



pliaKYB US Advisory Board Meeting

2ND FEB 2022 12PM

Attendees

- Bill Stephenson, Dave Lauer, Anita Karppi & Amy Scott (Urvin.Compliance / Plia)
- David Bentley (Invesco)
- Jeff Estella (Estella LLC)
- Doug Schrank (Southeastern Asset)
- Peter Roehrig (T Rowe Price)
- Rich Steiner (RBC)
- Brian Suth (ISI Group)
- Dave Lewis (Franklin Templeton)

General Update

- Bill gave a general update on Plia progress since the last meeting including:
 1. We have been making good progress with both Buy and Sell side in the US region, as well as other regions, and we do believe that we are now reaching critical mass. We signed up 18 new clients last year (2021) and overall usage of pliaKYB in 2021 was double that of 2020.
The buyside have been sending lots of standard questionnaires and both sides are definitely seeing the benefits of using PLIA to centralize this information.
 2. All Plato Partnership Sell Side members are now on board. We have the top 15+ brokers, and have made a lot of progress in this area.
 3. Anita Karppi (Europe) has now joined as CRO and head of ESG.
 4. Our new KYC product has been developed and launched - this was invested in by the Plato Partnership. Our existing product is KYB (Know Your Broker). The most significant part of this new KYC platform is document storage and end-to-end encryption, especially with regard to PII. If there's anyone at your firm we should speak to about the new platform please do let us know. We are organizing demos now.
 5. Last month we also launched our ESG product, which we would be happy to show you and demo to your teams/ESG functions.

This will be free of charge to Jul 2022, and thereafter at a small additional fee for existing KYB customers.

Technical Update

- Dave gave a Technical update, including:
 1. We didn't see a lot of interest in the venue preferences, risk limits and algo customizations enhancement ideas. The designs have been done but the development hasn't started yet.
 2. We used a questionnaire we sent around to prioritize enhancements, and we've also added questionnaire upload capability for the sell side.
 3. New analytics functionality is now in development which will show against any questionnaire where you're comparing answers, if the answer is numerical, a min, max and mean of the answers from all brokers etc.
Also with Yes/No & other structured answers, whether the majority of answers are Yes or No.

When viewed by questionnaire, in line with each question there will be the distribution of the other brokers' responses next to that question/answer.

4. We will continue to look into where we can use NLP capabilities for analytics too.
5. We are really interested in requests - what do you think would be most useful for you - we will be able to add to the roadmap.

General Discussion / Q&A

Rich asked about the ESG product and progress, and asked where our new platform will sit.

Bill gave a brief explanation of how the ESG platform came into being. Bill has been keeping in touch with Duncan's group (Sustainable Trading Group/STG), and talking to others about the understanding of how they are thinking of the components of ESG and how they compare with your firm's ways of thinking about ESG and your ideals.

So, for example if FT are wanting to know how RBC are dealing with ESG and how to better meet their ESG mandates.

We're working on questions/questionnaires which relate to ESG in different areas of the business, as well as working with Duncan's group.

Rich said that people are concerned about how this will intersect with Best Execution requirements etc.

Importantly with pliaESG we have a platform that can manage the questionnaires, standards, and fully audit trail the process.

We won't be treading on STG's toes, as we won't create a new standard, but are agnostic to the content, we just provide the technology platform with which to record the ESG process.

Dave Lewis said that he thinks especially for the climate change funds and ESG funds, it lines up with their mandates and scoring. They will pull scoring in internally, with broker votes e.g. how does the broker keep you updated on these issues. This leads into compensation, and therefore best ex. There is no standard way to score.

Bill said that he thinks there won't be a standard way, as different businesses might have different weightings on the different sections within ESG, therefore in the system, you can add different weightings for the categories and questions within the questionnaires, so that these can add up to your own score. All else being equal, this can be a differentiator.

Dave said that you would need to be able to publish the score for them to do something about improving it.

Jeff asked, Dave, how are you taking subjectivity / human bias out of scoring the written responses, and Dave Lauer, how would you do something with this?

Bill said that we might need to think about how the response is set up i.e. make choices such as changing an answer from free form text, replacing it with buckets that they can choose from for example, or a range of answers, that might help to take the subjectivity out of the response. It also enables easier comparison between the responses, and helps with AI analytics and would therefore be easier for the reviewer.

Dave Lauer said that even computers aren't removed from bias, as their programming can hold bias. We will continue to use NLP to remove bias but the data set can be much more helpful with that.

Rich mentioned that, as benchmarks emerge, these will be unobtainable by smaller firms. So then as you look at things broker-to-broker, they are harder to compare.

Dave Lauer said that actually we could cluster or bucket the firm sizes as well, or risk profile, which is something we have incorporated in the new KYC product, which would change the types of questions or scores of answers potentially.

Bill said that we'd really like to get your opinions on how to gather data and get that into the platform to be helpful to you.

Anita introduced herself, she is based in London. She's heading our ESG efforts and is really passionate about it, which we think is very important in the space. We will be doing some marketing around that, and also our new KYC product.

Anita joined last year as an advisor and has now joined to head up sales and ESG. She is also working at the Plato Partnership. Anita said that she is writing up a plan

for marketing to help champion PLIA, and if you can help with that, it would be very welcome.

We have a great ESG product in early stages, and we'd be happy to demo to you. It's important to note that this is not just a trading platform, but also in other areas within the business.

Anita is in close contact with Duncan, and will be speaking on a panel session with him at TradeTech Europe in Paris later this year.

We have a number of licenses for pliaESG available free of charge until July 2022, and we'd be happy to organize a demo with you at your convenience.

Bill said that if you have any thoughts on improvements we could make on KYB and/or any thoughts or feedback you have, please feel free to comment now, or offline later.

Jeff asked what are the type of firms we are signing up? Bill said most asset managers are larger, long only. We have been speaking to some smaller ones in Europe as well.

All of the large Plato Partnership brokers are on board. We are getting more and more of the smaller brokers on board as the buyside use the platform.

We are also making things easier for the brokers to upload their answers into the platform.

We currently have 35 brokers fully onboarded, as well as 126 smaller brokers who have access to the platform to respond to data requests.

If you'd like to give us a testimonial, like some asset managers have done in the Europe region, that would be awesome and it really does help with our marketing efforts to show you, and your friendly faces among your peers.

Bill mentioned that previously it has come up on calls that it might be good to integrate with Symphony - we'd like to ask whether this is something that would be useful for you? Are you using Symphony and would it be useful for you if we integrated with them in some way?

David Bentley said that he doesn't know of any Symphony use at Invesco. Doug said they don't use it. Rich said they use it but they prefer Bloomberg, and wouldn't see a real need for integration with PLIA. Dave Lewis said that they wouldn't put Symphony on the desk. The broker communication team use it, but they aren't involved with broker due diligence.

Bill and Dave thanked everyone for their time and asked for feedback. If there's anything we can improve on, please do let us know.

Amy is available for support and training where required.

Next meeting TBA