



# ICE DATA PRICING & REFERENCE DATA, LLC

100 CHURCH STREET, NEW YORK, NY 10007  
PHONE: (212) 497-3000 FAX: (212) 497-3100  
[WWW.THEICE.COM/MARKET-DATA](http://WWW.THEICE.COM/MARKET-DATA)

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This brochure provides information about the qualifications and business practices of ICE Data Pricing & Reference Data, LLC (formerly known as Interactive Data Pricing and Reference Data LLC). If you have any questions about the contents of this brochure, please contact us at the telephone number provided above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about ICE Data Pricing & Reference Data, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

ICE Data Pricing & Reference Data, LLC is a registered investment adviser with the SEC. This registration does not imply a certain level of skill or training.

## Item 2 – Material Changes

This section includes a summary of material changes to our business since the last annual update to our brochure dated March 30, 2019:

Items 4 and 8 were amended to reflect the Company's evaluated curves service. Item 8 was also amended to reflect that the Company will discontinue its provision of broker-quotes as of October 1, 2020.

The Company may update this brochure from time to time. You may obtain a copy of our current brochure by sending a written request to:

ICE Data Pricing & Reference Data, LLC  
Attn: Compliance Department  
100 Church Street, 11<sup>th</sup> Floor  
New York, NY 10007

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## Item 4 – Advisory Business

**The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice.**

ICE Data Pricing & Reference Data provides global securities evaluations, reference data, and analytics designed to support financial institutions' and investment funds' valuation activities, securities operations, research, and portfolio management.

ICE Data Pricing & Reference Data offers the following services under its advisory business:

### **Evaluated prices**

Evaluated prices are market-based measurements that are processed through a rules-based pricing application and represent our good faith determination as to what the holder may receive in an orderly transaction for an institutional round lot position under current market conditions. The rules-based logic utilizes standard valuation techniques that vary by asset class and maximizes the use of relevant observable inputs, including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

**These evaluations are not tailored to the individual needs of our customers.** Evaluations are provided as of a certain time, bid, mean, and ask and also based on settlement conventions, dependent on asset class, sector, delivery system, and/ or security type. We produce the same evaluation for each security based on the evaluation type and a given point in time. It is up to the client to choose and retrieve the evaluation type at a point in time. Additionally, it is important to note that we also provide Continuous Evaluated Pricing throughout the day which is delivered to subscribers irrespective of customer type.

The Company's affiliates ICE Data Services Europe Ltd., ICE Data Services Australia Pty Ltd., ICE Data Services Hong Kong Limited, ICE Data Services Singapore Pte. Ltd., ICE Data Services France SAS, and Intercontinental Exchange Germany GmbH provide evaluations for certain securities, which the Company makes available to its customers.

Fixed income securities for which the Company provides evaluated pricing include:

- U.S. and Global Corporate and Government Bonds, including investment grade and high yield bonds and preferred stock, fixed and floating rate securities, stripped coupon and principal issues,
- U.S. and Global Leveraged Loans
- U.S. and Global Money Market Instruments
- U.S. Municipal Bonds – including taxable & tax-exempt, and investment grade and high-yield municipal securities

- U.S. and Global Convertible Securities
- U.S. and Global Commercial Mortgage-Backed Securities (CMBS)
- U.S. Collateralized Mortgage Obligations (CMO) – Agency/Government Sponsored Enterprise (GSE)
- U.S. and Global Private Label Residential Mortgage-Backed Securities (RMBS)
- U.S. and Global Asset-Backed Securities (ABS)
- U.S. Agency/GSE Pass-Through Securities – including FNMA, FHLMC, GNMA and SBA securities, and
- Emerging Market Debt

Equity securities for which the Company provides evaluated pricing include:

- Global and American Depositary Receipts, and
- Fair Value Information Services for international equities, international equity index futures and international equity options

### **Evaluated curves**

Evaluated curves are created by using inputs of constituent bond evaluations. Curves are available based on local market end-of-day bond evaluations as well as market close of other regions using Continuous Evaluated Pricing.

### **Services to certain Unit Investment Trusts**

The evaluated prices used in calculating UIT NAVs are generated by the evaluated pricing teams.

ICE Data Pricing & Reference Data, which has been in business since 1968, is a Delaware Limited Liability Company, and is a wholly owned subsidiary of Intercontinental Exchange, Inc. (NYSE: ICE).

## **Item 5 – Fees and Compensation**

**The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice and, as such, its fees and compensation arrangements are not typical of those historically employed by investment advisers.**

The Company provides its services to a wide range of institutional customers (see Item 7 for additional information) and typically offers three types of fee arrangements:

- a fixed fee subscription (on either a multi-year, annual, quarterly, monthly, or daily basis)
- variable fees based on the number of securities evaluated, or
- a combination of fixed fee subscription and usage-based fees.

Fees are subject to negotiation. Fees vary based on the services selected, method of delivery, and delivery frequency. For a small number of customers, the Company provides services in exchange for contributed market data. The Company may also receive fees from resellers based on a percentage of revenue.

The Company does not require or solicit prepayment of fees six months or more in advance for its advisory business.

### **Additional Fees and Expenses**

Third-party licenses and additional fees may apply for access to certain data. Customers are responsible for any applicable taxes and for their own costs associated with all equipment and communication necessary to use the service.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

**Not Applicable - The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice, and therefore there are no performance-based fees or side-by-side management.**

### **Item 7 – Types of Customers**

The Company calculates, publishes, and provides its evaluated pricing to a wide range of primarily institutional customers, including:

- Government entities,
- Broker-dealers,
- Banks and thrifts,
- Clearing and custody firms,
- Investment advisers and registered investment companies,
- Other pooled investment vehicles (e.g., hedge funds and private funds),
- Fund administrators and processors,
- Pension and profit-sharing plans,
- Insurance companies,
- Corporations and other business entities,
- Public accounting and research firms, and
- Universities and other not-for-profit entities.

## Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

**Not Applicable - The Company does not design, market or sell investment strategies, manage assets, or provide personalized investment advice.**

The Company provides and publishes evaluated pricing for approximately 2.8 million fixed income securities daily.

The Company estimates and publishes evaluated pricing based upon its documented methodology, incorporating specific data inputs and widely recognized financial formulas. These evaluated prices are intended to represent an objective third-party view of what a holder of the security may receive in an orderly transaction under current market conditions. The rules-based logic utilizes standard valuation techniques that vary by asset class and maximizes the use of relevant observable data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs. The Company prepares and publishes both intraday and end of day evaluations.

For each asset class, a team of evaluators:

1. Design and document a methodology for calculating the value of securities based upon the relevant set of data inputs and widely recognized financial principles,
2. Confirm that the process as implemented complies with the documented methodology,
3. Oversee daily operation of the system, respond to any exception alerts regarding out-of-tolerance inputs or outputs, and correct or exclude erroneous inputs per the documented methodology and update the outputs, and
4. In coordination with management identify, from time to time, methodology improvements and make changes to inputs and/or the process.
5. Assess client evaluation challenges and respond based on the determination of their findings.

### **CONTINUOUS EVALUATED FIXED INCOME PRICING**

Continuous Evaluated Pricing offers evaluations for certain fixed income instruments throughout the trading day. Through rules-based logic, these evaluations are continuously updated as market information, including quotes and trades, are received and processed. Trade execution data from FINRA and the MSRB's trade reporting systems are important inputs into our evaluations of US Corporate, US Agency, US TBA MBS and US Municipal bonds. Additional market data sources may include, but are not limited to, inputs from dealer runs, information from electronic communication networks (ECNs), certain ETF related data, ATS and other transaction reporting services, and market participants. In addition to collection of trade execution data from the FINRA® Trade Reporting and Compliance Engine® (TRACE®) for convertible bonds, listed

exchange trades for convertible preferred securities are also taken into consideration as part of the Continuous Evaluated Pricing for convertible bonds and exchangeable securities.

The continuous evaluation workflow is designed to rapidly process incoming data while maintaining evaluator oversight of changing market conditions and the potential impact to our rules-based pricing applications. Incoming market data is enriched to derive spread, yield and/or price information as appropriate, enabling known data points to be extrapolated for application across a range of related securities. The enriched data is assessed against the current evaluation, internal system tolerance levels and parameters. Automation rules drive generation of evaluated prices as market data is received and processed. The pricing applications generate exceptions based on internal tolerance thresholds and notify evaluators to review. Preset parameters may be adjusted to reflect prevailing market conditions based on lessons learned from the exception review process.

The continuous evaluation process not only produces evaluations throughout the day, but also culminates in an “end-of-day” evaluated price (e.g. as of 3:00 ET and/or 4:00 ET for U.S. markets). For non-US securities, continuous evaluations are calculated throughout the trading day and with end-of-day evaluations as of the close of local markets.

#### **END-OF-DAY FIXED INCOME EVALUATED PRICING**

End-of-day fixed income evaluated prices are produced by incorporating intraday market information processed by algorithms in near real time. These evaluated prices are derived based upon the applicable close of the local market or, in the U.S., both 3:00 p.m. and 4:00 p.m. Eastern Time benchmarks for U.S. corporate and structured securities. Evaluated prices for U.S. municipal bonds and U.S. convertible bonds are as of 4:00 p.m. Eastern Time.

Consistent with the process for Continuous Evaluated Fixed Income Pricing, as exceptions are identified by the algorithm, the pricing applications generate notifications that are reviewed by the evaluators. More time is allotted for the release of end-of-day evaluations to support additional quality controls, including sign off by the asset class manager prior to the release.

#### **EVALUATED CURVES**

Determination of eligible securities for use as constituents in a specific curve is conducted within our proprietary evaluated pricing application using search criteria based on security characteristics relevant to the specific issuer or sector curve. Issuer curves specify issuer, tier and currency while sector curves utilize country/region, industry sector, tier, rating and currency.

Once the group of applicable securities is identified, an evaluator selects the bonds to be included as constituents for the curve. The bond selection process focuses on identifying securities with attributes that may include the issue date, comparable securities, amount outstanding and observable market activity. For each selected bond constituent, an evaluated bond price (the output of our separate bond evaluation process) is required to be used as an input to the curve generation process.



The evaluated bond curves are constructed within our proprietary application. Industry recognized interpolation and extrapolation methods are used for curve construction to optimize the curve fitting process.

End-of-day yield and spread curves are constructed following the completion of the end-of-day bond evaluation processes, including their respective quality control procedures. Certain curves are also available intra-day at market close of other regions using inputs of Continuous Evaluated Pricing.

The curves are monitored by evaluators who review and resolve exceptions flagged by the system. Systematic checks incorporate preset tolerances and parameters and generate alerts for any exceptions.

## **EQUITIES EVALUATED PRICING**

### **Global & American Depositary Receipts (ADRs):**

The Company provides daily evaluated pricing for listed and unlisted ADRs. ADRs are calculated at approximately 4:30 p.m. Eastern Time. For Latin and South American market-based ADRs, we use the 4:00 p.m. Eastern Time intra-day underlying price when trading is still in session.

### **Fair Value Information Services:**

Our Fair Value Information Services are designed to provide clients with information that can be used by the client to estimate a price for an international exchange-traded equity issue that would likely prevail in a liquid market, in view of market information available at the time of each security's evaluation (e.g., at the time of the New York Stock Exchange close).

## **THIRD-PARTY VALUATION SERVICE**

**The Company does not consider the following third-party valuation services as part of its evaluated pricing business. For reference, below is a description of each:**

- Valuations for Canadian dollar-denominated corporate, treasury, provincial, and municipal bonds, zeros, strips, and trusts/funds provided by SVC<sup>SM</sup> (a service of SS&C Technologies, Inc.)
- Valuations for certain Student Loan Auction Rate Securities (SLARS), and Auction Rate Preferred Securities (ARPS) provided by Pluris Valuation Advisors LLC, and
- CDO/CLO and other security, derivative and instrument valuations provided by Bank of America/Merrill Lynch.

Broker Quotes: For structured/index-linked notes and CDs, we provide a quote passed to us directly from the bond issuer/underwriter ("Broker Quote"). A Broker Quote is not our Evaluation and does not represent our view as to what the holder of the security may receive in an orderly transaction under current market conditions. A list of instruments for which we

supply Broker Quotes is compiled daily as of market close and is available via our proprietary 360View<sup>SM</sup> system. The Company will discontinue its provision of Broker Quotes as of October 1, 2020.

## Item 9 – Disciplinary Information

The Company is required to disclose any legal or disciplinary events that are material to a client's or prospective client's consideration of the Company's advisory services or the integrity of the Company's management. The Company does not have any disclosures that are required under this item.

## Item 10 – Other Financial Industry Activities and Affiliations

### Affiliates

The Company's affiliates include TMC Bonds LLC., ICE Data Services Europe Ltd., ICE Data Services Australia Pty Ltd., Creditex Securities Corporation, ICE Data Services Hong Kong Limited, ICE Data Services Singapore Pte. Ltd., ICE Data Services France SAS, and Intercontinental Exchange Germany GmbH.

ICE Data Services Europe Ltd., ICE Data Services Australia Pty Ltd., ICE Data Services Hong Kong Limited, ICE Data Services Singapore Pte. Ltd., ICE Data Services France SAS, and Intercontinental Exchange Germany GmbH provide evaluations for certain securities, which the Company makes available to its customers. These affiliates are under common control with the Company.

ICE Data Services Australia Pty Ltd. has been granted an AFS license by the Australian Securities and Investments Commission. ICE Data Services Europe Ltd., ICE Data Services Hong Kong Limited, ICE Data Services Singapore Pte. Ltd., ICE Data Services France SAS, and Intercontinental Exchange Germany GmbH are not required to be registered in its jurisdiction.

Creditex Securities Corporation, also doing business as BondPoint, is an SEC registered broker dealer and a wholly owned subsidiary of ICE, which in turn places it under common control with the Company.

TMC Bond LLC is an SEC registered broker dealer and a wholly owned subsidiary of ICE, which in turn places it under common control with the Company.

## Item 11 – Code of Ethics

**The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice.**

The Company has adopted a Code of Ethics as required pursuant to Rule 204A-1 under the Advisers Act. The Company posts the Code of Ethics on its website, (<http://www.theice.com>) and will provide its customers with a copy of its Code of Ethics upon request.

The Code of Ethics covers the following principal areas:

- standards of ethics expected of Supervised Persons, who must follow principles of integrity, avoidance of conflicts of interest, and honesty in dealings with customers;
- requirements for Access Persons to complete and submit initial and annual securities holdings and quarterly securities transactions reports, and preclear personal transactions in reportable securities;
- requirements for Supervised Persons to promptly report violations of the Code of Ethics and to disclose transactions or relationships that might give rise to a conflict of interest;
- requirements for Supervised Persons to report any outside business activity on a declaration form;
- limitations on the actions of Supervised Persons, including that each Supervised Person may accept or provide only small gifts and accept or provide business entertainment only if infrequent, modest and intended to serve legitimate business goals;
- prohibitions on the actions of Supervised Persons, including that each Supervised Person may not trade based on material, non-public information or tip others to trade based on material non-public information, and may not offer, give or receive bribes in connection with Company business.

Each Supervised Person is provided a copy of the Code of Ethics and any amendments and is required to provide a written acknowledgment of the Code of Ethics. Personnel of the Company's affiliates who prepare or supervise the preparation of evaluations are also Supervised Persons and subject to the Code of Ethics.

#### **Compliance with the Code of Ethics**

The Chief Compliance Officer is responsible for implementing and administering the Code of Ethics. Supervised Persons are required to report any violations of the Code of Ethics or applicable laws. Failure to comply with the Code of Ethics may result in disciplinary action, up to and including termination.

#### **Item 12 – Brokerage Practices**

**Not Applicable - The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice.**

#### **Item 13 – Review of Accounts**

**Not Applicable - The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice.**

## **Item 14 – Customer Referrals and Other Compensation**

**The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice and as such, has no customer referral or compensation arrangements typical of many investment advisers.**

Nonetheless, and for the avoidance of doubt, the Company does not directly or indirectly compensate third parties for referrals. For a small number of customers, the Company provides services in exchange for contributed market data. The Company may also receive fees from resellers/redistributors based on a percentage of revenue.

## **Item 15 – Custody**

**Not Applicable - The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice.**

## **Item 16 – Investment Discretion**

**Not Applicable - The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice.**

## **Item 17 – Voting Customer Securities**

**Not Applicable - The Company does not design, market or sell investment strategies, hold or manage assets, or provide personalized investment advice.**

## **Item 18 – Financial Information**

As a wholly owned subsidiary of a publicly traded company, comprehensive financial information is readily available to customers by visiting [www.theice.com](http://www.theice.com) and can also be provided by the Company upon request.