asset servicing times
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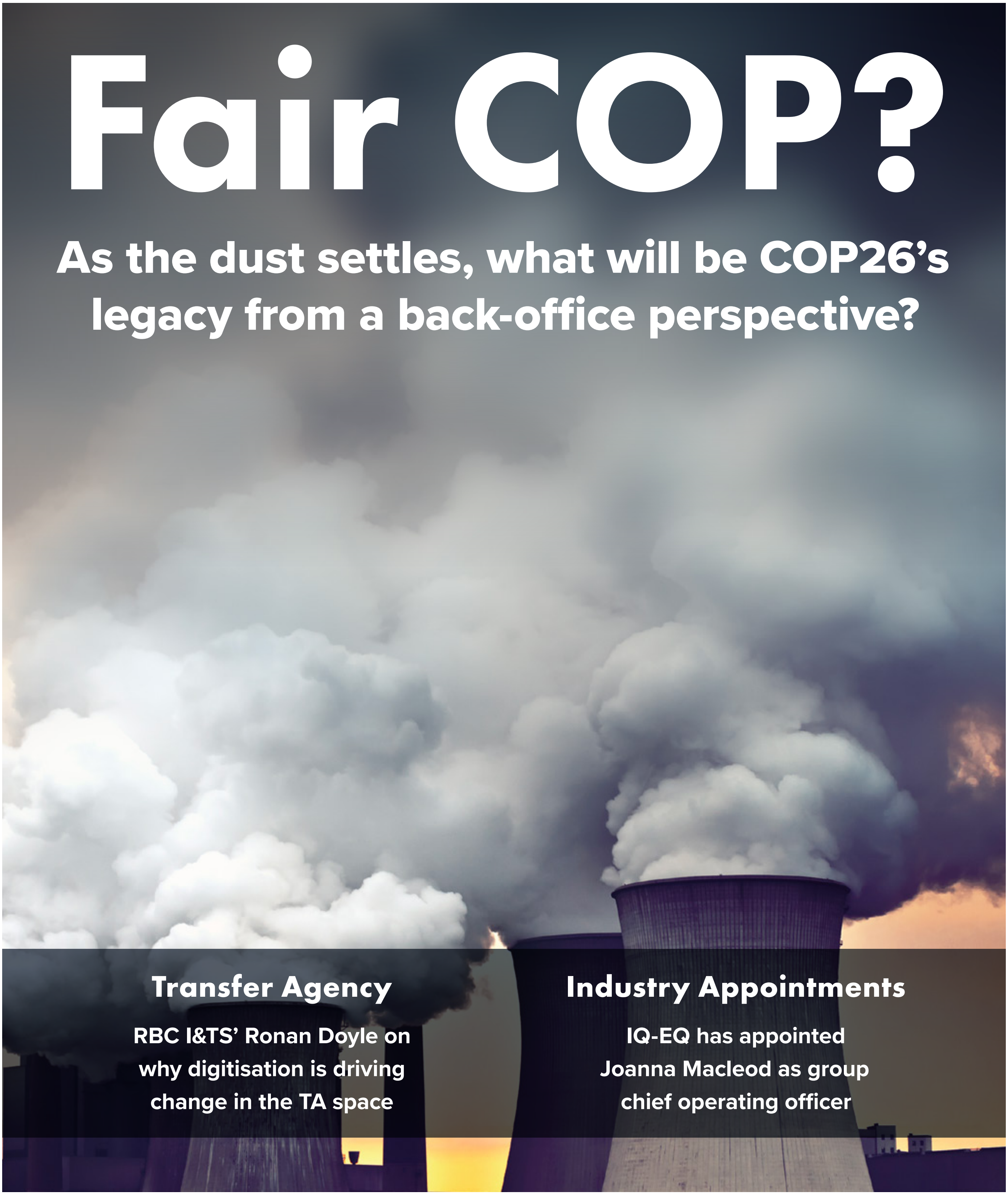

Fair COP?

As the dust settles, what will be COP26's legacy from a back-office perspective?

Transfer Agency

RBC I&TS' Ronan Doyle on why digitisation is driving change in the TA space

Industry Appointments

IQ-EQ has appointed Joanna Macleod as group chief operating officer

Broadridge

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Ready for Next

AST celebrates best in business at The Londoner

Last week Asset Servicing Times (AST) hosted its first Industry Excellence Awards.

The ceremony took place at The Londoner Hotel, Leicester Square, the newest five star venue in London, which opened on 6 September.

Through this event, AST recognised leaders in innovation and service excellence across the securities services industry, while raising money for Mind Bromley, Lewisham and Greenwich along with a number of children's sports charities.

The Securities Service Advisory Group (TSSAG) joined AST in evaluating entries for the 20 awards categories, providing an independent and objective assessment process to identify industry leaders and areas of outstanding contribution.

Clarke Carlisle, former professional footballer and Mind mental health advocate, presented the awards and delivered a thought-provoking and rousing keynote speech, which rightfully received a standing ovation.

AST was overwhelmed by the generous bids for lots on its silent auction. Although final numbers are not yet confirmed, it is clear that this has been a highly successful charity fundraising event.

The team at AST would like to extend their thanks to Clarke Carlisle, TSSAG, all those in attendance and everyone else who helped to make the night unforgettable, while raising money for such a worthwhile charity.

AST founder and group publisher, Justin Lawson, says: "I am delighted at the response I have had from AST's first Industry Excellence Awards. More than 200 people came together for the event, with networking continuing into the evening. I am pleased that we have already raised so much money for an excellent charity and astounded at everyone's generosity."

asset servicing times

Group Editor: Bob Currie
bobcurrie@blackknightmedialtd.com
+44 (0) 208 075 0928

Senior Reporter: Jenna Lomax
jennalomax@blackknightmedialtd.com
+44 (0)208 075 0936

Reporter: Rebecca Delaney
rebeccadelaney@blackknightmedialtd.com

Reporter: Carmella Haswell
carmellahaswell@securitiesfinancetimes.com

Lead Designer: James Hickman
jameshickman@blackknightmedialtd.com

Associate Publisher: John Savage
johnsavage@assetservicingtimes.com
+44 (0) 208 075 0931

Publisher: Justin Lawson
justinlawson@blackknightmedialtd.com
+44 (0)208 075 0929

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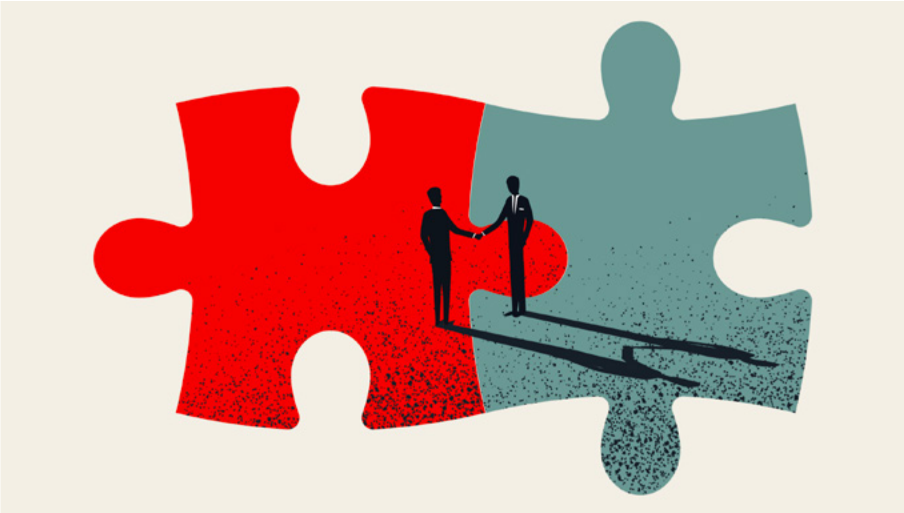

IQ-EQ acquires Greyline Partners

IQ-EQ, an Astorg portfolio company, has acquired Greyline Partners (Greyline), a US provider of governance and regulatory compliance solutions for private equity, venture capital, hedge funds and investors. Founded in 2016, Greyline provides a range of services including regulatory compliance, management consulting and governance, outsourced operations and middle-office services, outsourced finance, accounting and back-office services.

Led by managing partner Matt Okolita, Greyline employs 56 people across its six offices located in San Francisco, Dallas, New York, Chicago, Boston and London.

IQ-EQ's acquisition of Greyline supports its expansion into the US market, where it employs more than 500 people with plans to significantly grow this number in 2022. The Greyline acquisition follows IQ-EQ's acquisitions of Constellation Advisers and Concord Trust Company earlier this year.

Serge Krancenblum, group executive chairman of IQ-EQ Group, comments: "The acquisition of Greyline Partners marks another key milestone in our US growth strategy and brings with it significant potential to combine our collective expertise for the benefit of our clients and our employees not just in the US, but group-wide."

Mark Fordyce, IQ-EQ regional CEO, the Americas, says: "Welcoming Matt and the Greyline Partners team to IQ-EQ is something we are incredibly excited about."

"For our combined team of more than 500 talented individuals, this latest acquisition promises unrivalled opportunities, personal development and training as part of an entrepreneurial and highly driven team."

"We have ambitious plans for the future and having the Greyline Partners team join us fits very well into these plans." ■

GMEX MultiHub launches Digital MultiHub for traditional and digital asset markets

GMEX MultiHub (GMEX), a new business unit of the GMEX Group, has launched Digital MultiHub (MultiHub), a global cloud-enabled trading and post-trade digital market infrastructure platform which facilitates third-party trading and post-trade services across traditional and digital asset markets.

MultiHub is designed to address platform interoperability and time-to-market challenges as well as addressing the lack of standards still apparent across multiple blockchains and traditional infrastructure.

Delivered through a Platform-as-a-Service microservices distribution model, MultiHub enables capital markets participants to gain access to regulated digital assets and market infrastructure.

MultiHub provides global access to turnkey digital asset exchange, custody, and governance solutions.

The platform also facilitates credit allocation and checking, collateral management and margin trading, order routing, netting and settlement across multiple trading venues, custodians and participants.

To develop MultiHub, GMEX worked with AWS and Luxoft as a development partner, to implement and deploy the MultiHub platform powered by AWS Cloud and core ledger technology.

Other initial partners and customers include: Trustology, a UK Financial Conduct Authority registered digital asset custodian, GCEX, a

Confluence partners with FundHero to leverage Revolution platform

Confluence Technologies has partnered with fund service company FundHero S.A. to combine its compliance technology with Confluence's cloud-based Revolution platform to administer an exclusive managed software offering.

Revolution provides risk and regulatory capabilities, as well as analysis of portfolio performance, attribution, risk and compliance, to allow users to reduce costs, streamline client communication and control investment decisions.

The solution offered by the Revolution platform of the global technology solutions provider will be compliant with both the Undertakings for the Collective Investment in Transferable Securities (UCITS) and Alternative Investment Fund (AIF) frameworks.

This will allow FundHero to provide a comprehensive suite of outsourced risk and regulatory reporting services to its client base in both Luxembourg and Germany.

Todd Moyer, president and chief operating officer at Confluence, comments: "Confluence is excited to become a valued partner with FundHero, as we help them deliver cutting-edge risk, regulatory and reporting solutions to fund administrators."

"Pairing our Revolution platform with FundHero's managed service solution presents a unique opportunity for our firms to deliver unprecedented capabilities to fund managers."

Heiko Hector, founding executive director of FundHero, adds: "I was excited at the opportunity to partner with Confluence to provide these services to our clients. We are looking forward to working with the Confluence team to provide unparalleled software and service to our clients."

The partnership follows Confluence's recent acquisition of Compliance Solutions Strategies to provide Software-as-a-Service-driven technology solutions within the investment management community. ■

regulated UK-based traditional and digital assets broker, SECDEX Group, a Seychelles licensed securities exchange, and Arabian Bourse, an Abu Dhabi Global Market based crypto asset exchange and custodian.

Hirander Misra, group CEO of GMEX, comments: "MultiHub is a unique multi-asset networks service that enables cross-venue, cross-participant trading, clearing and settlement of both traditional and digital assets with a single point of connectivity for both industries, which negates the need to integrate across venues."

Alex Batlin, founder and CEO of Trustology, says: "The GMEX MultiHub will drive digital transformation within the space and at the same time allows for accelerated execution and custody for institutional players as they get into or scale their digital assets activity."

Franklin Templeton selects FIS for global transfer agency services

Franklin Templeton has selected FIS to operate its global transfer agency (TA) services.

FIS will assume operation of Franklin Templeton's global transfer agent function as a sub-agent or delegate depending on the jurisdiction.

The combination of the two companies' technologies will form a TA global offering that will deliver a client service for Franklin Templeton fund shareholders and financial professionals.

For FIS, the partnership aligns with its focus on expanding its business Process-as-a-

Service offerings, as well as accelerating its reach into new markets across Canada, Europe and Asia Pacific. The partnership will also allow the company to broaden the TA services it provides to investment managers and asset servicers, including investor servicing and record keeping across multiple product types and jurisdictions.

The agreement will allow Franklin Templeton, which manages US$1.56 trillion in assets globally, to continue to focus on its core business of investment management.

In connection with the transaction, Franklin Templeton will transfer the rights to certain aspects of its intellectual property to FIS, including solutions supporting the ability to provide multi-jurisdictional international TA services.

Franklin Templeton will remain the named transfer agent or central administrator globally and will oversee FIS in the provision of its services as its sub-agent or delegate, depending on the local jurisdiction.

As part of this strategic partnership, approximately 1,450 Franklin Templeton employees across Asia Pacific, Canada, Europe, and the US will be given the opportunity to join FIS. All Franklin Templeton transfer agent employees affected by this change will be given job opportunities. Most will have the opportunity to work directly for FIS, and others will remain at Franklin Templeton as part of a redesigned team.

Alok Sethi, executive vice president of technology and operations at Franklin Templeton, says: “We are pleased to be partnering with FIS, which will enable us to take our service delivery model to the next level. We are excited to bring the benefits of this transaction to our clients through a phased transition across investment strategies and geographies over the next year to ensure a seamless experience.”

Nasser Khodri, head of capital markets at FIS, comments: “With the additional capabilities FIS has acquired as part of this partnership, the asset management and servicing community now has a modern, technology-driven choice for global TA services, backed by the commitment and stability of FIS. We look forward to welcoming the Franklin Templeton team members who will join FIS as an essential part of our business.”

JPMAM selects J.P. Morgan’s Securities Services to support new global operations model

J.P. Morgan Asset Management (JPMAM) has selected J.P. Morgan’s Securities Services to support a new global operations model using its investment middle-office services.

The outsourcing of these services will enable JPMAM to drive value for its clients through investment knowledge, insights and performance results while leveraging other parts of the firm.

The initiative to implement this model includes the provision of middle-office services, collateral management and risk analytics.

The first phase of implementation is planned for mid-2022, when J.P. Morgan will provide operational processing support for a range of derivatives products.

This change will enable JPMAM to implement the use of new and different products, thereby expanding its derivatives capabilities. Subsequent phases will commence in 2023, and will involve

migration of the operational servicing of other asset classes. These new services add to the custody and accounting services that J.P. Morgan already provides to JPMAM.

Fred Crosnier, global head of operations at J.P. Morgan Asset Management, says: "We reviewed a number of alternative strategic operating models and after extensive due diligence selected J.P. Morgan. A new globally consistent investment book of record facilitates our investment decision making process and enables us to seamlessly add new product capabilities."

Andrew Powell, chief administrative officer and global head of client service at J.P. Morgan Asset Management, comments: "Working with a leading provider like J.P. Morgan Securities Services, who can deliver the scale and capabilities to support our investment activity from end-to-end, allows us to focus our resources on investing for our clients. Continued downward pressure on fees and expenses means that asset managers need to deliver an exceptional investment experience while also creating efficiencies and economies of scale in middle- or back-office services."

Corlytics launches financial crime regulation tracker

Regulatory risk intelligence firm Corlytics has launched a themed financial crime tracker to provide firms with a single view of digitised, risk-rated and visualised fincrime regulations. Corlytics notes that the cloud-based digitised solution is an immediate response to the growing regulatory and compliance requirements around financial crime.

Research by Corlytics found that anti-money laundering (AML) and counter-terrorist financing (CTF) alone saw a 33 per cent increase in regulatory updates in year-to-date 2021 compared to 2020. The FinCrime tracker is divided into sub-themes (such as fraud, AML, CTF, anti-bribery and corruption, tax evasion, and cyber crime) through interactive analytics and dashboards, which allows users to identify and monitor new developments on an hourly basis.

Regulation data within the tracker includes the visualisation of more than 30,000 fincrime regulatory events over the past five years to observe key trends, as well as a fincrime taxonomy that outlines all sub-themes against structured, rated and visualised financial crime regulatory content.

This will enable banks, asset managers, insurance firms and other financial market participants to reduce the complexity, time and cost typically involved in the identification and analysis of continuous regulatory notices and updates. In addition, the Software-as-a-Service risk management capabilities of the tracker will allow users to directly translate any regulatory changes into business impact, encompassing compliance teams, executive management and internal audit.

John Byrne, CEO of Corlytics, explains: "The overall growth in digital transactions and the move to a cashless society means that more traditional areas of crime are moving online."

"Regulators are moving swiftly to ensure that financial services and payments providers are taking the appropriate steps to ensure firms, consumers and the public have better protection from types of crime that are growing exponentially. Corlytics have launched the financial crime tracker to help all regulated firms keep up with fast moving regulatory developments in the area of financial crime."

Broadridge launches ESG Performance Dashboard

Broadridge has introduced an environmental, social and governance (ESG) Performance Dashboard for companies to better understand as well as monitor their ESG ratings. The global financial technology company says the launch of its single web-based solution comes as firms' ESG ratings become increasingly important to investors and shareholders, and achieving an accurate comprehensive understanding of those ratings has grown more complex and time-consuming. The solution, which is currently available in the US and Canada, provides companies with a single, streamlined consensus view of their ESG ratings and rankings based upon hundreds of sources, enabling them to monitor and understand the factors that drive their ESG performance. Additionally, companies can determine how they can improve their ESG ratings and gain insight into their performance across environmental, community, employee, and governance issues.

Speaking on the announcement, Dorothy Flynn, president of Broadridge Corporate Issuer Solutions, says: "The Broadridge ESG Dashboard enables companies to reduce the noise and concentrate on the key issues and data to better understand where they stand and how to better focus their efforts. With asset managers increasingly focused on ESG-issues, companies need an easy tool that allows them to see through the clutter."

LPA partners with Evercity for ESG

LPA, the capital markets technology and advisory firm, has partnered with Evercity to enhance its ESG consulting services, utilising Evercity's blockchain-based platform. Evercity's digital platform, designed to measure impact measurement and investment, launched at the UN Global Climate Innovation Lab during COP26 in Glasgow.

As part of a wider effort to work towards attaining the United Nations' 2030 Agenda for Sustainable Development, Evercity developed a blockchain-based platform to streamline the end-to-end sustainable finance process. The platform is designed to make it easier and cheaper to issue green and sustainability-

linked bonds, while also adding more transparency to the process.

It also helps banks, impact funds and companies to assess EU Taxonomy alignment, monitor and track their sustainable investments.

Evercity is a founding member and leader of the finance working group in the Climate Chain Coalition, a global association co-chaired by the United Nations Framework Convention on Climate Change, working to advance blockchain and related digital solutions to help mobilise climate finance and enhance measurement, reporting and verification of climate actions.

LPA monitors the numerous amendments of the EU Action Plan and, together with Evercity, will help financial institutions keep abreast of regulatory changes, implement new requirements and track progress against ESG goals.

Hans-Joachim Lefeld, partner, ESG Consulting at LPA, comments: "As pressure for sustainability rises, financial institutions are recognising the need to move towards a low-carbon economy and have started to adjust their business models to fully embrace ESG requirements. Together with Evercity we are confident we can provide financial institutions with the tools necessary to achieve their goals."

Alexey Shadrin, CEO of Evercity, says: "Green finance is growing at an unprecedented speed. However, we still need to mobilise more of it and ensure that there is no greenwashing. We are excited about the collaboration with LPA and it is our belief that together we will be able to expand our reach in the German and EU market."

Northern Trust and EDS adopt Snowflake for data services

Northern Trust and Equity Data Science (EDS) have partnered with Snowflake, the datacloud company, to enhance secure data sharing and onboarding for asset servicing clients using investment data science capabilities.

Leveraging Snowflake's data sharing and cloud technology, Northern Trust and EDS aims to provide a better, faster and more secure experience for investment data science clients.

Snowflake's Financial Services Data Cloud enables sharing on a single, integrated platform, optimising what had previously been a manual process, dependent on physically extracting and delivering data files.

The partnership with Snowflake allows Northern Trust and EDS to quickly update or change data elements and layout, making the solution individual to client needs.

Paul Fahey, head of investment data science at Northern Trust, says: "This is game-changing technology that replaces the old way of exchanging data. Clients will have access to data insights that accelerate speed to market in ways that previously did not exist. Our goal is frictionless onboarding of new clients within 24 hours, and Snowflake's Data Cloud puts that within reach."

Matt Glickman, vice president and global head of financial services at Snowflake, comments: "Northern Trust joins a growing list of marquee names in the industry adopting Snowflake to help them thrive in the new data economy, while continuously maintaining security and governance standards in this competitive environment." ■

VALK launches Aggregator platform for yield generation

Tokenisation platform VALK is to expand its decentralised finance market with the launch of the Aggregator platform, a non-custodial portfolio management system for digital asset managers and funds

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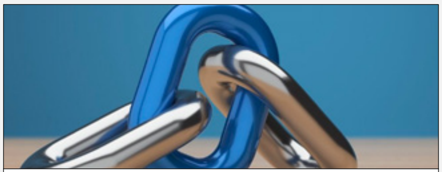

HedgeServ partners with AccessFintech

HedgeServ, a US-based global fund administrator, has announced its partnership with UK-based financial technology firm AccessFintech

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FINBOURNE Technology to drive development of a consolidated tape

FINBOURNE Technology, a software as a service technology provider, has joined the Dutch Authority for the Financial Markets' Innovation Hub

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First Plus Asset Management selects BNP Paribas for fund administration

First Plus Asset Management has selected BNP Paribas Securities Services to provide fund administration services for funds using Singapore's Variable Capital Company structure

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Northern Trust supports Castelnau Group's IPO on LSE

Northern Trust and law firm Carey Olsen have supported Castelnau Group on its initial public offering on the London Stock Exchange

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Citco: Hedge funds continue increases in Q3

The global hedge fund industry saw positive net inflows of US$6 billion during Q3 2021, according to hedge fund administrator group Citco

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Fair COP?

World leaders and climate activists gathered at this year's 2021 United Nations Climate Change Conference. But as the dust settles, what will be COP26's lasting legacy from a back-office perspective?

Jenna Lomax reports

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"If working apart we are a force powerful enough to destabilise our planet, surely working together we are powerful enough to save it.

In my lifetime I've witnessed a terrible decline.

In yours, you could and should witness a wonderful recovery."

David Attenborough, COP26, Glasgow, 2021

The 2021 United Nations Climate Change Conference (COP26) gathered much attention during its two-week tenure, and with a political leader and climate figurehead appearing at every turn, the conference was rarely out of the headlines.

During the course of the summit, foreign minister of Tuvalu, Simon Kofe, stood knee-deep in seawater on the shores of his small island nation to highlight the devastating impact of climate change on small Pacific nations, while indigenious peoples from across Colombia, Peru and Bolivia gave first-hand accounts about how climate change, deforestation and coal-mining are already affecting their home environment.

Where the world's emission heavyweights were concerned, the US did not declare that it would ban fossil fuels any time in the near future, nor did India or China promise to "phase out", but rather "phase down", their sourcing and distribution of coal. However, the US and China did unveil an unanticipated plan to work together on cutting emissions that was unexpected by many.

> *"COP26 was a success. It put the climate crisis back on the agenda. The key players are engaged — China, US and India are sincere."*
>
> **Andrew Pitts-Tucker, Apex**

While some disappointment was felt about COP26's overall achievement by some, there was much consensus that it was a turning point, with businesses and regulators, more than leaders and politicians, seizing the reins to take action going forward.

"COP26 was a success," affirms Andrew Pitts-Tucker, managing director at Apex ESG Ratings at Apex. "It put the climate crisis back on the agenda. It has triggered an enormous amount of discussion. The key players are engaged — China, US and India are sincere. But they need to follow up the rhetoric with action."

Environmental, social and governance (ESG) has made its way into the mainstream of asset management and asset servicing discussions and considerations. Just five years ago in-house ESG teams — on the buy- and sell-side — were a fairly new installation; now their presence is a business affirmation and statement to the wider market of ESG conscience.

On the investment side, assurance of this is highlighted in Linedata's Tenth Global Asset Management Survey, which indicates that nearly half of respondents (46 per cent) have incorporated ESG integrations by creating a centralised ESG team, while 43 per cent have received a score from an ESG rating company, and 42 per cent have become affiliated with sustainable investing organisations, either globally or regionally.

Whether it is from the outlook of an investor, custodian or third-party solutions provider, a transfer agent or payments manager, "the world's top global banks are currently forming pivotal alliances and tackling some difficult topics", says Tony Warren, executive vice president and head of strategy and solutions management at FIS.

2021 will be remembered as the year of action, and this move to action looks likely to increase in earnest as the impacts of climate change become all the more apparent. However, how can those who have not yet partaken in necessary change move toward ESG goals, and to what extent did COP26 influence them to change?

Data as the baseline

Out of COP26 came the initiation of the International Sustainability Standards Board (ISSB), an independent body which develops and approves International Financial Reporting Standards that will offer global baseline sustainability reporting standards under robust governance and public oversight.

Another move toward robust governance is the European Union's Sustainable Finance Disclosure Regulation (SFDR) regulation, adopted in March 2021, which will assist institutional asset owners with comparing and monitoring the sustainability characteristics of investment funds.

SFDR establishes transparency requirements for financial market participants on the integration of sustainability risks and consideration of adverse sustainability impacts in their processes, and the disclosure of sustainability features of financial products. From a European perspective, at least, it has already set out to change the status quo. However, it is not all that easy when the baseline and underlying enabler of this measuring and monitoring of impact and disclosure is data. As has been an industry trend and pressure for many years; not all businesses have ready access to data, or indeed, the right data — especially small to medium institutions that may not have the resources or, more likely, the capital to enrich this side of their business model to improve their ESG goals or initiatives.

As Ed Gouldstone, global head of research and development, asset management, Linedata, outlines: "The asset management industry will struggle to negate the negative impact on the environment without the right data to inform sustainable decision-making."

The right data is key. “We collect data from the actual investment themselves and collect a company’s real data to calculate environmental footprint,” comments Apex’s Pitts-Tucker when discussing Apex’s ESG strategy. “We can see where a company is falling short on global standards and identify its gaps in compliance. It is not a ticking off exercise but actually an opportunity to show a company its full potential.”

Another dependable source that can be a prerequisite for positive ESG change, on the condition that good data is available, is pension schemes, particularly within the UK, says Pat Sharman, country managing director, UK at CACEIS.

“As the third largest pensions market globally (with £2.5 trillion of assets), UK pension schemes are in a unique position to drive change. This means getting hands on good data, so that exposures can be understood at a portfolio, industry, and individual security level,” she adds.

Sharman explains: “Once pension schemes have this data, they can form their own independent assessment of their portfolio exposure to climate risks and can then use this to have a robust dialogue with their asset managers on how they are managing these risks across companies and issuers.”

COVID-19

Businesses are increasingly looking both inward and outward to bring about change; change that has of course been heavily influenced by the rise in hybrid working, a necessity characterised through the last 20 months by the COVID-19 pandemic.

The pandemic greatly influenced the observation of an employee’s carbon footprint through business travel (or lack of), and a business’ need to decrease office space, which in turn, brought down gas usage through central heating.

Vicky Dean, managing director of Europe, Middle East and Africa at Goal Group, indicates: “Goal Group has made significant changes since January 2020 which have included a successful remote working model, down-sizing office space, reducing travel for office-based staff and [the] planning [of] less business trips — therefore lowering carbon emissions and our carbon footprint.”

“As the third largest pensions market globally (with £2.5 trillion of assets), UK pension schemes are in a unique position to drive change.”

Pat Sharman, CACEIS

On the investment side, the pandemic also influenced the interest in ESG assets. Globally, ESG assets are expected to exceed $50 trillion by 2025, representing more than a third of the projected $140.5 trillion in total global assets under management, according to a recent report by Bloomberg Intelligence, while Linedata’s aforementioned survey highlights 67 per cent of respondents have already prioritised the integration of ESG factors into their investment strategies. But to ensure this inundation of private money continues, an international framework of standards is needed to mitigate false or misleading environmental claims, now coined as “greenwashing”, to ensure credibility of the inflows maintained.

“Greenwashing” is a popular term to describe businesses and even countries who, through their marketing or mandates, manipulate their products or statements to appear more green and appeal to people who care about the environment. It is a term often used in retail but is infiltrating its way into all aspects of life and particularly business decisions.

However, the concern for greenwashing within financial services is subsiding simply through added scrutiny in recent years. As Mike Tae, chief transformation officer, investor communication solutions at Broadridge, indicates: “There has been an increased focus on holding companies accountable and aligned with shareholders, particularly around ESG practices.”

"43 per cent of environmental proposals were passed in 2021 versus less than 5 per cent in 2019."

Mike Tae, Broadridge

"43 per cent of environmental proposals were passed in 2021 versus less than 5 per cent in 2019," Tae cites, adding that this has "created even greater opportunity for investors to not only voice their opinions with the corporations through which they hold ownership, but moreover a means of holding those corporate issuers accountable".

On a global scale, Swedish climate activist Greta Thurnberg, among others, is holding politicians, fossil fuel companies and the likes to account for greenwashing, criticising their inaction through her Strike for Climate campaign. Her criticism will no doubt be ongoing in the years to follow.

It would be remiss to believe either the buy- or sell-side have escaped such accusations of greenwashing from Thunberg and others, but with their global influence on investments and investment flows, "the greenwashing and virtue signalling is not helping and it is no longer believable," affirms Matthew Ayearst, director of sustainability (ESG), global wealth and capital markets at CGI. "Caveat, you will be called out soon and it will be costly," he warns.

The "S" and the "G"

When we consider the most pressing points of ESG, it is often the "E" for environmental change that receives the most attention, due to the collective understanding of the immediacy of action needed to combat the effects of climate change. The "S" (social) is often treated as an afterthought, with its importance for evoking climate action remaining both underappreciated and misunderstood. The cause and effect of job loss through good intention for climate action is one very common oversight. As Apex's Pitts-Tucker indicates: "If India stopped producing coal, that is 250,000 people who would be potentially out of work."

He adds: "If train companies do not charge as much as they do for moving coal around the country, they will not be in a position to offer discount train tickets to those who have no other means of transport to get to work. There are massive social implications."

Discussing the "G" (governance) aspects of ESG concerning the private sector, Diane Eshleman, head of Americas at Delta Capita, reflects: "Without public policy intervention, the private sector cannot drive sufficient change. That said, global financial institutions can and should adopt governance policies and risk mechanisms to limit carbon emissions, drive appropriate waste management practices, and inspect their entire supply chains to enforce best practices."

For the phasing out of excessive carbon emission, there is the Powering Past Coal Alliance (PPCA) which looks to phase out the financing of coal-fired power and thermal coal mining by 2030 in the European Union, and by 2040 in all other markets. This is an initiative that HSBC, one of the world's largest banks, has signed up to.

"We recognise that our net zero by 2050 ambition needs to be underpinned by short-term targets, and by demonstrating real progress on decarbonisation year by year," affirms Celine Herweijer, group chief sustainability officer at HSBC. "We need to tackle the hard issues upfront."

It doesn't have to be perfect

Not all banks, departments or third-parties have as strong a sway or ESG responsibility as global banks such as HSBC, but "with better investment and further examination to enhance current operations and processes, small changes can make a real difference", outlines Goal Group's Dean. That can mean "transitioning to cloud-based, remote working, moving towards a paperless office, or automating current working practices," she says.

Though the front-office may often need to lay claim to being the stalwart for climate change within financial services, by its association with investment, the back-office has and should have just as much influence for ESG changes, which can begin by looking in-house.

If COP26 taught us anything it is that there is not a moment to lose, but the move toward better ESG strategies need not be overwhelming. Industry experts say it does not take much when considering the first step, and that first step goes back to data.

"First and foremost, financial institutions can ensure they have the data available to integrate the discussion of environmental impact into their business strategies. That starts with the data they have control over, which is their own corporate footprint," underscores Lisa Edwards, president and COO of Diligent.

As Edwards indicates, the first step is data gathering, and the second step is extracting knowledge in real, everyday terms.

"Many businesses undertake a process called a materiality assessment — a process adapted from financial accounting which ranks and prioritises key sustainability issues," says Daniel Jones, ESG consultant at management consultancy, Writing it Right.

"Once these have been established it is easier to see where to focus your efforts. Ultimately, sustainability needs to make business sense — and so it is important to implement measures that will positively impact your business and add value to what you're currently doing, rather than being just a bolt-on," he adds.

Lasting legacy?

The main objective of COP26 was to bring the world, perhaps not just a step forward, but this time, a leap forward, to "keep 1.5 alive" – a reference to making sure the Earth's temperature does not increase by more than 1.5C, a scientific understanding that will keep the planet in the state that we know it. COP26's legacy will be evidenced by the industry action that comes after it.

> ***"Global financial institutions can and should adopt governance policies and risk mechanisms to limit carbon emissions."***
>
> **Diane Eshleman, Delta Capita**

"At a minimum, COP26 is now getting more public attention and regulators are looking to drive action from the results of this conference," says Diligent's Edwards. "My hope is the capital markets continue to act, going above and beyond regulations."

It is also the United Nations' aim to reduce world fossil fuel emissions to net zero by 2020. All these targets indicate that investors and back-office institutions have no choice but to carry on with ESG-oriented investment and work toward this aim, respectively.

"[ESG reporting strategies have] to be genuine — something the firm does because it wants to, not because of some legal obligation," affirms Jacolene Otto, head of private equity and real estate at Maitland.

Discussing the grassroots impact and lasting legacy of COP26 and what it will mean for asset managers and servicing, Goal Group's Dean attests: "Everyone is capable of doing something to contribute and I believe now, the need can no longer be ignored."

Looking ahead, and considering how COP26 will be looked on in retrospect, Apex's Pitts-Tucker states: "There have been various financial institution promises over the course of the last four to five years which have been fairly hollow in their outcome, but at COP26 there is a real sense that this time it is different. On a global scale, we have just got to keep that momentum going. Hopefully, it will take us very much in the right direction." ■

Driving an evolution

RBC I&TS' Ronan Doyle talks to Jenna Lomax about why digitisation is driving significant change in the TA space

Looking back over the last 18 months, to what degree have transfer agency priorities changed since the start of the pandemic?

The biggest change caused by the pandemic has been increased support for remote working in a way that would never have previously been possible.

The pandemic tested contingency plans but they withstood the test and as a result we now have a new way of working. However, there are still core activities and operations that require a strong degree of office presence in order to function optimally.

One industry-wide change resulting from the pandemic has been an increased acceleration of digitalisation in general. While it was always there to some degree, the process has become more accepted within hybrid or partially remote-working environments. Digitalisation is front of mind with clients as well as for us — clients have digital solutions and capabilities that align to our own strategic vision for our business. Some barriers remain, but these are legacy behaviours that the industry needs to work together to address.

Is digitalisation driving an evolution or revolution within transfer agency services?

Currently the digitalisation process is largely evolutionary. A good example is the evolution underway with regards to data exchange and reporting. We already had a strong digital portal offering, and we are constantly developing analytics solutions that give clients oversight of their day-to-day activity.

The traditional reporting activity — where a report can be extracted from the core system and sent by an operator directly to the client via email or another method — is now moving into the control of clients. Through this new analytics solution they are able to log into the portal and decide what data fields they require.

The potential for a revolution within transfer agency (TA) services lies with investor onboarding, currently a very manual process.

There are tools available in the market now that can really streamline this process.

This is an important area of improvement that can benefit fund managers and, above all, investors. When TAs are able to digitise the onboarding process, it will be a significant step forward for the industry as a whole.

Do you think the digitisation of data is where it needs to be for the best levels of data efficiency? What has already been achieved and what more needs to be done?

Within the industry, (referring to asset managers, TAs and distributors), the levels of data efficiency could be higher. This is mostly due to the distributed nature of the industry value chain. Many TAs have invested in developing the requisite infrastructure and foundations for greater digitalisation.

At RBC, we have developed a new digital layer to our platform over the last number of years that enables us to leverage data into analytic solutions that are meaningful to the client, as well as making application programming interfaces (APIs) available to support real-time data exchange.

"It is not enough for fund managers to tell regulators that they have outsourced TA, as regulators want asset managers to demonstrate that they retain control"

Fund managers have an obligation to oversee outsourced operational activities. Is that oversight role changing? What does this mean for transfer agencies?

The oversight role is changing, and this is being driven by both fund managers themselves, and regulators. It is not enough for fund managers to tell regulators that they have outsourced TA, as regulators want asset managers to demonstrate that they retain control.

This is leading to increased demand from asset managers to provide them with more data and insights which can be used to exercise control and demonstrate that control. Our tools and services are evolving to meet this demand and it is an area we expect to continue to build on in the future.

RBC I&TS has its own transfer agency platform. Which direction are your clients taking you in terms of refining this service?

Our clients are outcome oriented — they want a quality service delivered by an expert team backed by strong digital and technological capability. From a platform perspective we are continuing to move towards a distributed architecture and micro services-type approach.

Rather than using a single TA platform, or a single piece of technology to complete investor onboarding, trade processing fees, commissions, dividends, and so on, we might adopt a particular tool that is tailor-made and built specifically for a particular process which can be integrated into our core platform.

In terms of in-house and vendor provided solutions, we have moved more towards a hybrid model where we retain our intellectual property in-house, while at the same time bringing in the best external offerings to meet specific capability needs. This approach allows us to deliver the outcomes our clients expect.

What are the current major regional differences in terms of clients demands for transfer agency offerings?

The majority of differences relate to either regulatory or market practice. In Canada for example, we have a platform that meets the very specific needs of that market. For other regions we have deployed an in-house platform that is highly scalable from a processing perspective but combines broad product and functional capability to accommodate market differences and client needs. The goal is still to have one platform that works for all jurisdictions and markets but that is a complex journey given local market needs and limitations around legacy technology architectures.

What do you think will be the main areas of focus for the transfer agency sector over the next 18 months to two years?

Certainly over the next 12 to 24 months, the industry will continue to move towards a digitised environment.

The benefits for all market participants, from a finance, experience and service perspective, are significant so this has to be a key priority for all participants.

We are keen to see evolution around the digitisation of investor onboarding, from a TA capability perspective, to drive a higher quality and more digital investor experience overall.

We also expect to see more asset managers looking to launch tokenised or digital funds, and it will be interesting to see how that area of the market evolves and how asset services develop their offerings to support this innovation.

"The goal is still to have one platform that works for all jurisdictions and markets but that is a complex journey"

Ronan Doyle
Global head of product management, transfer agency
RBC I&TS


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Crestbridge has appointed Cheryl Bai as director, head of funds UK.

Based in London, Bai will lead the UK funds team and contribute to the expansion of Crestbridge's UK private equity and real estate fund services.

Bai will help Crestbridge drive expansion and growth in the private equity, venture capital, private debt, and real assets spaces.

Bai joins Crestbridge from SS&C Technologies Holdings, where she was responsible for leading a large client services team in multiple jurisdictions and servicing an extensive portfolio of private equity clients.

Prior to this, Bai held roles at IQ-EQ and Augentius, where she managed large teams and focused on delivering client service.

Bai's appointment follows a period of rapid expansion for Crestbridge over the last 12 months, both in the UK and around the world.

During this time, Crestbridge has opened offices in New Jersey, New York and Dublin, and has made several strategic senior hires, of which Bai's is the latest.

Alex Di Santo, group head of private equity, says: "Through her work with some of the world's largest private equity and real estate fund managers, Cheryl brings exceptional industry experience and it is a pleasure to welcome her to the Crestbridge team."

Bai comments: "I am delighted to join Crestbridge at this exciting time, a team with a proven track record of high-quality outcomes for its clients. Our collective focus on the needs of our clients' businesses paired with our tech-enabled approach will

IQ-EQ has appointed Joanna Macleod as group chief operating officer.

In her new role, Macleod will be responsible for leading the investor service group's global operations across all 24 jurisdictions, particularly driving the transformation and innovation required for further expansion across the US and Asia.

In addition, Macleod will lead IQ-EQ's risk and compliance function across the business to administer a resilient risk management approach.

Macleod will work closely with chief technology officer Chris Robinson to ensure the deployment of sustainable, compliant and innovative platforms, capabilities and client-facing apps for IQ-EQ's clientbase.

Macleod previously served as chief transformation officer at American Express Global Business Travel, where she was responsible for leading the delivery of end-to-end global integration, including customer value proposition, technology integration, new product portfolio implementation, and process standardisation.

Mark Pesco, group CEO of IQ-EQ, says: "Joanna is a hugely welcome addition to our team, as I know she has the operational expertise and experience required. Joanna is ideally placed to deliver on the next exciting phase of growth for the business as she is a specialist in delivering change for growing organisations."

Macleod adds: "I am excited to have joined IQ-EQ at a time of organisational change and transformation. What attracted me to the role is IQ-EQ's unique, disruptive and entrepreneurial culture. The next few months look set to be very exciting as I get stuck into delivering on the group's ambitious global growth objectives." ■

allow our clients to focus on their own goals of providing the best possible returns to their investors."

The company has also appointed Marta Ciemiega as business development director for the US, as part of its expansion plans in the country.

Ciemiega, who will be based at Crestbridge's US office in New York, has more than 17 years' experience in financial services, spanning real estate, venture capital, private equity and private credit.

In her new role she will work closely with Crestbridge's leadership team, prospective clients and client-facing teams, to focus on driving growth in the US.

Ciemiega joins Crestbridge from Sanne Group, where she was responsible for the design and execution of North American business development strategy.

Prior to this, she held senior roles at RBC Investor & Treasury Services, Bloomberg LP, Fitch Solutions and Standard & Poor's.

Following the easing of travel restrictions between the US and UK, which were put in place due to the COVID-19 pandemic, Paul Perris, chief commercial officer, and Scott McClure, director of real estate at Crestbridge, will travel to Crestbridge's US office to oversee the expansion of business.

Commenting on Ciemiega's appointment, Perris says: "We are excited to welcome someone of Marta's calibre and experience to lead the growth of the business in the US. Her appointment represents both the confidence and growth ambitions we have in the US and our wider strategic commitment and investment to the market and our existing US clients."

Ciemiega addes: "I am delighted to join the Crestbridge team and look forward to cultivating both existing and new relationships and opportunities in the US, leveraging the business' increasing reputation as a leading provider of global administration services."

Vesttoo has appointed Robert Hauff as portfolio manager for the alternative reinsurance and investment platform's insurance-linked programme (ILP).

The platform is a marketplace for life, property and casualty insurance-based risk transfer and investments based on proprietary artificial intelligence-based technology.

This facilitates risk transfer between insurance companies and institutional investors to provide asset managers with insurance-linked investments.

In his new role, Hauff will be responsible for creating the investment strategy for Vesttoo's ILP, which allows asset managers and pension schemes to earn long-term, sustainable alpha by pledging existing assets to support short- and mid-term life, property and casualty alternative risk transfer transactions. He will also manage day-to-day operations of the programme and lead research into insurance-linked opportunities.

Hauff previously held the position of managing director of fixed income research at Wells Fargo Securities, where he was responsible for collaborating with investors, sales and trading to drive revenue through multiple business units and act as the firm's insurance industry expert.

Commenting on the appointment, Yaniv Bertele, CEO and founder of Vesttoo, says: "We are thrilled to add Robert and his deep understanding of fixed income and capital markets."

"As a highly accomplished leader within the financial services industry, and an expert in leading growth initiatives, Robert will help Vesttoo bridge the insurance funding gap with our ILP programme."

Hauff adds: "Vesttoo is the perfect opportunity for me — combining advanced technology with sound alternative investments. This is the future of the industry."

Clayton Da Silva has left Northern Trust for First Abu Dhabi Bank (FAB), taking up the role of managing director and head of securities services client management.

Headquartered in Abu Dhabi, in Khalifa Business Park, the bank's international network spans over 19 countries and offers corporate, investment banking and personal banking.

Da Silva was most recently head of business development for Middle East and North Africa at Northern Trust from April 2016 from November 2021.

Prior to this, Da Silva served at JP Morgan Chase as executive director of client and business development, investor services from February 2011 to March 2016.

Before that, he was vice president of client and business development, investor services at JP Morgan Chase from July 2008 to February 2011. Da Silva began his career at Brown Brothers Harriman in 1997. ■