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**PORTFOLIO
FINTECH**

**BROADRIDGE HOSTS WEBINAR WITH BOND EXPERTS
TO INTRODUCE LTX, ITS AI-DRIVEN TRADING PLATFORM**

Broadridge Financial Solutions, Inc. (NYSE: BR), a \$4 billion global Fintech leader, is a leading provider of investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. [On June 17, 2020, the company announced its new AI-driven digital execution platform, LTX® Platform](#) (LTX) – the platform executes first trades with broker-dealers and their buy-side customers, bringing next-generation liquidity to corporate bonds. LTX enables buy-side *and* sell-side broker-dealers to trade smarter.

LTX's RFX protocol allows dealers to identify and aggregate liquidity across multiple buyers bidding for their desired amount, which improves BestEx for their customers; LTX AI and the new LTX Liquidity Cloud® provide a more complete view into pre-trade and post-trade liquidity, further enhancing dealers' ability to aggregate liquidity from natural counterparties and better service their customers.

Earlier this summer, Broadridge hosted a webinar, “Going Beyond Liquidity: How Volatility Is Accelerating the Transition of the Bond Market,” to introduce LTX to broker-dealers. Participants included:

- Spenser Huston, COO of LTX
- Vijay Mayadas, President, Global Fixed Income and Analytics at Broadridge
- Kevin McPartland, Head of Market Structure and Technology Research at Greenwich Associates
- Dwayne Middleton, Global Head of Fixed Income at T. Rowe Price
- Jim Switzer, Global Head of Fixed Income Trading at AllianceBernstein
- Jim Toffey, President of LTX (founder and former CEO of Tradeweb)

Vijay Mayadas kicked off the webinar by explaining why Broadridge decided to develop the platform: “It’s really our position in the fixed income markets that’s the driver behind why we created LTX. In fixed income, we are the leading post-trade processing technology provider for the sell side. What this means is, we process around \$6 trillion a day, about two-thirds of secondary market volume. In the U.S. we have 19 of 24 primary dealers and more than 40 of the largest broker dealers on the platform.”

“The solutions we provide to the sell side, we really service them across the entire trade life cycle,” Mr. Mayadas continued. “We run their books and records, we do various accounting and financial functions, and we provide connectivity to clearance and settlement venues. This gives us a unique position – we sit in the middle of a large share of fixed income trade flows, and we capture a unique set of fixed income trade data. This data is the foundation of LTX.”

As of 2020, only 25 percent of the bond market trades electronically, and LTX, which is complementary to existing platforms, should be able to move the corporate bond market to 50 percent electronic trading going forward.

Jim Toffey said: “We’re really focused on the segment of the bond market that doesn't trade electronically, which is 75 percent of the market – this is typically the bigger trades of \$2 million, \$5 million and beyond. LTX is complementary to existing platforms. We're focused on what's missing in those platforms that we can apply to help provide more of an electronic market platform mode going forward.”

“There are also a lot of bonds that could trade if there were a better mechanism to marry actual buyers and sellers together with a dealer in the middle,” Mr. Toffey continued. “RFX allows dealers to do far more in terms of aggregating liquidity, inviting the right customers, and allowing customers to express interest – not just at one moment in time but throughout a range of opportunities. We give dealers the tools to do several things, such as to counter and take down a position electronically as a risk position between the dealer and the bank; they can also use our AI to identify the top 20, 30 or 50 customers whom it makes the most sense to invite to a trade opportunity (out of, let’s say, 1000). We like to say our platform will help everyone trade smarter in the fixed income markets.”

For both buy-side and sell-side, LTX provides a better pathway. According to Jim Switzer, “Broadridge is one of the largest sources of data, and the only company that’s embracing bigger data and doing something with it.” Dwayne Middleton of T. Rowe Price seconded this assertion: “We’re working on ways to leverage our connectivity to dealers, and the LTX offering is the way to do that, being able to engage on inventory and time that back to our client inventory, I think, was a lesson learned through this crisis – and being able to be more proactive on opportunities.”

Both the buy-side and the sell-side need to focus on pre-trade analytics. LTX makes it possible for broker-dealers to extract not only the most appropriate pre-trade information, but also relevant information during and following the trade; the platform especially empowers buy-side traders to manage this information on a trade-by-trade/order-by-order basis. Jim Switzer added toward the end of the webinar: “You need to understand what the investable universe is, understand that that investable universe is changing all the time, and be able to optimize that investable universe.”

The first LTX live trades have been conducted, and a full platform launch will take place with between 40 to 50 of the largest institutional investors and between 10 to 15 broker-dealers in September 2020.

Leveraging next-gen technologies is part of Broadridge's investment in The ABCDs of Innovation® - AI, Blockchain, Cloud and Digital – helping clients and the industry be ready for next. For a replay of the webinar, please visit www.broadridge.com.