



Clients are front and centre

Jerry Friedhoff of Broadridge and Alastair Chisholm of 4sight explain Broadridge's June 2016 acquisition of 4sight, and what it means for their clients

What attracted Broadridge to 4sight?

Jerry Friedhoff: Regulation and depressed returns on capital continue to drive industry demand for securities financing and collateral management systems. The complexity and speed of regulatory change is also resulting in a preference for buying vendor solutions rather than relying on in-house technology builds. We identified strong growth potential in the securities finance and collateral management technology space. 4sight was acquired to create a best-in-class fully integrated front-to-back office global securities financing and collateral management capability.

The acquisition follows on from Broadridge's January 2016 purchase of the Anetics securities financing technology business. There are a number of synergies between Anetics, 4sight and Broadridge's existing FinancePro solutions, which we are looking to capitalise on. Integrating these complementary solutions together with our global suite of post-trade processing systems will enable us to offer market leading, end-to-end global solutions. Our goal is to support the full securities financing and collateral management lifecycle, from front-office trading automation to back-office clearing and settlement.

What about 4sight?

Alastair Chisholm: Broadridge's market-leading securities processing capabilities broad global client base and financial strength will allow 4sight to bring greater value to our clients. Broadridge has a deep familiarity with 4sight's technology and there is a strong, amicable relationship between our management team and the Broadridge team.

There is also both a good product and cultural fit and the acquisition opens up opportunities for growth synergies in Europe, the Middle East and Africa, Asia Pacific and the Americas. A further benefit of our two companies is that we can leverage Broadridge's well established hosting infrastructure to offer our clients hosted SaaS solutions.

How will clients of 4sight benefit?

Chisholm: Together with Broadridge, we will further strengthen our securities financing, collateral management and synthetic financing capabilities. This will allow us to continue to deliver best-in-class solutions and many years of industry expertise to our clients.

Broadridge's financial strength and global locations will enable us to enhance our worldwide customer support network and drive

significant investment in both the products we offer and the way we deliver them to customers.

How will the two businesses be integrated?

Friedhoff: The 4sight products will be integrated into Broadridge's technology and application portfolio and rebranded as part of Broadridge securities financing and collateral management solution set. This group is part of Broadridge's Global Technology and Operations business segment, which serves banks, broker-dealers and investment management firms globally.

Broadridge will retain the full capabilities of 4sight's solutions and has no plan to close any existing capabilities as a result of the transaction.

Alastair will continue to lead the 4sight business along with taking over responsibility for the entire Broadridge Securities Financing and Collateral Management group. 4sight's presence in Edinburgh, Amsterdam, and Paris will remain in their current locations, while offices in London, New York, Sydney and Toronto will be consolidated with Broadridge's respective offices in those locations.

How are 4sight and Broadridge aiming to expand their offerings?

Chisholm: Broadridge's financial backing, brand recognition, and global sales and marketing distribution will allow us to accelerate expansion and penetration into new and existing markets globally.

We are deeply committed to the securities finance business. We will therefore continue to invest heavily in offering innovative products that help customers to comply with regulatory deadlines, reduce operational workload, optimise financing decisions and maintain profitability.

Friedhoff: Financial institutions face a wide range of complex regulations around the world, as well as increased competition, rising costs, and pressure to transform their operations and business models. Broadridge offers a forward thinking, innovative and entrepreneurial approach to helping clients address these disruptive trends and we are backing this up with strategic investments in emerging technologies such as blockchain.

Our aim is to provide customers with future-proofed securities financing and collateral management solutions that enable our client base to evolve and adapt to meet the challenges of the new market paradigm well into the 21st century. **SLT**