A Securities Finance Times publication

RMA Securities Finance & Collateral Management Conference Daily

DAY 3

Thursday, October 13

Oberon Knapp on OCC's securities lending strategy and the incorporation of new technologies

Day three agenda inside ▸

BoE remains in a tough spot as it navigates inflation

The first panel of the day brought together experts to share their thoughts on the global macro environment and the risk this brings to the securities finance industry.

Starting off by reviewing the outlook of inflation, a panellist had suggested that we are beginning to see a slow deceleration. Over the course of the coming years, inflation will move downward but at an insufficiently slow pace.

Taking a general view of the market, one panellist indicated that the Bank of England (BoE) is in a tough spot as it tries to address the inflation situation, in addition to UK pension funds and Liability Driven Investment (LDI) margin calls.

The panellist continued to explain that — similar to the Fed in the US — when a central bank attempts to intervene to address market dysfunction, it is a trial and error process, and so can lead to a period of panic for the market.

From a fundamental standpoint, a panellist highlighted that gilt yields have moved up. However, gilt yields are not at levels that seem fundamentally “out of whack” with some firms’ expectations for supply going forward, given the fiscal expansion there.

A pain point to focus on in regards to gilt yields that was named problematic, is the speed of the move rather than the outright level of gilt yields.

In terms of the BoE, there are differing expectations regarding the hiking of interest rates and how far the bank will go. In the UK, the majority of the market is anticipating their bank rates to rise close to 6 per cent, according to one panellist.

The rise in the bank interest rates will have a significant impact on household disposable income in the UK, suggested one panellist. They continued to warn the audience that the UK will face a recession, even with additional fiscal support.

Reviewing how the situation in the UK will impact the US market, the panel heard that there is pressure on other asset classes as pension funds are being forced to liquidate to meet margin calls. There are impacts on asset prices that will filter through the global economy emanating out of the UK.

Periods of air pockets and illiquidity is here to stay

Inflation, global instability and rising rates have resulted in nervousness throughout funding and cash markets. A morning panel on day two of the Risk Management Association's (RMA) 37th Securities Finance & Collateral Management Conference discussed why market liquidity in the treasury market has been poor.

A panellist said it is fundamentally rooted in macro economic uncertainty, in addition to being punctuated by an increased amount of investor risk aversion, and a weak treasury demand backdrop at present. Other asset classes have been seen to underperform. Due to the uncertainty, market participants are afraid to "catch the falling knife".

From a securities lending and cash reinvestment standpoint, clients are showing interest in strategies, eager to get back into programmes and tweaking these programmes to increase some risk in their cash guidelines, according to one panellist.

The industry has started to recognise that the market, including the cash market, has fundamentally changed. Clients are also recognising where there are good opportunities to loan general collateral and take advantage of that without adding risk to their portfolios.

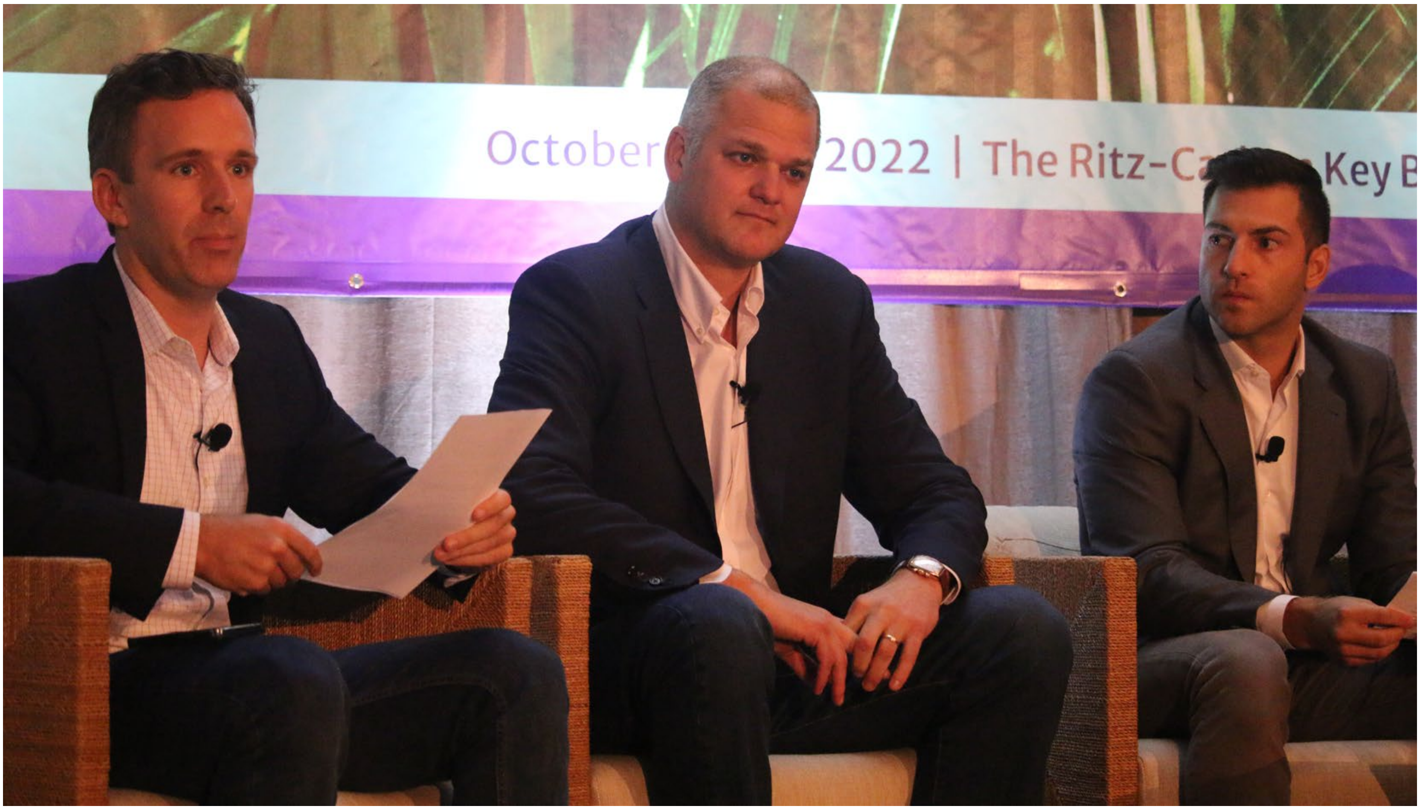
Moving the discussion toward balance sheet, a panellist stated that the Federal Reserve System balance sheet had doubled in size since pre COVID-19. In response, one panellist explained that the balance sheet was expanded rapidly to support market functioning, but now the Fed is engaged in the process where they are trying to shrink that — otherwise known as quantitative tightening (QT).

The Fed is worried that the balance sheet is abnormally large and, as a result, may create distortions in the financial markets that are difficult to anticipate and that can lead to financial instability risks in the future.

A panellist highlighted that as the Fed drains liquidity from the system, as the organisation shrinks the size of their balance sheet, it will be drained from either bank reserves or the Overnight Reverse Repo Facility (ON RRP). Currently, it is all being drained from the bank reserves.

The panel also discussed liquidity concerns in the market. It appeared, from a broader treasury perspective, that the market is fragile and liquidity is thin. A concern for the panel was the idea that the treasury market could be one shock away from experiencing pronounced air pockets, where the demand is not there.

Some firms have been clear with their clients on the need to be ready for periods of total illiquidity. A panellist said that conversations with clients consisted of preparing them for air pockets and trying to immunise their portfolio to weather the air pockets by being able to survive a couple of days without liquidity in the market. They concluded that periods of air pockets and illiquidity are here to stay.



Regulators are making it increasingly difficult for technology innovation in the US

As the second day of the Risk Management Association's conference came to a close, the final panel highlighted where the most interest in the marketplace lies for tokenised and traditional assets or cryptoassets.

Larger asset owners are seeking to add crypto assets to their agency portfolios. For the buy-side clients, their interests fall into two categories — investment managers are looking toward offerings including ETFs dedicated to individual cryptoassets, while the larger hedge funds are taking an interest in crypto, and to trading assets outright.

The key interests for banks, according to the panel, revolve around regulatory clarity — which is crucial to attain before undertaking significant actions on the bank's own account and balance sheet with regards to cryptoassets.

For one panellist, demand is being seen on the intermediary sides of the larger institutions for opportunities to tokenise and create new products, scale and become more efficient.

Regarding the regulatory landscape, regulators are making it increasingly difficult for innovation and progress to manifest itself in the US in terms of these new technologies. There needs to be regulatory clarity as the market is trying to regulate emerging technology with a set of rules that are "100 years old", said one panellist.

Looking across a five year span, panellists provided their predictions on how the financial services market will change to the advent of this technology and each asset class.

For one panellist, he believed that "everything with a CUSIP will be on the blockchain" as it is a force multiplier that increases productivity. Progress is the "natural thing" and it is a force you cannot stand against, adding that blockchain is progress and that the marketplace will see improvements as the years continue.

Another panellist concluded that there will be a continuous trial and error process, but he hopes to reach a point where the industry can use common infrastructure and unlock the value of this new technology.

Oberon Knapp
OCC

Vibrant and growing

OCC's Oberon Knapp reveals key developments within OCC's securities lending strategy, and how the organisation is incorporating new technologies to re-architect and modernise its core systems

The Options Clearing Corporation (OCC) recounts a successful year for 2022, revealing plans to reach different corners of the securities lending industry through technological advancements to tackle the demands of its members.

Oberon Knapp, executive director of participant solutions who leads OCC's securities lending team, records a "fantastic" year for the Chicago-based clearing house. He says the firm's stock loan and hedge programme has grown "tremendously" in the past 18 months. In 2021, OCC had 1.9 million new loan transactions, representing a 38 per cent increase over 2020, and an average daily loan volume growth of 65 per cent, reaching 138 billion by year end.

In September 2022, total transactions cleared through the OCC platform faced a 20 per cent increase year-over-year. According to Knapp, the onboarding of 10 new clearing firms to the OCC programme in the past three years reflects the growth of new entrants to the capital markets throughout the Covid-19 pandemic.

Despite market decline, OCC saw transaction volumes increase during 2022 as its average loan balances remain consistent month-over-month. Knapp says this reflects the value the programme can provide to members on the regulatory capital relief and the firm's deepening pool of liquidity.

Pinpointing the main drivers of growth and demand for the firm, Knapp highlights regulatory capital relief. He says: "Firms are looking to make their balance sheets more efficient, and OCC offers a solution. Our stock loan programmes offer a range of benefits that I believe are increasingly appealing in the current market environment, such as expanded loan distribution opportunities for lenders, and expanded inventory and counterparty sourcing for borrowers."

After a successful year for the platform, Knapp indicates new developments in the pipeline for the firm's securities lending strategy that heavily revolve around technology. OCC is taking steps to move toward a new distributed ledger technology (DLT)-based system, aligning with the company's objective to help lower risks and costs for its members. Knapp comments: "Our current and prospective members are quite enthusiastic about this development. We are working with established vendors and new entrants in the securities finance industry to make sure we can provide a broad set of benefits."

Knapp is keen to expand the benefits of the programme to a "broader swathe" of the securities finance industry, which could be presented in the form of expanded membership, broadening collateral, or term trades — all of which are subject to regulatory approvals.

A digital transformation

In 2019, OCC launched the Renaissance Initiative to enhance its risk management, clearing and data applications. The project aimed to provide an environment for intra-day risk management, intra-day computations, pricing and re-valuation, in addition to increasing transparency and insight for clearing members into exposures via ad hoc queries and real-time processing. Executive chairman and former CEO of OCC Craig Donohue named the initiative "the most important project undertaken by OCC in the past 20 years".

For Knapp, the initiative represents OCC's commitment to digital transformation and innovation. By incorporating new technologies, OCC is working to re-architect and modernise the firm's core systems. The CCP recently announced that its future clearing platform will be named Ovation, which is a "natural follow up" to the current platform, ENCORE. More information about Ovation is coming soon.

One of the key tenets of this initiative has been the development of improved connectivity and data delivery to OCC members and market participants. This includes the design and implementation of application programming interfaces (APIs), which will help OCC streamline its operations and improve end-user experiences.

“The first externally facing API that we plan to release is called the ‘What-if Margining Simulation’, which is designed to provide our members with a self-service capability to see potential margin impacts after submitting hypothetical portfolios,” Knapp reveals. As an API, this project can be built into the client’s own platforms or dashboards. Related technical documentation is available for the ‘What-If Margining Simulation’, with more to come in the near future.

Within its future Ovation platform, OCC is building the new DLT-based system for securities lending clearing that will be designed as an enhancement to the existing infrastructure, with the ability to increase transparency for market participants. Knapp explains: “We consciously chose DLT as the bedrock of the system because it will allow participants to view a golden copy of their transactions in real-time, as opposed to the current batch-based processing that much of our industry relies on.”

> *"We consciously chose DLT as the bedrock of the system because it will allow participants to view a golden copy of their transactions in real-time, as opposed to the current batch-based processing "*

DLT will help support new ways for OCC members to view their activity for contracts, while also reducing daily reconciliation processes. In time, Knapp says, participants may choose to host a node to enable greater synchronisation with their counterparties and within their internal systems.

In concert with the overall Renaissance programme, OCC will have a similar education and engagement campaign with its securities lending members. For day one, the focus will be on data messaging flows and formats, explains Knapp. He continues: “We want to give our members, as well as our shared vendor connections, as much runway as possible to understand how this will impact them and their resource planning.”

In looking toward the future, and upgrading the OCC clearing and settlement platform, Knapp communicates the intention for the future Ovation platform to be cloud-based — pending regulatory approval. He believes it will help meet the needs of OCC market participants with improved resiliency, enhanced security, and increased scalability.

Improving the industry for all

OCC has achieved a number of goals over the past 12 months, including the decision by the European Securities and Markets Authority (ESMA) to recognise OCC as a Tier-1 third-country central counterparty (TC-CCP) under Article 25 of the European Market Infrastructure Regulation (EMIR). “This is a very important change that gives both current, as well as prospective clearing members that are affiliated with European banks, clarity on the regulatory capital treatment and their exposures to OCC,” Knapp says.

However, OCC continues to look ahead as members request an expanded membership pool, particularly for banks and broader collateral parameters, and support for term trades beyond overnight. Knapp informs that OCC’s core cleared lending business is “vibrant and growing” as the firm works to provide resiliency and efficiency to the industry.

OCC is in the very early stages of an investigation on how it can improve its members' collateral management, following a desire from members to better optimise their risk exposures and collateral movements across their accounts.

Commenting on what the industry can expect next from OCC, Knapp concludes: “A natural extension of DLT is that of standardisation and transparency across the industry. Some of my colleagues at the OCC have taken leadership roles in FIX’s Securities Lending Working Group — a broad group of industry participants that seek to enable greater innovation through standardisation of bespoke data messaging that we all use today.

“We are really excited to start talking to our members about the DLT platform in the near future, and in general, working with industry groups to help continue to improve the industry for all.” ■

Meeting global collateral demands

Mohideen Abdul Khader, director of collateral optimisation at BNY Mellon, discusses the increasing client demand for optimised portfolios and what building blocks the firm is creating to attain this on a global scale

As funding desks become more centralised, Uncleared Margin Rules (UMR) expand and binding constraints for capital and liquidity take hold. The need for an optimised portfolio has grown significantly and has become critical to our client's success.

BNY Mellon's Continuous Portfolio Optimization (CPO) and Enterprise Continuous Portfolio Optimization (ECPO) solutions provide an efficient, flexible and automated method of allocating collateral to trades to help meet those demands. We use a patented algorithm based on multiple objectives, constraints and a blended cost model defined by clients to meet their various liquidity, regulatory, funding and capital requirements.

Globally, our solution optimises US$1.8 trillion of collateral daily. It can optimise and allocate complex portfolios in a short period of time — typically less than 15 minutes with our average process taking five minutes.

Our optimisation solutions do not have a one-size-fits-all approach. Clients can choose to use the full suite of optimisation services or specific modules in conjunction with their own optimisation tools, or vendor solutions.

We are working with our clients to help them optimise, mobilise and connect all of their collateral needs across different products and venues. We are investing in creating key building blocks to achieve a truly global optimisation for our clients.

1. A scalable, faster and flexible optimiser that can optimise aggregated sources and uses of a client's collateral across products and venues. Flexibility in defining a blended cost model to achieve multiple optimisation objectives — such as reducing collateral cost associated with Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Comprehensive Capital Analysis and Review (CCAR).

2. Comprehensive and enriched data to have a near real-time view of a clients' sources and uses of collateral across asset types, transaction types and custodians with associated collateral eligibility and prioritisation rules (either feeding information directly, or through our integration with fintechs).

3. Mobilisation of securities across regions and legal entities. Our one platform strategy and interoperability tools facilitate the efficient movement of collateral across BNY Mellon's US$5.5 trillion network.

4. We are increasing our connectivity to new markets, triparty agents, central counterparties, central banks, fintechs and clients' internal systems. For example, we have launched services with Hong Kong Stock and Bond Connect, Euroclear Collateral Interface, Korea and Indonesian markets.

We are excited to be able to help our clients by using a consultative approach and in depth analysis as they look to optimise their global portfolio of assets across regions, legal entities and service providers. ■

Mohideen Abdul Khader
director of collateral optimisation
BNY Mellon

Democratising securities lending

Sharegain's deputy CEO and chief of staff Keren Halperin speaks to Bob Currie about democratising share ownership rights, how to scale a fintech and lessons that yoga and surfing can offer to solutions development

“The evolution of democracy is not possible if we are not prepared to hear the other side,” said political philosopher and activist Mohandas K. Gandhi, speaking in 1917 in the early days of his campaigning for India’s self-rule.

Close to a century later, this spirit of inclusivity and consociation has come to play an important role in guiding effective technology development and fintech innovation, shaping a dialogue between business and product experts, developers and the customer that is integral to iterative and collaborative project management methodologies such as Agile.

Sharegain has campaigned energetically since its inception around the requirement to democratise the securities lending industry. Explaining its rationale, Halperin observes that an established group of institutional investors has long engaged in securities lending — but, beyond this, a large community of financial institutions, including retail-facing wealth managers, online brokers and private banks, currently do not lend securities for a mixture of technical, operational or cultural reasons — in many cases because they do not appreciate the benefits or they do not have the necessary pipework.

Sharegain has made it its mission to offer an end-to-end solution that encourages wider participation, providing organisations with all that they need to lend their securities.

One fundamental step in bridging this gap is to meet the technology requirement — and Sharegain has adopted a creative approach to technology delivery through a microservices-based turnkey lending infrastructure and a cloud-based -as-a-service solution developed through its Israel-based technology team.

Beyond this, there is a fundamental knowledge gap — recognising that there is a large untapped pool of lendable assets held with institutions that have never engaged in securities lending and are not yet convinced this is right for them. This has demanded a proactive approach — knocking on the door of prospective lenders to explain the benefits of lending and their most effective routes to market.

In providing for this under-represented market segment, Halperin believes that the Covid pandemic has altered the landscape for many financial intermediaries, triggering wider private investor participation in capital markets and prompting service providers to explore new ways of working and new delivery models.

This has resulted in a steepening of the sales pipeline, particularly among retail-facing intermediaries such as wealth managers and private brokers, but also other prospect clients such as medium and small-sized custodians that do not have their own securities lending trading capability and require access to a lending infrastructure before they can support lending activity.

To meet this need, Sharegain has developed a Securities Lending as a Service (SLaaS) solution, through which Sharegain provides a cloud-based lending solution to direct clients, removing the need for these users to have their own on-premise lending infrastructure.

It also offers a Securities Lending Technology (SLTech) solution, through which it provides lending technology to financial intermediaries. The company’s partnership with Citi, launched in March 2021, has exemplified this approach, offering an automated securities lending solution to wealth management firms for Citi’s clients.

The joint venture was born from the shared vision of Sharegain’s CEO and founder, Boaz Yaari, and Stuart Jarvis, EMEA head of agency securities lending at Citi. The implementation for this automated securities lending solution was a partnership between Sharegain and Citi’s D10XSM programme, a strategic growth initiative that invests in fintech and business innovation.

Sharegain’s securities lending services are offered on a revenue-share basis, whereby users pay a fee as a percentage of the lending revenue generated via the Sharegain solution, enabling users to establish lending services based on variable rather than fixed cost.

Legacy free

In providing for an industry that can be held back by ageing technology, Keren Helperin believes it has been an advantage for Sharegain to be starting from a blank canvas, unimpaired by legacy technology. “This minimised the constraints that we faced in terms of how we could build the system,” she says. “The goal was to democratise the lending markets and, to do so, it was essential that we could offer flexibility.”

Since then, the release pipeline has been constant, says Halperin, in catering for the needs of both borrower and lender. This is driven by close dialogue with users, with the product and developer teams evaluating client feedback and integrating this, when appropriate, into Sharegain's solutions development.

This strategy underpins the values that Sharegain aims to promote as a company. "Transparency runs hand-in-hand with democratisation and we aim to build transparency into our business culture at all levels," says Halperin. The full Sharegain team meets each week to review major developments from the week just passed and to map out the company's objectives for the period ahead. Each staff member, from new entrants to the chief executive, is encouraged to share their opinion on how a project or process can be run most effectively. This aligns with the emphasis on participation and engagement highlighted earlier in this article.

A second fundamental principle is proactivity. Identifying itself as a frontrunner in this space, Sharegain believes it has a responsibility to push the market forward and to challenge outmoded or suboptimal ways of working.

Positivity underpins each of these constitutional foundations. This is embedded in a constant drive to improve customer outcomes and to build better solutions. "This approach demands a lack of ego," says Halperin: "To hear the views of all participants, to learn from their viewpoint, this requires that we approach the dialogue with a positive mindset".

On top of this, we should not understate the value of hard work. As a surf enthusiast, Halperin explains that it is important to enjoy the paddling since time travelling out to meet the surf far outweighs that spent riding a wave into the beach. So too, behind every product release there is likely to be multiple iterations of design, build, test and refine — with input from key stakeholders — that make up the fundamental building blocks of the Agile development cycle.

When applied effectively, this method can deliver impressive results. Sharegain cites an example where a client with over US$50 billion in assets under custody was seeking to extend securities lending services to its clients as an additional source of revenue. For the company, this presented a dilemma — whether to outsource to a global custodian programme or to build a securities lending offering themselves.

In the event, they chose a third route offered by Sharegain — to source an integrated end-to-end lending solution. The mandate from the client was to deliver an automated, scalable securities lending offering, with no back-office, no overheads and full flexibility to offer different terms to its various client types. "Within 14 weeks, we had established a scalable securities lending programme with no expenses on their side," says Halperin.

Fundraising

In February 2022, Sharegain confirmed that it has raised US$64 million in a series B funding round led by WestCap and supported by Citi, EJF Capital LLC and Optiver PSI, with further participation from existing investors including Maverick Ventures Israel, Blumberg Capital, the Kessler Family Office, Rhodium and SixThirty. Sharegain indicates that this is the largest series B funding round to have been completed to date for the securities lending industry.

The shareholders, she confirms, are playing a key role in Sharegain's growth, with many of these investors having a detailed understanding of the securities lending industry and experience in building enterprise fintech solutions. Following the funding round, WestCap partner Scott Ganeles has taken a seat on the Sharegain board.

Halperin likens scaling a fintech company to a headstand in yoga. While the head and the legs are important, the key to success is establishing a strong core — and Sharegain's ongoing development strategy is focused on building its core strength. This requires a leadership group that has deep knowledge of securities lending markets and can inspire and motivate their co-workers, enabling the company to grow without losing the creativity, agility and pioneering spirit that it embraced as a start-up.

In meeting this requirement, Sharegain has strengthened its team in key areas — including the recent appointment of Sam Tuliebitz as head of business development and Alex Panaite Fornari's appointment as Sharegain general counsel in late 2021, with more senior appointments to be announced soon.

In sourcing new talent, Sharegain appointed a summer class of university graduates, recruited in London and Israel, during the summer of 2022, boosting its staff complement to more than 70. The company's senior management continues to take a hands-on approach to the appointment process, with Halperin or chief executive Boaz Yaari, involved in the interview process for each new joiner.

Life skills

From our conversation, it is evident that Halperin's education and career experience have been important in delivering skills that align closely with Sharegain's approach to the business. Having built strong foundations in science and mathematics during her schooling, Halperin served in a technology role in the Israeli intelligence force during her period of military service.

On securing a teaching certificate, Halperin then spent a period teaching robotics to 8th-grade students prior to studying law and economics at university.

Combining this expertise with an enthusiasm for trading and capital markets, she joined one of the first algo-trading companies, Final, back in 2005, and straight after took a position in the legal division at the Tel Aviv Stock Exchange, working for seven years as part of a team that defined the execution venue's market governance and trading rulebook. At a time when relatively few women held senior roles in global capital markets infrastructure, the Tel Aviv Stock Exchange was noteworthy for having strong female representation at executive level, with Ester Levanon as chief executive, and women also leading the bourse's finance department and legal services teams.

"With this background and experience, my decision to join Sharegain in 2018 as deputy chief executive and chief of staff felt like the pieces in a jigsaw puzzle coming together," says Halperin. The company was much smaller at that time, requiring that each staff member wore multiple hats and applied their skills to a multiplicity of roles. In the early days, much time was spent knocking on clients' doors and sharing the message of democratising securities lending markets.

As the company has grown, the parallel challenges of client onboarding and solutions delivery have become increasingly important, alongside client acquisition, in keeping pace with this pipeline of new business.

In building for the future, Halperin says that Sharegain's target market lies in retail-facing financial institutions, which is central to promoting a democratisation of the securities lending business. But, in principle, the company is able to offer a securities lending infrastructure to financial institutions of all shapes and sizes.

To extend its regional coverage, Sharegain opened a New York office in June, providing a launch pad for its expansion to the US and its ability to extend securities lending out to a wider community of lenders and borrowers.

Looking beyond its securities lending solutions, Sharegain also announced in May that it had become the first company globally to offer SWIFT messaging connectivity via public cloud, reducing messaging infrastructure overheads for existing SWIFT users and lowering barriers to entry for new users by enabling them to use cloud-based messaging. Previously users needed to maintain messaging hardware in-house within their own data centres, or they would need to outsource this requirement to a SWIFT service bureau — and Sharegain played a key role in partnering with SWIFT to develop this cloud connectivity.

According to Sharegain, the collaboration illustrates what can be achieved when top tier global players and trailblazing fintechs collaborate for the wider benefit of all market participants. In creating this Alliance Connect Virtual product, SWIFT has established public cloud connectivity in partnership with major cloud services providers Amazon Web Services, Google Cloud and Microsoft Azure, streamlining the way that financial institutions can connect to the SWIFT financial messaging service.

In September, Sharegain will co-host the latest meeting of Women in Securities Finance. Continuing the momentum established by the group, this meeting will aim to encourage new and younger joiners to become part of the initiative. In addition to expanding participation, the meeting will tackle questions that many in the past have wanted to discuss but were uncomfortable to raise. "Given our commitment to transparency and proactivity, we recognise that it is sometimes necessary to rock the boat and to become more direct in our discussion content," she says. The industry requires more diversity in many areas — and young women who have excelled in maths and science subjects at school are often not continuing into science and computing pathways or capital markets, at university or in their employment. "We have a commitment to proactively address this shortfall — creating opportunity and confidence for women to excel in these parts of the industry."

For Halperin, this event provides another example of how Sharegain's ambitions have expanded beyond securities lending technology and expertise. "We are working, with our clients, partners, investors, and other stakeholders, to reimagine how the industry as a whole can be made more transparent, efficient and open, as well as how ownership rights – like being able to lend what you own – can be democratised across wider capital markets," she concludes.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Breakfast

Wednesday, October 12, 2022 7:30 AM to 8:45

Economics of the Trade: Financing, Risk, Capital, and Other Considerations

Thursday, October 13, 2022 9:00 AM to 9:45 AM

Speakers

Brooke Gilman
Managing Director, Head of Client Relationship Managemente, SecLending
Matt Collins
Managing Director, Morgan Stanley
Brendan Eccles
Global Head of Securities Lending, Scotiabank
Dane Fannin
Global Head of Securities Finance, Northern Trust
Bogdan Fleschiu
Executive Director, J.P. Morgan

Not Your Average ESG Panel

Thursday, October 13, 2022 9:45 AM to 10:30

Speakers

Christel Carroll
Vice President, Co-Head of US Relationship Management, Goldman Sachs Agency Lending
Travis Whitmore
Vice President, State Street
Ulysses Smith
ESG Senior Adviser, Debevoise & Plimpton LLP

ESG has impacted many industries in recent years, including securities lending. Many lenders are now integrating ESG criteria into their lending programs in some capacity. But what is next? This panel will look at ESG developments beyond proxy restrictions and collateral guidelines. How do asset managers view the current ESG landscape and what challenges lie ahead? How will ESG-related regulation affect managers? What direct and indirect impacts could there be for the securities lending industry? What impact could regional variations have? Have economic uncertainty and geopolitical events changed investors views of ESG?

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Thursday, October 13, 2022 11:15 AM to 12:00

Speakers

Jeremy Meade
Vice President, Fidelity Agency Lending
Thomas Kinnally
Managing Director, BlackRock
Christopher Galli
Executive Director, J.P. Morgan
Anthony Camarota
Senior Vice President, Brown Brother Harriman

A Global Pandemic fused with Market Volatility and Geopolitical Events have, in a sense, imposed an impromptu stress test on the effective operability of our Post Trade Infrastructure. The Future seeks to maintain course and heading with an enhanced Regulatory Agenda on the heels of CSDR, including an Accelerated Settlement Cycle to T+1, FED Automated Claims Adjustments Process (ACAP) and the US Securities and Exchange Commission (SEC) proposal under the Exchange Act Rule 10c-1. Operations and Post Trade continue to evolve at an exponential pace, leveraging vendor services, data analytics and low-code/no-code technology to proactively adapt to market changes to ensure efficient and sustainable operational models. What does the future of operations and post-trade look like in a world of intense regulatory change, aggressive business objectives, technological dependencies, and materializing market risks? How can we capitalize on lessons learned to increase harmonization internally and externally within the industry?

Industry Leaders Panel

Thursday, October 13, 2022 12:00 PM to 1:00

Speakers

Justin Aldridge
Senior Vice President, Head of Agency Lending, Fidelity Investments
Ben Challice
Global Head of Trading Services, J.P. Morgan
Nehal Udeshi
Global Co-head of Cross Asset Financing, Goldman Sachs

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Mirae, a New-York based entity founded in 1992, operates an institutional capital markets platform servicing professional investors with complex global needs. The firm specializes in offering Prime Brokerage, Securities Financing, Agency Execution, Correspondent Clearing, Global Portfolio Trading & ETF Solutions.

Mirae Asset Financial Group (which includes Mirae) is an independent financial services group headquartered in Seoul, South Korea. Mirae Asset Financial Group provides comprehensive financial services including asset management, wealth management, investment banking and life insurance. Operating in 15 global markets, and across 5 continents, the group manages assets worldwide of $545 Billion (as of June 2022).

Lara Hernandez — **Global Fixed Income (212) 407-1004**

Robert Sackett — **Prime Brokerage (212) 407-1022**

Keith Wright — **Securities Lending (212) 407-1003**

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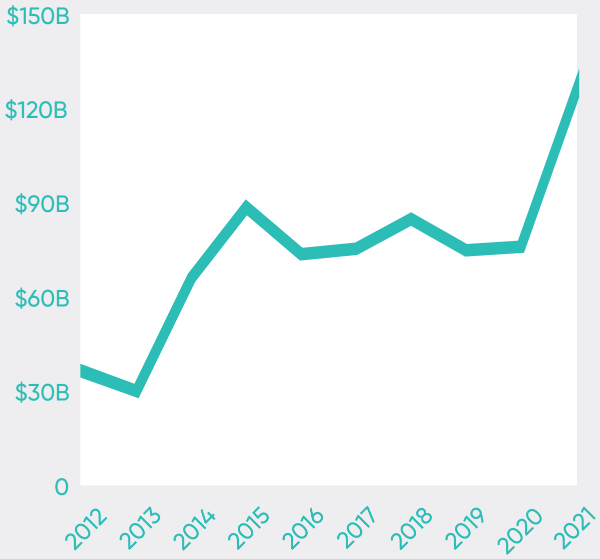
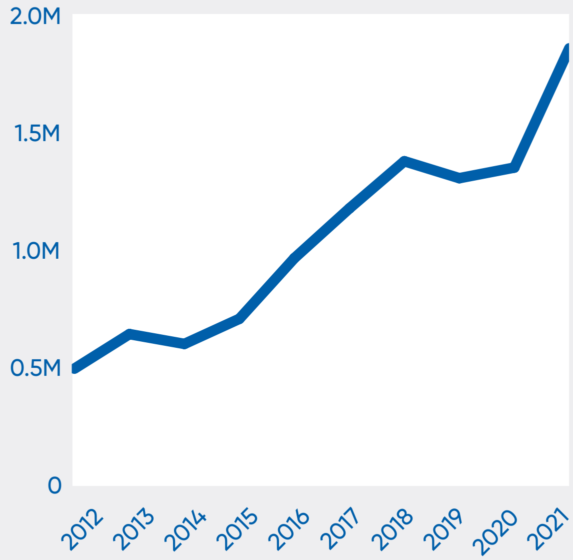
HEDGE LOAN PROGRAM MEMBERS	AVERAGE DAILY LOAN VALUE AT YEAR END 2021

Annual Notional Value of Loans



Annual New Loan Transactions



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