



***Recap:***  
***Fixed Income***  
***Institutional Roundtable***  
***August 2014***

On August 14, 2014, the BDA held its Annual Institutional Fixed Income Roundtable at the Trump International Hotel & Tower in Chicago, IL and sponsored by:

- [Bloomberg TOMS](#)
- [Broadridge](#)
- [MarketAxess](#)
- [TMC Bonds](#)

This event brought together over 50 attendees with heads of fixed income from over two dozen middle-market firms. Attendees discussed key business, market practice and regulatory issues directly impacting the US fixed income markets.

The roundtable kicked off with an interactive discussion led by Brian Brennan of KeyBanc Capital Markets and Andy Harding, Fixed Income Chief Investment Officer, PNC Capital Advisors. Andy provided a view from the buy-side including challenges he's seen in the market including a focus on financial fundamentals, positive trends and what he sees for the future in electronic trading. Specifically, attendees discussed the following:

- Execution versus price for a security and how managing the two are important
- Diversification of portfolios without sacrificing liquidity
- The importance of inventory and if it matters how deep your inventory is;
- How the buy-side and sell-side can work with one another to better manage the market
- Understanding the importance of the regional dealer and delivering the best information and value to your client

Next, attendees heard from a panel of industry participants who discussed market

conditions, fixed income strategy, electronic platforms and the future of fixed income trading. Discussion was moderated by Dan Leland, Executive Vice President, Southwest Securities and included input from:

- Calvin Sullivan, Chief FI Strategist, Raymond James
- Richard Shiffman, Open Trading Product Manager, MarketAxess
- Jim Wangsness, President, TMC Bonds
- Cacuts Raazi, Head of Institutional Credit, Tradeweb Markets

Panelists discussed the following:

- The impact electronic trading is having on the market
- The concern with all-to-all trading and how the role of certain market participants could be altered especially as it relates to client interface
- The continued importance to the investor of having personalized attention from their dealer especially when it comes to assessing the value of an illiquid bond in an opaque market
- The importance for all firms to be constantly evaluating electronic platforms in order to determine which ones help you do your most efficient business especially as it relates to risk-sharing and a more broad interaction with the market
- The role of the trader and how important it is for communication with the investor
- Know your customer and suitability requirements and the importance in communicating with your credit department and sales personnel
- The challenge in changing investor needs and how important it is to stay on top of subtleties in the marketplace
- The desire to help the regulator better understand that a broad inquiry does not necessarily equal better service and how this is especially true the more complicated the story around the security
- The future of electronic trading and how firms are adapting and preparing for alternatives which offer different protocols and solutions and more

We wrapped up the day with a discussion on regulation and the impact on middle-market dealers and how firms are adapting. Attendees discussed the Volcker Rule, the SEC's Municipal Continuing Disclosure Cooperation (MCDC) Initiative, the to-be-determined definition of riskless principal as well as MBS margining and MSFTAs and the use of the repo market generally. Firms discussed the ongoing challenges with the MCDC initiative and in particular, as it relates to the inequities in the civil penalty levels established by the SEC in their recent modifications. Firms are also concerned with the lack of clarity around the SEC's vision of material under the Initiative and some various approaches firms are taking when deciding

how to comply with the Initiative.

Afterward, there was a networking opportunity provided at the reception and dinner where attendees established new relationships among industry colleagues. You can access the full day's agenda [here](#).

Register today for the BDA's upcoming National Fixed Income Conference to be held at the Trump International Hotel & Tower in Chicago, IL on October 2 & 3, 2014.

For more information about BDA's National Fixed Income conference, including how to register, you can click [here](#).

We hope this information is helpful. Feel free to contact the BDA with any questions.

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