

PLIA US Advisory Board meeting

Members

- Bill Stephenson (CEO) Plia / Urvin
- Dave Lauer (CTO) Plia / Urvin
- Joel Feinberg - Acadian Asset
- Brian Suth - Evercore ISI
- Charles Dolan - Global Markets Advisory Group
- David Bentley - Invesco
- David Lewis - Franklin Templeton
- Daniel Labovitz - Global Markets Advisory Group
- Jeff Estella - Estella LLC
- Joe Scafidi – Brandes (absent)
- Kirk Allen - NWQ
- Melissa Hinmon - Glenmede
- Peter Roehrig - T Rowe Price
- Rich Steiner - RBC
- Doug Schrank - SE Asset (absent)
- Mike Kelsey - Acadian Asset
- Steve Haggerty - Capital World (absent)
- Amy Scott - Europe/UK Product Manager - Plia / Urvin

Notes

Bill gave an introduction to everyone and updated the group on Plia, and the acquisition by Urvin last year.



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Plia exists to transform the counterparty management process and best execution.

In Europe, MiFid II was the driver and in HK the SFC Code of Conduct changes were the spur for using Plia.

In 2019 the Plato Partnership in Europe (consortium of 15+ buy-side and 15+ sell-side firms) sent out an RFP for a Best Execution, Governance and Due Diligence platform, which Urvin and Plia won.

The European Advisory Board had their first meeting in May and it went well. We have made some changes to the platform in response to feedback from that meeting, as well as a complete refresh of the front end and an audit of the security and backend.

There was a standard questionnaire in Europe years ago, but with a subgroup from the EAB we have created a new standard questionnaire (or at least a universe of questions) and then we have added a Custom Questions section of the product, which is launching shortly.

Everyone on the call gave a brief introduction of themselves and their history with Plia:

Joel - liked the centralization and the framework to be enable use by other parts of the business.

Charlie Dolan - boutique regulatory firm. ex NYSE. Compliance, strategy etc. Trading platforms, ATS and cloud providers with regard to financial considerations.

Dan Labovitz - Disclosure issues around RFIs and comms between buy and sell side eg Barclays with LX ATS and ensuring that what the buy-side firms are hearing from the sell-side firms is actually what is happening. Standardization is key.

Jeff Estella - ex MFS - clients are asset managers, asset owners, ATSs, etc. and expert witness work.

Melissa Hinmon - Doesn't know much about the platform yet, but is looking forward to hearing more.

Rich Steiner - RBC - advocacy for more transparent practices.

Pete Roehrig - T Rowe Price - electronic trading, TCA and market structure. Heard good things from European team who are using the product.

Mike Kelsey - Acadian AM - Plia user for a couple of years. Introducing due diligence processes. Compliance background but now in the trading dept.

David Bentley - Invesco - ex Oppenheimer Funds - previous user of Plia. Worked well for mass emails and to keep questionnaires and responses in a central place.

Dave Lewis - Global Equity Group at Franklin Templeton - Plia users. When started digging into responses from brokers, it was very helpful being able to keep it in one



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place. One of the needs we had was to make sure that we revisited broker responses and this made it very easy.

Kirk Allen MBQ - end of this year will be moving into TIAA - risk oversight. Interesting to us. Worked with Dave on Healthy Markets.

Bryan Evercore ISI - team on the receiving end of a lot of questionnaires. Centralization and standardization is key.

Goals for the group

Take your advice on prioritizing enhancements, ideas for the future, areas where Plia could be useful.

Widen the network - the growth of the network is very important.

The buy-side license is global, and the sell-side licenses are regional.

We expect the group to meet probably quarterly.

In some instances, we can separate into subgroups for small tasks where that makes sense.

We are also planning to have an Asian Advisory Board.

If you think you're not the right person, or you feel in your firm a compliance contact would be right to bring into the conversation, we would love to have those introductions.

Technical update from Dave

Counterparty due diligence platform. Primarily using questionnaires. We have a fairly large universe of questions. This has been the primary use case for it up until recently.

There are also data requests which are more of a "one off" question or request, these can be sent from a broker to an advisor as well, or vice versa, and can be attestations, such as sending Algo training materials and asking for an attestation of reading and understanding.

There is also some optional functionality like the questionnaire and question grading and weightings. These can all be aggregated up into a broker scorecard, if that's something of use to your firm in your processes.

If you'd like a demo, please do let us know and we can set that up.

We have done a complete front end refresh, and have made some updates to the look and feel.

We have never had any availability issues or security issues. Our dev team was chosen for their security competencies.

We have been through lots of broker and buy-side due diligence questionnaires.

We have a couple of new features coming out in the last week or so:

Buy-side Custom questions - private to your firm, and

Counterparty contact information management.

By region and asset class - email and phone number. It should become a single point for counterparty contact information.

Future roadmap - some features were part of the Plato RFP such as helpful features around the Best execution process. e.g. outliers, gifts and entertainment, committee meeting minutes.

We did a survey of the European AB - Questionnaire management was #1 priority, hence why we spent time on the development of the new standard European questionnaire, and the custom questions.

Next year we'll be looking at rolling out some more AI functionality.

#2 priority was a legal document storage function, legal agreements, best execution process documents, and maybe KYC docs. and storing them in a secure way.

Other future features are: Algo Customizations, and a Venue preference facility, Risk limits. Legal document analysis - using AI.

We have also been asked by the EAB whether we could upload historical questionnaires into the platform, which we are investigating.

We will circulate the list of potential enhancements around the group and ask for your feedback with regard to priorities.

Questions

Q from Jeff Estella - would you consider working on the legal doc functionality with a firm which already does this?

** Dave answered that we are very open to working with others.

Q from Dan Labovitz - have you considered, with respect to the AI functionality, consistency in disclosures between questionnaire responses or legal documents, and publicly available information on that firm.

** Answer - yes, that's exactly the sort of functionality we would envisage for the AI involvement.

Q from Dave Lewis - if broker answers the same question differently to different clients - could the platform highlight that?

** Answer - the platform does present the previous answer to the broker as they are answering.

However if the question is similar (not the same), and the answer is different, then yes we could highlight that.

Q from Joel Feinberg - when a buy-side wants to create a new question, will you guide them to use a question that has been used before?

** Answer: yes, we could also use the AI for this.

We will monitor this and we can add a new standard question for a topic if many people are trying to add the same or similar question.

Q from Jeff Estella – I'm getting all this data, what sort of liability am I putting myself out for by doing this, and keeping it in my walls.

Dave Lewis answered - Yes that makes a lot of sense. Sometimes collecting data and not doing anything with it, you could be more liable than if you didn't capture the data.

Q from Mike Kelsey - Could you talk about the adoption level in US on sellside - we asked and didn't get a very positive response.

Answer: Bill - 130 brokers had used the platform over the last year. We moved the model to both buy and sellside paying - its at a utility price point, This was a surprise for some of the brokers, although not in the European region as most of the big players are part of the Plato Partnership, and this was the requirement from them to make the platform more economically viable. With a large network of clients, it makes the product really reasonable.

We can announce that the Plato Partnership signed a deal with us last week to pay for the first year for their members - on a global license. So we can get the legal agreements signed off now and move forward.

We want to prove that this is a platform that has value on both sides. By having one standardized platform in the middle, we think that we can show that this is the case. We think that this reduces risk for the sellside as they can use this enterprise platform, and make sure that their answers are audited and standardized.

Where a broker doesn't use the platform because of price, we have given a substantial discount if they are just using it for one client, for example.

Q from Joel - Maybe we should have a price point for 1, 2, 3 etc clients, up to the global license fee.

** Answer - Yes - This is something for the team to consider.

Q from Joel - Requests they send to the trading desk - on behalf of a client, which needs a response. Sent annually. Maybe this could add to the value proposition.

We have also been investigating the use of the platform for other kinds of due diligence, such as distributor or vendor due diligence.

ACTIONS

Send link to video.

Will send around the current list of enhancements - let us know your feedback.

Possibly create a smaller working group to work on a new US standard questionnaire - will send around the European one as an example.

Brokers and adoption - in Europe, we have a subgroup of ~5 firms who have requested a weekly update of the core brokers and where they are in the process of onboarding (and contacts) - wanted to be a little more proactive on which brokers they want to get onboarded and push things along a bit.

Identifying the contact names/point person at the broker who knows what's going on.

We would be happy to do that in US as well. **Mike Kelsey said yes, that would be beneficial - to share with the group which are global clients and which ones maybe are in the process.