



BNY MELLON

1 Day BNY Mellon Business Orientation

2013

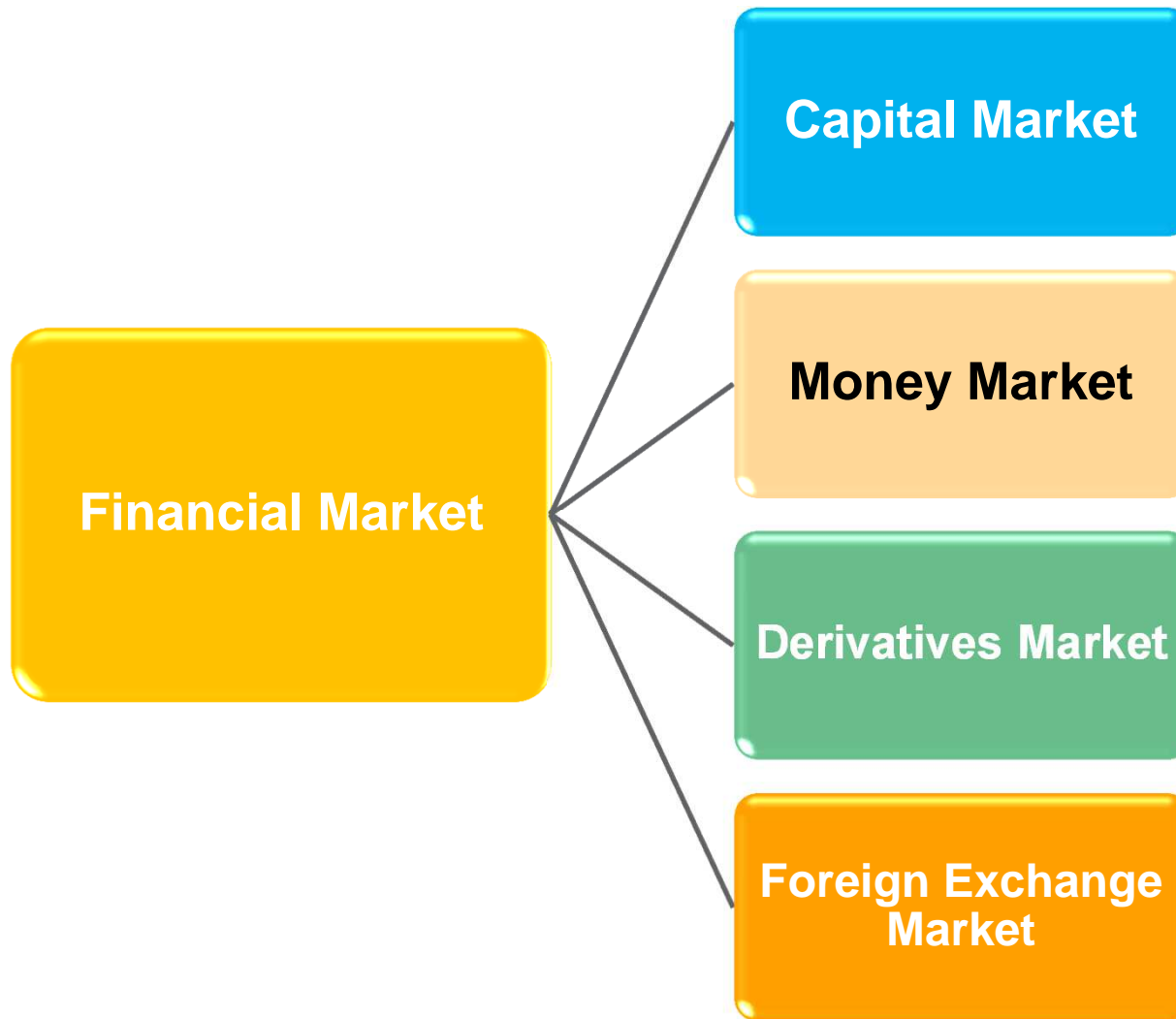
Information Security Identification: Confidential



Objectives

- Define the Financial Market and its components
- Identify Key Players in financial markets & their roles
- Provide overview of BNY Mellon Businesses

Financial Market



Financial Market – Capital Market

Capital Market

- **Primary Market** - New securities are issued by Companies, Government.
 - **Secondary Market** - Investors purchase/sell securities from/to other investors.
- Funds requirement of long duration can be addressed.
 - Government, Companies use this market to raise funds.
 - Funds are raised by issuing securities like Equity (Shares) or Bonds (Debt)
 - Participants are Stock Exchange, Depository, Custodian, Investment managers, Brokers, Individuals



Financial Market – Capital Market



Financial Market – Money Market

Money Market

- Market where fund requirements for short duration are addressed.
- Securities like T-Bills, Commercial Papers, CDs are used
- Participants are Governments, Companies, Central Banks.

Financial Market – Derivatives Market

Derivatives Market

Derivative – a contract whose value is based on an underlying.

Underlying can be Stock, Bond. Metals like Gold, Silver.

Agricultural products like Wheat, Rice, Corn, Cotton, Sugar etc.

- Not all Markets are used to raise funds and manage cash requirements.

- This market is used to **minimize risk.**



Financial Market – Foreign Exchange Market

Foreign Exchange Market

- World's largest market which deals only in currencies.
- Currencies are bought & sold against each other.
- Exists in every country. Active for 24*5.
- No specific place. Participants are Banks, Central Banks, Custodians, Investment managers, Importer/Exporters, Individuals.



II. Key Players & their roles in Financial Markets

Financial Market – Key Players

Issuers/Investors



Investment Manager



Custodian



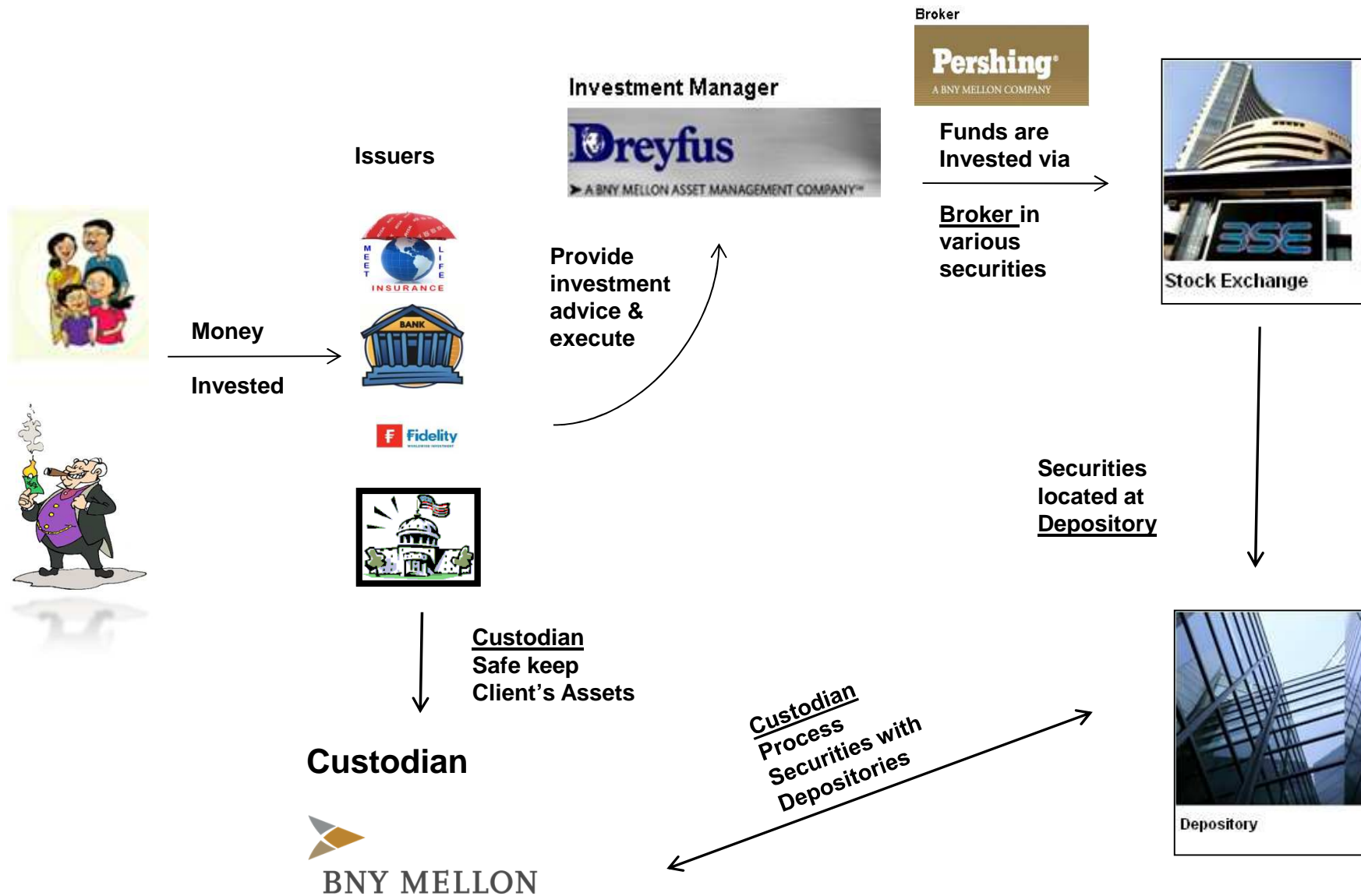
Broker



Regulators



Financial Market – Key Players – Relationship



III. Introduction to BNY Mellon

BNY Mellon – Who We Are..?



Investment Management

Wealth Management

Investment Services

Corporate Trust

Treasury Services

Depository Receipts

Alternative Investment Services (AIS)

Broker Dealer Services

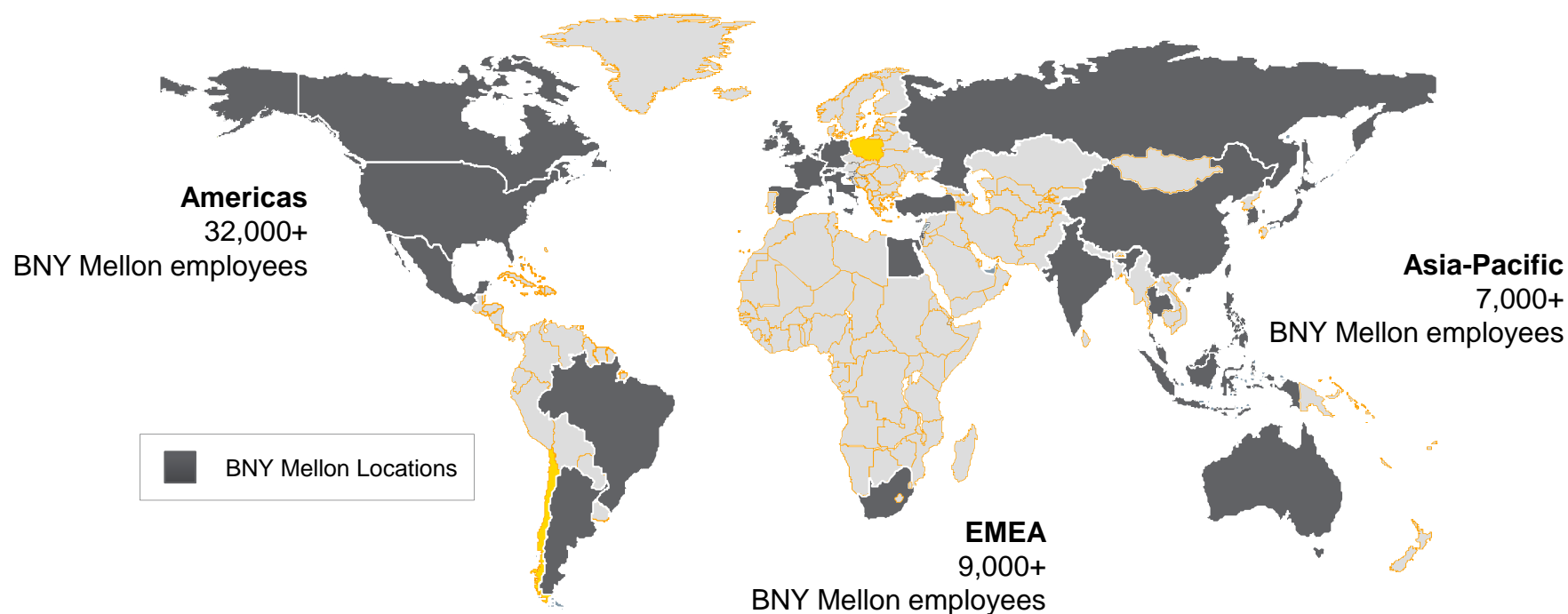
Pershing

Global Markets

Asset Servicing

Our Presence

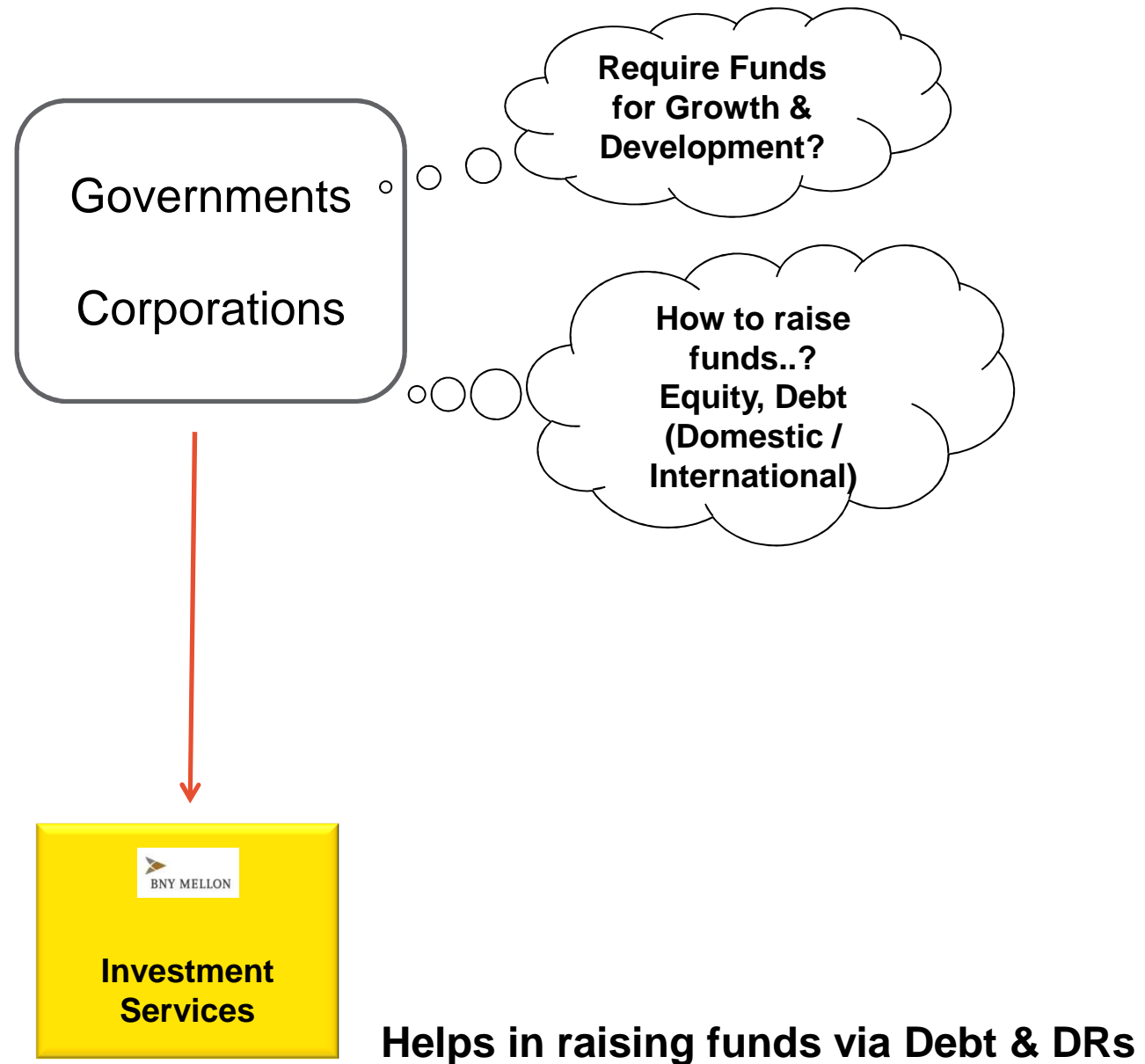
BNY MELLON OPERATES IN 36 COUNTRIES AND OVER 100 MARKETS



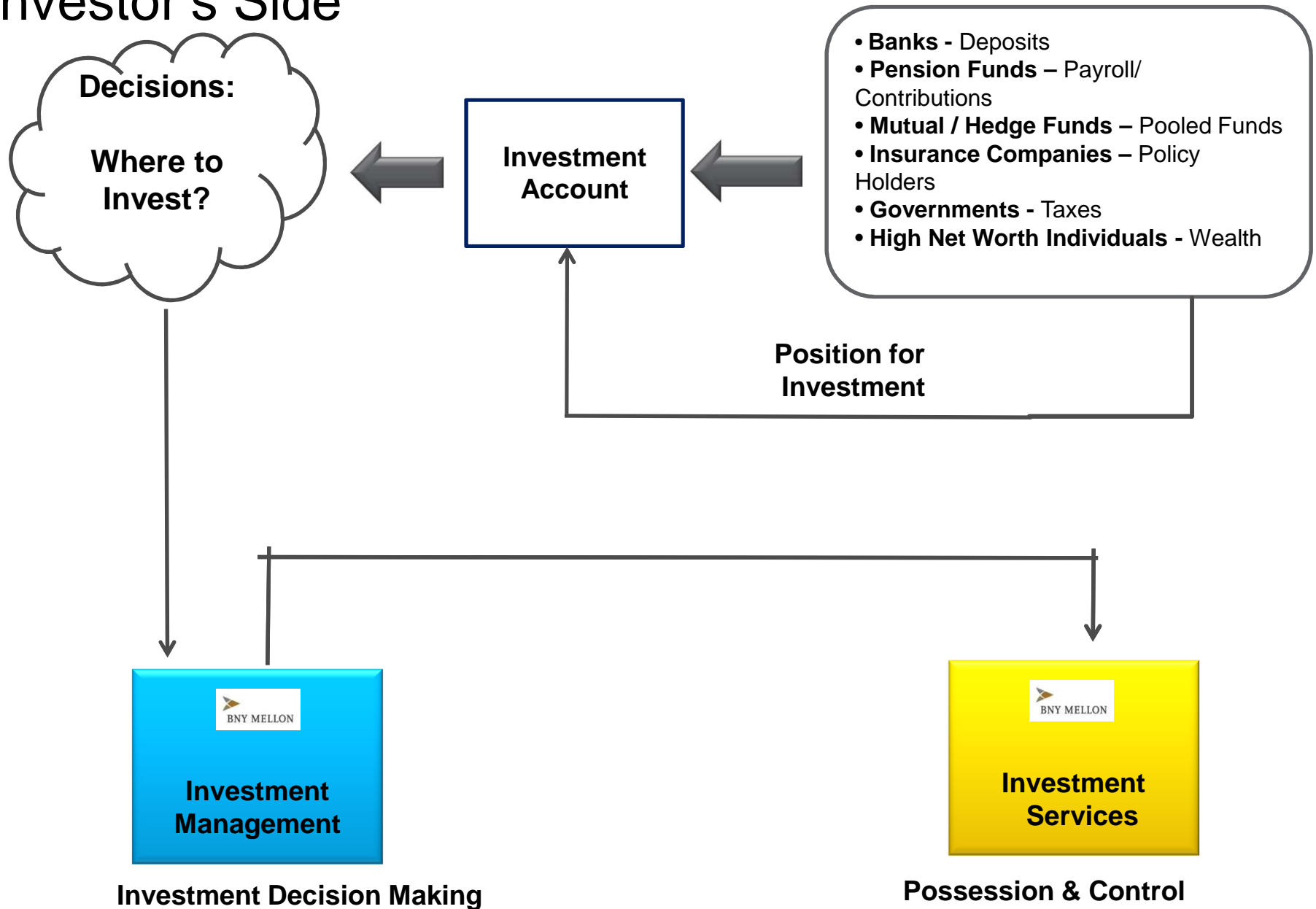
GLOBAL SERVICE, LOCAL DELIVERY

- Services delivered around the world
- Seamless global network for cross-border speed and convenience
- Our experts are located in-market for close collaboration with clients

Issuer's Side



Investor's Side





BNY MELLON



BNY MELLON

BNY Mellon Investment Management

Investment Management

- Manage funds of Institutional clients like


















- Banks,
- Governments,
- Insurance Companies,
- Mutual Funds,
- Pension Plans etc...



- Funds are managed based on **client preferences** through 17 different BNY Mellon companies.
 - Multi-boutique Model of 17 companies.
 - Separate investment teams with its own specialization.

Total Asset Under Management US\$1.4 trillion

Investment subsidiary descriptions

	Global sub-investment grade debt asset management AUM - \$15.5 bn		Providing global multi-asset solutions ranging from indexing to alternative investment strategies. US\$209.9bn
	Brazilian multi-strategy; long/short; equity and fixed income strategies. AUM - \$5.5 billion		Active equity and bond, multi-asset, real-return and income solutions within a global thematic framework US\$71.5bn
	Money market funds; full array of short duration strategies US\$339.5bn		Currency risk management and absolute return strategies US\$45.4bn
	Mainland China's equity markets and also other instruments permitted by China Regulatory Commission. US \$89 Mn		Multi-strategy private equity investing; direct investment and fund-of-funds AUM - \$10.3 bn
	Active fundamental equity manager; core, growth & value styles; U.S., global and world ex-domestic markets. AUM - \$37.5 bn		Fixed income and credit solutions US\$86.8bn
	Mutual funds US\$205bn – please validate		I U.S & Global real estate investment management US\$4.6bn
	Fund of funds manager specialising in alternative funds and traditional long-only products. US\$4.6bn		Global equity investment management US\$47.0bn
	Hamon concentrates on Asian equities with a bottom-up fundamental approach to stock selection US\$1.8bn		European fixed income and equities US\$28.6bn
	Leader in liability driven investment, fixed income, multi-asset, absolute return and specialist equity solutions AUM - \$260 bn	Total AUM US\$1.4 trillion	



BNY MELLON



BNY MELLON

BNY Mellon Wealth Management

Wealth Management

- Offers Investment advice, financial planning, portfolio management services to
 - High Net worth Individuals (HNI),
 - Rich Families,
 - Business Owners
 - Foundations & Endowments
- Services offered like
 - Charitable Gift Services
 - Tax Services
 - Family Office
 - Global Custody

A C Q U I S I T I O N

\$176 billion in private client assets* *Among top 10 largest wealth managers in U.S.*

Each client is served by a dedicated senior portfolio manager

BNY Mellon

Offices in 18 states and 4 countries

Oldest private bank in U.S. history

Among first to create dedicated family office business



Clients

C L I E N T S

Institutions

Family Offices

Endowments

Trusts

Individuals

S E R V I C E S

Investment Management

- Strategic Asset Allocation.
 - o Asset Allocation
 - o Expert Guidance
- Fixed Income
 - o Taxable / Tax Exempt
 - o High Yield

Wealth and Estate Planning

- Fiduciary Services.
 - o Trustee Services
 - o Tax Planning
- Estate Planning & Protection
 - o Business Succession
 - o Real Estate services

Private Banking

- Deposit & Cash Mgmt
 - o Checking & Savings
 - o Electronic Banking
- Credit & Lending Services
 - o Hedging Strategies
 - o Blanket Mortgages

Asset Servicing and Information Management

- Global Custody
 - o Global Safekeeping
 - o Multi Mgr Co-ordination
- Performance & Analysis
 - o Investment Reporting
 - o Performance Reporting



BNY MELLON



BNY MELLON

BNY Mellon Corporate Trust

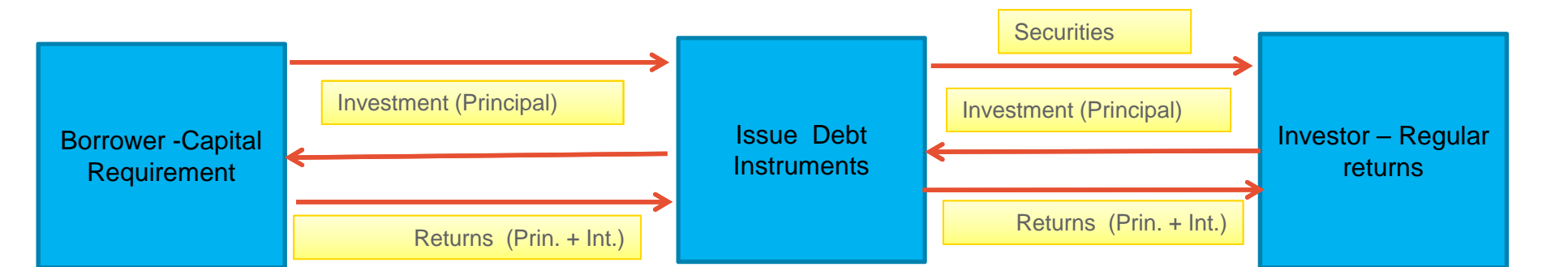
Deep Dive – Corporate Trust

- BUSINESS CONTEXT
- ROLE OF A CORPORATE TRUSTEE
- SERVICES PROVIDED BY BNYM CORPORATE TRUSTEE
- RATIONALE' OF APPOINTING A TRUSTEE



Business Context

Issuers	Debt Instruments	Investors
<ul style="list-style-type: none"> • Capital Requirement • Funding Requirement • Other Financial Requirements • Can be considered as borrowers • Niche Organizations who can only “borrow” from the Capital Markets 	<ul style="list-style-type: none"> • Signified by regular interest repayments • Mandatory obligation to pay as opposed to Equity Instruments • Similar to taking a loan 	<ul style="list-style-type: none"> • Looking for regular return as opposed to arbitrage or capital appreciation • Can be considered as “lenders”
<ul style="list-style-type: none"> • Municipal • Structured • Corporate • Governments and Sovereigns 	<ul style="list-style-type: none"> • Bonds • Structured Credit 	<ul style="list-style-type: none"> • Hedge Funds • Retail Investors • Investment Banks • Mutual Funds



Role of a Corporate Trustee

FOR ISSUERS OF DEBT SECURITIES AND OTHER PARTICIPANTS IN DEBT MARKETS
TRUSTEE CAN PERFORM THE FOLLOWING TWO-FOLD RESPONSIBILITIES

Trustee Roles

- **Fiduciary Responsibilities**
- **Bankruptcy Proceedings**
- **Monitoring the other parties to the transaction**

Agency Roles

- **Ancillary/Administrative Services related to the debt instruments**
- **Collateral Administrator**
- **Paying Agent**
- **Calculation Agent**
- **Fiscal Agent**
- **Reporting**

Services provided by a Corporate Trustee

Stage	Services Offered
Debt Issue	<ul style="list-style-type: none">• Authentication• Setup
Servicing	<ul style="list-style-type: none">• Servicing/Recordkeeping• Modeling• Reconciliation• Collateral Testing• Payment Monitoring• Reporting
Redemption/Maturity/Bankruptcy	<ul style="list-style-type: none">• Fiduciary Responsibilities

Rationale' of appointing a Trustee

- Access to Global Capital Markets via the BNYM banking and settlement platforms
- Recordkeeping for Capital Markets transactions
- Management of risk by an independent third party

Benefits to Issuer



- Investor's interests represented by an independent third party
- Assurance that the terms and conditions are upheld with
- Single voice for customers in the event of default
- Information and Analytics
- Clearance and Settlement according to domestic and international standards

Benefits to Investor





BNY MELLON

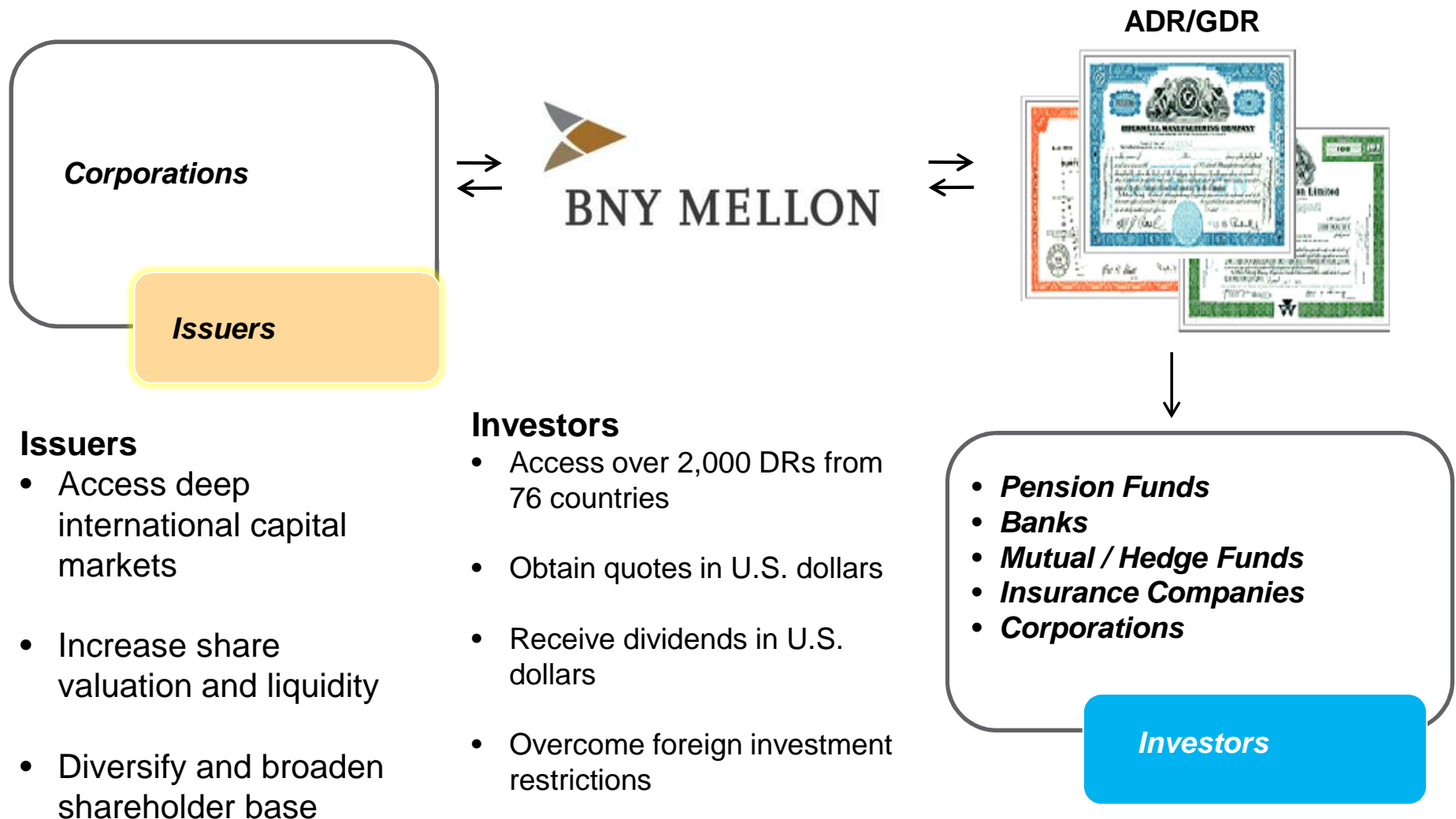
Treasury Services

Helps Clients To Move Funds & Information Across the World.

Provides Services To Help Clients in

- Optimizing cash flow – Convert receivable into available
- Manage Working Capital -- Cash requirements for Day to Day activities
- Maintain Liquidity
- Control & Prevent Fraud in Payments
- **Functions**
 - **Retail Lock Box**

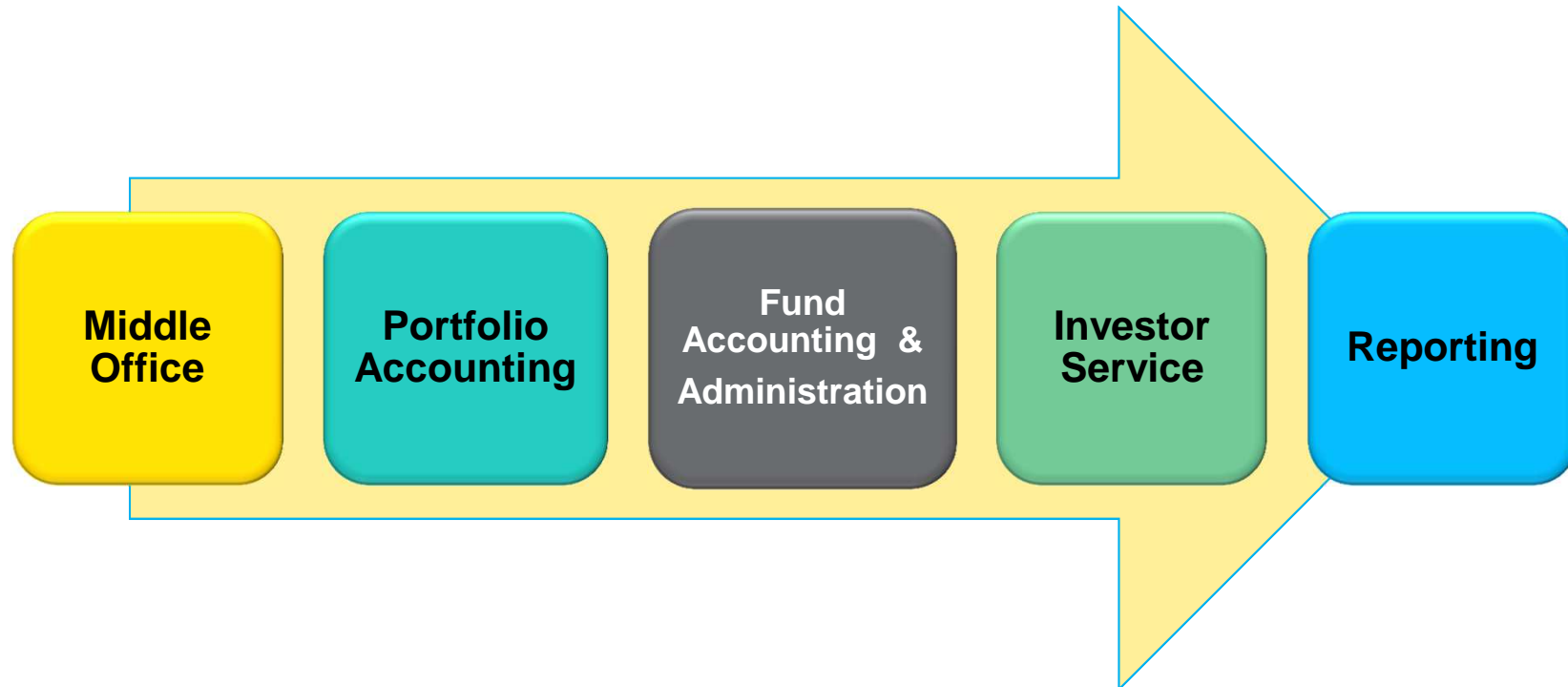
Depository Receipts



Alternative Investment Services (AIS)

HEDGE FUNDS

- > Privately managed, available for only limited investors & professionals (HNIs)
- > Funds are invested in complex derivative products, Emerging Markets
- > High Risk & High Returns



Broker/Dealer Services

Broker Dealer Services

Full array of services including Global Collateral Management, Derivatives Margin Management and Securities Clearance

\$ 1.5 trillion in daily tri-party balances

Our Services

Collateral Management

- * Operational Efficiency
- * Collateral Optimization
- * Mitigate Counterparty Risk

Derivatives Margin Management

- * Minimize Risk
- * Maximize Operational Efficiency

Securities Clearance

- * 70% of Government Securities Clearance
- * 105 Markets Globally

Our Clients

Institutional Cash Borrowers (Broker Dealers, Hedge Funds, Banks)

Institutional Cash Lenders (Banks, Insurance Companies, Asset Managers, Corporate, Non-profits)

Anyone who has transactions in the OTC derivatives market

Pershing



- Pershing an Umbrella name for Pershing enterprise.
- Broker Services
- Retail & Global clearing,
- Operational Support, Trading Services & Investment solutions to broker dealers, investment advisors, & hedge funds.

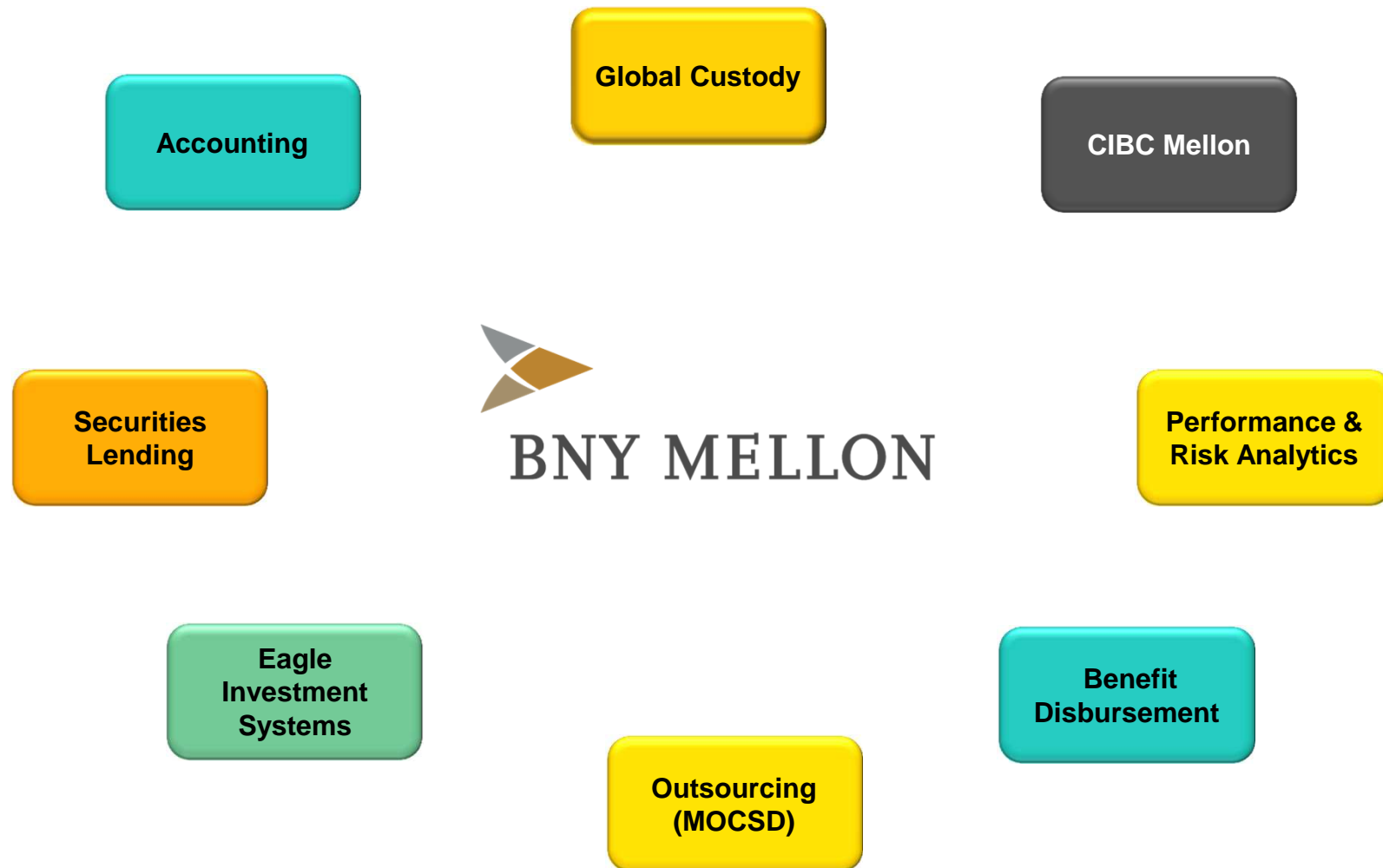
Global Markets

BNY Mellon Global Markets focuses on the global currency, hedging, investment and underwriting requirements of institutional, corporate and high net worth clients.



Asset Servicing

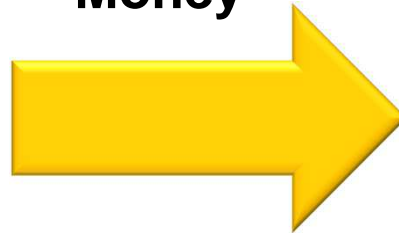
Manage All Operations Functions On A Client Account



BNY Mellon– Asset Servicing Relationships



Money



**Pension
Fund**

BNY Mellon– Asset Servicing Relationships

Investment Manager



Invest



Pension Fund

Pensions



Invest



Stock Exchange

Safe keep



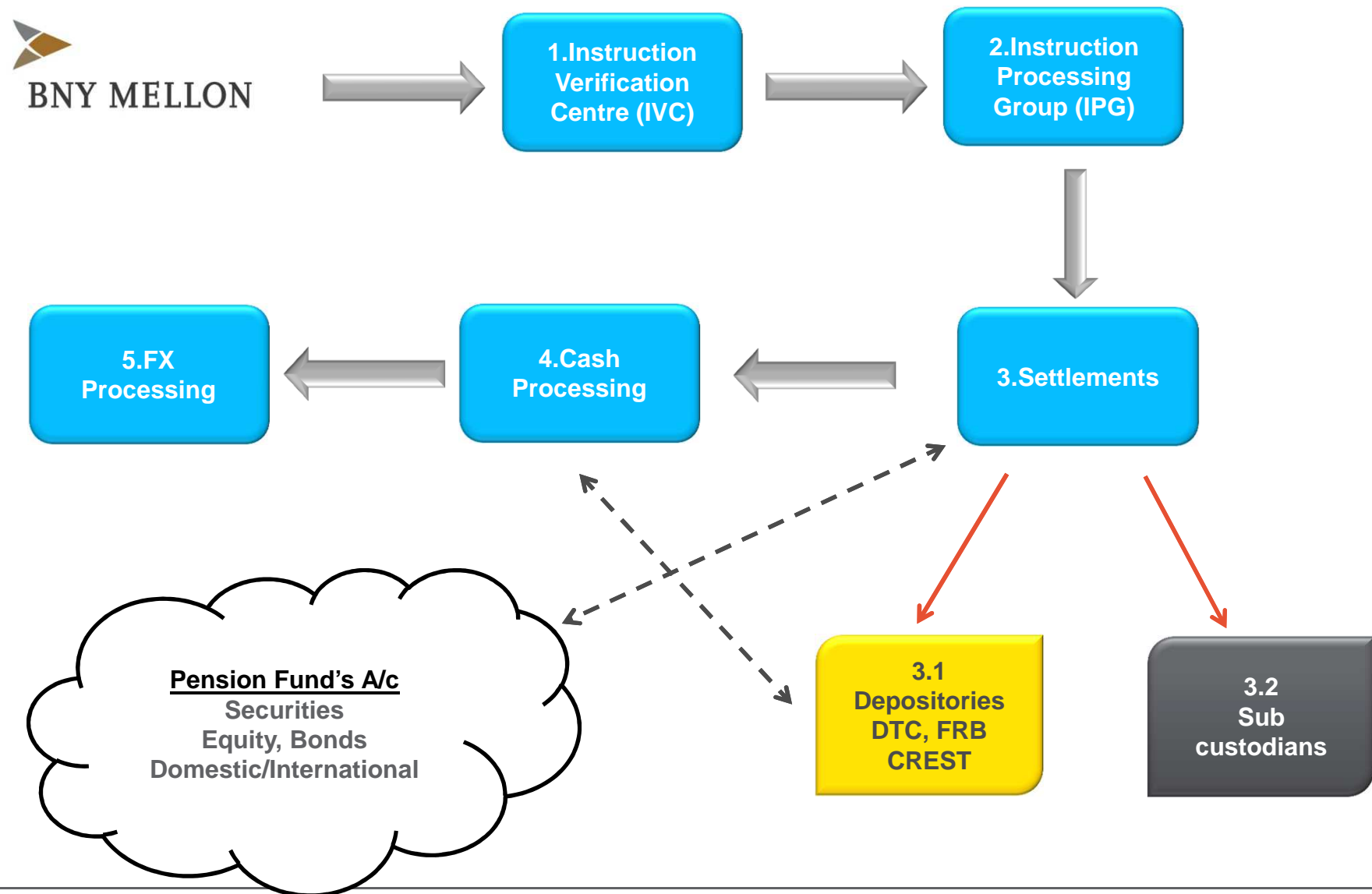
Process Instructions



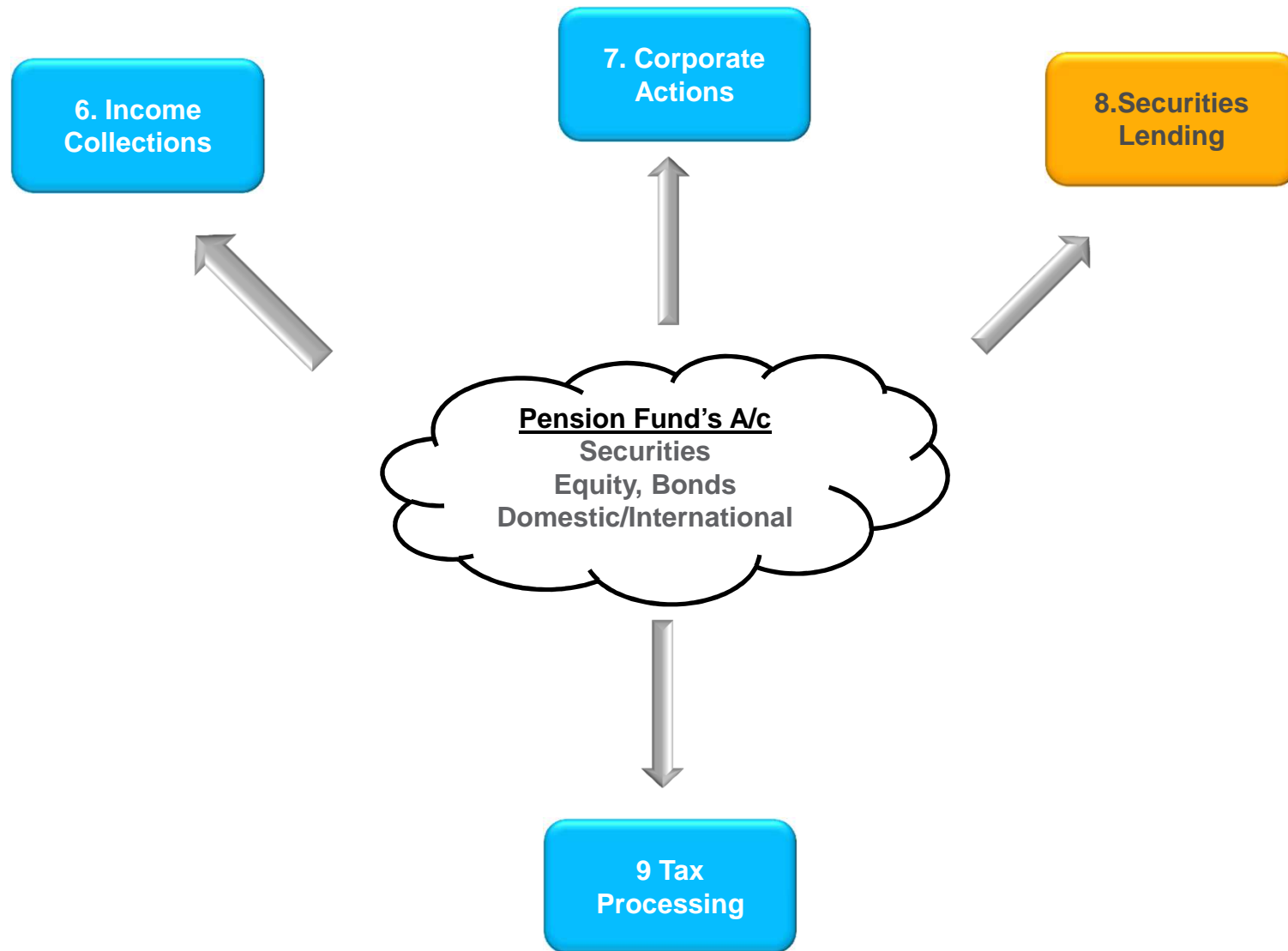
BNY MELLON



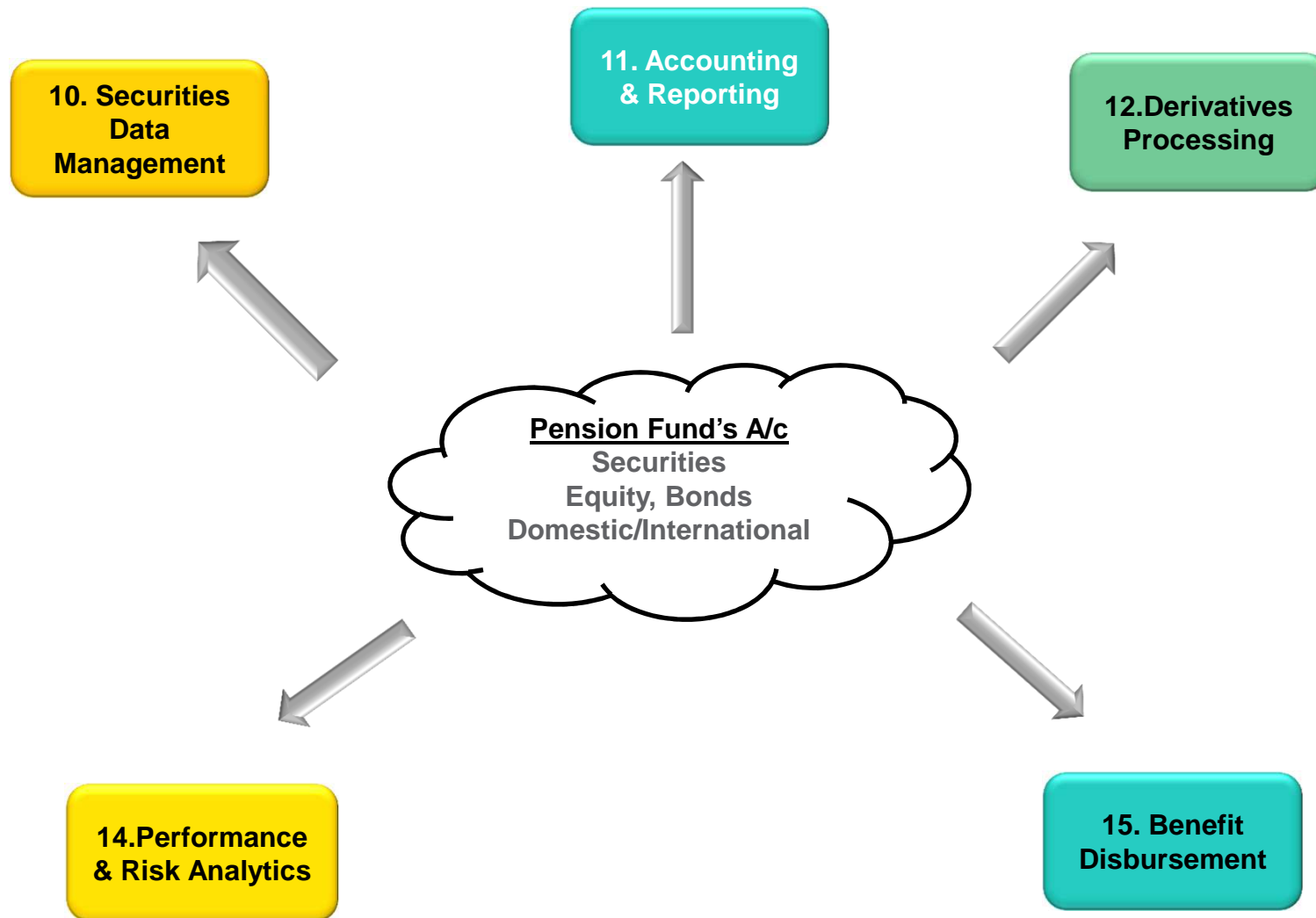
BNY Mellon– Asset Servicing Relationships



BNY Mellon– Asset Servicing Relationships



BNY Mellon– Asset Servicing Relationships



BNY Mellon– Asset Servicing Relationships
Investment Manager



Invest



**Pension
Fund**

Pensions



Invest



Stock Exchange

Safe keep



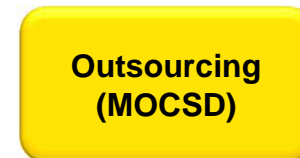
**Outsource
Operations**



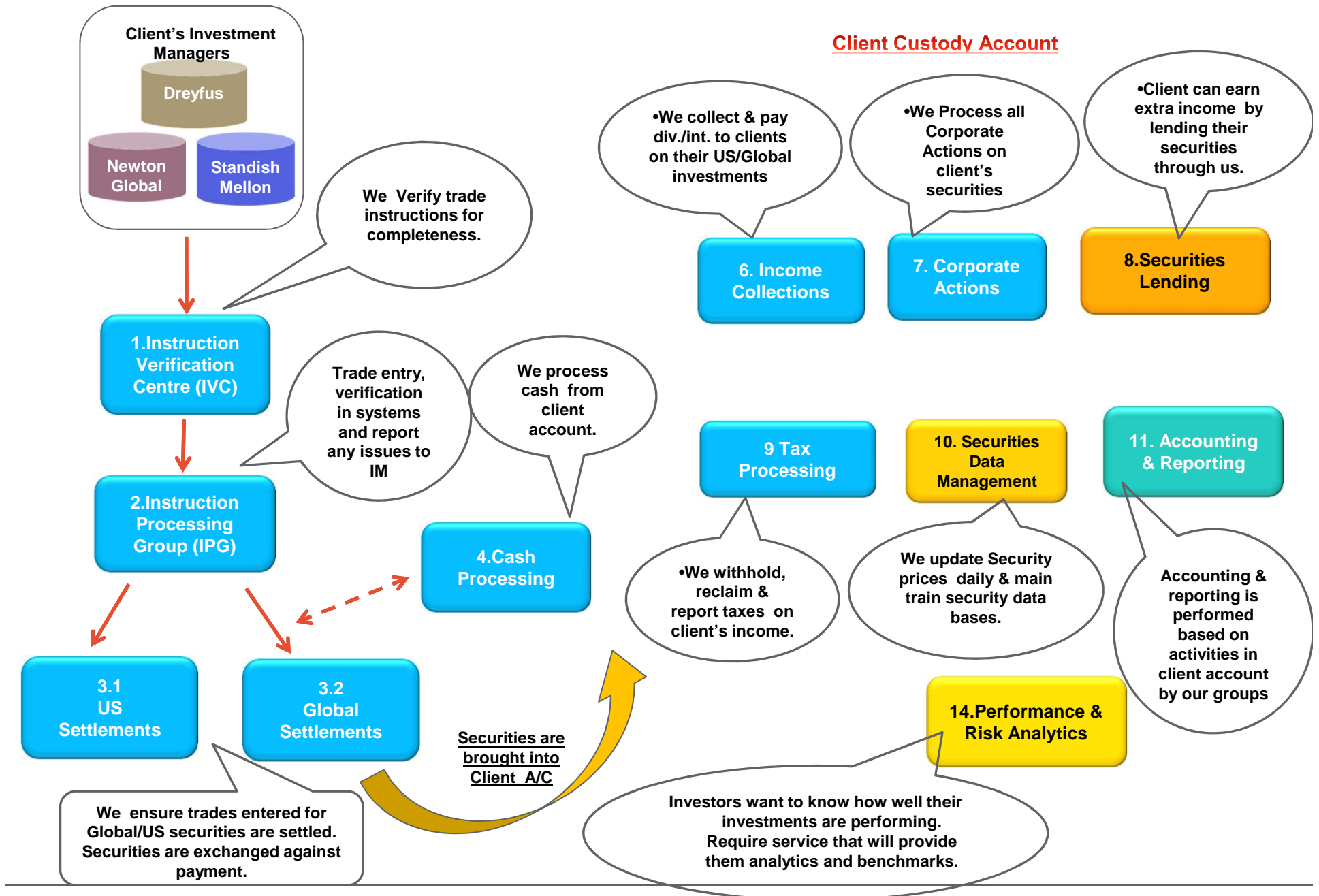
BNY MELLON



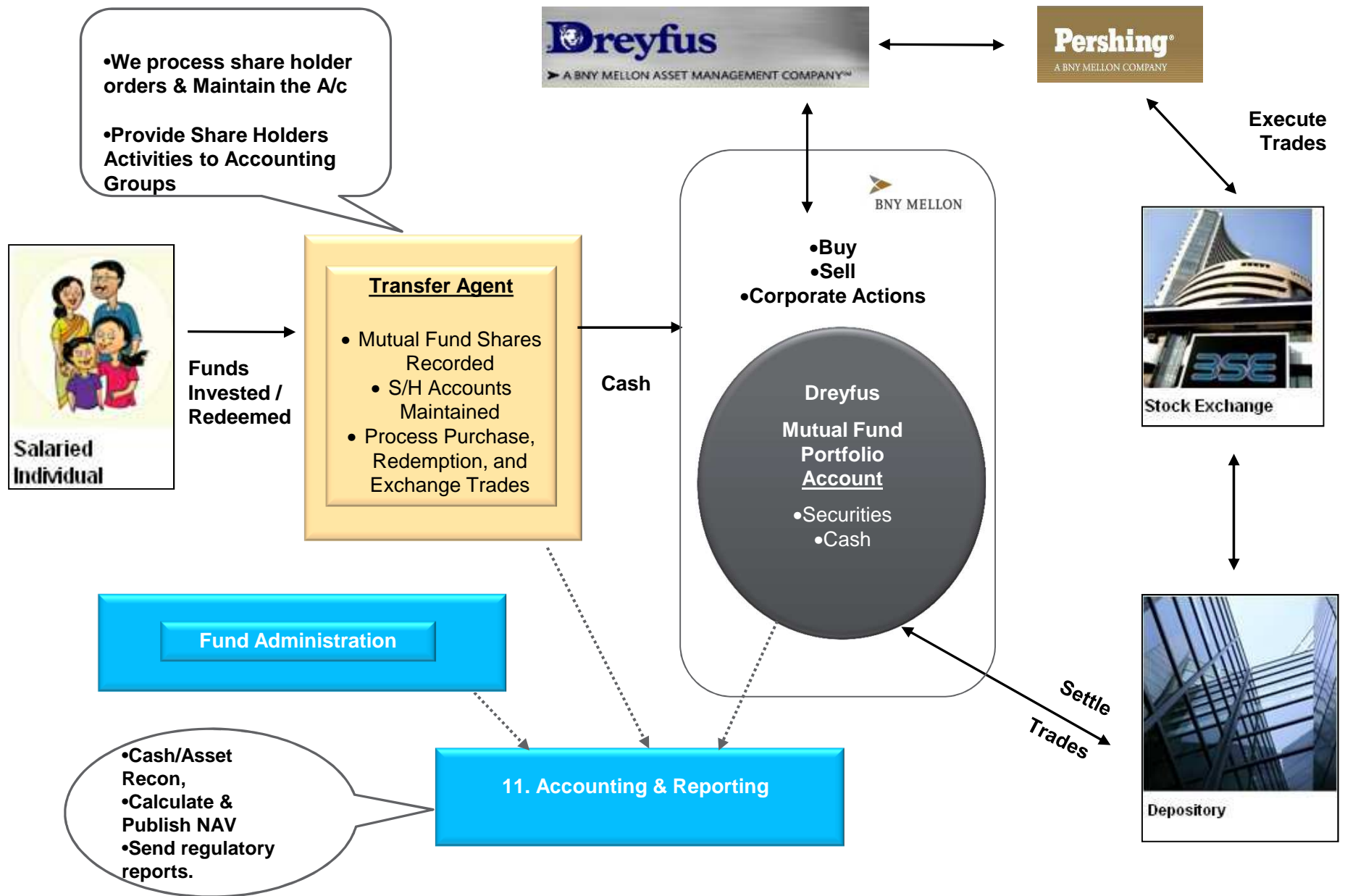
**Outsourcing
(MOCSD)**



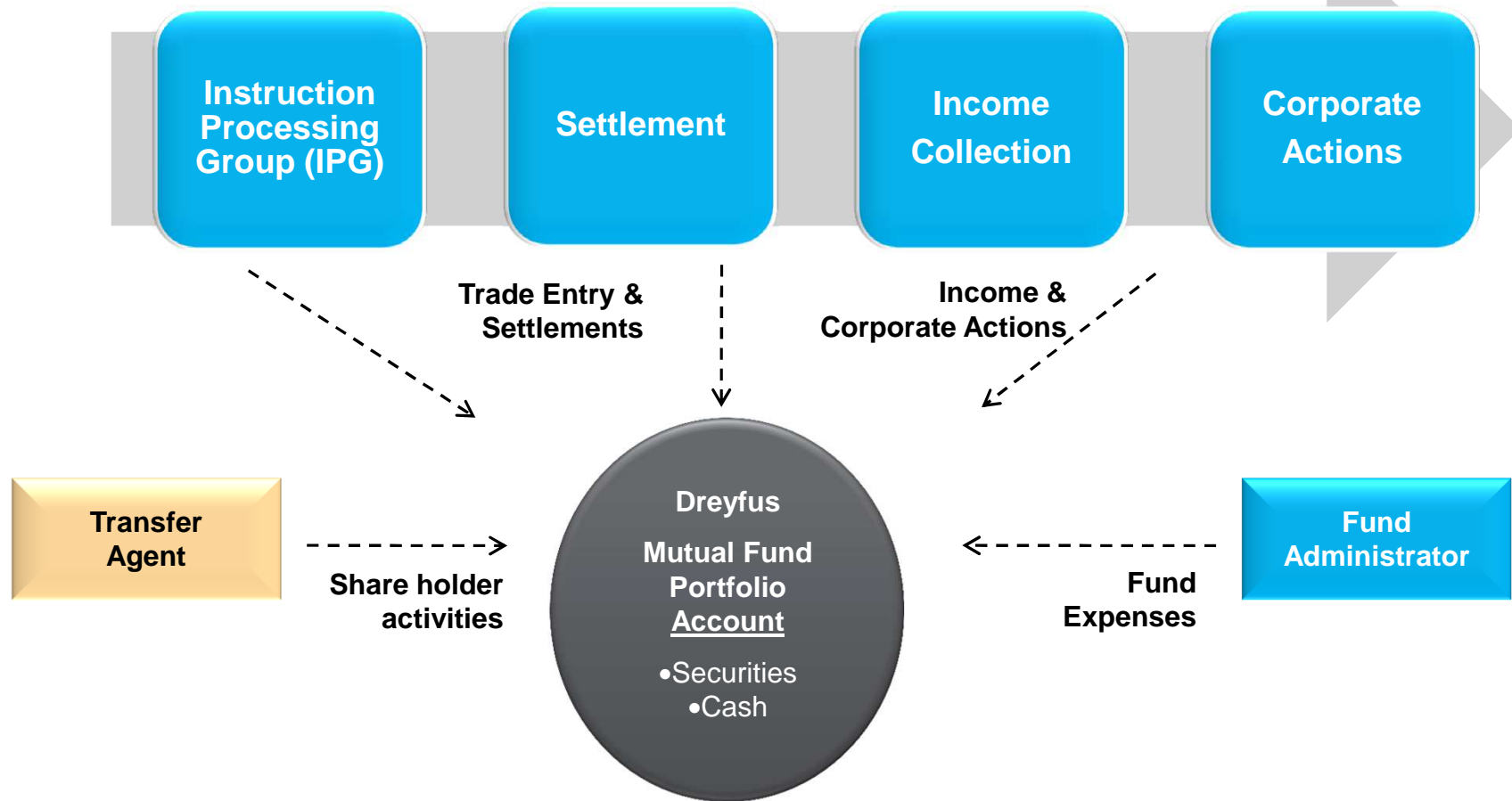
BNY Mellon– Asset Servicing Relationships - Custody



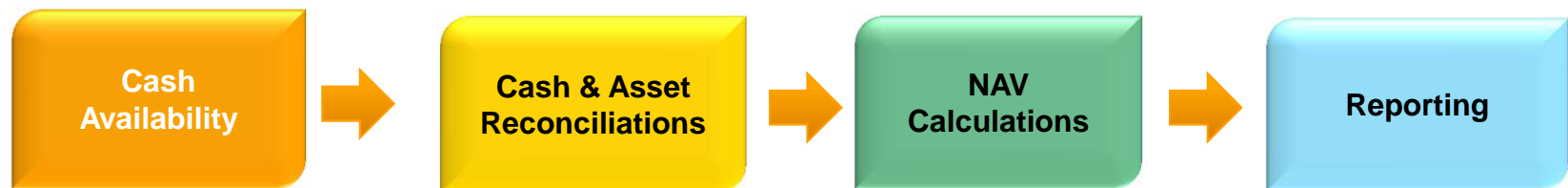
BNY Mellon– Asset Servicing Relationships - Accounting



CUSTODY



FUND ACCOUNTING





BNY MELLON





BNY MELLON