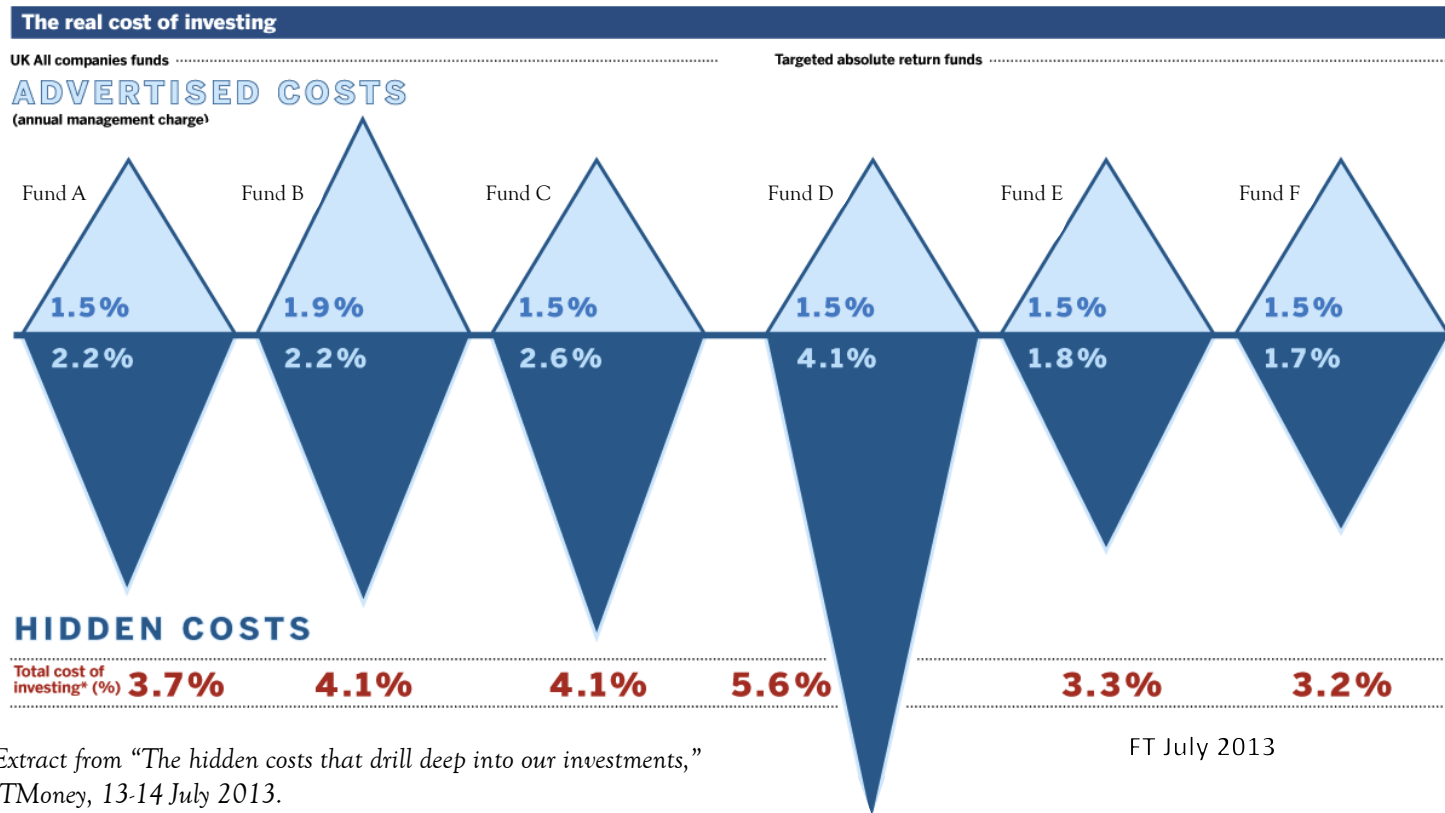




Bringing investors and listed companies together in a transparent, compliant way



Increasing transparency & reducing cost for investors



Source: Extract from "The hidden costs that drill deep into our investments," FTMoney, 13-14 July 2013.

- Why has the UK regulator (the Financial Conduct Authority, FCA) been looking at this ?
- What exactly is broker commission and why does it matter ?

Corporate Access – an 18 month journey

Nov 2012 “Dear CEO” letter, Nov 2013 CP13/17, May 2014 PS14/7.

THE TRADE
WORKING FOR THE BUY-SIDE

HOME NEWS DERIVATIVES PUBLICATIONS EVENTS BLOG TRADE TV WHITE PAPER

Click here to receive your FREE TRADE NEWS EMAIL ALERTS

CONTACT US
Sales: Marc Carolissen +44 (0) 20 7397 3807

Francisco César +44
Nick +44

Home > News > Trading & Execution > Brokerage

BROKERAGE

May 08, 2014
FCA tells brokers to play ball as unbundling rules finalised

Equity research income set for 50% crash
By Steve Johnson

UK-based investment banks and brokers equity research income set for 50% crash in the UK and beyond.

IFR
INTERNATIONAL FINANCING REVIEW
THOMSON REUTERS

Friday, 23 May 2014

HOME PEOPLE & MARKETS BONDS STRUCTURED FINANCE LOANS EQUITY

FCA to clamp down on misuse of equity commissions

By Sam Fleming

Investment managers in the UK are to be prevented from using dealing commissions to purchase access to senior executives in companies in which they invest.

The Financial Conduct Authority said money managers should only use client



“If the investment manager does pay dealing commission to a broker in return for execution and substantive research goods and services, and the manager also attends Corporate Access meetings for ‘free’ facilitated by that same broker, the investment manager may want to consider ways to mitigate and manage any risk that they are subsidising Corporate Access that benefits the firm, with dealing commissions charged to the client.” (p17, 2.14)

INVESTMENT WEEK

Home News Opinion Bull/Bear Interviews Big Question Features Events Audio

UK Global Fixed Income Managed Specialist VCTs/EIS

Where am I? - Home - News - Investment

News - Investment

FCA reveals final dealing commission rules

REUTERS
EDITION

HOME BUSINESS MARKETS WORLD UK TECH MONEY OPINION BREAK

FCA tightens rules on how funds use commissions

LONDON | Thu May 8, 2014 10:43am BST

0 COMMENTS Tweet (1)

New Model Adviser
Powered by citywire

Home News Your Business Investments Your Community Get Magaz

Sponsors of Citywire search Search Citywire

New Model Adviser @ - News

FCA sets out final rules to curb dealing commission misuse

by Max Sjöström on May 08, 2014 at 10:37

Comment Print

Don't worry about the politics, look at the companies

The legs of the new Financial Conduct Authority director of London April 1, 2014

- FCA Policy Statement 14/7, effective as of Mon 2nd June 2014:
- Introduces an explicit prohibition on the use of client commissions to pay for corporate access services.
- A formal obligation on asset managers to disaggregate – and price - bundled service offerings into their constituent parts.
- Only execution and Substantive Research can be paid with client commissions, the rest must be separated out.
- Where “free” corporate access is received from a provider with whom there is also an execution or research relationship the asset manager must ensure it is not inadvertently cross-subsidising the cost of that access via commissions spent on other services.
- New price tests to deliver this, either the cost of independent provision, or the cost of establishing an internal capability.
- Meetings with corporates at conferences do constitute access – so cannot now be paid for from client commissions.
- A new presumption of a breach of the rules if non-eligible costs are charged to dealing commissions.
- Threat of enforcement action post 2nd June, comment that concerns were set out in Nov 2012, “we would expect firms to have implemented change by this stage.”

Why is this relevant, what does it mean ?

For a UK based asset manager

- The existing regime will change. Asset Managers will move in three phases:
- 1). A small number of large, sophisticated houses who understand the issues will lead the change through weight of assets.
- 2). A second phase will follow once the leaders have set the direction.
- 3). A third phase will come based on economics, when the sell-side starts charging for access as research spend falls.

For an Italian listed company

- This will likely impact how your UK based shareholders seek to engage with you.
- It is likely to mean more incoming, direct contact from investors, further straining IR resource.
- These rules are likely to be rolled out to the EU27 via MiFID II, effective in 2016.

For the wider market

- Don't be under the illusion that a service which is nominally provided "for free" comes at no cost.
- This could herald a material change in how large investors and quoted companies communicate.
- The outcome should be greater efficiency, transparency and better performance. It should be a good thing for both the end investor and the quoted company.

Appendix

A new low cost, transparent system for corporate access

Group breakfast

FY Results

🕒 28 Mar 2014, 08:00 - 09:00

📍 RAC Club
89 Pall Mall
London, SW1Y 5HS

👤 [View attendees](#)

3
REQUESTS

Request a spot

- **ingage** has been created by senior investment professionals to develop an intuitive, efficient and low cost way of running roadshows
- A state of the art platform for arranging corporate access, which fully complies with FCA regulations regarding the use of client commissions
- **ingage** levels the playing field by putting access back in the hands of investors and the companies who want to meet them



- Accessible on any web enabled device plus dedicated apps with push notifications

Supports integration with Exchange







Built On



- Software continually evolving to build new functionality in response to client needs and requests
- Integration with industry standard software solutions
- State-of-the-art, scalable, cloud hosted IT platform

The **ingage** Team

<p>Michael Hufton Managing Director</p> 	<p>Simon Mohamed Director of Engineering</p> 	<p>Robyn Harrington Operations & Logistics</p> 	<p>Claire Carr Operations, Logistics & HR</p> 	<p>Gaby Howe Sales & Account Management</p> 
<ul style="list-style-type: none"> ➤ 18 years buy and sell side experience, in fund management, analysis and institutional sales. ➤ Most recently partner on Polar Capital's European long/short equity team. ➤ Prior to that roles in fund management and analysis at Sloane Robinson and Trinity Street Asset Management and as a partner at Cazenove & Co. 	<ul style="list-style-type: none"> ➤ 18 years software experience, most recently Principal Programme Manager at Bing, responsible for engineering & implementation for Bing Internationally. ➤ Previous engineering & project management roles at Yahoo, Macrovision, Avaya and Novell. ➤ Managing a dedicated, flexible sub-contracted engineering team in Poland, currently 6 people. 	<ul style="list-style-type: none"> ➤ 15 years experience in operations and logistics. ➤ Most recently ran roadshow logistics at MainFirst Bank with particular focus on reverse roadshows. ➤ Previous roles within roadshow teams at HSBC and Citi and Britvic's IR team. 	<ul style="list-style-type: none"> ➤ 11 years experience in Human Resource Management. ➤ Most recently HR Business Partner at Baker Tilly. ➤ Previous role at Raytheon Systems. Specialist experience in Employee Relations, Marketing and Training and Development. 	<ul style="list-style-type: none"> ➤ 15 years experience in Investor Relations & Corporate Broking. ➤ 10 years in Investor Relations at Carlton Communications plc. ➤ 5 years in Investor Relations within Corporate Broking at UBS.
<p>Georgie Child Sales & Account Management</p> 	<p>Katherine Cunniffe Sales & Account Management</p> 	<p>Rozzi Walton Sales & Account Management</p> 	<p>Kristina Farrell Sales & Account Management</p> 	<p>James Badcock CFO</p> 
<ul style="list-style-type: none"> ➤ 14 years experience in institutional European equity sales. ➤ Most recently Director at Deutsche Bank. ➤ Previous role at Cazenove & Co. 	<ul style="list-style-type: none"> ➤ 17 years experience in financial services. ➤ Most recently Director in UK Equity Sales at JPMorgan Cazenove. ➤ Previous roles at Cazenove & Co and KPMG. 	<ul style="list-style-type: none"> ➤ 10 years experience in institutional European small/mid cap equity sales. ➤ Most recently Director at Citi. ➤ Previous role at Cazenove & Co. 	<ul style="list-style-type: none"> ➤ E-commerce start up experience. ➤ Consultant in consumer insights, category strategy and category management. ➤ Over 10 years FMCG and retail marketing and research experience agency side and client side Kimberly Clark. 	<ul style="list-style-type: none"> ➤ Joined Altima Partners in 2004 as partner & CFO. ➤ Joined Baring Private Equity Partners in 1996 becoming Chief Financial Officer in 2001. ➤ Chartered Account qualified in 1995 with Smith & Williamson.

Working in partnership



- Engineering & Development partnership with SMT Software, a public company quoted on the Warsaw Stock Exchange.
- Team of 500+ IT professionals gives the ability to scale and do integration & co-development work for ingage clients.
- Partnerships with Microsoft, Oracle & HP.
- Clients include Google, Santander, Crédit Agricole, Deloitte, Toyota & Raiffeisen.



- Long term partnership with Vetch Mahne in PR and video production.
- Vetch Mahne's core skills combine directing PR campaigns for financial services companies over the past two decades, with senior print and broadcast journalist experience from the BBC and CNN both in the UK and abroad.
- Clients include ingage, the FCA, Coca Cola Enterprises, Boxwood, Abide Financial and Arle Capital Partners



- Partnership with Panoptic Europe, equity distribution specialists in Asia, to provide high quality institutional investor contacts and roadshow logistics support in Asia.
- Ability to deliver roadshows in Hong Kong, China, South Korea, Singapore & Australia, supplementing our own capabilities in Europe and North America.

Current Functionality

ingage offers corporates...


- **Bespoke Platform:** A host of functionality making roadshows more efficient and effective. Meeting allocation at your fingertips.
- **Real Time Itineraries:** A dynamic system with real-time itineraries and mapping. Quantitative information on meeting requests and bookings. Automatic alerts to fill cancelled meeting slots.
- **Contact Database:** Accurate, user-maintained database of investors. Instant access to previous and current notes, feedback and profiles to inform your decisions and meetings.
- **Online Roadshows:** Ability to host live and archived webcasts, expanding your potential audience.


ingage offers institutions...


- **A New Model:** Clear and transparent access to the senior management of some of the world's largest companies. All the information to manage meetings in one place.
- **A Roadshow Platform:** Investor dashboard displays all roadshows on the platform. Searchable archive of previous events. Automatically syncs with Outlook. Reverse roadshow functionality.
- **Real Time Meeting Management:** Alerts highlight new roadshows and vacant meeting slots. Ability to request group meetings and 1on1s. Roadshow details accessible on any web enabled device.
- **Digital Meeting Assistance:** Itineraries with company profiles and map views of meetings. The system acts as a chaperone when on the road in unfamiliar cities.


New Platform Features


Recent

 **Two way feedback:** Direct feedback with an ability to define your own question set per roadshow

 **Podcasting:** Deliver key roadshow messages via a podcast on the platform

 **Notes:** Helps structure your meeting notes in a way that enables useful reporting and insights

 **Reporting:** Includes reports on meetings, notes, 'watchers' and feedback

 **Company 1on1 requests:** Qualified 1on1 meeting requests made directly on the platform

Upcoming



ISO 27001:2005: Information security management system certification providing transparency, confidence & trust in how *ingage* handles your data



Co-ordinator support: View and control meetings and profiles for your entire team



Roadshow content: Upload & control distribution of roadshow content; results release, slide pack, etc.



Enhanced navigation: including via public transport systems on iOS



Pre-meeting preparation: request topics & ask questions you'd like covered in the roadshow

Clients on board so far...

Corporates



Institutions



Strong Balance Sheet

- Enterprise Investment Scheme (EIS) compliant company. £760,000 1st round equity capital raising completed in Sept 2013, 2nd and final EIS round planned in June 2014.
- Banking relationship & secured flexible lending facility with Svenska Handelsbanken AB.

Alignment

- Shareholder & staff incentives fully aligned, over 70% of the business employee-owned.
- Employee remuneration upside through a share in Group profits and dividends, not bonuses.
- All staff have equity ownership in the business with 3 yr vesting via EMI options, with stock retained for future staff as we grow.

The Team

- A team of 10 phase 1 staff.
- Several phase 2 staff have been identified in other geographical regions. They will join the team formally as we scale.
- Flexible, outsourced engineering team based in Poland.