'That must be at very competitive pricing and relatively low revenue capture,' but still you show the very nice 5.6 for the Americas, which – yeah, it's just curious how that adds up. But this – yeah, the 5.8 in Europe, 5.6 in Americas, we shouldn't seek anything behind that, I guess?

Folkert Joling: No and those trades don't really have a huge impact on the statistics either. I mean the volumes are so big that this – it's good – it's good to know that there's a lot of growth and that was the message there and that we're continuously expanding and able to also trade an increasing amount of value, with maintaining the risk profile as we have, which is a pretty low risk profile but no, there is – it's not a coincidence, it's the market behaviour which is leading to this.

Dennis Dijkstra: So, if I can answer your question number two [Break in audio] move our cash on an intra-day basis, even around the globe, so kind of freeing up capital or cash is done within, I don't know, hours or minutes and it's very liquid. And having the benefit is, as you said, indeed kind of how we use our liquid capital margin at our prime brokers, especially because it will reduce our funding cost and gives us, as I said, margin to trade with. So also there it increases our ability to trade.

Michael Roeg: Okay, that's very clear. Thank you.

Operator: And the next question is coming from Albert Ploegh, ING. Please go ahead, sir, your line is open now.

Albert Ploegh (ING): Yes, good morning gentlemen. A few questions from my side as well. The first one is indeed coming back to Michael's question on the US. I'd just like to understand a bit that – how it flows throughout the quarter because you flagged that the high-yield asset classes and the commodities, of course, were pretty strong in the quarter, probably Q2 towards April. So I'd like to understand a bit: is that then also, basically, the main explanation – I know it's not a key metric but that spreads were quite attractive on those two asset classes compared to, let's say, quarters in the past? So is that an explanation? And I – can I assume that that bulk of the volatility has been behind now? So I'd like to understand, if I can [inaudible] a bit like Michael's, which is more the US resources, which are extremely strong.

And on the cost base outlook, yeah, you maintained the 10%. I understand, of course, that Q1 first half included €1.5 million exceptionals related to COVID measures. Will that drop out or do you still expect some one-offs in the second half and what are your plans in terms of hiring? I know in the – with the full year you cautioned a bit in terms of, let's say, expanding the workforce further this year. Is that still the situation? I assume yes, given your 10% outlook but some thoughts around hiring in September would be helpful. And I'll leave it at that.

Folkert Joling: I can answer your first question. Obviously the improvements we've made to the infrastructure and the set up in the US should lead to an increase in NTI, relatively, versus the past, for all market circumstances. So we also see these – yeah, the – call it patterns existing, so the NTI is increasing, so also in the lower volatility periods, we – yeah, we can confirm that we have an increased performance versus the past, so it's not only a volatility increase which leads to NTI. These are smaller steps we make in all kinds of factors which lead to a higher volatility – sorry, higher volumes we trade but also an increased revenue capture for these products.

So indeed the volatility helps for the absolute amount but definitely we also see improvements in NTI.

Dennis Dijkstra: Yeah and if I can add to Folkert's comments, we've been investing in the US both in increasing our footprint, both on exchanges by connecting to new ones and also there the Members Exchange investment is an important one but also enlarging our client facing franchise, so also there I kind of had the comment about the multi-billion-dollar OTC trading. It's a confirmation of the growth we are experiencing there and that will continue but also the product coverage, also there the investments we make in the products and asset classes where we are very strong at. On top of that, we are also increasingly expanding the products we trade. Also there it's a combination of a lot of things and that's why we also have – the US is a growth area for us. It will continue, so we also there – this is a result of our investments in the past.

Dennis Dijkstra: Then coming back to your question about the cost base, so, as said, €1.5 million of one-off costs but also some reduction in kind of less travel. So I do expect to continue our BCP setup, so we have multiple locations where we trade from in every region, so that's something also – looking a bit into the future, where we are to date, that's something we need to continue, so there will be some additional costs. There is a slight set-off, with lower travel and lower costs on some other items but we commit to the 10% maximum growth, especially year over year because, as you've seen in our costs last year, there was a particular step up in Q3 and Q4 in our cost base and that has to do with the hiring but also we had some significant investments which kicked in, in Q3/Q2 for last year, so year over year, we are comfortable to be within guidance of 10% and also, looking at our headcount, after the summer, we have a lot of graduate programmes that are starting, so both in trading but also in our product or software development departments we see – I mean, we'll remain – and we are committed to starting those classes. So we might see an increase in headcount but that will – that won't breach the 10% cap in our cost base, so we're still hiring. We have a clear strategy and growth path, we have a very clear roadmap and investments we need to make to make sure that we grow, so we're committed to, yeah, keep on investing in our people and the right people and hiring.

Albert Ploegh: And if I may, one small follow-up on the hiring: do you see any changes in competition for good talents from other, yeah, let's say not even, per se, trading firms like yourselves but maybe from other IT kind of companies, or is that still the same, you're still able to attract all the talents you want?

Dennis Dijkstra: Well, it depends a bit. I think people are still a bit hesitant to move, or to interview. They're uncertain about the future. So we do not see – I think for experienced people it's less of an issue but I think especially the graduates, which will start next year, so 2021, I think there's a bit more uncertainty now – what their future will look like and how they graduate and when. So – and also there the big campus recruitment campaigns start in the fall, so it's also to be seen how that will develop and that's kind of a global thing, both in Asia but also in the US. So that's kind of – that's what we're working on. So it's a bit of a mixed...

Albert Ploegh: Okay, thank you very much.

Operator: And the next question is coming from Ron Heijdenrijk, ABN AMRO. Please go ahead, sir, your line is open now.

Ron Heijdenrijk (ABN AMRO): Hi, good morning guys, a few questions from my side. Could you please give an update on the market shares you see per geography? Then, moving, your comment about regulatory change, IFR/IFD as per June 2021, if I'm calculating it correctly, it's roughly €20 million in capital free fall. What are your plans with that?

And then finally, from my side, what is the driver behind the lower fixed personnel cost, quarter on quarter, which is about – almost €1 million lower. And also I saw that there's eight less traders, Q on Q, so what's – what happened there? What is the background there? If you could give some colour, that would be great. Thank you.

Folkert Joling: I can comment on the market shares. The – what we see in Europe is on exchange, although we already had, let's say, between 30–35%, approaching 40%, going over 40% here and there and in some asset classes, it's even higher, so that's maybe a surprise but still getting stronger, which is very nice.

In the US, it's been steadily increasing as well. Obviously there, if you compare the different product categories, it has a different picture in the fixed income ETFs, where we, for instance, are more competitive, on rank and on amount of market share than, for instance, on the equity side, with the SPY products being far more competitive and more technologically strong players in that, so it's more difficult to do – become top two, top three there but these high volumes influence the total quite a lot.

So, depending on the categories you look at but all is increasing and APAC as well. APAC is also, month on month, increasing in terms of the market share and that's across all products as well. But this all falls fully in line with our strategy, our focus areas on strategy.

The number of traders, going down, going to the fourth question, yeah, the – you can reclassify some of the traders as being a bond trader, or a more risk trader, so the number of traders hasn't – the number of people in the trading team actually hasn't gone down.

Ron Heijdenrijk: Okay, that's clear. And with regards, sorry, to – with regards to the market shares, how about the OTC market shares?

Folkert Joling: Yeah, also increasing pretty strong. So, for some regions, it's adding new counterparties, which leads to more accessibility to the flow but also the hit rates go up, getting stronger on the pricing side but also on the connectivity of counterparties. So we are looking at different angles, we're looking at the coverage of the flow we see and how much we do increasing but also the competitiveness of the flow itself. We also see that, yeah, we are picking up a lot of market share from parties that are dropping out or losing their competitive gain here.

Ron Heijdenrijk: And then finally, maybe, on that, is that market share gain – is that permanent or are these parties that are temporarily out of market?

Folkert Joling: Yeah, well, that should be permanent for us, right?

Ron Heijdenrijk: Yeah.

Folkert Holing: Yeah.

Dennis Dijkstra: And then your questions about IFD/IFR: so, we ran detailed analysis after the – publishing the Level 2 text on IFD/IFR. So, from what it seems it's that slightly lower. It has mainly to do with the – how the requirements are built up, so there is a – so we have to take into account a counter cyclical buffer which falls away, that won't be – that won't apply in the new regulations, so that's the main change where we benefit from and then it's kind of roughly in line with the current requirements because it's also based on CRR.

So, indeed, it's probably around 20-ish lower as said in the press release as well. We do have very significant growth areas, especially in our fixed income asset class, with all the products we trade there. Capital requirements are not always very efficient there, so we want to kind of retain some capital to make sure that we can facilitate growth in these areas. Then, about the lower employee expenses. That has mainly to do with the travel, so the drop there is mainly about the lower travel expenses we experience in the – in the employee expenses category.

Ron Heijdenrijk: Thank you very much.

Operator: And the next question is coming from Thomas Couvreur, KBC Securities. Please go ahead, your line is open now.

Thomas Couvreur (KBC Securities): Yeah, hi, good morning. Maybe a few follow-up questions on earlier comments. On the US result, I think you mentioned product mix but I mean just to get some – maybe some additional colour on that, I think we saw in the first half of the year on fixed income ETFs, often some disconnect between the ETF and underlying NAV. This continued also throughout April. Is that one of the elements that you see contributing to the result in the US or is that an event which doesn't really – or isn't really relevant for you?

And then maybe again on the dividend, earlier you mentioned that, potentially, second half we'd see a catch-up. Difficult to assess at this moment, of course but assume that second half of the year is materially lower than the first half, in terms of EPS, could it be that you need significantly more than second half EPS as pay out to reach, like, a 65% or 70% payout ratio. Is that something that you would be considering, or would you want to remain prudent on that side? Thanks.

Folkert Joling: Yeah, on the comments about the US and the fixed income disconnect between the NAV of the ETFs and the product itself, obviously if there is volatility and uncertainty in the market, there is sort of a correlation between volatility and flows but also flows from primary to secondary markets because when people want to sell their products, the market makers facilitate the redemption process and need to go to the underlying markets to sell the basket.

So any volatility will lead to more activity and therefore trading possibilities, so obviously if there's volatility, this gives a chance for us to trade and to make profits. It's not, per se, the difference between the NAV and the traded price of the ETF. It's more the volatility that brings the opportunity.

If you look at the fixed income ETFs, those were far more liquid than some of the underlying, so this also underlines the strength of the ETF market, so this is a good thing but it doesn't fully explain our NTI per region because we trade the whole range and there was also increased activity in all the other asset classes, so commodities moved. So we cover the whole range and then obviously oil was on the move in April as well, leading to a lot of volatility and trading activity in those ETFs but even in the straightforward ones, the SPY and the NASDAQ products, there was increased activity and even there the spreads widened a bit compared to the lower volatility. So all of these things combined helped. So does one category help? Yes but the others also helped. So distribution has not been off, it's been pretty – we call it distributed all over the desks.

Dennis Dijkstra: And on your question on the dividend, it's very important for us to have a consistent message and dividend policy, so also historically we have 50% or slightly close to 50% of our net earnings as half-year dividends. And as a – as the dividend policy states, it's at least 50%, so at year end we will kind of assess what our kind of capital requirements are, what our regulatory capital base will be and also given our growth bands, capital requirements we will assess the final dividend.

But as you can see on slide seven, we have – even after the dividend, we have a significant regulatory capital excess, so there is an ability, with the current – within the current situation – to do so. So there again, also, our strong capital base, our highly cashflow generative business model, gives us the ability to pay out a significant part of our earnings as dividend. Also, there, I think the €4 is a – again a confirmation of our strong cash flow positive business model.

Thomas Couvreur: Okay, that's helpful, thanks.

Operator: Ladies and gentlemen, if there are any additional questions or remarks, please press star one. And the next question is coming from Gregory Simpson, Exane BNP Paribas. Please go ahead sir, your line is open now.

Gregory Simpson (Exane BNP Paribas): Hi guys. Congratulations on the H1 results. Just a couple of questions on my end. Firstly, it seems to me that the growth is really starting to pick up in the active, or non-transparent, ETF market. I think there's actually been more active ETF launches than passive ETF launches this year. I am wondering if Flow Traders are able to benefit from this growing market in terms of are you signing up as authorised participants to the active managers that have been launching these?

And then secondly, one of your peers, last week, talked about their July net trading income being up 70–75% versus 2018, or 2019 averages. I'm just wondering if you could give some colour on what you're seeing so far in Q3 or if not, perhaps the level of NTI in June, as I guess April was the biggest month, within Q2?

And then just lastly, sorry, the – you mentioned an ambition to be top five in the US. Can I just check, what position do you think you are today in terms of ranking? Thanks.

Folkert Joling: Yeah, so on the growth of the – let's say the new type of products, so we also mentioned in the presentation that we see an increase in interest in the ESG products, so a lot of new ETFs, also futures, are coming up and we have full coverage there. We trade these with our standard good trading capabilities. So we do see a lot of interest there. And we cover them. We cover them similar to the existing set, without any issues, that's standard.

The non-transparent ones, as in active ETFs, there is some movement there, the volumes are not that great yet, what we see, it's – but if it becomes bigger, it's also – for us it's – it's okay as long as there is a transparent system behind the – let's say the pricing of the NAV, right? If it's a level playing field for everybody – as an example intra-day changes to the product makes it more difficult to replicate, so we do stand for fair and let's say replicable products for the industry but for the investor as well, that they understand what the value is and then we can provide liquidity in a normal fashion.

Dennis Dijkstra: I think, about current trading, as usual, we don't comment on current trading. I think our monthly statistics, your experience and the volatility should give you a good kind of view and handle on the results. I think that's – there's not a lot else to comment.

About the ranking in the US, Folkert, do you want to start and I might add?

Folkert Joling: Yeah, so the US market, in terms of statistics, is dominated by products like SPY, right? So if you look at a top five, it's not per se the market share of all the products combined and do a sort of average of it, because then you're only looking at SPY and obviously there it's more difficult to get in the top three. If you look at fixed income, we're already out of three so we're trying to get there, let's say, a steady top two and number one is the obvious goal there.

So, on the different categories, we have a different way of defining our competitive position [Break in audio]

Operator: There are no further questions, please continue.

Jonathan Berger: Thank you Operator. I'd like to thank the analysts for participating in today's call. Please note we will host our next analyst call when we release our fourth quarter and full-year 2020 results early next year. Details of this call and timing of this call will follow in due course. Our third quarter trading update is scheduled to be released on 22nd October 2020. This now ends the call. Thank you very much again and have a good day.

Operator: Ladies and gentlemen, this concludes this Flow Traders event call. You may now disconnect your line. Thank you very much.

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