

## Instinet Launches Nighthawk<sup>SM</sup> Liquidity Aggregation Algorithm

*Stealthy New Algo Aggregates Both ECN and "Dark" Liquidity, Including Liquidnet H20, NYFIX Millennium<sup>®</sup> and Pipeline, Thereby Minimizing Market Impact and Helping to Achieve Best Execution*

NEW YORK, June 28, 2006 – Instinet, a global agency broker, today launched Nighthawk<sup>SM</sup>, a stealth liquidity aggregation algorithm that simultaneously accesses most major pools of dark liquidity, including Liquidnet H20, NYFIX Millennium<sup>®</sup>, Pipeline and Instinet's various sources of upstairs liquidity. Users can also add an ECN sweep module to Nighthawk, providing access to Nasdaq's INET, NYSE Arca and the BATS ECN.

"With dark books growing increasingly popular, market fragmentation has become more of an issue," said Michael Plunkett, President, North America, Instinet. "While fragmentation has always been a concern, traders now have technologies like Nighthawk to help them access these not only these hidden liquidity pools, but also ECNs, thereby improving their chances to achieve best execution while retaining anonymity."

Nighthawk, which is available immediately through Instinet's Newport<sup>TM</sup> and Instinet Trading Portal<sup>®</sup> front-ends, allows traders to choose among three visibility levels—gray, dark gray and black—depending on their desired execution timeframe and visibility preferences. The algorithm helps traders avoid paying the spread through passive pricing tactics and intelligently manages the allocation of the order to the various market venues.

"Trade volumes continues to explode while average shares per trade plummet, and the resulting fragmentation of liquidity makes it increasingly complicated for traders to meet best execution requirements," said Gavin Little-Gill, Research Area Director, TowerGroup. "Fragmentation is being further complicated by the increased use of crossing networks and internalization that can make pockets of liquidity invisible or inaccessible to institutions. Tools that provide both access and the ability to act against these sources of liquidity change the rules of the game."

Nighthawk becomes the ninth algorithm in Instinet's suite of global trading strategies. These include scheduling algorithms, such as VWAP or Percentage of Volume; investment strategy-specific algorithms for pairs trading and risk arbitrage; and intelligent access algorithms, such as Nighthawk, BlockPeg<sup>SM</sup> and Cobra, which was released earlier this year.

### **About Instinet<sup>®</sup>**

Instinet<sup>®</sup>, a global agency-broker, provides the trading expertise and advanced technology necessary to successfully interact with more than 40 worldwide securities markets. Acting solely as an agent for its customers, which include international mutual funds, insurance companies, pension funds and hedge funds, Instinet seeks to improve institutional investment performance and lower overall trading costs through its various front end trading systems, securities crossing networks, algorithms and investment research products. The company, which is majority owned by Silver Lake Partners, is headquartered in New York and maintains offices in North America, Europe and the Asia Pacific region. For more information, please visit [www.instinnet.com](http://www.instinnet.com).

©2006 Instinet, LLC. All rights reserved. INSTINET is a registered service mark in the United States and in other countries throughout the world. Instinet, LLC is a member of NASD/SIPC.