

Clearstream

Vestima – One-stop shop for funds

Discover our investment fund solutions built on asset
safety and distribution efficiency



One-stop shop for funds

Vestima – Offering order routing, settlement and asset servicing for all fund classes

Vestima bundles Clearstream’s entire suite of investment fund services providing order routing, settlement and asset servicing for mutual funds, exchange-traded funds (ETFs) and alternative funds. The Vestima service offering is available for customers of Clearstream’s international central securities depository (ICSD) and our CSD in Germany.

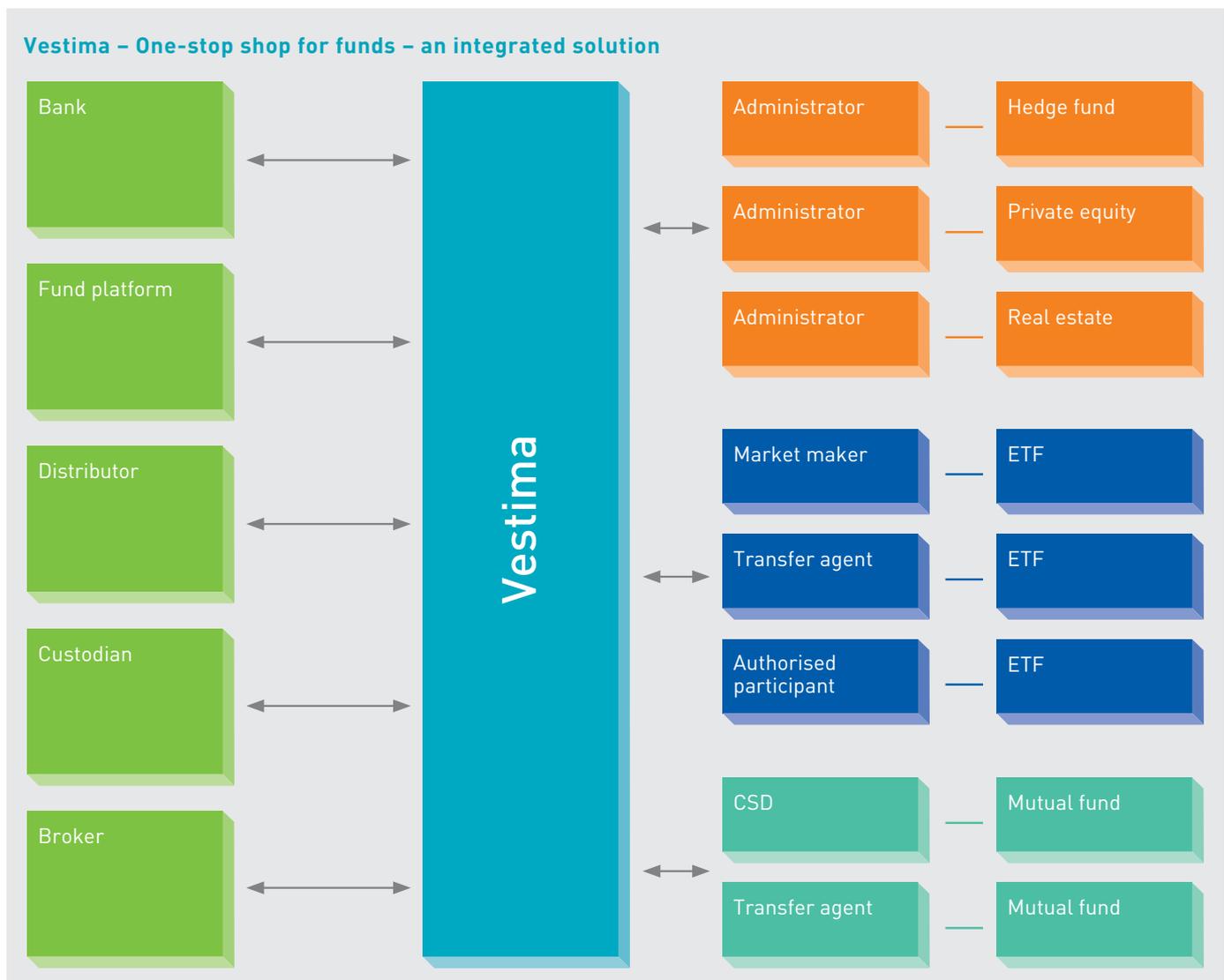
Efficiency gains

Customers of our Vestima offering realise efficiency gains through automation and centralisation of consolidated fund holdings. Operational

efficiency is significantly increased through DVP settlement, the synchronous exchange of cash and investment fund shares.

Asset safety

Customers are increasingly looking to Clearstream to bolster their financial infrastructure security in order to comply with recent developments on the regulatory agenda including new rules on risk mitigation.



Asset safety

Clearstream holds strong, long-term AA ratings from major international rating agencies, which once more reflect Clearstream's focus on risk management and operational efficiency as well as the strict regulatory framework within which it operates as an ICSD and as Securities Settlement System (SSS).

Clearstream's investment fund services are fully embedded in the legal, settlement and custody framework of the ICSD. Our customers' holdings in investment fund shares are integrated with those in other asset classes.

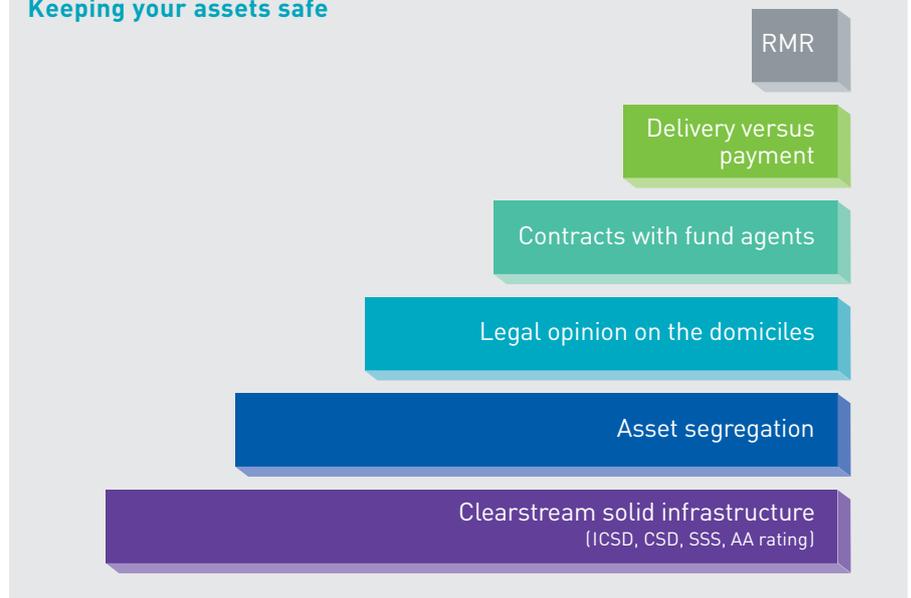
Highest safety standards

As a global market infrastructure, Clearstream ensures the highest standards of safety for customer assets, including asset segregation and DVP settlement.

Clearstream's interaction with fund agents is contractually regulated and depository banks benefit from reporting on registrars.

For each of the fund markets covered by Vestima, Clearstream obtains

Keeping your assets safe



legal opinions to ensure that the local legal framework in these jurisdictions recognises the nominee concept while protecting the rights of customers as beneficial owners.

Registrar Monitoring Report (RMR)

The RMR provides depository banks with a reliable and efficient tool

for meeting their risk management obligations under the Alternative Investment Fund Managers Directive (AIFMD) related to fund assets. The report enables depository banks to assess the quality of transfer agents, registrars or processing agents registering ownership.

Covering all fund markets and classes

Clearstream holds investment fund assets on behalf of customers in over 50 jurisdictions worldwide in Europe, the Americas and Asia Pacific, including Australia and China. For most fund domiciles, the full suite of Vestima services is available from order routing to settlement and custody.

Covering all fund classes

All types of funds, from mutual funds to alternative funds, such as private equity funds, hedge funds, real estate funds, and ETFs are covered in Vestima.

Investors are increasingly holding portfolios containing all types of funds which has increased the demand for consolidated services across all investment fund classes. The diversity and differing levels of complexity of alternative instruments require increased effort on operational processing and in terms of regulatory obligations.

With Vestima, fund distributors benefit from a single access point to global fund processing solutions covering all fund classes.

Mutual funds

Mutual funds and ETFs enjoy the capabilities of Vestima's fully automated post-trade service offering from centralised order routing to settlement and asset servicing. Thanks to the standardised process, fund transactions are settled in exactly the same way wherever the fund is domiciled.

Exchange traded funds (ETFs)

ETFs have gained popularity amongst investors as this fund type highly fulfils investor objectives in terms of liquidity, low fees, transparency and portfolio diversification. Clearstream offers innovative and flexible solutions for the ETF market which increase process efficiencies benefiting the issuers and investors alike.

Investors are also increasingly seeking to combine ETFs and mutual funds in a single portfolio. Vestima meets these needs as it offers ETF trading on an OTC/infrastructure basis by enabling investors to trade ETFs directly with the appointed 'authorised participant' or the transfer agent.

Alternative funds

Growing investments in alternative instruments have increased the demand for consolidated services covering all investment fund types on a single platform. With the introduction of AIFMD it became possible to invest in asset classes such as hedge funds, private equity funds and real estate funds via regulated investment vehicles.

Fund Centre – Distribution Support Services

Clearstream Fund Centre is complementing the Vestima One-stop for funds with services in the distribution support space. This range of services provides access to a wide range of funds, distribution agreement and distribution commission management, fund research, compliance and regulatory support, as well as enhanced data and documents exchange between fund providers and distribution partners. For distribution partners, Clearstream Fund Centre provides a single point of access for fund documentation including dynamic, static and regulatory data across a wide community of asset managers.

Connecting fund providers and distribution partners

Distribution partners using Clearstream Fund Centre gain access to more than 400 fund providers with a single distribution agreement. Clearstream Fund Centre's covered investment universe is continuously growing and currently offers over 70,000 products, including funds of the major ETF providers.

Fund Distribution Support Services

Fund provider agreement & Commission management	Fund data & Documents	Fund eligibility & Compliance	Fund Compass
<ul style="list-style-type: none"> - Access to a global fund range and fund providers - Maintaining and monitoring agreements regarding regulatory requirements - Commission collection and payment forwarded to distribution partners - Dedicated, local and active relationship management - Continuous coverage extension 	<ul style="list-style-type: none"> - Static, dynamic and regulatory fund data - Fund documentation - Up-to-date fund database - Market insights and trends based on Clearstream Fund Centre platform data (e.g. asset flows, product trends) 	<ul style="list-style-type: none"> - Facilitation of the distributor oversight for Know Your Distributor (KYD) - Assisting of the provision of AML documents between distributors and fund providers - Fund matching to client profile 	<ul style="list-style-type: none"> - Intuitive and user-friendly web-based application - Investment advisory support tools - Fund recommendation and analysis - Fund comparison

Fund Compass – a modular set-up

Fund Compass, an intuitive and user-friendly web-based application, supports distribution partners in their analysis and fund selection by providing fund information, fund analytics, fund comparison and added value services. Fund Compass is a modular tool that distribution partners can customise based on individual needs.

Fund Spotlight

Clearstream Fund Centre offers distribution partners a fund research solution, Fund Spotlight, in partnership with Morningstar. Customers can benefit from Morningstar's independent

investment research and fund selection experience. The Fund Spotlight service allows distribution partners to benefit from Morningstar's independent investment research and fund selection experience. Based on customers' needs, Morningstar generates a list of eligible funds, considering whether there are any advantages from an active or passive product in each segment.

Fund distribution into T2S markets

Streamlined and single point of access for distribution and settlement into T2S markets and international markets

The Eurosystem's TARGET2-Securities (T2S) platform has introduced a single integrated process across Europe for DVP settlement in EUR central bank money (CeBM). Vestima serves as a T2S access point for investment fund settlement in CeBM in the same way Clearstream does for other asset classes. It delivers routing services for fund orders and serves

as a centralised facility for the issuance, settlement and custody of investment funds.

Pooling liquidity

Investors in ETFs traditionally buy locally. With T2S in place, ETF investors can benefit from pooling liquidity through all T2S markets.

Value Added Services

VestimaPRIME Data

The VestimaPRIME Data service provides a fully-fledged pricing and reference data package for requested information on alternative funds, based on the customer's eligibility and the fund manager's authorisation.

This new data offering supports investors and fund distributors in the maintenance of their hedge fund portfolio, from reference data and pricing to customised reporting. Clients can select their own criteria and obtain a comprehensive service for their transactions in hedge funds from one source.

Investment funds as collateral

Clearstream offers an automated service which leverages investment funds including ETFs to secure collateralised transactions, i.e. for money market transactions, securities lending or OTC derivatives.

Using investment funds as collateral can offer distributors an additional opportunity for their funds. Users of collateral – such as banks, asset managers and treasurers – have an alternative to cash collateral that is more secure and potentially less costly.

Published Fund List

As part of the Vestima Order Routing facility, users can opt for the Published Fund List service designed to help clients overcome the challenges of changing fund data and to optimise the operational efficiency of the placement of fund orders.

Optimising efficiency

The Vestima Published Fund List service offers customers daily reporting of reference data on all Vestima eligible funds. The standard report includes key fund data whereas the delta report highlights all changes in fund data compared to the previous edition.

Transparency

While providing efficiency gains through automation and easing the cross-border distribution of investment funds, Clearstream's objective is also to increase transparency throughout the investment funds processing chain.

Clearstream supports its customers by offering:

- **Transparency of holdings**, a single, consolidated statement of holdings, integrating information that is relevant to both distributors and the fund/transfer agents; and

– Transparency of transactions,

real-time notifications to fund/transfer agents about position changes within Clearstream's omnibus position at fund/transfer agent level.

Transfer Services

Vestima-Transfer Services handle the transfer of investment funds to and from Clearstream via the register of the transfer agent. It enables customers to process transfers in a simple and efficient manner using the same preformatted instruction regardless of the transfer agent.



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