
The role of infrastructure institutions in the development of mutual fund markets

Mutual Fund Market Forum
Moscow, November 2nd, 2017



Agenda

I- Development of Mutual Funds Markets: pre-requisites and key drivers

II- International market infrastructures: the challenge of cross-border investing

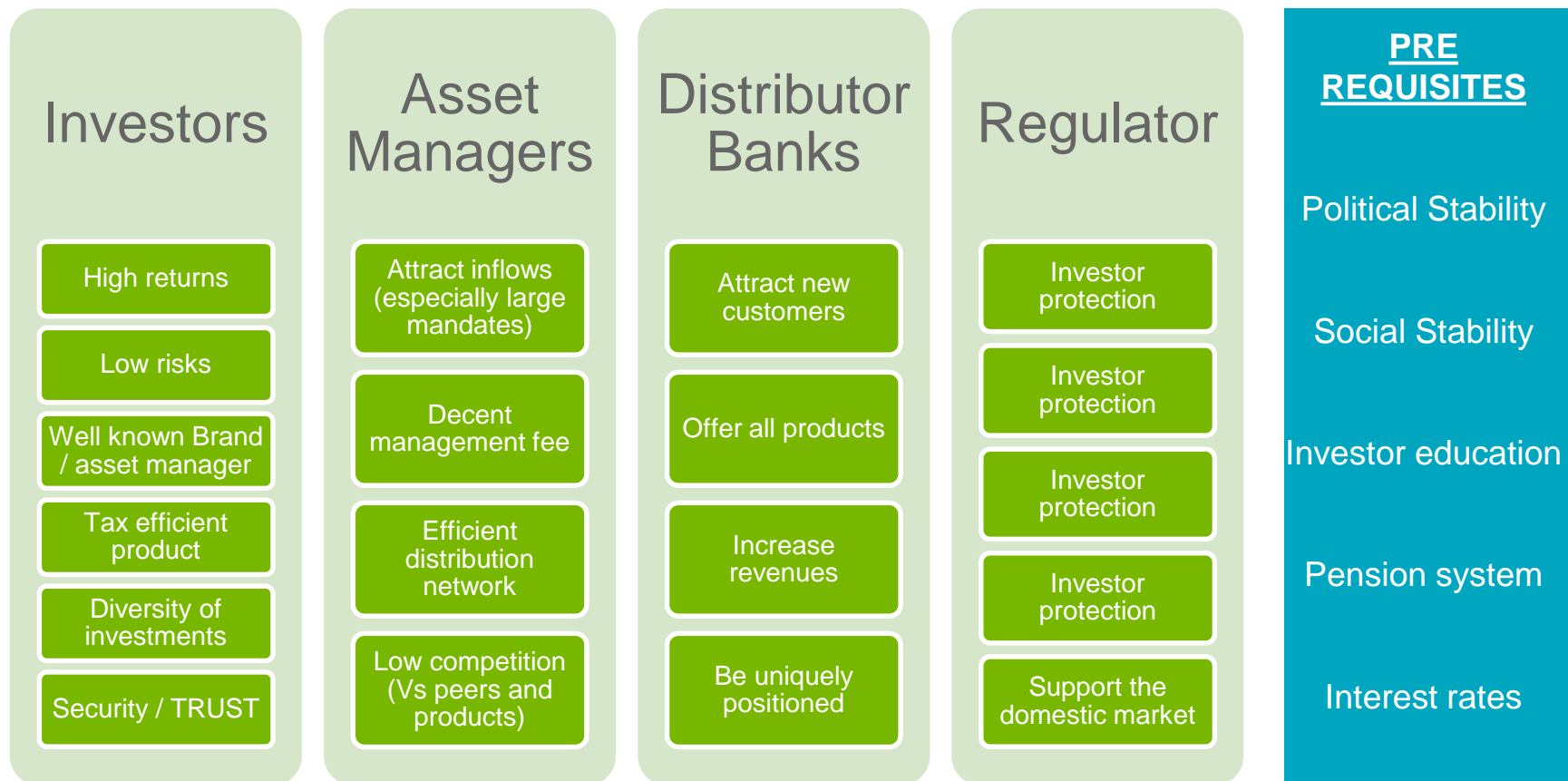
III- Outlook / Conclusion

Development of Mutual Funds Markets

Pre-requisites and key drivers



Pre-requisites and stakeholder's expectations



A few markets / examples



- Regulation: all UCITS funds can be distributed without any restriction.
- Strong demand (retail and institutional). Saving plans are encouraged.
- Broad distribution network: banks, insurance companies, independent advisors, multi-management.
- Secure and transparent investment process.
- Offer stimulated by trailer fee payments (will evolve with implementation of Mifid II).

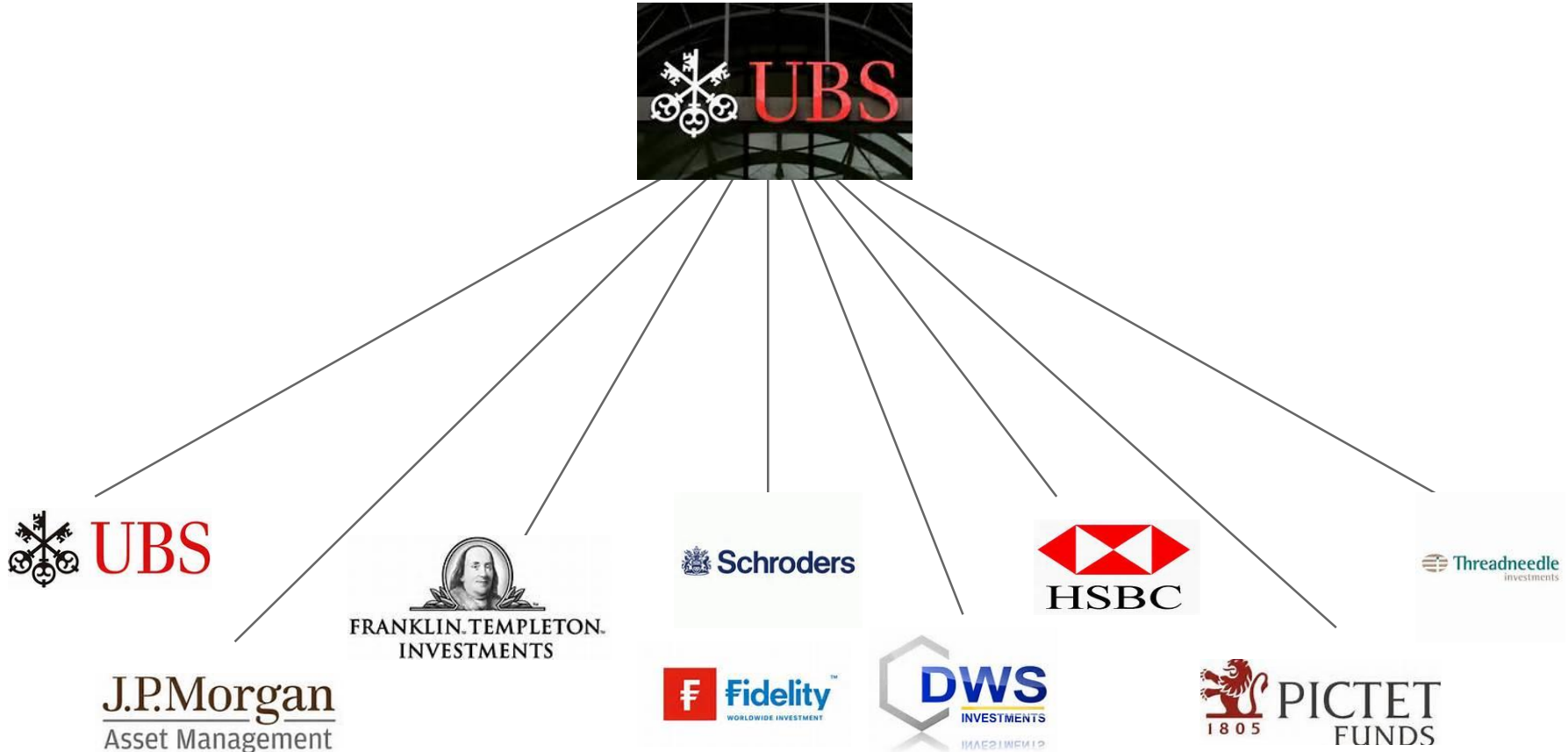
International market infrastructures: The challenge of cross-border investing



The challenges imposed by Open Architecture

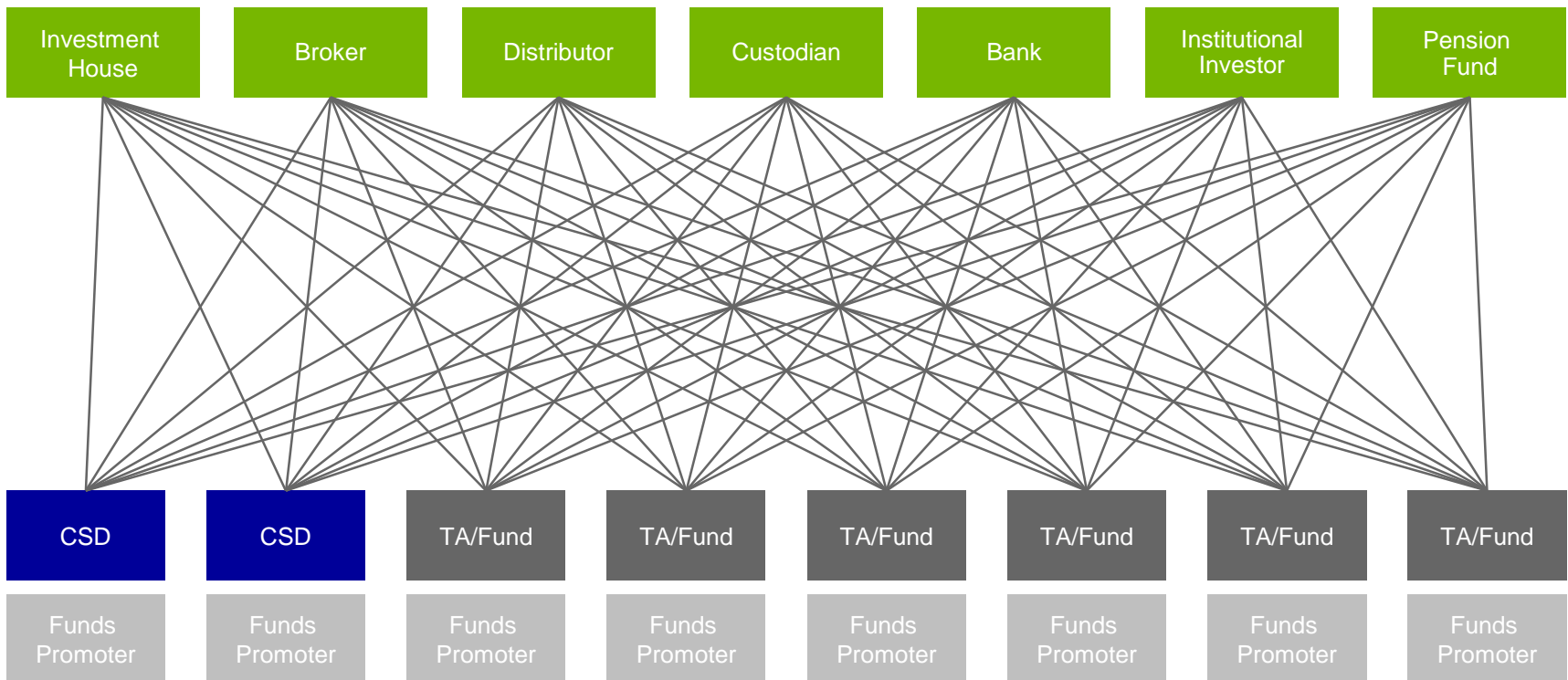


The challenges imposed by Open Architecture

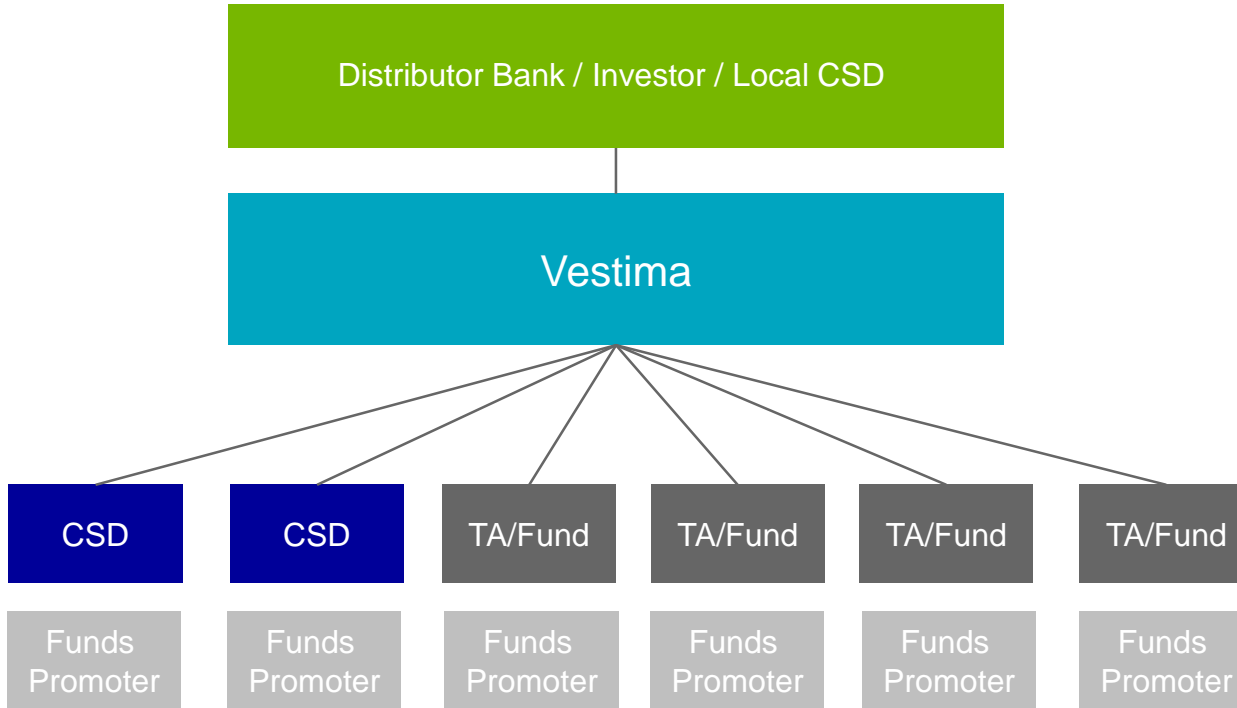


The Investment Funds World today

“Open Architecture”



Clearstream's market infrastructure



Our core beliefs

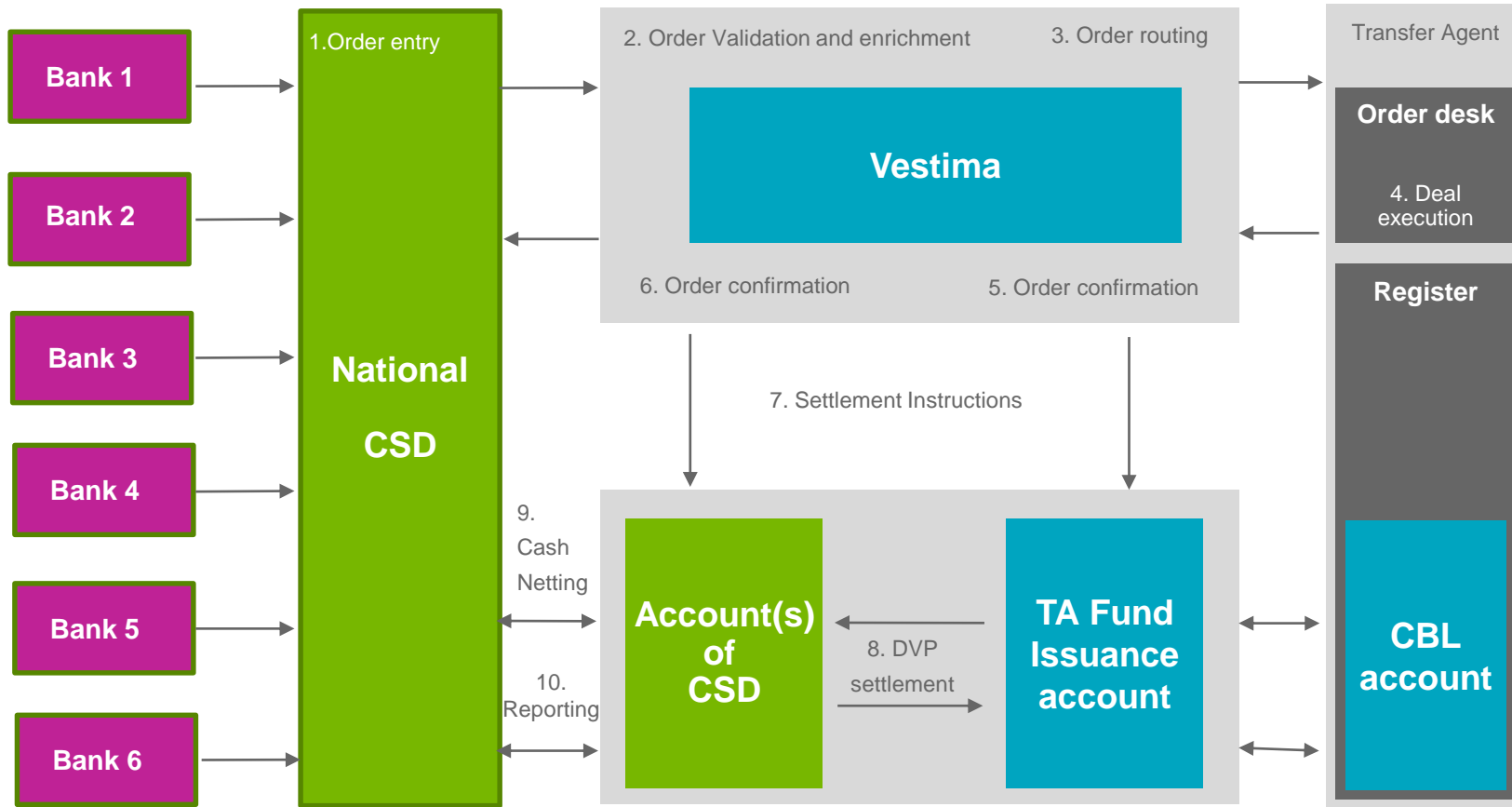
- Investment funds should follow the same trading, settlement & custody process as equities and bonds wherever possible
- Vestima: A standardised and automated order management & central custody solution for institutions

Facts & Figures

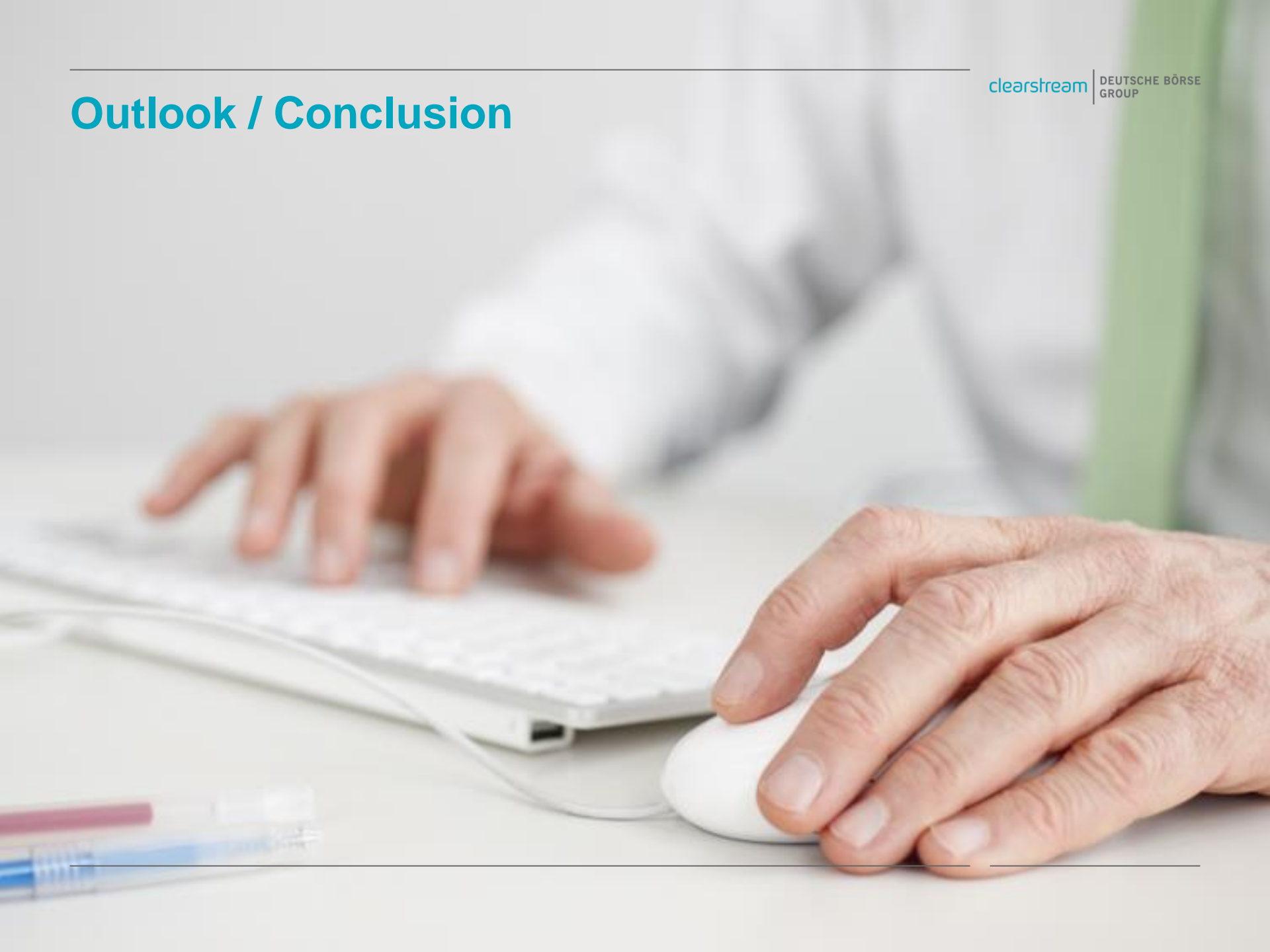
- Over 190,000 ISINs on Vestima (from around 1,000 asset managers in 40+ fund jurisdictions)
- Around 1,000 customers in 73 countries use Vestima as a unique venue for funds processing (mutual funds, ETFs, hedge funds)
- Customer segments cover universal banks, private banks, retail banks, global and local custodians, asset managers, fund platforms and other Institutional investors
- 13 million STP transactions per
- €700bn international fund assets deposited in Clearstream, €2.3tn funds in total.

- **Efficient cash management** due to netting of redemptions and subscriptions
- Risk reduction due to **DvP/RvP** mechanism
- Unique channel for **Order Routing**
- Central settlement in a single account within Clearstream
- Efficient electronic **reconciliation** with one counterpart
- Full **asset servicing** (corporate actions and dividends) and reporting.

Processing Model



Outlook / Conclusion



THANK YOU FOR YOUR ATTENTION

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