

Clearstream

Vestima – Direct investor access to ETFs

Product information

Trade ETFs like mutual funds

Key benefits

Efficiency gains

- Trade your ETFs at Net Asset Value (NAV) or market price
- Use the same single access point for ETFs as for mutual funds

Leverage existing operational processes

- No additional set-up costs
- Same order routing and settlement process as for mutual funds
- Lower operational costs
- Integrated in existing reporting facilities

The market for ETFs has grown significantly over the last decade and Deutsche Börse has strengthened its leading position in this market segment with more than 1,000 ETFs (worth EUR 350 bn in fund assets), at an annual growth rate of 75%. As exchange-traded funds (ETFs) are enjoying growing popularity, investors are increasingly seeking to combine ETFs and mutual funds in a single portfolio. Vestima meets these needs as it enables ETF trading on an OTC/infrastructure basis.



Further boost of ETFs

Stringent regulations coupled with requirements of total transparency on cost components are increasingly pushing mainstream investors to execution-only channels for instruments with minimal management cost, such as ETFs. This development and the fact that markets move towards a model without retrocessions lead most market participants to share the bullish expectation that ETF volumes are set to increase further across the industry.

In Europe, ETF issuers are capturing this growth by positioning their products in two ways:

- Offering ETFs as an efficient alternative to direct investments in equities and bonds
- Responding to requests from traditional mutual fund investors to access ETFs through the same infrastructures they use for the rest of their fund purchases.

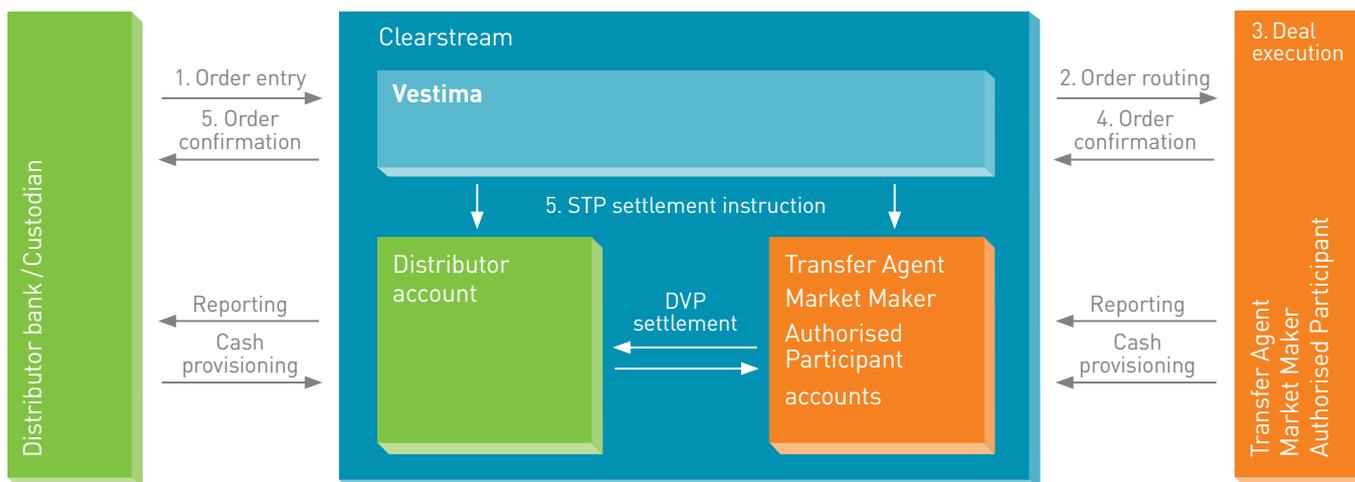
Trading ETFs in the same way as mutual funds

Our market-leading fund processing platform Vestima provides an ideal solution for trading ETFs on an OTC/infrastructure basis as it enables investors to trade ETFs

directly with the appointed Authorised Participant or the Transfer Agent where applicable. ETFs can be traded in the same way as mutual funds at fund Net Asset Value (NAV).

Customers can leverage their current Vestima access at no additional cost without changes to existing operational processes and connectivity channels.

Vestima – processing ETFs



Fully integrated

ETFs directly accessible on Vestima are fully compatible with our CSD and ICSD issuance solutions, including the ETF settlement and safekeeping services.

By choosing Vestima as their single access point, investors from Europe, America and Asia can buy and sell fund units as easily as equities.

Comprehensive re-use possibilities

ETFs enjoy the highest equity securities lending rates with European and Asian ETFs showing attractive lending returns.

Holding ETFs at Clearstream provides the opportunity to access the full range of collateral management (triparty repo and collateral pledges) and securities lending services (fails and strategic lending) under Clearstream's Global Liquidity Hub.

ETF issuers using Vestima

Leading ETF issuers have already agreed to make their ETFs available on the Vestima infrastructure, and more are being approached based on client demand.

Vestima provides investors with a standardised process for all their fund transactions – from mutual funds to ETFs and hedge funds.

Contact information

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