

## Product Information Investment Funds Services

### Our proven expertise in bonds and equities brings automation to the investment funds industry

As the premier European provider of post-trade services, Clearstream ensures that cash and securities are promptly and effectively delivered between trading parties. We also manage, safekeep and administer the securities we hold on behalf of our customers. Over 300,000 domestic and internationally traded bonds, equities and investment funds are currently deposited with Clearstream.

We maintain relationships with around 2,500 customers in over 110 countries and our global network extends across 45 markets. Backed by flexible securities lending and collateral management services, we also offer one of the most comprehensive international securities services available, settling more than 250,000 transactions daily.

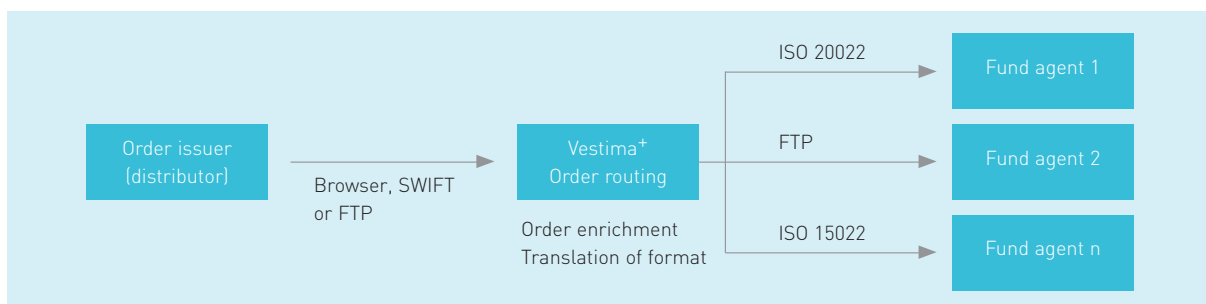
Since 2000, we have provided a suite of services for the efficient processing of investment funds shares:

- Routing of orders from investors to the funds or their agents,
- Settlement of these trades, and
- Asset servicing of the related shares.

#### Order routing service: Vestima<sup>+</sup>

Vestima<sup>+</sup> provides customers with a single, fully-automated point of entry for routing their orders to fund managers. This allows them to use the same standardised process at all times, despite the wide variety of markets and investment funds they deal with.

#### Vestima<sup>+</sup> – Fully automated order routing



#### Key benefits

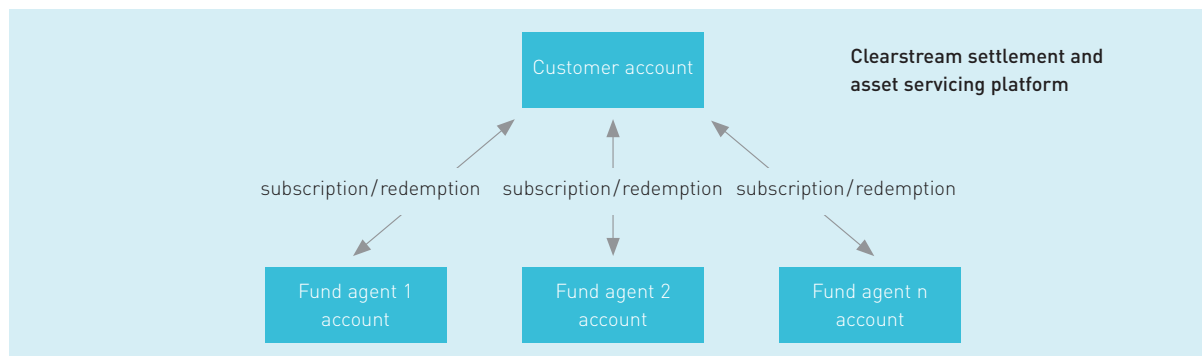
- Free choice of communication media: browser, file upload, SWIFT 15022/20022
- Automatic order enrichment with trading data (such as agent codes) or settlement data (such as payment instructions)
- Automatic issuance of settlement instructions upon confirmation of the trade execution by the fund agent
- Access to a wide funds reference data database
- Centralised (order routing) access to European and international investment funds markets.

## Settlement and Custody services

We provide a central hub solution for the settlement of investment funds orders and transfers between customer accounts as well as the subsequent asset servicing of the related shares. Rather than holding

fund shares in separate accounts at each fund agent, our service model enables our customers to settle all orders from one single account.

### Central hub solution for the settlement of investment funds orders



### Key benefits

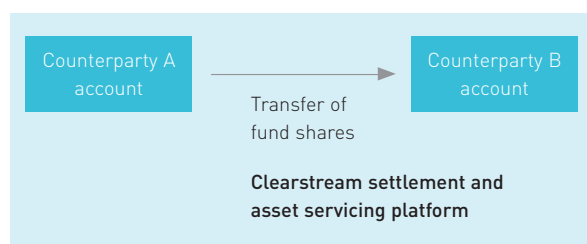
- Our centralised book-entry settlement system ensures delivery versus payment and enjoys a 99.8 percent efficiency rate.
- Single account settlement allows netting out cash flows.
- Fully automated asset servicing and reporting as a result of centralised funds positions with one single hub.
- Integrated securities settlement allows operational synergies, low risk and cost reduction.
- Shares held by Clearstream are freely transferable between Clearstream or Euroclear customers.

### Pledging fund shares as collateral

The transfer of fund shares allows two counterparties holding an account in Clearstream to pledge funds shares as collateral between each other by transferring these funds almost instantly from one

counterparty account to the other. Our highly efficient settlement system settles transactions within minutes.

### Transfer of shares – pledging funds as collateral



Two counterparties A and B are engaged in a derivative transaction:

- A needs to pledge collateral with B – both parties agreed to use fund shares (e.g. Money Market funds) as collateral.
- A can transfer shares needed for collateral purposes within a few minutes to B.
- B can then either hold, return or redeem the shares as required and agreed with A.

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