DEMAND FOR DEPOSITARY RECEIPTS: AN ANALYSIS OF INSTITUTIONAL INVESTORS

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David: With markets optimistic throughout the world, many investors are continuing to seek to diversify their portfolios globally. Our depositary receipts issuer clients want to enhance their visibility and be well positioned to tap into this growing global investment demand and are interested in learning who invests in depositary receipts and why.

Emily: Depositary receipts, or commonly referred to as DRs, solve a number of issues facing investors wanting to diversify globally, yet confronting challenges investing outside their home markets, such as settlement, currency conversion, unfamiliar market practices and investment policies or restrictions that may not otherwise allowed them to invest in foreign securities. The growth of the DR universe over the years has given investors access to a broad range of companies across multiple sectors and markets through the convenience of DR securities. Our new Demand for DRs report documents that growth and demonstrates the role DRs play for the global investment community, outlining who invests via DRs and the funds that hold DRs.

David: This data provides evidence that the depositary receipt product not only continues to be relevant to issuers and investors around the world, but importantly, demand for deposit receipts as an investment vehicle is growing in real terms.

Emily: To help our DR clients take advantage of and build on this increased demand, BNY Mellon has a specialized team of professionals who support them in their interaction with the buy side. Our Global Investor Relations Advisory Team focuses building clients IR capacity, facilitates corporate access through our Market Connect effort and keeps clients informed on developments in environmental, social and governance issues. Our DR Investor Solutions Team interacts with global asset managers and asset owners on strategic and tactical levels to maintain awareness of DRs as an investment vehicle relevant to their needs. Our DR Broker Solutions Team is staffed by specialists in DR conversions, trading and operations, and seeks to generate growth and liquidity in DR programs by enabling interaction between DR programs and local markets.
David: BNY Mellon Depositary Receipts looks at the equity capital markets from a unique perspective, independent from the influence of investment, banking, trading and equity research functions. BNY Mellon's role as depository bank covers much more than serving the issuer. We actively support the needs of three constituent groups essential to the success of any DR program - the issuer, the investor and the broker. We feel this is why more DR issuers across the globe choose BNY Mellon for their sponsor DR programs than any of our competitors.

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