

Dear Fellow ACI FMA Members,

Thank you very much for the support you have shown the ACI FMA, and for helping us build together the opportunities we have. Thank you especially to those of you who took the time to analyse our proposals and have provided constructive challenge. The Management Board and I are listening to your feedback and ideas and acting on what we're hearing. Please keep the advice coming. As we approach the Council meeting in Prague, we invite anyone present to join the last Steering Committee meeting, which will be held there, as your inputs on our future direction will be welcome.

We have heard that many members have been wonderfully busy over the past 6 months with local activities of all sorts – I have been pleased to be able to attend a small number of them, and to witness first-hand the enthusiasm of the leadership. Congratulations to all of you who have been actively pursuing your ACI FMA local agendas, and providing value to your members.

At ACI FMA International in Paris we have been extremely excited by the future, as it is opening up nicely for us. We are here to serve the needs of members in the wholesale financial markets, and to do that, we have put all of our emphasis on building a stronger foundation. Our work will lead to the resources to equip the ACI FMA for the future, and to impact the industry in your communities. The Management Board is leading the effort to articulate our core global strengths, and to position the ACI FMA for new growth. We aim to provide for your needs and how we can best support you.

In preparing to write this, I looked back at some of the early communications with you, from the inaugural speech made in Berlin at the ACI World Congress, to a variety of emails exchanged with many of you. I thanked you then, as I do now, for the opportunity to work with you to re-establish the grandeur of the ACI FMA, and to have been chosen as your President. Included in this was a letter I sent to Council called "The First Hundred Days" (which I attach here for you as well), and in which I outlined the programme we would try to accomplish together. What strikes me is how accurately we forecast the market's needs, and how we could reposition ACI FMA to use our strengths to work closely with the industry. Indeed, this is what we are doing, and what we will need to continue to do. There is a tremendous amount of rebuilding left for us to accomplish together, don't you agree?

However, it is clear that there was a need for ACI FMA, and what ACI FMA does best: we have long been the origin of much good work on ethical conduct via The Model Code, and for networking amongst individuals, and for education in FICC-based financial markets, through our Dealing Certificate, Operations Certificate, and Diploma. And while the ACI membership remained focussed on our individual accountabilities as members, and we took codes of conduct seriously, it is clear that much of the rest of the market paid insufficient attention to this. The pain to the industry has been enormous. Not only have the reputations of many major players been tarnished, but the financial cost to the industry and to the global economy has been enormous. The ACI FMA should have been in a position to help, but it wasn't. This is what we need to fix.

The foundations of our new house need to be based upon three areas:

- 1) A Strong Vision – we need to know what we want to achieve, and why we believe it.
- 2) Good Governance – we need to make better decisions, and be accountable for them.
- 3) Funding – we must have the ability to operate in a professional environment, and to support the many activities of merit that take place with the support of our members.

Let me bring you up to date on recent advances at ACI FMA, as examples of the programmes we are working on. We will provide more detail ahead of and in Prague:

Three Strategic Functions Driven by our Vision

We are repositioning the organization internally to be more effective in advancing our mission. Three strategic functions will now drive ACI FMA: The ELAC Portal will be central to our work, bringing much needed revenue to the Association as well as a centrally themed product of incredible value to our industry. While the investment in ELAC is only six months old, we have already sent invoices to recover half of that amount, and many are showing strong interest. For the ACI FMA to have such a themed purpose is natural, given our long held views of the value of ethical conduct and our Model

Code. Under the new leadership of Christian Buschmann, our second theme of Education is getting stronger. The Board of Education has worked hard to reposition and grow our capacity, and the future, with the merger of our education suite with new technologies, will bring the ACI FMA education platform up to the highest standards. We have focussed our efforts, cut unnecessary expenses, and are forging agreements with governing bodies that will broaden our distribution and value. All of this leads to member certification via our network, which responds to the requirements of our regulators and the needs of our members. To be a member of ACI FMA has value, and we must guard that value.

Increased Society Funding

In fiscal year 2014, the ACI FMA planned to spend more than it was drawing in revenues, with the same challenge being presented for 2015. To redress this imbalance, we require increased funding for the ACI FMA. As we again do not want to raise member dues, set at EUR 35 per person per year, we have sought to build alternate sources. Each member has exclaimed that they would easily be able to achieve more if we had better funding arrangements, and we must find a way to help. In Prague, we will explain the details of the opportunity, and how we should best govern this. Already, with the ELAC Portal showing such promise, we should soon be in a position to increase our spending again and retain a surplus for future generations. We will remain targeted on education, ethical conduct, member outreach, industry awareness. We can use these funds for extending our mission worldwide. As our partners, National Associations play a critical role in localizing our international mission in the cities and regions where we work. In fiscal year 2016, we would like to increase National Association fund by sharing 10% locally produced ELAC Portal revenues with you. If you are not currently aware of the full extent of ELAC, I encourage you to speak with us so you can benefit from these increased resources.

Doubling (or More) the Distribution of ACI FMA Certificates and Diplomas

Our community of 12,000 members and 65 National Associations, each with its own local membership, represents the largest individual members professional association in wholesale financial markets, but today we are not known as such. Our ambition is to have the value of the ACI FMA recognized by a much wider audience. For this reason, we will be deploying a share of our revenues on branding and awareness. Our engagement with the important work at the BIS, the Fair and Effective Market Review and the FICC Market Standards Board will launch a major brand campaign in key markets. Watch out for it. The FSB is watching and aware of us, and we must deliver, as it impacts all of us around the world.

Investing in Technology Improvements

To serve members better, we are investing in a core digital transformation project as part of the ELAC Portal that will modernise our IT infrastructure and improve our technology capabilities. We will also improve the technology that serves our National Associations via our website. We simply need to do a better job at relationship management with institutions that will allow us to be more effective in managing our relationships worldwide.

Various other Activities

We continue to rely heavily on our members' committees, and look forward to their contributions. The output and high quality of the ACI Model Code, stemming for many years from the Committee for Professionalism, has allowed us to make a legitimate claim during the time of ethical challenge, and has resulted in us participating actively at senior levels. The ACI FX Committee has proven popular, and continues to stimulate lively debate. The ACI MMLWG has been meeting, and they have attracted interest from a variety of members across Europe. Lastly, as a result of the demand from our members, we have sought, successfully, a number of members to volunteer to join the new ACI Fixed Income Committee, enabling members to contribute to the development of a programme there.

Our Board of Education has new-found commitment to excellence, and is working closely with Brigid and others to deliver a result that we can all endorse. Among their initiatives will be the provision of Continuous Professional Development, or CPD credits, for work associated with the ACI FMA, either through Education or attendance at our events. This allows us to respond to the growing market need for professional accreditations.

We have had to repair the finance/treasury work left behind by those previously involved, and the Management Board has benefitted greatly from the personal dedication of our new Treasurer, Alain Strapart and supported in Paris by Patricia and Deborah. We are thankful for their commitment.

Also, we can look forward to a report from ACI Euribor on the changes on ACI Euribor, and the resumption of more connections and opportunity in that arena.

ACI FMA has articulated an ambitious, transformational agenda for the coming years. We want to demonstrate to you the value you receive from us. It is a work in progress. Stay tuned.

Warm regards,

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President

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