

caceis news

THE ASSET SERVICING JOURNAL

OCTOBER 2018 No. 55

www.caceis.com

CACEIS in France

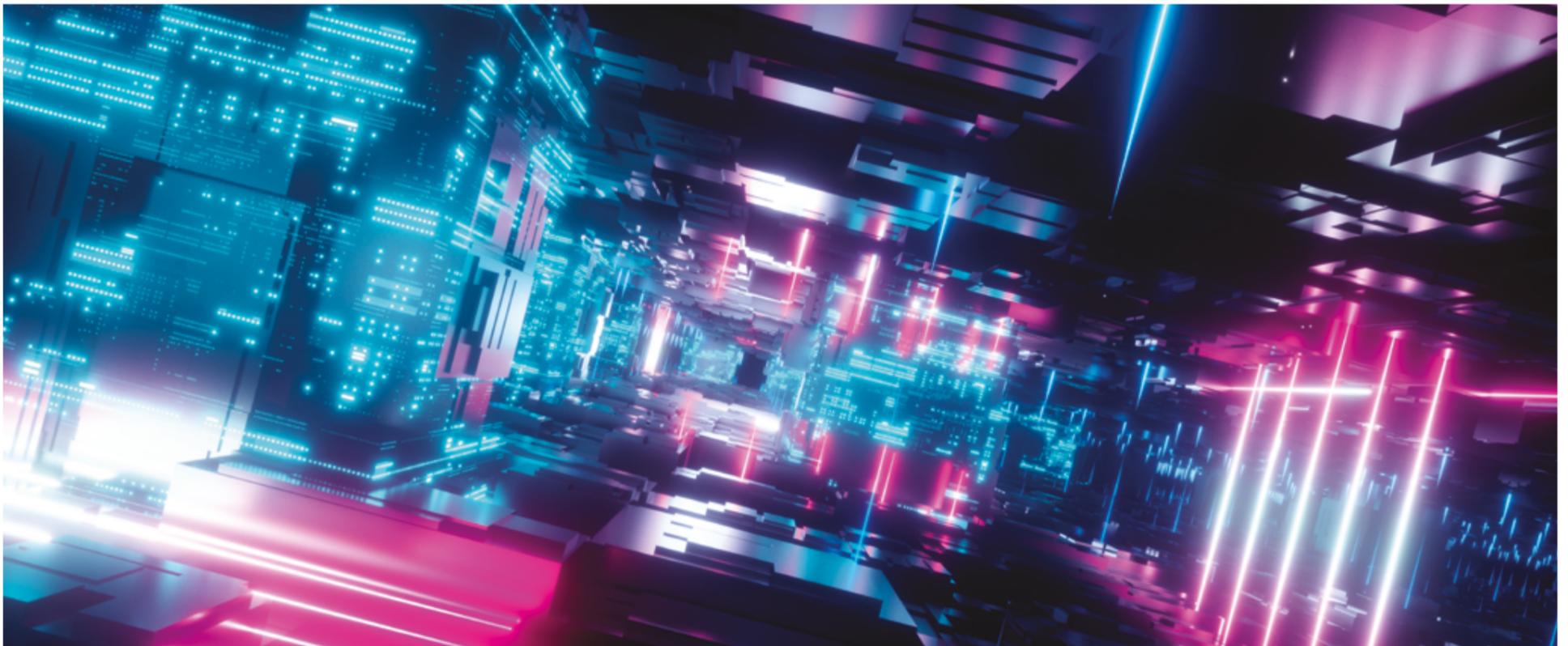
CACEIS, leader in the French market - page 2

New OLIS

Where People meet data - page 3

Asset Owners

CACEIS's fully integrated offer designed for Asset Owners - page 4



© wacomka

© Alexis Cordesse



JOE SALIBA, DEPUTY CEO, CACEIS

At the beginning of autumn, the strong results achieved across all of CACEIS's activities are very promising and every entity is benefiting from this growth. Our custody and fund administration services continued to achieve great success and attract new clients. Similarly, services to Private Equity & Real Estate funds and our Market Solutions

offer reached record levels. These solutions appeal to all our clients, whether they are asset management companies, institutional investors, banks & brokers or corporates.

CACEIS's mid-year performance reflects the quality of our services and our capacity for innovation. The Group is quickening the pace of its digital transformation, in a

rapidly changing technological environment. We are improving the quality of our service delivery by increasing the stability and agility of our information systems, the standardisation of our operational processes and the strengthening of quality controls. All our entities worldwide are advancing with these developments, to ensure our entire follow-the-sun operating model is covered.

The enhancement of our service offer, particularly with regards to collateral management, fund distribution and middle-office outsourcing, has the objective of providing our clients with a high level of comfort, security and cost optimisation.

In this issue, we have decided to focus on our fully integrated offer dedicated to asset owners. CACEIS has developed a set of tailor-made solutions that have been designed to meet all the regulatory and operational needs of insurers and pension funds.

Among our initiatives is a new feature that allows our clients to subscribe to our services online via the OLIS portal. The ESG&Climat Report, which won an award for excellence at the latest FReD Awards (a ceremony that rewards the ESR actions of Crédit Agricole Group entities), is the ideal usage to highlight this new digital marketing channel.

We are committed to using new technologies to improve our clients' user experience and innovate with high value-added services. This is how we reinvented the user experience

of our OLIS portal by setting up the CACEIS Innovation Lab, a platform dedicated to collaborative innovation, open to our clients, employees and partners. By working together, we were able to more precisely identify the expectations of our clients.

The new version of OLIS offers clients greater clarity, fluidity and control over their data. It marks a major transition to an innovation driven development focused on the user experience. This approach together with an agile methodology and mindset will be pursued for all future development.

"Solid & Innovative": far from being just a simple baseline, is demonstrated when CACEIS takes action to respond to the ongoing digital and technological change, a new challenge that our industry must meet.

CACEIS will be there for the next major regulatory deadlines and upcoming changes to consolidate its position as a leading asset servicing player in Europe. Now, more than ever, our clients can count on us.

© rgbospace- Fotolia



SYDNEY
22/25
10.18
sibos

CACEIS'S TEAMS
LOOK FORWARD
TO WELCOMING YOU
TO OUR STAND
No. F19

CACEIS, leader in the French market

Interview with CARINE ECHELARD, Managing Director in France, CACEIS

What is CACEIS's role in France?

It is important to remember that CACEIS is first and foremost an international banking group. However, France is where the group's headquarters is located, and the French market is currently the group's largest.

The group's business in France consists of producing and distributing services to clients, whether they are institutional investors, banks, management companies, private equity and real estate funds or corporates. I have the responsibility for the activities of the three subsidiaries in France: CACEIS Bank, CACEIS Fund Administration and CACEIS Corporate Trust. Our teams are located in Paris and number about 1,500 employees. They provide services for all the group's clients, from asset custody to listed and OTC derivative clearing. Some other services are delivered only locally, such as French fund valuation and general meeting organisation for France-based companies. Clients in France also benefit from the services provided by other operational hubs of the CACEIS Group such as Luxembourg, which handles tasks such as subscriptions/redemptions of foreign funds and our securities lending offer.

In France, we have a strong market position. We are the leading custodian and fund administrator, and rank among the top three providers of issuer services. Our size and position require us to be involved in

market initiatives and regulatory projects and as such, CACEIS is a major participant in discussions forums and working groups that may impact the European and local business environment.

What are the special features of CACEIS's entities in France?

CACEIS in France is a real melting pot. Our teams have been created through successive mergers and consolidations of asset servicing providers, such as at the creation of CACEIS in 2005 with its two founding banking groups, Crédit Agricole and the Caisses d'Epargne, but also through the takeovers related to our activities or via service outsourcing operations. Our DNA combines many different corporate cultures with employees who bring complementary company cultures and professional experience. We are delighted that we have succeeded in integrating these teams and created our own specific CACEIS culture. Today, we are attracting new employees who bring their own individual expertise to the development of certain activities, and we are still attracting a good number of young graduates. Employee well-being is at the heart of our organisation and we are promoting teleworking initiatives to cut down on the need to commute, and improve the quality of life for our staff. New clients are attracted by our values and our business model, and our staff's well-being and service expertise are a key feature in this.



© Alexis Cordesse

What are your objectives and how do you plan to achieve them?

Our objectives are fully consistent with the CACEIS group's strategy, namely to provide innovative client solutions, to continue the Group's geographical expansion and to strive for excellence in our operational centres. We are actively working on standardising, automating and optimising processes and our information systems. We are rolling out Robotic Process Automation (RPA) and Artificial Intelligence (AI) systems where they can help lower risks, reduce response times and free up human resources from repetitive tasks.

We support our clients' business development plans around the world. We are a renowned player in the private equity and real estate space with our business line and its comprehensive offer that includes bridge financing capabilities.

We service over a third of companies listed on Euronext Paris providing customised issuer services, ranging from registrar services to employee share ownership plan management. We also provide institutional investors with specialised and fully integrated securities accounting, ESG&Climat reporting, Solvency II monitoring, and the TEEPI file exchange platform.

Finally, our fund administration and distribution solutions, including the International Register (French RNI), are receiving growing interest from French asset management companies.

The French entities, together with the rest of the Group, play a central role in CACEIS's unique one-stop-shop offer, which enables clients to let us handle the entire operational processing chain, from front to back ☺

Middle-office outsourcing: a strategic challenge for investors

© Jérôme Boucher - CACEIS
MATHIEU BAUDOIN, Head of Middle-Office & Performance Solutions, CACEIS

CACEIS's middle-office outsourcing enables institutional investors and fund managers to shift focus away from some or all post-market activities whilst increasing security, optimising cost and keeping full control on their activities.

Around the world, back-office outsourcing has become a mature market, whereas middle-office outsourcing is still a

growing sector with many companies not yet fully aware of its benefits. A rising number of companies are however seeing the benefits as the heavy

resource burden of incessant regulatory developments, rising market risks and increasing cost pressures clash with a desire to focus on their core business of generating investor value. Outsourcing the middle-office is definitely a major strategic decision for companies. "By working with a specialist like CACEIS, you can be ensured of a smooth migration process and high quality day-to-day servicing", outlines Mathieu Baudouin.

All clients, no matter their location, can take advantage of our middle-office outsourcing capabilities. What is more, the service offers a single access point enabling precise communication with all relevant contacts, including brokers, custodians and clearing agents, whether they be external or within CACEIS itself. The service is highly modular in design and can be effectively tailored to complement any management strategy.

Offering 24-hour coverage thanks to CACEIS's follow-the-sun set-up, which leverages our Hong Kong and Toronto offices, the outsourcing service operates with a high level of STP promoting increased responsiveness and exemplary operational efficiency.

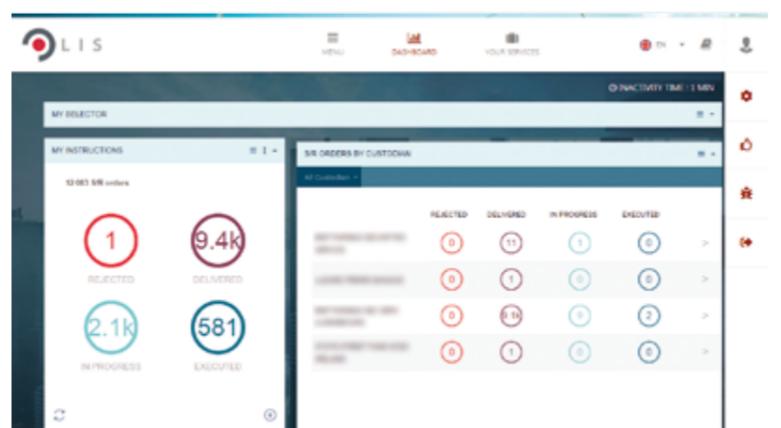
The middle-office outsourcing program's two key features are:

▶ **Trade management:** Transaction processing on a wide range of assets, from vanilla to complex, with automated interfaces to over 20 OMS, transaction matching with brokers and counterparties, transaction transmission to custodians and fund administrators, settlement follow-up and report dissemination;

▶ **Position keeping:** Holding of positions for all types of asset (securities, cash, listed derivatives, foreign exchange, OTC, etc.), daily reconciliation with custodians, counterparties and clearing agents, tailored data delivery via daily reports and feeds to client information systems in a variety of formats. This service is independent of custody, valuation and accounting services.

Real-time access to flows and position data is available on OLIS or can be generated and sent automatically. Each client is allocated a dedicated middle-office contact, who, from the projects' outset, ensures a smooth migration and a successful outcome. Clients receive an onboarding pack which condenses our extensive migration experience and explains the process involved in setting up a tailored middle-office outsourcing project.

The Group regularly upgrades its middle-office offer, and recently launched customisable dashboards with the newly released version of OLIS. 2019 will also bring in new features to facilitate the processing of corporate actions ☺



OLIS: Where People meet data

CACEIS's servicing portal OLIS has recently been redesigned in order to bring to clients greater clarity, fluidity and better control over their data. The CACEIS Innovation Lab, a collaborative platform shared with clients, allowed CACEIS to clearly identify their expectations and needs.



MATHEU ALIA, Group Head of Digital Transformation, CACEIS

CACEIS to simplify access to the data generated by clients. At the heart of CACEIS's information system, this solution will eventually cover all client operational data and will offer innovative services with a better overview on data.

With an optimised user interface, a tablet version and a multi-service dashboard, clients have easy access to all their generated data and a clear and concise view of portfolios and transactions (collection, order tracking, validation of net asset values, etc.). Access to operational data is immediate with a real-time solution interfaced with CACEIS's IT systems.

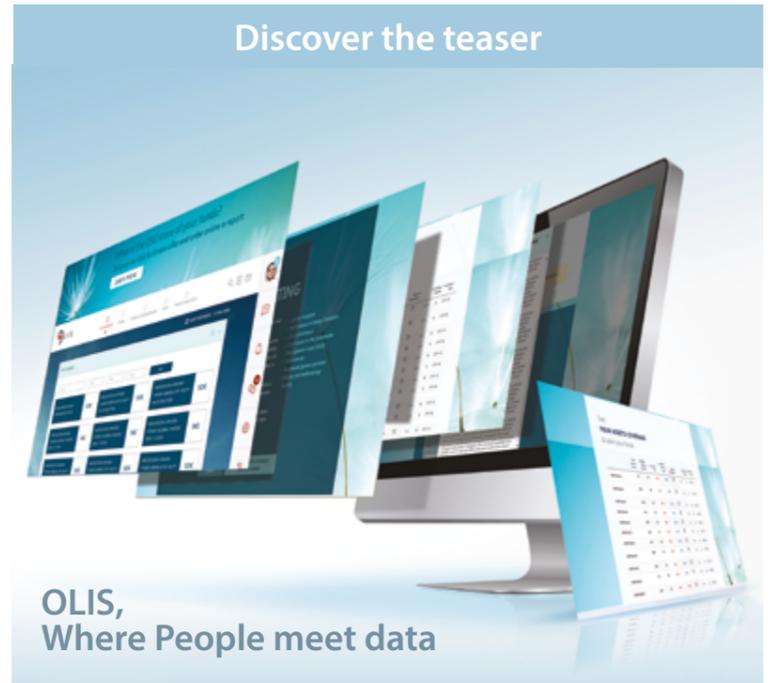
The new portal will also enhance collaboration, with features that facilitate interactions between both the client's and CACEIS operational teams.

"Finally, the new OLIS experience will allow clients greater control over their data with customisation capabilities enabling clients to view key data, and improved management of users' data access rights", outlines Mathieu Alia.

The brand new version of OLIS is available to all CACEIS clients. Additional features will be delivered in 2019.

This redesign marks a major transition for the platform focused on the user experience.

This collaborative approach to development in combination with our use of Agile methodology sets a precedent for future service development, ensuring that requirements are integrated as early as possible to improve client satisfaction.



The new version of OLIS is based on a new Big Data architecture implemented by

CACEIS INNOVATION LAB

Innovation is part of CACEIS's DNA - Solid & Innovative. CACEIS has chosen to stimulate initiatives and gather the ideas of its clients, employees and partners to design the products and services of the future. That is how the collaborative innovation platform "CACEIS Innovation Lab" was created, CACEIS's first co-innovation approach. It is fully in line with the Group's digital transformation programme.

To initiate this process, CACEIS employees were invited to share their ideas on the theme "Imagine together the future of CACEIS". They freely contributed, commented and liked the ideas posted.

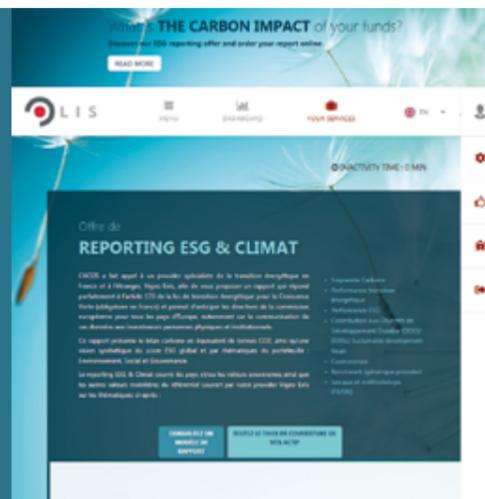
CACEIS clients were also invited to a co-creation campaign "Reinvent OLIS" designed to build a new user experience together. Client feedback is thus integrated before even initiating developments. *"This facilitates our ability to specify the imagined features so that they best meet the expectations expressed. This approach ultimately makes it possible to implement more relevant solutions more quickly,"* comments **Delphine Moulin**, in charge of the project at CACEIS.

This first co-creation challenge was a great success both internally and externally. More than 200 ideas were proposed.



DELPHINE MOULIN, Digital Transformation Manager, CACEIS

"We warmly thank our clients who took the time to contribute. 100% of the participants enjoyed the experience and responded positively to the drafts of the future OLIS screens" adds Delphine Moulin. Based on this observation, CACEIS is convinced of the relevance of this collaborative approach and will repeat the experience regularly.



ONLINE SUBSCRIPTION FOR CACEIS SERVICES

CACEIS gains a new distribution channel for its products with online subscription. In a fully digitalised process, OLIS now allows clients to read all documentation relevant to an offer and then subscribe online in a few clicks.

ESG&Climat reporting was particularly well suited to launching this new paperless distribution channel.

Once connected to OLIS, clients can read about the offer, view an ESG&Climat report template and then test the coverage rate of the portfolio assets.

They can then subscribe online with one click. The subscription is accompanied by an immediate emailed confirmation.

Clients receive the reports within the specified time frame.

"This service improves fluidity and flexibility and streamlines the subscription process. It is an efficient alternative to the traditional connecting with a sales person," adds **Arnaud Misset**.

The ESG&Climat online subscription service has been well received by CACEIS's online clients.

Other online service subscriptions will be offered soon.



ARNAUD MISSET, Chief Digital Officer, CACEIS

A PAPERLESS PROPOSAL PLATFORM TO INCREASE SECURITY AND FACILITATE DELIVERY

CACEIS is innovating to simplify and improve security of its responses to requests for proposal (RFP) and has developed a dedicated proposal platform.

"The platform used secure encryption protocols and has a number of customisation options that enable proposals to be adapted to the colours, logos and styles of a particular client or prospect. Access to the system is protected via a system of strong user authentication," outlines **Anne-Marie Arakilian**.



ANNE-MARIE ARAKILIAN, Head of Business Engineering, France & Luxembourg, CACEIS

Prior to submission, the proposal and any supporting documentation is uploaded to the platform. The client or prospect is emailed a link permitting them to download either all documentation or each document separately.

This new RFP response platform ensures proposals are delivered on time, remain confidential and put less strain on the email system.

Of course, if a hard copy of the proposal is requested or if the client or prospect has their own business tender platform where our proposal should be uploaded, we adjust to the preferred process.

CACEIS's fully integrated offer designed for asset owners

Interview with CHRISTOPHE LE PAPE, Deputy CEO of Natixis Assurances

© Natixis Assurances



Could you briefly present your company and your business?

Natixis Assurances is the insurance platform of Groupe BPCE. It designs and manages insurance solutions distributed by the networks of Banques Populaires and Caisses d'Epargne to their individual and professional customers. It is organised around two business lines: non-life insurance and personal insurance, which I manage.

We currently manage more than one million life insurance contracts and one million pension contracts. Our ambition is to strengthen our position as an insurer of first-rate people, leader in customer and employee experience. This is what led us in 2014 to initiate a process aimed at reducing the hierarchical layers within the company, implementing new management and leadership models, adopting new modes and work environments, and betting on collaborative intelligence. Natixis Assurances - Life and Health Insurance business line is a company that has surely been one of the most innovative in recent years.

You are a long-standing partner of CACEIS in both traditional and value-added services. How has this relationship developed and consolidated?

We entered into a relationship with CACEIS when it was created in 2005. We have chosen to entrust CACEIS with the custody of our assets. Faced with regulatory challenges, we then decided to outsource the valuation and accounting of investments. Then, as part of Solvency II, we mandated CACEIS to provide us with assistance in data collection.

Currently, our respective teams are discussing the TEEPI collaborative platform as well as using the solutions to meet the obligations

related to Article 173 of the French Energy Transition Act, such as ESG&Climate reporting.

What do you particularly appreciate about your relationship with CACEIS?

Even if Groupe BPCE is no longer a shareholder of CACEIS since the end of 2017, we wish to maintain and develop our partnership, because we appreciate the proximity and expertise of your teams. We are currently undergoing a major transformation. To support us in this ambitious project, we need a trusted and innovative partner. In this respect, CACEIS fully meets our expectation



Interview by
PHILIPPE BIGEARD,
Group Product Marketing Director,
CACEIS

© Jérôme Boucher - CACEIS

© Yves Maisonneuve - CACEIS



PIERRE OGER, Group Product Manager, CACEIS

CACEIS has a long history of forming close partnerships with asset owners, delivering a comprehensive range of fully integrated services designed to meet their needs, whether they are insurers or pension funds. In addition to traditional custody services, CACEIS has developed a range of tailor-made solutions, enabling them to raise operational efficiency and benefit from economies of scale when dealing with complex local and European regulatory requirements, while benefiting from personalised service.

+200 000
REPORTS



+30 000
ISINS



+300
COMPANIES

TEEPI

Using a social network model to develop and strengthen relationships between asset owners, asset managers and fund distributors, TEEPI (Tailored Electronic Exchange Platform for Investors) provides a collaborative platform to connect participants, whether they are CACEIS clients or not. Originally designed to facilitate the file exchanges as part of insurers' Solvency II related reporting duties, TEEPI has now evolved to cover other regulatory reporting requirements such as those under PRIIPs and MiFID II by permitting immediate and secure file transmission.

The platform's social network-style structure allows institutional investors to invite their asset managers to contribute by sharing data necessary for regulatory reporting. TEEPI ensures data is highly secure and the platform's general terms and conditions allow users to avoid having to sign a multitude of bilateral confidentiality agreements.

Once connected with their asset managers, investors can manage all the data they need, receiving it automatically in their choice of format and frequency or downloading the consolidated reports on demand.

TEEPI's report formats are based on market standards approved by the financial sector. Formats are controlled at the outset permitting the uploader to ensure the quality of files and downloading recipient to obtain standardised exploitable data.

TEEPI is an innovative solution that enables users to build their own network for collecting and managing regulatory data. It can help companies focus on their core business.

For more information, www.teepi.com



INVESTMENT ACCOUNTING

CACEIS has extensive expertise from transaction integration to portfolio valuation while taking into account the specific features of each accounting regulation. The Group provides asset valuation services, carries out the auxiliary accounting of financial investments, feeds the general accounts according to the various accounting standards (IFRS, French GAAP, etc.) and produces accounting and regulatory statements. In addition, CACEIS offers a tool for viewing and exporting administrative and accounting statements in order to carry out simulations and projections.

By outsourcing the accounting of their financial investments, asset owners can thus free themselves from recurring technological investment. They reduce publishing times for financial information and their internal costs. CACEIS is a French leader in investment accounting for institutional investors, with more than €500 billion in assets under administration and more than 3,000 client portfolios covered by different rules and regulations.



REGULATORY REPORTING

Managing regulatory reporting has become a particularly complex issue. CACEIS simplifies this challenge and offers a wide range of mandatory reports for all assets, markets and regulations, which are sent to authorities in full compliance and on time. With regard to Solvency II regulations, CACEIS is responsible for calculating the market SCR (Solvency Capital Requirement), stress tests and prudential reporting. Several service levels are available, from data production after transparency processes to full asset reporting according to the standard model.

The ESG&Climat report provides clear and comprehensive data to enable institutional investors to assess the environmental, social and governance quality of their investments. It fully complies with article 173 of the French Energy Transition Law for Green Growth (mandatory in France) and makes it possible to anticipate the European Commission's directives for all European countries. It presents the carbon footprint in CO₂ tonnes equivalent, as well as a view of the overall ESG score and "by portfolio" theme.

Clients can sign up for the ESG&Climat report online via OLIS's new service subscription feature. In a fully digitised process that requires only a few clicks, clients can check the coverage rate of portfolio assets and sign up to receive the report.

PERFORMANCE & RISK REPORTING

CACEIS offers its expertise in risk management and performance calculation via its OLIS Performance tool. A team specialised in risk analysis carries out specific monitoring tasks according to each investment strategy. The tool runs different stress tests on portfolio assets to see how they will perform in extreme market conditions.

Our clients can use this turnkey solution to improve and control their investment processes and risk exposure.

The performance measurement service enables portfolio monitoring, and if required, comparisons with one or more benchmark indices. A wide choice of ratios is available too, including volatility, tracking-error, Sharpe and correlation. Asset allocation analysis simplifies investment monitoring, increasing transparency with regard to asset nature, country, sector, currency, rating, sensitivity and duration, etc..

Performance analysis is key to understanding portfolio performance:

- ▷ Performance contribution measures the participation of each security or pocket in the overall performance of the portfolio.
- ▷ Performance attribution seeks to identify and quantify the origin of a portfolio's out-performance relative to its benchmark in order to highlight the manager's added value over a given period. The calculations depend on the type of asset: allocation, selection and interaction for the equity and carry model, movement of the yield curve and variation of spreads for the bond model.

MARKET SOLUTIONS

With its Market Solutions offer, CACEIS covers a range of instruments such as equities, bonds, derivatives and Forex across a variety of markets, and this offer is perfectly integrated with its wider product range. Securities lending solutions allow investors to optimise portfolio yields or offset costs within a secure operational framework that ensures transactions are fully collateralised.

These fully customisable turnkey solutions leverage CACEIS's expertise as an asset servicing specialist: excellent understanding of the underlying equity and bond instruments, risks, regulatory requirements, marketplace practices, as well as automated operational management, especially concerning daily collateral valuation and margin call management. CACEIS experts have developed several performance optimisation solutions that take into consideration the regulatory framework and risk profile of individual investors, depending on the desired time frame.

CACEIS's collateral management services are a turnkey solution fully compliant with EMIR and other regulatory requirements. Our team of experts offers centralised and optimised collateral management while respecting eligibility criteria. The process covers the middle and the back-office: margin call calculation, daily reconciliation with counterparties, dispute resolution, payment/receipt or delivery of securities, monitoring of securities transactions, substitution if eligibility criteria are not met and interest charging.



SFTR Reporting: a new challenge for the financial industry

The SFTR Regulation (Securities Financing Transaction Regulation) is part of the flood of new regulations that followed the 2008's crisis. It aims to enhance transparency in the securities financing markets by allowing regulators to assess systemic risk and thereby better ensure the stability of the entire financial system.

The scope of the regulation is broad; it is intended for counterparties, financial or not, involved in an SFT transaction within the EU, as well as UCITS and AIFs. The transactions covered are as follows: repurchase agreements, securities and commodities lending and borrowing, buy-sell back and sell-buy back transactions, margin lending transactions and total return swaps.

There are three requirements of SFTR. The first two, which are already in force, require that data on SFT operations be kept for at least 5 years after their maturity date, and that funds must publish information on authorised SFTs in their publications (annual reports, etc.).

The third obligation is to report SFT transactions as they occur. This reporting is one of the most complex ever requested from the

securities industry due to the large volume of data (more than 150 fields of information) to be transmitted in an extremely short period of time.

Reporting on SFTs, on an as-it-happens basis, must include three categories of information:

- ▷ Transactions of new, modified and terminated SFTs, including the parties involved, the underlying information and how it is collateralised;
- ▷ Collateral information on a granular level, indicating the balances of the displayed and received margins;
- ▷ Reused collateral.

Similar to EMIR, reporting must be submitted to a Trade Repository (TR), or central repository, following the execution, modification or termination of the contract, using a unique transaction identifier (UTI). "The reporting is duplicated, i.e. both counterpar-



KAIS HAJ TAIEB, Group Product Manager, CACEIS

ties to the transaction must report. The two counterparties may agree to delegate this reporting to one or the other counterparty or to a third party," adds Kais Haj Taieb. Trade repositories must then forward this information to the relevant regulators.

To date however, the technical standards (RTS) for this reporting are still not finalised. Ongoing discussions between ESMA and the European Commission are expected to be completed by the end of 2018. The reporting obligation will come into force one year later after the publication of the final RTS, and in a phased-in depending on the type of counterparty.

SFTR reporting continues to employ regulatory identifiers such as LEI and UTI, which are also used in EMIR and MiFID II. Counterparties that have established data management processes to support these previous regulations will be able to use them for SFTR.

CACEIS is preparing for the implementation of SFTR reporting and will support its clients in their set up phase. We recommend to our clients to start looking into the topic as soon as possible, to determine if they are affected by the scope of the regulation, and whether they deal with products eligible for the SFTR reports. If so, impacts should be analysed urgently.

EMIR clearing obligation: the deadline is approaching

Since June 2016, mandatory clearing of OTC derivatives imposed by EMIR has gradually increased for a large proportion of financial counterparties. It will become a reality for Class 4 counterparties on 21st December 2018 and Class 3 counterparties on 21st June 2019, two years after the date initially set.



FLORENCE BESNIER, Director-Business Development, Execution & Clearing, CACEIS

The obligation to clear OTC derivatives (interest rate swaps - IRS and Credit Default Swaps - CDS) via a clearing house is applicable since 21st June 2016 to category 1 financial counterparties (clearing members) and since 21st December 2016 to category 2 financial counterparties (counterparties and hedge funds with an OTC derivatives portfolio exceeding €8bn). It will apply to non-financial counterparties from 21st December 2018.

As for category 3 players (financial counterparties and hedge funds with a portfolio of less than €8bn), the obligation was deferred for 2 years and will come into force on 21st June 2019.

The issue is important because many OTC derivatives participants do not necessarily deal with listed derivatives transactions and are therefore not familiar with the clearing process. They must therefore review their transactional and operational models (systematic exchange of collateral, management of margin calls, etc.).

For stakeholders already active in listed derivatives, the process is certainly known, but EMIR's operational and legal impacts remain significant. The deadline is approaching and as a result, there is little time left for the parties concerned to appoint a clearing agent.

CACEIS has been offering a clearing service on IRS OTCs since December 2016.

"This offer is part of the continuity of its clearing service for listed derivatives and has the objective and advantage of reducing the operational burden on its clients by offering an integrated "clearing to custody" model. Indeed, flow management is fully automated once the transaction is confirmed in the Markit electronic platform," adds Florence Besnier.

CACEIS's model offers both flexibility and security for its clients. The group does not provide an execution service for interest rate swaps, offering only a clearing service, and thus leaving clients free to execute transactions with the counterparties of their choice.

An additional benefit of engaging CACEIS is that as an asset servicer, whose main activity is geared towards services to institutional clients, the group has a limited risk profile. Today, CACEIS is a player that offers one of the highest levels of security in the industry.

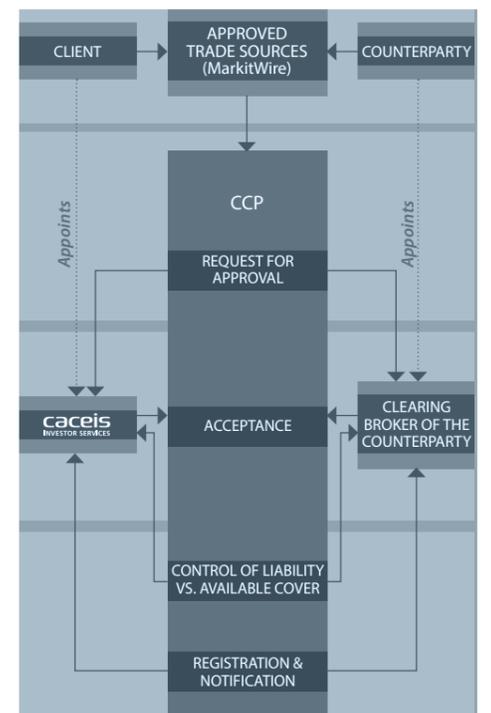
As regards collateral management, CACEIS provides clients with a more flexible policy than the CCP, by offering a wider range of eligible securities to cover Initial Margin Requirements (IMR), comprising not only government bonds but also corporate bonds as well as equities.

Clients opting to use CACEIS for clearing both listed and OTC derivatives benefit from

a single onboarding process, a single cash and securities account, a single contact point and integrated reporting for both activities.

Our teams are available to provide further information about our clearing services.

Clearing Process with CACEIS



CACEIS adds new dimensions to its international fund distribution offer

CACEIS is enhancing the solutions which underpin its fund distribution offer in North America, Latin America and Asia, by optimising order processing managed by the National Securities Clearing Corporation (NSCC) and Taiwan Depository and Clearing Corporation (TDCC) platforms, and expanding its connectivity offering to local investors and distributors.



The NSCC links US brokers to investment fund transfer agents. The platform allows them to automatically manage subscriptions, redemptions, exchanges and transfers of units as well as the collection of commission.

At the same time, CACEIS is expanding its distribution solutions offer in Asian markets by automating its links with the TDCC platform. CACEIS is a major player in cross-border fund distribution and assists many clients in marketing invest-

ment funds with its comprehensive offer: local distribution with a transfer agent, centralisation agent and registrar functions, as well as cross-border distribution. By increasing its operational capabilities, CACEIS provides support

for clients marketing their funds globally.

Joe Saliba, Deputy Chief Executive Officer of CACEIS, commented: "As a strategic partner, CACEIS is committed to innovation for its clients. These new features complement both

the fund distribution offering and CACEIS's global delivery model, which are specifically designed to facilitate the distribution of funds around the world, 24/7, from our entities in Europe, North America and Hong Kong." ☺

In the press - Q2/Q3 2018



June 2018
Securities Finance Monitor
 "The Future of Securities Lending : It's Still About People"
Dan Copin
 Group Head of Securities Finance, CACEIS



July 2018
The Drawdown
 "Exploring the perks and drawbacks of the industry's appetite for bridge facilities"
Arnaud Garel-Galais
 Group Head of Coverage & Business Development de PERES Global Services, CACEIS



September 2018
Financial Investigator
 "CACEIS's social networking solution for institutional reporting"
Ronald Borst
 Managing Director, CACEIS Bank Netherlands Branch



September 2018
EUROFI Magazine
 "The ongoing search for competitiveness within the EU funds industry"
Eric Derobert
 Head of Communications and Public Affairs, CACEIS

© Yves Maisonneuve - CACEIS

© Yves Maisonneuve - CACEIS

© Yves Collinet - CACEIS

© Alexis Cordesse

Conferences - Q4 2018



LONDON	PARIS	MILAN	MUNICH	LUXEMBOURG
<p>11 October British Venture Capital Association Summit</p>  <p>24 October European Fund Finance Symposium</p> 	<p>8-9 October Large & MidCap Event</p>  <p>17 October AGEFI Amtech Day</p>  <p>13-14 November Les journées de l'AFTE</p>  <p>6 December Journée Nationale des Investisseurs Institutionnels</p> 	<p>25 October Italian Private Equity Conference</p> 	<p>8 November German Private Equity Conference</p> 	<p>6 November ALFI Leading Edge conference AI & Blockchain</p> 

Worldwide

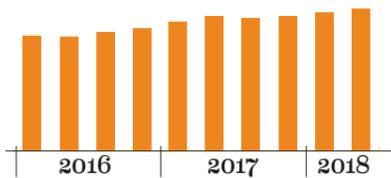
Source: EFAMA - September 2018

Worldwide Investment Fund Assets Q2 2018 (€ trillion)

+4.4%/Q1 2018

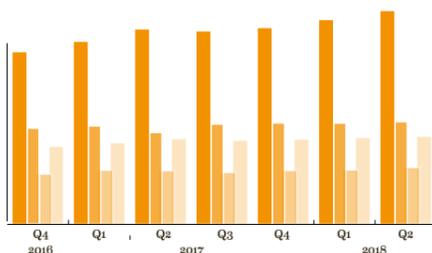
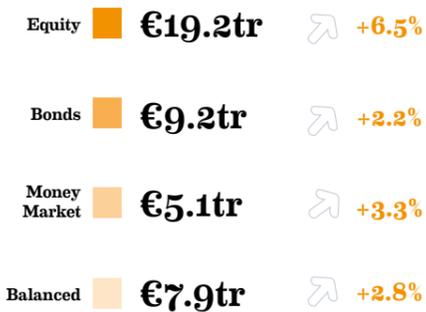
€45.65tr

Worldwide investment fund assets increased by 4.4% in the second quarter of 2018.



Trends by investment type Q2 2018 (€ trillion)

On a euro-denominated basis, worldwide equity fund assets increased by 6.5% to €19.2tr at the second quarter of 2018. Bond fund assets increased by 2.2% to €9.2tr. Balanced/mixed fund assets increased 2.8% to €7.9tr. Money market fund assets increased by 3.3% to €5.1tr at the end of the second quarter of 2018. At the end of Q2 2018, 42% of worldwide regulated open-ended fund net assets were held in equity funds. The asset share of bond funds was 20% and the asset share of balanced/mixed funds was 17%. Money market fund assets represented 11% of the worldwide total.

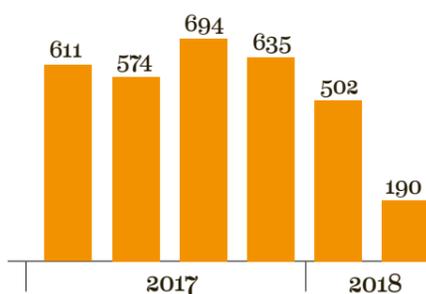


Net cash flow to Investment Funds - Q2 2018 (€ billion)

-62.15%/Q1 2018

€190bn

Worldwide net sales of open-ended funds decreased to €190 billion in Q2 2018, compared to €502 billion in Q1 of 2018.



Europe

Source: EFAMA - September 2018

Net assets of the European Fund industry Q2 2018 (€ trillion)

+1.6%/Q1 2018

€15.78tr

Total net assets of the European investment increased to €15.78 trillion at end Q2 2018, representing a net asset growth of 1.6% since Q1 2018 and 1.1% since end 2017. With €9.82 trillion invested in UCITS, this segment accounted for 62.2% of total European investment fund assets at end Q2 2018, with the remaining 37.8% (equivalent to €5.96 trillion) coming from AIFs.

Top Ten at Q2 2018

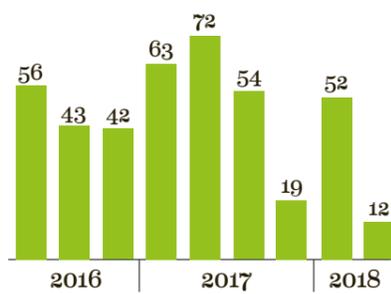


Net Sales of AIF - Q2 2018 (€ billion)

-77%/Q1 2018

€12bn

AIFs recorded net inflows of €12 billion in Q2 2018, down from €52 billion in Q1.

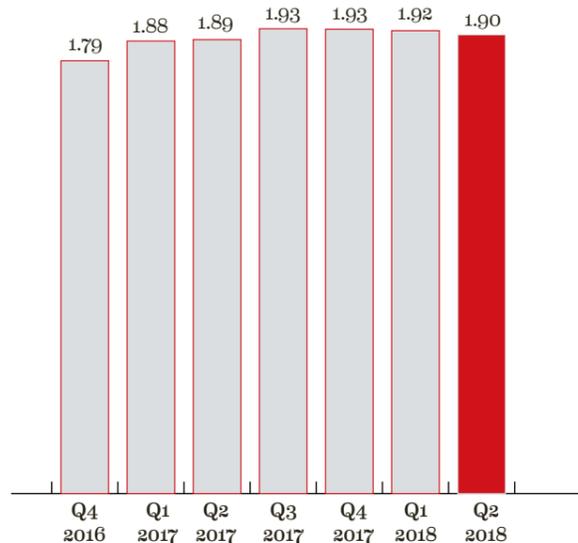


Country Focus-France

Net assets in France (domiciliation) - Q2 2018 (€ trillion)

-0.88%/Q1 2018

€1.90tr



Net assets in France decreased by 0.88% in the second quarter of 2018, compared to a 1.6% increase in Europe over the same period.

Source: EFAMA

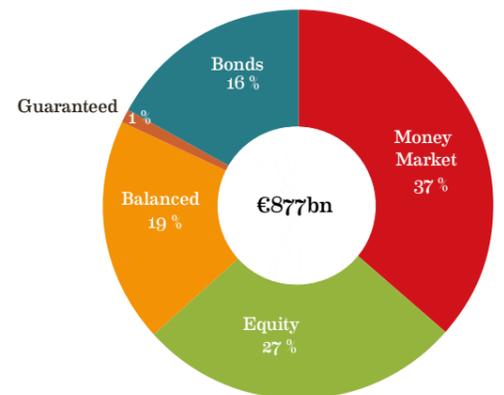
Change in net assets by category of French Investment Funds (€ billion) - May 2018

CLASS OF FUND	NET ASSETS 31/05/2018	NET ASSETS VARIATION	
		Over a month	Year To Date
Equity	342.7	-0.3	-12.5
Balanced	340.8	-0.5	-7.8
Guaranteed	22.5	-0.6	-2.2
Bond	281.5	-2.3	0.3
Money Market	363.8	-10.0	19.6
Other (Employees savings, PE, Real Estate, FofHF, Securitisation Funds)	580.4	1.6	5.2
TOTAL	1931.7	-12.1	2.6

Source: AFG

Net assets breakdown by category of UCITS May 2018 (€ billion)

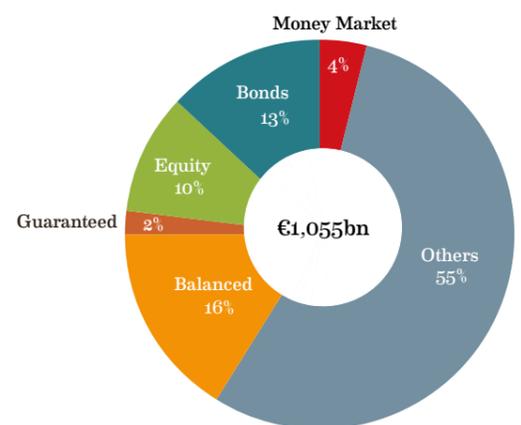
UCITS net assets in France amounted to €877bn in May 2018, i.e. 45.4% of the global assets.



Source: AFG

Net assets breakdown by category of AIF May 2018 (€ billion)

AIF net assets in France amounted to €1,055bn in May 2018, i.e. 54.6% of the global assets.



*Other (Employees savings, PE, Real Estate, FofHF, Securitisation Funds)

Source: AFG

Follow us



caceis
INVESTOR SERVICES