

August 31, 2020

Message from the GPFA Chair

The launch of the Global Peer Financing Association (GPFA) is a momentous event for beneficial owners in the securities financing markets. Beneficial owners have faced a changing landscape on many fronts, from the COVID-19 global pandemic, to technology and regulatory changes, to tightening spreads and market dislocations. The global pandemic has created a significant shift in the markets and in the economy; reference interest rates have approached zero or even gone negative, and over \$15 Trillion in bonds have been issued at a negative yield. In this very low yield environment and volatile market, the need for collaboration and information sharing to generate alternative sources of alpha and liquidity has never been more necessary. GPFA will enable members and non-members alike to work with each other to share knowledge and best practices.

Following the success of our launch in July 2020, the members of GPFA have received a significant number of enquiries and encouragement from many areas. It is clear that there is enthusiasm for this project and we are excited and energized by the positive feedback we have received from our pension fund peers, as well as from other market participants such as sovereign wealth funds, insurance companies, mutual funds, asset managers, other market associations, hedge funds, technology companies, custodian banks and broker dealers.

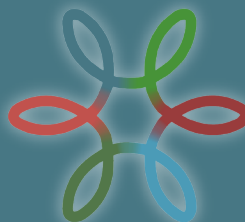
GPFA is looking forward to welcoming new members and expanding the conversation. We are committed to connecting members as they work together to grow their peer financing activities with each other and with the broader market. We recognize that each beneficial owner organization is at a different stage of development in this area; some are just beginning to explore the opportunity while others are actively trading with one another today. GPFA is looking forward to supporting all beneficial owners no matter where they are in their process.

GPFA intends to establish best practices, governance and market transparency guidelines for beneficial owners. This will require a robust conversation amongst all stakeholders, from lenders to borrowers and potentially administrative partners. We are interested in establishing partnerships with other likeminded individuals or associations from all areas of the market. We believe a wide variety of participants are required to create a robust market with healthy transparency and liquidity.

It is during times like these that securities financing efficiency becomes even more important. Peer to peer trading has been an underutilized tool for beneficial owners, but as GPFA grows, it will become a great resource for beneficial owner members to access.

Robert Goobie
Chairperson
Global Peer Financing Association (GPFA)

Better Together



An Association of Peers,
by Peers, and for Peers