



The future of block trading is now

Following the recent announcement from the not-for-profit industry group Plato Partnership of its collaboration with pan-European MTF Turquoise, Best Execution was granted an insight into its aims and aspirations.

What are you announcing?

Plato Partnership is a not-for-profit industry group representing the buy- and sellside with a vision to improve market structure in Europe and reduce transaction costs. Participation in Plato enables market participants who have a desire to change markets for the better to turn ideas into action. The composition of the parties around the table at Plato makes this a truly unique proposition.

On 6 September, Plato announced that it had appointed Turquoise, a leading pan-European MTF as its preferred partner. This decision was made following an extensive selection process, with Turquoise having displayed a secure and rapid

route to market, demonstrable innovation and an alignment with Plato's guiding principles. As part of this partnership, Turquoise will rebrand its non-displayed services as Turquoise Plato™.

Turquoise Plato™ represents the first time that the buy-side, the sellside and a trading venue have come together to deliver increased efficiencies in anonymous European block trading. This marks a significant milestone for the industry and will enable the most efficient and effective dark trading venue in the market.

What is Plato trying to achieve?

The Plato consortium's key aims are to increase

The Plato Partnership spokespeople pictured from left to right comprised:

- James Hayward, Principal, Strategic Investments, Goldman Sachs
- Mike Bellaro, Plato co-Chair and Global Head of Equity Trading, Deutsche Asset Management
- Nej D'jeral, Plato Co-Chair and Managing Director, Head of Electronic Equities Product, EMEA, Barclays
- Robert Barnes, CEO of Turquoise



transparency, reduce trading costs, simplify market structure and act as a champion for end investors.

Our Market Innovator (MI3) is integral to what we are trying to achieve and will guide what future market challenges Plato will address. Academic research is central to our vision and MI3 will produce independent research – open to peer review – that will determine the ways in which the Plato community can collaborate to build a better financial ecosystem. We are inviting interested parties – both existing Plato members and beyond – to submit their ideas on where they believe we should be focusing our research via our website.

Why have so many firms become involved with Plato?

Firms have been quick to realise that the creation of an innovative organisation to improve equity markets, based on a not-for-profit ethos and value chain representation, is a truly unique proposition.



“We are bringing the experts from both Turquoise and Plato together to come up with future innovation to improve the block trading experience for end investors.”

Mike Bellaro, Deutsche Asset Management

“This partnership is all about anticipating how the characteristics of trading are going to change and how we can deliver the best solution for all market participants.”

Nej D'jeral, Barclays

There is no other forum in the market that does what Plato does. Participation in Plato enables market participants to turn ideas into action. If you are a firm and you want to be at the heart of the future of this evolution, you need to be engaged and not on the sidelines.

Are you open to other organisations joining Plato?

Yes. Plato is an overtly open and inclusive project. We want as many organisations with an interest in shaping the future of block trading and how markets fundamentally work to participate in what we are doing and bring new ideas to the table. Ultimately, we are trying to do something for the greater good of the marketplace and we invite all market participants to help us deliver this change.

Why are you launching this now?

Changes to markets, regulations and participant profiles have had a significant impact on the buy-side's experience of trading in size. Prompted by this ongoing deterioration, and in anticipation of further changes prompted by MiFID II, we believed there was a need for a consortium of market participants to come together to find a way to improve the markets of tomorrow.



“We have something today that is really working – and the partnership between Plato and Turquoise is about taking this to the next level. The future of block trading is now.”

Robert Barnes, Turquoise

What are the drivers?

We have created a simple governance structure where each voice around the table is given equal weight, which allows Plato to be both nimble and innovative. The way Plato is structured, coupled with the underlying ethos, which members have fully bought into, ensures we have created an organisation that will drive the change the market so desperately needs. The proposition is far stronger in partnership, when all parts of the value chain come together, because it focuses the market’s attention on something that is already working extremely well. From Turquoise’s perspective, the challenge is now all about scale, which this partnership will deliver, while from Plato’s perspective, this ensures that from day one there is a venue that is already working and can deliver a real impact for market participants.

Which organisations make-up Plato’s current membership?

Members include AXA Investment Managers, BlackRock, Deutsche Asset Management, Fidelity International, Franklin Templeton Investments, Norges Bank Investment Management, Union Investment, Barclays, Bank of America Merrill Lynch, Citi, Deutsche Bank, Goldman Sachs, Morgan Stanley, and UBS, and firms currently undergoing the membership process include JP Morgan. ■

“This partnership between Plato Partnership and Turquoise is a hugely important development for the marketplace. The collaborative nature of the initiative; bringing together the buy and sell side, as well as utilising the established industry knowledge of Turquoise alongside Plato Partnership’s not for profit ethos, makes it a unique equities solution, and one which should soon gain strong momentum.”

Paul Squires, Global Head of Trading and Securities Financing at AXA Investment Managers

“This partnership with Turquoise seems like a natural choice for Plato Partnership to work towards its goal of enhancing the fairness and robustness of future markets, as well as reducing complexity in the marketplace.”

Øyvind Schanke, Chief Investment Officer for Asset Strategies, Norges Bank Investment Management

“This grouping of thought leaders coming together to solve big market structure issues of the day is a compelling proposition and represents a huge opportunity both for our clients and for the market more generally.”

Christoph Hock, Head of Multi-Asset Trading, Union Investment