

Virtu Financial, Inc.  
Form S-1  
November 06, 2015

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As filed with the Securities and Exchange Commission on November 6, 2015

Registration No. 333-

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM S-1**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

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**Virtu Financial, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**6200**  
(Primary Standard Industrial  
Classification Code Number)

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**32-0420206**  
(I.R.S. Employer  
Identification Number)

**900 Third Avenue  
New York, New York 10022-1010  
(212) 418-0100**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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**Douglas A. Cifu  
Chief Executive Officer  
900 Third Avenue  
New York, New York 10022-1010  
(212) 418-0100**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: **As soon as practicable after this Registration Statement becomes effective.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐  
 (Do not check if a  
 smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered(1)</b>	<b>Proposed Maximum Offering Price per Share</b>	<b>Proposed Maximum Aggregate Offering Price(1)(2)</b>	<b>Amount of Registration Fee(2)</b>
Class A common stock, par value \$0.00001 per share	6,473,371	\$23.96	\$155,101,969.16	\$15,618.77

(1) Includes 397,534 shares of Class A common stock to be offered by Virtu Financial, Inc. and an additional 6,075,837 shares of Class A common stock to be offered by the selling stockholders.

(2)

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The offering price and registration fee are estimated pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average high and low prices for the shares of Class A common stock of Virtu Financial, Inc., as reported by The NASDAQ Stock Market LLC, on November 4, 2015.

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**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Subject to Completion. Dated November 6, 2015.**

**PROSPECTUS**

6,473,371 Shares

**Virtu Financial, Inc.**

**Class A Common Stock**

Virtu Financial, Inc. is offering 397,534 shares of Class A common stock to be sold in the offering and we will use all of the net proceeds to repurchase an equivalent number of non-voting common interest units of Virtu Financial LLC and corresponding shares of our Class C common stock from one of our equityholders. The selling stockholders identified in this prospectus are offering an additional 6,075,837 shares of Class A common stock to be sold in the offering. We will not receive any proceeds from the sale of shares of Class A common stock by the selling stockholders.

Our shares of Class A common stock are listed on The NASDAQ Stock Market LLC ("NASDAQ") under the symbol "VIRT." On November 5, 2015, the closing price for our shares of Class A common stock on NASDAQ was \$23.86 per share of Class A common stock.

We have four classes of authorized common stock. The Class A common stock offered hereby and the Class C common stock have one vote per share. The Class B common stock and the Class D common stock have 10 votes per share. TJMT Holdings LLC, an affiliate of Mr. Vincent Viola, our Founder and Executive Chairman, and certain trusts for the benefit of the Viola family and others hold all of our issued and outstanding Class D common stock and control more than a majority of the combined voting power of our common stock. As a result, the Viola family is able to control any action requiring the general approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and by-laws and the approval of any merger or sale of substantially all of our assets.

We are a "controlled company" under the corporate governance rules for NASDAQ-listed companies, and therefore are permitted, and have elected, not to comply with certain NASDAQ corporate governance requirements. See "Management Controlled Company."

*We are an "emerging growth company" under the federal securities laws. Investing in our Class A common stock involves risks. See "Risk Factors" on page 35 to read about factors you should consider before buying shares of our Class A common stock.*

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$	\$

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Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to us(1)	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$

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(1) See "Underwriting."

The underwriters expect to deliver the shares of Class A common stock against payment in New York, New York on or about \_\_\_\_\_, 2015.

**Goldman, Sachs & Co.**

Prospectus dated \_\_\_\_\_, 2015.

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We, the selling stockholders and the underwriters have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We, the selling stockholders and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give to you. This prospectus is an offer to sell only the shares offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date hereof.

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**INDUSTRY AND MARKET DATA**

Industry and market data used throughout this prospectus were obtained through company research, surveys and studies conducted by third parties and industry and general publications. Certain information contained in "Business" is based on studies, analyses and surveys prepared by the Bank for International Settlements, Bloomberg, BATS Global Markets, Inc., the Futures Industry Association, the Investment Industry Regulatory Organization of Canada and the World Federation of Exchanges. While we are not aware of any misstatements regarding the industry data presented herein, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors."

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**TRADEMARKS**

This prospectus contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.



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**PROSPECTUS SUMMARY**

*This summary highlights selected information about us and this offering but does not contain all of the information that you should consider before investing in our Class A common stock. Before making an investment decision, you should read this entire prospectus carefully, including the discussion under the heading "Risk Factors" and the consolidated financial statements and related notes thereto contained elsewhere in this prospectus. This prospectus includes forward looking-statements that involve risks and uncertainties. See "Forward-Looking Statements" for more information.*

*Unless we state otherwise or the context otherwise requires, the terms "we," "us," "our," "Virtu" and the "Company" refer to Virtu Financial, Inc., a Delaware corporation, and its consolidated subsidiaries after giving effect to the reorganization transactions described under "Corporate History and Organizational Structure" below. Also, unless we state otherwise or the context otherwise requires, all information in this prospectus gives effect to the reorganization transactions described below. "Virtu Financial" refers to Virtu Financial LLC, a Delaware limited liability company and a consolidated subsidiary of ours following the reorganization transactions.*

**Overview**

Virtu is a leading technology-enabled market maker and liquidity provider to the global financial markets. We stand ready, at any time, to buy or sell a broad range of securities and other financial instruments, and we generate revenue by buying and selling securities and other financial instruments and earning small amounts of money on individual transactions based on the difference between what buyers are willing to pay and what sellers are willing to accept, which we refer to as "bid/ask spreads," across a large volume of transactions. We make markets by providing quotations to buyers and sellers in more than 11,000 securities and other financial instruments on more than 225 unique exchanges, markets and liquidity pools in 35 countries around the world. We believe that our broad diversification, in combination with our proprietary technology platform and low-cost structure, enables us to facilitate risk transfer between global capital markets participants by supplying liquidity and competitive pricing while at the same time earning attractive margins and returns.

We believe that market makers like us serve an important role in maintaining and improving the overall health and efficiency of the global capital markets by continuously posting bids and offers for securities and other financial instruments and thereby providing to market participants an efficient means to transfer risk. Market participants benefit from the increased liquidity, lower overall trading costs and enhanced execution certainty that we provide. While in most cases we do not have customers in a traditional sense, we make markets for global banks, brokers and other intermediaries, in addition to retail and institutional investors, including corporations, individuals, hedge funds, mutual funds, pension funds and other investors, all of whom can access our liquidity on exchanges or venues in order to transfer risk in multiple securities and asset classes for their own accounts and/or on behalf of their customers. The following table illustrates our diversification and scale:

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#### **Asset Classes**

North, Central and South America  
("Americas") Equities  
Europe, Middle East and Africa  
("EMEA") Equities

Asia and Pacific ("APAC") Equities  
Global Commodities (including energy,  
metals and other commodities)  
Global Currencies (including futures  
contracts in FX)  
Options, Fixed Income and  
Other Securities

#### **Selected Venues in Which We Make Markets**

NYSE, NASDAQ, DirectEdge, NYSE Arca, NYSE MKT, BATS, IEX, TMX, ICE,  
CME, BM&F Bovespa, major private liquidity pools  
London Stock Exchange, Borsa Italiana, SIX Swiss Exchange, Euronext (Paris,  
Amsterdam, Brussels, Lisbon), XETRA, Bolsa de Madrid, EUREX, ICE Futures  
Europe, Turquoise Exchange, BATS Chi-x Europe, Johannesburg Stock Exchange  
TSE, SGX, OSE, SBI Japannext, TOCOM  
CME, ICE, TOCOM, SGX, NYSE Liffe, EBS  
  
CME, ICE, Currenex, EBS, HotSpot, Reuters, FXall, LMAX  
  
CBOE, PHLX, NYSE Arca Options, eSpeed, BOX, BrokerTec

We refer to our market making activities as being "market neutral," which means that we are not dependent on the direction of any particular market and we do not speculate. Our market making activities are designed to minimize capital at risk at any given time by limiting the notional size of our positions. Our strategies are also designed to lock in returns through precise hedging in the primary instrument or in one or more economically equivalent instruments, as we seek to eliminate the price risk in any positions held. See "Business Overview" for more information regarding our strategies. Our revenue generation is driven primarily by transaction volume across a broad range of securities and other financial instruments, asset classes and geographies. We avoid the risk of long or short positions in favor of seeking to earn small bid/ask spreads on large trading volumes across thousands of securities and other financial instruments. While we seek to eliminate the price risk of long or short positions, a significant percentage of our trades are not profitable. For example, for the 252 trading days of 2014, we averaged approximately 5.3 million trades per day globally across all asset classes, and we profitably exited 49% of our overall positions.

We do not engage in the types of principal investing and predictive, momentum and signal trading in which many other broker-dealers and trading firms engage. In fact, in order to minimize the likelihood of unintended activities by our market making strategies, if our risk management system detects a trading strategy generating revenues outside of our preset limits, it will freeze, or "lockdown," that strategy and alert risk management personnel and management. Although this approach may prevent us from maximizing potential returns in times of extreme market volatility, we believe the reduction in risk is an appropriate trade-off that is in keeping with our aim of generating consistently strong revenue from trading.

For the six months ended June 30, 2015 and 2014, respectively:

our total revenues were approximately \$403.5 million and \$336.3 million,

our trading income, net, was approximately \$383.7 million and \$318.5 million,

our Adjusted Net Trading Income was approximately \$254.3 million and \$200.3 million,

our net income was approximately \$85.0 million and \$79.7 million, and

our Adjusted Net Income was approximately \$143.7 million and \$99.6 million.

For the years ended December 31, 2014 and 2013, respectively:

our total revenues were approximately \$723.1 million and \$664.5 million,

our trading income, net, was approximately \$685.2 million and \$623.7 million,

our Adjusted Net Trading Income was approximately \$435.0 million and \$414.5 million,



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our net income was approximately \$190.1 million and \$182.2 million, and

our Adjusted Net Income was approximately \$226.5 million and \$215.4 million.

For the six months ended June 30, 2015, we earned approximately 22% of our Adjusted Net Trading Income from Americas equities (of which approximately 17% was attributable to U.S. equities and approximately 5% was attributable to Canadian and Latin American equities), 12% from EMEA equities, 8% from APAC equities, 25% from global commodities, 26% from global currencies and 6% from options, fixed income and other securities. For the year ended December 31, 2014, we earned approximately 26% of our Adjusted Net Trading Income from Americas equities (of which approximately 20% was attributable to U.S. equities and approximately 6% was attributable to Canadian and Latin American equities), 12% from EMEA equities, 7% from APAC equities, 21% from global commodities, 25% from global currencies and 10% from options, fixed income and other securities. For a reconciliation of Adjusted Net Trading Income to trading income, net, and Adjusted Net Income to net income, see " Summary Historical and Pro Forma Consolidated Financial and Other Data." Since our inception, we have sought to broadly diversify our market making across securities, asset classes and geographies, and as a result, for the six months ended June 2015 and the year ended December 31, 2014, we achieved a diverse mix of Adjusted Net Trading Income results, with no one geography or asset class constituting more than 26% of our total Adjusted Net Trading Income.

Technology and operational efficiency are at the core of our business, and our focus on market making technology is a key element of our success. We have developed a proprietary, multi-asset, multi-currency technology platform that is highly reliable, scalable and modular, and we integrate directly with exchanges and other liquidity centers. Our market data, order routing, transaction processing, risk management and market surveillance technology modules manage our market making activities in an efficient manner and enable us to scale our market making activities globally and across additional securities and other financial instruments and asset classes without significant incremental costs or third-party licensing or processing fees.

### **Industry and Market Overview**

A "market maker" or "liquidity provider" is commonly defined by stock exchanges, futures exchanges and regulatory authorities around the world as a person or entity who provides continuous, two-sided quotes at multiple price levels at or near the best bid or offer, taking market risk, through a variety of exchanges and markets, which are accessible broadly and continuously for immediate execution. Market makers, like us, serve a critical role in the functioning of all financial markets by providing bids and offers for securities and other financial instruments. Market makers enhance liquidity and execution certainty for all market participants, enabling buyers and sellers to efficiently transfer risk, and are compensated for this service by earning a small amount of money on the bid/ask spread on individual transactions. A market maker's success depends on it posting competitive prices and accurately and efficiently responding to relevant market data.

Historically, market making activities occurred on the physical floor of exchanges, where human traders would execute buy and sell orders for securities. Over the last 20 years, however, the global trading markets have been characterized by the electronification of trading, development of new asset classes, volume growth and improving technology and speed of communication. The advent of electronic trading venues has changed the traditional trading process for many types of securities in the equity, bond and currency markets. The practice of physical, "open outcry" trading has largely been replaced by electronic trading platforms. This shift, and the resulting increase in automation and speed and reduction in trading costs, has led to significant growth in electronic trading volumes, as implied by growth in the aggregate notional value and number of trades on exchanges around the world.

Market structures have become increasingly complex and diverse. Although in some geographies and asset classes trading continues to occur through a single exchange, many

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markets for many asset classes, such as U.S. and European equities, have become increasingly fragmented. While we believe this fragmentation and related competition have been beneficial to all market participants, leading to more compressed bid/ask spreads and creating deeper liquidity, they have also created greater complexity and have required electronic market makers to expand their infrastructure to connect with more venues. We believe this trend will enable larger firms with scalable infrastructure, like us, to capture more of these opportunities.

**Our Competitive Strengths**

***Critical Component of an Efficient Market Eco-System.*** As a leading, low-cost market maker dedicated to providing improved efficiency and liquidity across multiple securities, asset classes and geographies, we aim to provide critical market functionality and robust price competition, leading to reduced trading costs and more efficient pricing in the securities and other financial instruments in which we provide liquidity. This contribution to the financial markets, and the scale and diversity of our market making activities, provides added liquidity and transparency, which we believe are necessary and valued components to the efficient functioning of market infrastructure and benefit all market participants. We support transparent and efficient, technologically advanced marketplaces and advocate for legislation and regulation that promotes fair and transparent access to markets.

***Cutting Edge, Proprietary Technology.*** Technology is at the core of our business. Our team of software engineers develops all of our core software internally, and we utilize optimized infrastructure to integrate directly with the exchanges and other trading venues on which we provide liquidity. Wherever possible, we lease commercially available rack space that is co-located with, or in close proximity to, the exchanges and other venues where we provide liquidity. We do not pay any licensing or per-trade processing fees to any third parties, and the engineering cycles for enhancements or new technologies are entirely within our control. Our focus on technology and our ability to leverage our technology enables us to be one of the lowest cost providers of liquidity to the global electronic trading marketplace.

***Consistent, Diversified and Growing Revenue Base.*** We generate revenues by making markets and earning small bid/ask spreads in more than 11,000 listed securities and other financial instruments on more than 225 unique exchanges, markets and liquidity pools in 35 countries around the world. The reliability and scalability of our technology platform also allow us to capitalize on higher transaction volumes during periods of extraordinary market volatility and enable us to diversify our Adjusted Net Trading Income through asset class and geographic expansion. As a result, during the six months ended June 30, 2015 and the year ended December 31, 2014, no single asset class or geography constituted more than 26% of our total Adjusted Net Trading Income. Our diversification, together with our revenue generation strategy of earning small bid/ask spreads on large trading volumes across thousands of securities, enables us to deliver consistent Adjusted Net Trading Income under a wide range of market conditions.

***Low Costs and Large Economies of Scale.*** Our high degree of automation, together with our ability to reduce external costs by internalizing certain trade processing functions, enables us to leverage our low market making costs over large trading volumes. Our market making costs are low due to several factors. As a self-clearing member of the Depository Trust Company ("DTC"), we avoid paying clearing fees to third parties in our U.S. equities market making business. In addition, because of our significant scale, we are able to obtain competitive pricing for trade processing functions and other costs that we do not internalize. Our significant volumes frequently place us in the lowest cost tiers of brokerage, clearing and exchange fees for venues that provide tiered pricing structures. Our low-cost structure allows us to maintain a marginal cost per trade that we believe is favorable compared to our competitors. Our scale is further demonstrated by our headcount as

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of June 30, 2015, we had only 148 employees. Our business efficiency is also reflected in our operating margins and our Adjusted EBITDA margins.

***Real-Time Risk Management.*** Our trading is designed to be non-directional, non-speculative and market neutral. Our market making strategies are designed to put minimal capital at risk at any given time by limiting the notional size of our positions. Our strategies are also designed to lock in returns through precise hedging in the primary instrument or in one or more economically equivalent instruments, as we seek to eliminate the price risk in any positions held. Our real-time risk management system is built into our trading platform and is an integral part of our order life-cycle, analyzing real-time pricing data and ensuring that our order activity is conducted within strict pre-determined trading and position limits. If our risk management system detects that a trading strategy is generating revenues or losses in excess of our preset limits, it will lockdown that strategy and alert management. In addition, our risk management system continuously reconciles our internal transaction records against the records of the exchanges and other liquidity centers with which we interact.

***Proven and Talented Management Team.*** Our management team, with an average of approximately 20 years of industry experience, is led by individuals with diverse backgrounds and deep knowledge and experience in the development and application of technology to the electronic trading industry. Mr. Vincent Viola, our Founder and Executive Chairman, is the former Chairman of the NYMEX and has been a market maker his entire career since leaving active duty in the U.S. Army and joining the NYMEX in 1982. Mr. Viola is widely recognized as an innovator and pioneer in market making and electronic trading over his 30-plus year career. Our Chief Executive Officer, Mr. Douglas A. Cifu, has been with us since our founding in 2008 and previously was a Partner with the international law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP. Our Chief Financial Officer, Joseph Molluso, has been with us since 2013 and previously was a Managing Director in the Investment Banking division at J.P. Morgan.

**Our Key Growth Strategies**

***Capitalize on secular growth in electronic trading of global listed securities markets and continue to increase market penetration.*** We expect that global electronic trading volumes will continue to grow, driven by various factors, including technology, globalization, convergence of exchange and non-exchange markets and the evolving regulatory environment. According to the World Federation of Exchanges, the number of equity shares traded through an electronic order book grew at a compound annual rate of 15.8% since 2004, from approximately 3.5 billion shares in 2004 to approximately 15.1 billion shares in 2014. In addition, according to the Futures Industry Association, trading of futures and options on exchanges has grown at a compound annual rate of 9.4% since 2004, from 8.9 billion contracts in 2004 to 21.9 billion contracts in 2014, and we believe that a significant portion of this growth has come from the electrification of trading. Our ability to offer competitive bid and offer quotes, facilitated by our proprietary, scalable technology platform and our low-cost structure, has enabled us to grow our business and add trading volume at little incremental cost. As a result, we expect to be well positioned to capitalize on future growth in the global electronic trading markets, particularly in certain asset classes in which we have lower Adjusted Net Trading Income or are not yet a participant.

***Provide increasing liquidity across a wider range of new securities and other financial instruments.*** We believe that the full implementation of the European Markets Infrastructure Regulation and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") in the U.S. will increase transparency, liquidity and efficiency in global trading markets and encourage the further development of trading opportunities in certain asset classes in which highly liquid electronic markets remain limited or nonexistent due to historical reliance on bilateral voice

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trading and other inefficient processes. The migration of these products to electronic markets will provide us with an opportunity to deploy our market making strategies in asset classes that are not accessible to us currently including, for example, interest rate swaps, interest rate swap futures, credit default swap ("CDS") index futures and over-the-counter ("OTC") energy swaps.

***Grow geographically.*** We trade on over 225 unique exchanges, markets and liquidity pools around the world, located in 35 countries. We look to expand into new geographies when access is available to us and the applicable regulatory scheme permits us to deploy our strategy. Given the scalability of our platform, we believe we will be able to expand into new geographies and begin generating revenues quickly with little incremental cost. We intend to continue to expand our market making business into new geographic locations, including locations in the EMEA and APAC markets, where we began making markets in 2008 and 2010, respectively. We entered the Japanese, Australian and certain other Asian markets beginning in late 2011, and we expect those markets to be growth areas for us.

***Leverage our technology to offer additional technology services to market participants.*** We believe that our order management, market data, order routing, processing, risk management and market surveillance technology modules offer a key value proposition to market participants and that sharing our technological capabilities with market participants in a manner that expands electronic trading will create more opportunities for market making as trading volumes increase. For example, we adapted our existing technology to provide a customized automated trading platform for foreign exchange products to a major financial institution. We believe this platform will increase transparency, liquidity and efficiency for that financial institution and will provide us with a unique opportunity to provide liquidity and market making services directly to other financial institutions as well. In 2014, we also entered into an order routing agreement with a registered broker-dealer in order to assist it in its execution of institutional order flow.

***Expand customized liquidity solutions.*** We also provide liquidity and competitive pricing in foreign currency markets directly to market participants on our own trading platform called "VFX" and through other customized liquidity arrangements. We offered more than 75 different pairs of currency products as of June 30, 2015. We intend to offer this same type of customized liquidity in other asset classes globally.

***Pursue strategic partnerships and acquisitions.*** We intend to selectively consider opportunities to grow through strategic partnerships or acquisitions that enhance our existing capabilities or enable us to enter new markets or provide new products and services. For example, the Madison Tyler Transactions described below created economies of scale with substantial synergy opportunities realized to date and allowed us to enhance our international presence. In addition, with our acquisition of the ETF market making assets of Nyenburgh Holding B.V. ("Nyenburgh") in the third quarter of 2012, we became an OTC market maker in ETFs and from time to time provide two-sided liquidity to a significant number of counterparties throughout Europe.

**Recent Developments**

On November 4, 2015, we announced our financial results for the nine months ended September 30, 2015.

*Financial highlights*

For the nine months ended September 30, 2015,

total revenues increased \$109.8 million, or 21.6%, to \$619.3 million, compared to \$509.5 million in the same period in 2014,

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trading income, net, increased \$109.8 million, or 22.8%, to \$590.6 million, compared to \$480.8 million in the same period in 2014,

net income increased \$33.4 million, or 27.6%, to \$154.5 million, compared to \$121.1 million in the same period in 2014, and

Basic EPS was \$0.36 and Diluted EPS was \$0.35.

As of September 30, 2015, we had \$161.5 million in cash and cash equivalents, and total long-term debt outstanding in an aggregate principal amount of \$501.1 million. The increase in cash and cash equivalents compared to the same period in 2014 was primarily attributable to the net proceeds contributed to Virtu Financial as a result of our initial public offering.

*Business performance*

For the nine months ended September 30, 2015,

Adjusted Net Trading Income increased \$89.4 million, or 29.4%, to \$392.9 million, compared to \$303.5 million in the same period in 2014,

Adjusted Net Income increased \$71.7 million, or 48.4%, to \$219.9 million, compared to \$148.2 million in the same period in 2014, and

Adjusted EBITDA increased \$85.8 million, or 44.1%, to \$280.4 million, compared to \$194.6 million in the same period in 2014.

Since our inception, we have sought to broadly diversify our market making across securities, asset classes and geographies, and as a result, for the nine months ended September 30, 2015, no one category constituted more than 26.0% of our total Adjusted Net Trading Income and our Daily Adjusted Net Trading Income increased approximately \$0.476 million, or 29.5%, to \$2.090 million compared to the same period in 2014.

The increase in Adjusted Net Trading Income for the nine months ended September 30, 2015 compared to the same period in 2014 was primarily driven by strong performances in Americas equities (which were 33.0% of Adjusted Net Trading Income for the three months ended September 30, 2015 due to high volatility in the U.S. markets), EMEA equities, APAC equities and Global Commodities, and reflected the overall increased volumes in most of the global markets we serve.

Adjusted Net Trading Income, Adjusted Net Income and Adjusted EBITDA are non-GAAP financial measures. For a description of these measures and their limitations, see footnotes 8 and 9 in " Summary Historical and Pro Forma Consolidated Financial and Other Data."



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The following tables show our Adjusted Net Trading Income, average daily Adjusted Net Trading Income and percentage of Adjusted Net Trading Income by category for the nine months ended September 30, 2015 and 2014:

<b>Nine Months Ended September 30,</b>						
	<b>2015</b>	<b>% of Total</b>	<b>2014</b>	<b>% of Total</b>	<b>% Change</b>	
<b>(in thousands, except percentages)</b>						
<b>Adjusted Net Trading Income:</b>						
<b>Category</b>						
Americas Equities	\$ 102,278	26.0%	\$ 78,122	25.7%	30.9%	
EMEA Equities	46,013	11.7%	38,283	12.6%	20.2%	
APAC Equities	33,875	8.6%	20,450	6.7%	65.6%	
Global Commodities	90,514	23.0%	67,848	22.4%	33.4%	
Global Currencies	90,147	22.9%	70,557	23.2%	27.8%	
Options, Fixed Income and Other	24,911	6.3%	27,831	9.2%	10.5%	
Unallocated(1)	5,151	1.5%	425	0.2%	NM	
<b>Total Adjusted Net Trading Income</b>	<b>\$ 392,889</b>	<b>100.0%</b>	<b>\$ 303,516</b>	<b>100.0%</b>	<b>29.4%</b>	

<b>Nine Months Ended September 30,</b>				
	<b>2015</b>	<b>% of Total</b>	<b>2014</b>	<b>% of Total</b>
<b>(in thousands, except percentages)</b>				
<b>Average Daily Adjusted Net Trading Income:</b>				