

JEFFREY MCCARTHY AT ETF TRENDS

Jeffrey McCarthy, CEO of Exchange Traded Funds, BNY Mellon

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Tom Lydon: Hi, Tom Lydon with ETF Trends. Here in Hollywood Florida at the Inside ETF conference here with Jeff McCarthy CEO of The Bank of New York Mellon. Great to see you Jeff.

Jeffrey McCarthy: Good to see you, Tom.

Lydon: Obviously there's a lot going on in the space. Continued Innovation inflows. From your perspective, is this going to slow down anytime soon in the ETF space?

McCarthy: No, I don't think so. The level of conversations we're having across the asset manager community on ETF's, it's just growing in abundance every day and I think, you know, the asset levels where they are today of just under five trillion, I don't think in the next year you're going to see them to surpass five trillion. I think actually you're going to see them surpass six trillion.

Lydon: Wow! So you're seeing, obviously more product, you're seeing more asset managers jump into the space, at The Bank of New York Mellon your folks help in a whole variety of ways. Maybe walk through some of the things that you do to partner with ETFs issuers.

McCarthy: So I think we're unique as a firm where we offer a platform. And what I say for a platform is that we kind of articulate with asset managers that we can help them design, build, manage and grow their ETFs, and we deliver that through all of our businesses that we have as a firm. So not only do we have asset servicing, but we have an investment management arm where we come up with strategies and we act as sub-advisor. We have a Pershing and an RIA business that uses and utilizes and clears and distributes products. And we have a Capital Markets which is acting and providing liquidity in these markets.

So, we're able to deliver that full breadth of services, as well as more importantly outlook into what we're seeing in this industry.



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Lydon: So let me give you an example. Say a well-known Wall Street money management company that has not been in the ETF space yet, can they come to you and will you come walk them through the process?

McCarthy: We will. And we'll tell them how they have to set up their infrastructure. If they don't have structure products today what does that mean; if they do how can they integrate. And kind of offer ETFs as a compliment to other products. And then if they need information on strategy or how we would view different strategies in the way that we distribute and use products and build model portfolios in some of our businesses, we share that insight with the hope of letting them really develop a product platform that's going to be successful.

Lydon: The Bank of New York Mellon was there in the early stages of the evolution of ETFs. Talk a little bit about your commitment going forward and is this something that you feel The Bank of New York Mellon is going to continue to benefit from along with these partnerships?

McCarthy: Yea, ETFs is a huge focus within our firm. So, you know, our CEO will mention it on his earnings calls. He'll talk about ETFs, and he'll talk about how ETFs touch our firm. So many aspects of our firm globally and really the importance for us to figure out where we can add more value and deliver strategies and just support to help grow this ecosystem as well as grow our business models. Excellent.

Lydon: Jeff, as always, great seeing you!

McCarthy: Thanks, Tom!

Lydon: Thank you!

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