



Post-trade made easy

Capital Market Linkages and Technology Seminar

Panel discussion: Experiences, challenges and
solutions

Stephan Pouyat
Head of Global Reach
Product Management
17 September 2011

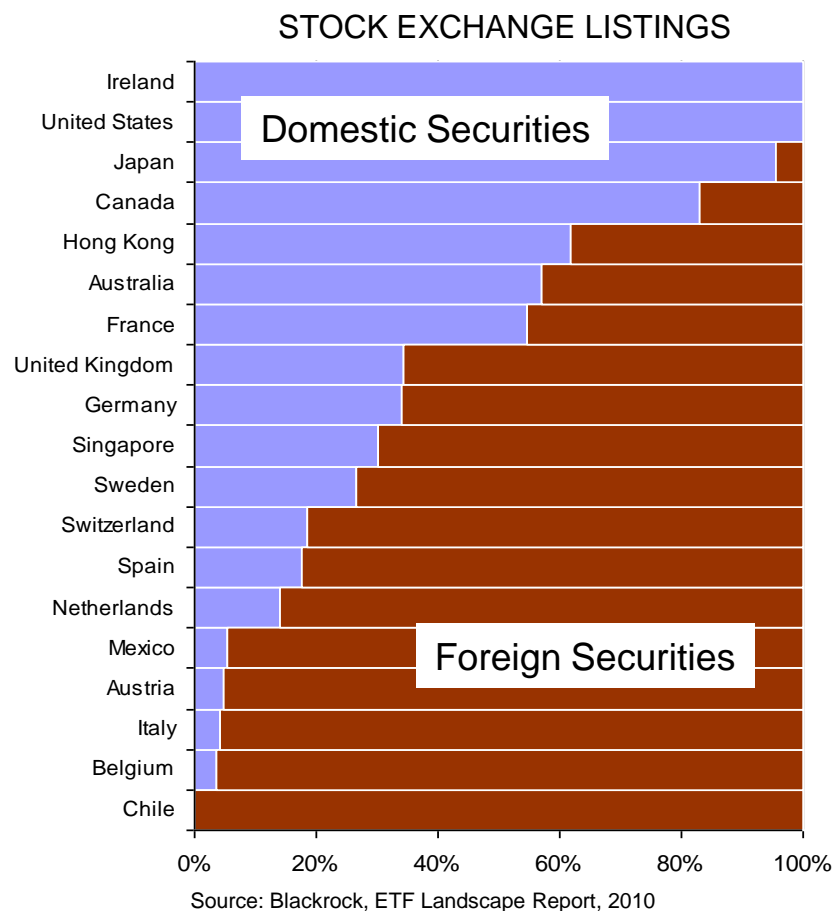




Capital Market Linkages – in 2 seconds

1. More stock exchange listings than ever are coming from abroad
2. “Equity-Linked” are by nature “international securities” (like Eurobonds), but they clear domestically today
3. Choose the right post-trade set up for you

The trend towards “international” instruments



- “Equity-linked” products (certificates, warrants, DRs, ETFs..) are more likely to be issued abroad than traditional equities
- 70% of European ETF listings are made up of foreign securities



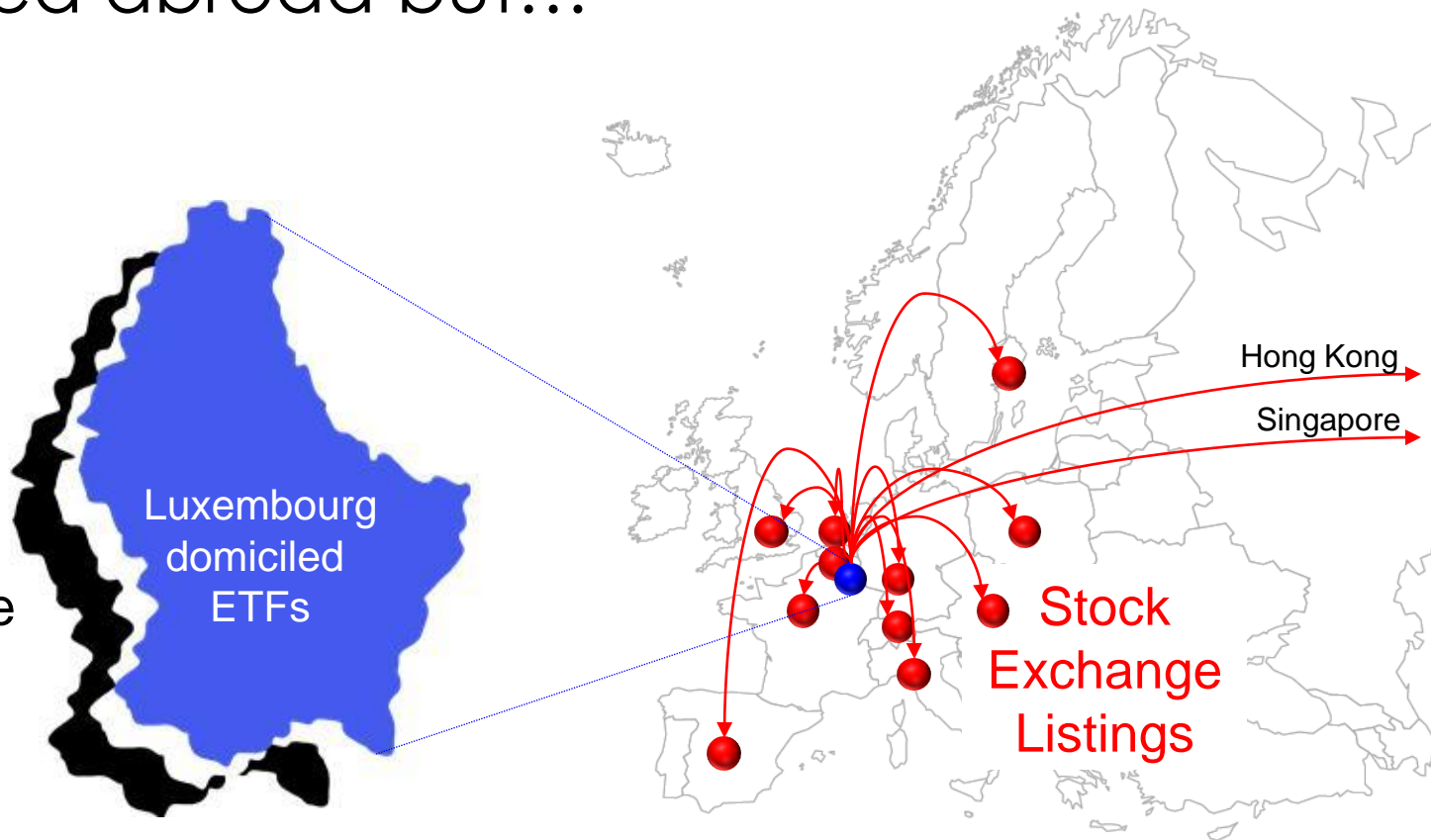
Post-trade errors could cost up to 3 times the value of the original deal



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“Equity-Linked” look like domestic securities listed abroad but...

ETF issuers are global minded



...in reality ETFs & DRs are truly “international” instruments like Eurobonds

So why are they clearing domestically?



Stock Exchanges have two choices

Trading

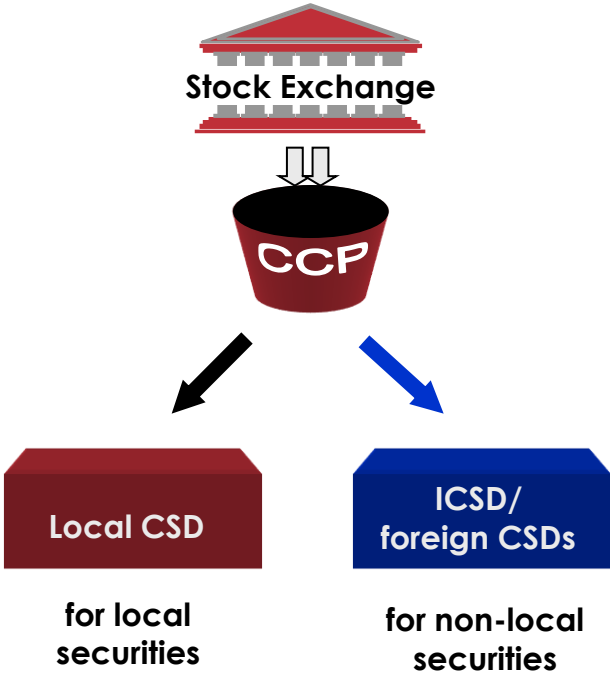
Clearing

Settlement

1) 'Domestic' post-trade model



2) 'International' post-trade model



Advantages:

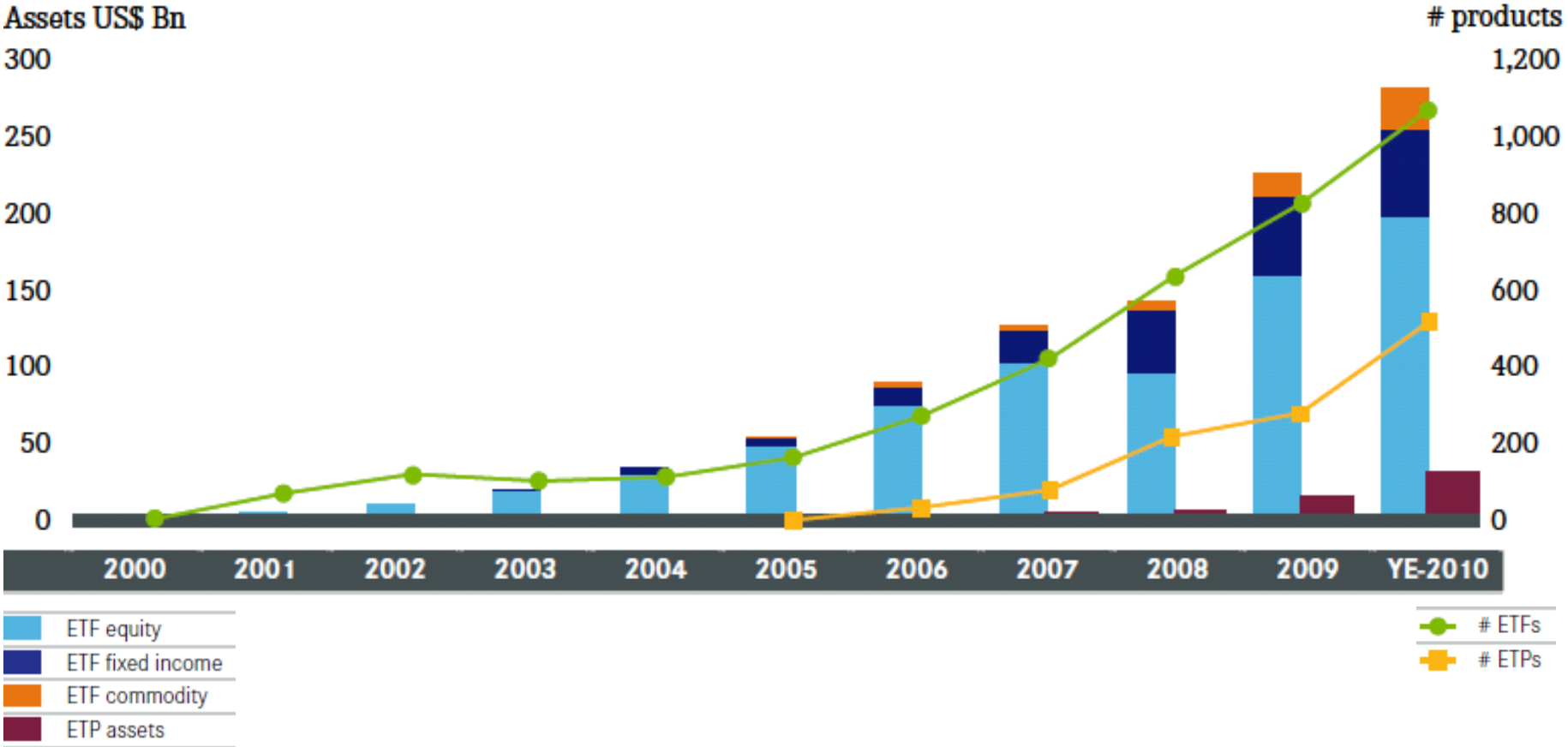
Minimum disruption

Inventory management,
liquidity & arbitrage,
asset servicing, multi-currencies



ETFs are forecasted to become a €1.2 trillion industry in Europe by 2016

European listed ETF and ETP asset growth, as at end H1 2011



Source: Global ETF Research and Implementation Strategy Team, BlackRock, Bloomberg.

Choose the right post-trade set up for you!



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