



BNY MELLON: OPEN FOR BUSINESS EVEN WHEN THE MARKET IS CLOSED

BNY MELLON'S ENTERPRISE INVESTOR SERVICES' UNSCHEDULED MARKET CLOSURE FUNCTIONALITY SUPPORTS ASSET MANAGER AND BROKER DEALER CLIENTS' CONTINUED SHAREHOLDER SERVICING ACTIVITIES IN THE EVENT OF AN UNSCHEDULED MARKET CLOSURE.

In today's global economy, the unscheduled closure of financial markets can have a significant impact on business operations. BNY Mellon is invested in your success and understands your need for business continuity. We work to anticipate your needs and create innovative solutions and strategies that are ready when you need them.

In 2008, leveraging our insight into our clients' investment needs and our experience in investor servicing, we designed Unscheduled Market Closure (UMC) operations plans and system functionality to support our asset manager and broker dealer clients in maintaining shareholder servicing during unscheduled market closures, such as in observance of a national day of mourning.

Backed by the flexibility of our investor services technology, this functionality was designed to help clients maintain shareholder servicing operations regardless of whether the underlying fund elected to strike, or not to strike, a Net Asset Value (NAV) for the day of the unplanned market closure. This innovation allows us to support our fund clients—no matter what their NAV decision. It enables us, despite the unplanned market closure, to run nightly cycles, process NSCC ACATS transactions, process and settle trades and report that activity to fund accounting and administration platforms, and process fund distributions. For funds that elect to strike a NAV for that day, it's then business as usual. For funds that elect not to strike a NAV for that day, processed files are warehoused until a NAV is next struck.

TURNING INSIGHTS INTO ACTIONS

In October of 2012, Hurricane Sandy greatly impacted the Northeast and caused the closure of financial markets in the U.S. In response, our operational UMC plans and functionality, in conjunction with overall BNY Mellon disaster recovery and business continuity plans, were successfully executed to support our clients and provide them with uninterrupted shareholder servicing.



THE BNY MELLON DIFFERENCE

- Partnership with a global market leader with the expertise to help unlock your potential for growth and power your performance
- Our clients are at the center of everything we do. Through our collaborative and consultative approach, we work closely with you to identify your unique needs and deliver strategies to help you meet them
- We develop insights that shape conversations that matter across the financial services industry. And we actively participate on key industry committees to advocate for our clients and help drive industry change
- To support your needs across the entire investment continuum, we deliver a full suite of innovative solutions and capabilities designed to help you stay competitive
- Reduced time to market due to our investor servicing insight and experience
- Investor servicing technology and tools to help manage your shareholder obligations while servicing and coordinating with both funds and distributors

Due to our UMC functionality, BNY Mellon investor services operations, supported through our global facilities, operated “business as usual” during the two day market closure and we were able to support our clients’ business without interruption. Our dedicated staff participated in industry calls addressing this unusual market closure and represented our capabilities on behalf of our asset manager and broker dealer clients. During this timeframe we ran nightly cycles which enabled our clients to perform the following functions:

- Run all NSCC cycles allowing for trade execution, confirmation and settlement inclusive of ACATS
- Produce checks, statements, trade confirms, fed wires and ACH, as well as generate files and updated web portals, allowing for seamless shareholder servicing
- Report daily to BNY Mellon and third-party fund accounting, fund administration and custody platforms for all clients’ trade settlements
- Process automated investment and withdrawal plans for funds fully "open for business" (striking a NAV)
- For funds that provided a daily accrual rate, apply those factors to all processed trades, whether warehoused or settled with an NAV, and to all remaining positions in all shareholder accounts of all funds (regardless of NAV election)
- Global operations center operated “business as usual”: trades in "open" funds (those striking an NAV) processed through the nightly cycle and settled, while trades in "closed" funds (those not striking an NAV) processed through the nightly cycle and were warehoused until next NAV

KEEPING YOU COMPETITIVE IN A CHANGING WORLD

BNY Mellon understands that to stay competitive in today’s market environment our clients need to provide seamless and uninterrupted service to their investors. After Hurricane Sandy, our scalable technology helped them to maintain shareholder servicing operations on a “business as usual” basis by providing them with the flexibility to accept shareholder trade instructions and run all internal trade processing functions even though the market was closed. If they elected to strike a NAV on the market closure days, then when markets reopened they had the competitive advantage of starting the new day with fully processed, up-to-date information. Even funds that did not elect to strike a NAV on the market closure days were in a position to start the new day fresh. They were ready to process all trading instructions as they arrived without having to deal with a backlog, or perhaps worse, no trade orders at all because shareholders were not able to contact the fund during the market closure. For those funds, as soon as the next NAV was struck, we were able to process the warehoused trades held on our platforms, post updated NAV's, accrual rates and process the October month-end dividends. Over the next few days, our focused market specialists worked diligently with the various fund accounting and administration entities on resolving issues and obtaining timely and correct NAV's and dividend rates.

Additionally, clients who used BNY Mellon’s integrated fund servicing operating model — which integrates fund custody, accounting, administration and transfer agency services — had an even greater competitive advantage due to the increased operational efficiencies and expedited issue resolution and reconciliation across the integrated services.

Dedicated to keeping you competitive, we continue to work collaboratively with clients to understand their evolving needs. By taking the time to understand how technology affects you and your business, we can anticipate your needs and invest in powerful, strategic solutions that help simplify the increasingly complex challenges you face.

INVESTED IN INVESTOR SERVICES

As a leader in investor services we understand the complexity of your challenges, market pressures and potential for growth. To help drive your success, we leverage these insights, not only into our technology and services, but into our entire service structure. Our unique Enterprise Investor Services operating model — where all shareholder servicing operations, customer service, client services and systems are housed under a single line of business, management structure and service culture — positions you with the resources to optimally manage your shareholder obligations while servicing and coordinating with both funds and distributors.

Powering our investor services capabilities is some of the most innovative thinking in the financial industry. We put our thought leadership into action by taking leadership roles in key industry organizations and groups, sharing our insights on investor servicing, as well as on preparing for unscheduled market closures. This allows us to advocate for our clients, creating and implementing initiatives that set new operational standards and help solve industry-wide issues.

Contact us and learn more: assetservicingmarketing@bnymellon.com
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