

# EQUILEND SPIRE

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POWERED BY STONEWAIN



## INTRODUCING EQUILEND SPIRE:

### Flexible, Modular, Customizable—A Bespoke Technology Solution For All Your Securities Finance Business Needs.

EquiLend Spire is a state-of-the-art platform and technology-driven hub for securities finance firms of all types, including agent lenders, prime brokers, retail brokers, beneficial owners and collateral managers. Managing your securities finance business has never been more efficient.

Consolidate disparate systems by adopting our comprehensive, full-service offering covering the front, middle and back office. Or, choose one or more modules that complement and are interoperable with your existing technology. EquiLend Spire streamlines the management of your operation with a bird's eye view of your entire business.

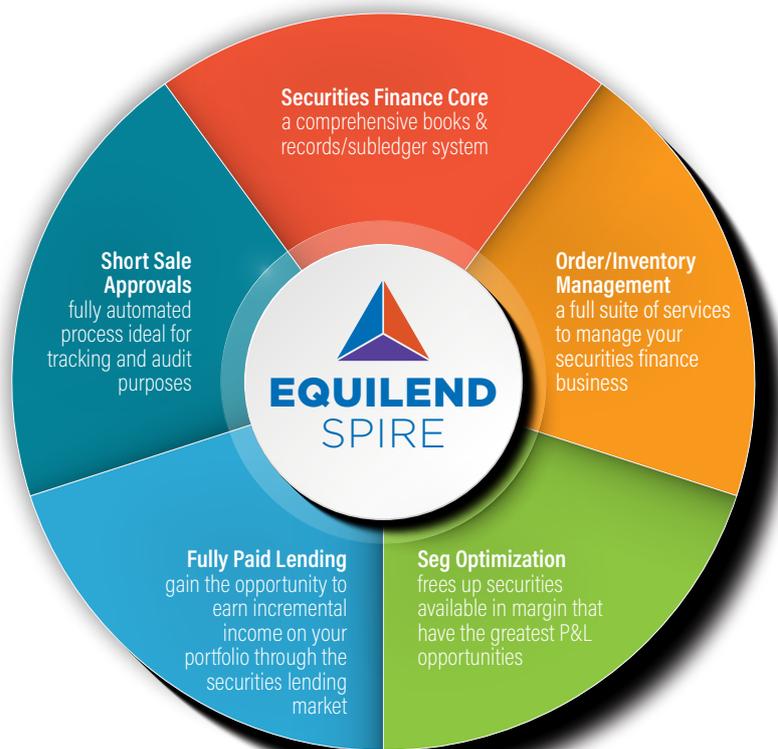
EquiLend Spire ties in seamlessly with EquiLend platforms including NGT (trading), PTS (post-trade), DataLend (market data), EquiLend Clearing Services and a variety of other systems, market infrastructures and vendors across the industry. Use the EquiLend Spire interface or link the platform to your proprietary system for a powerful engine allowing you to drive your business from one central hub.

#### EQUILEND SPIRE OFFERS:

- » Centralized management of your entire securities finance business
- » Comprehensive, industry-specific functionality
- » Cutting-edge technology and automation
- » Seamless integration with EquiLend and other securities finance industry service providers including DTC, SWIFT, Pirum, FIS (Loanet), Broadridge (Anetics) and Helix

EquiLend Spire allows users to leverage an industry-leading financing platform with EquiLend's many automated trading and post-trade services to optimize and efficiently process inventory management, cash and non-cash collateral, trade distribution through electronic trading algos and trading desk P&Ls—all with enhanced management and client reporting.

## EQUILEND SPIRE MODULES INCLUDE:



Modules may be implemented individually, to replace existing components or fill gaps in your securities finance system, or as a full package for firms looking for a front-to-back system upgrade or those who are just entering the business.



## MODULE 1: SECURITIES FINANCE CORE

- A COMPREHENSIVE BOOKS & RECORDS/SUBLEDDGER SYSTEM -

### OPERATIONS

**EquiLend Spire's Operations functionality provides risk management and client services for securities lending business managing lending portfolios on a day-to-day basis. It ensures that all trading activity, collateral management and ancillary processes are completed each day with any associated risks escalated and resolved in a timely basis.**

- EquiLend Spire can monitor all operational activities and ensure that they are carried out in accordance with corporate and regulatory policies and associated business activities and priorities
- EquiLend Spire maintains metrics on both the execution and integration of overall operations strategy in coordination with technology and business partners
- EquiLend Spire can develop and maintain key performance indicators/metrics to support business needs, influence behaviors and increase STP rates
- EquiLend Spire allows for the processing and monitoring of all trade lifecycle events (settlement, mark to market, return, etc)
- Support for returns and recalls

### REPORTS

**EquiLend Spire features reports designed to provide clients with a guideline to monitor and oversee various aspects of their securities lending program.**

- The reports can be customized to meet a client's requirements, and EquiLend Spire continues to upgrade and enhance the current reporting capabilities
- Target-specific goals and detailed reporting allow clients to gain enhanced confidence in their securities lending programs
- Reports provide greater understanding of all aspects of a client's securities lending program and provide the necessary tools to better assess risk and return dynamics
- User-configured history available
- Scheduled or on-demand access available
- Standard report templates available

### STATIC DATA

**Today, there is an increasing amount of bilateral and multilateral automated lending whereby securities are broadcasted as available at particular rates by electronic trading platforms, email or other means. Where lending terms are agreeable, automatic matching can take place. EquiLend Spire can connect borrowers and lenders through a common, standards-based global equity lending platform, enabling them to transact with increased efficiency and speed as well as reduced cost and risk.**

- Configurable options allow clients to create customizable setups for individual users
- Integration with multiple security pricing feeds to assist with accurate counterparty exposure and loan contract reconciliation
- Flexible counterparty profiles
- Flexible deal-type settings



## BILLING & LOAN ACCOUNTING

**EquiLend Spire looks at trends and helps discover the core drivers behind a securities lending group's results. Reviewing results and trends with various metrics such as earnings, utilization rates and spreads will enable management to evaluate their group's performance.**

- Performance attribution reporting
- Clear understanding of how those earnings were achieved
- Delivers transparency and metrics that are easily understood by all parties
- Accrual calculation
- Flexible account structure for book management and reporting
- P&L
- Highly efficient billing process, seamlessly integrated with EquiLend's Billing service
- Client earnings statements supported by detailed accounting ledgers, ensuring data integrity and transparency

## MESSAGING GATEWAY

**EquiLend Spire offers a fully managed and comprehensive communication channel to securely connect the system to vendors and depositories in the securities lending marketplace, ensuring efficient and effective integration with program counterparties for back-, middle- and front-office personnel.**

- Direct integration with EquiLend messaging protocols
- Real-time links to proprietary systems/GL
- Single platform approach
- EquiLend Spire's integration team can help integrate your back, middle and front office more effectively with counterparties
- SWIFT/DTCC connectivity
- Support for other third-party vendor solutions
- MQ messaging layer supporting multiple formats (XML, SWIFT, etc.)
- We can also support your integration project with additional services, products and tools

## GLOBAL SETTLEMENTS

**Research indicates widespread belief that the risks involved in clearing and settlement are unacceptably high. There's every reason to believe that future developments in international markets will be even more challenging. EquiLend Spire's global settlement module is the right tool for this dynamic environment.**

- Strengthens and streamlines the basic clearing and settlement model, making clearance and settlement systems fully interoperable
- Integrated with EquiLend's Settlement Instructions Repository
- Permit any qualified user access to systems and services on fair and transparent terms
- Leveraging SWIFT messaging and direct connectivity to settlement depositories to create efficient, straight-through processes generates high levels of settlement automation, mitigates fails and allows for operations personnel to be deployed to high-value activities and exception management



## CREDIT & COMPLIANCE

Like all investment activities, securities lending involves certain potential risks, primarily counterparty, collateral, operational and tax/legal/regulatory risks. EquiLend Spire can help mitigate securities lending program risk by enabling firms to carefully plan, execute and manage their program's credit quality guidelines for collateral, strong internal controls and audit purposes.

Systems will be held to a higher standard as compliance officers insist on greater data accuracy and descriptive proof of assets. EquiLend Spire can address and mitigate these requirements and protocols.

- Ongoing credit reviews tracking
- Counterparty concentration limits monitoring
- Defined and controlled within the expected risk profile
- Compliance engine provides oversight of rules and testing
- Support for Agency Lending Disclosure reporting process flow for agent lenders and borrowers

## CORPORATE ACTIONS & INCOME COLLECTION

Complete loan processing of corporate actions and income collection including tracking, monitoring, and accounting for all mandatory and voluntary entitlements.

## CASH/NON-CASH COLLATERAL MANAGEMENT

EquiLend Spire can help agent lenders with a wide range of collateral management solutions to meet daily operating, core and longer-term strategic cash and non-cash needs. This includes:

- Money market funds to provide capital preservation, liquidity and transparency
- Separately Managed Accounts designed to meet your specific investment objectives, risk tolerance and constraints
- Sweep accounts for agent lenders needing an automated investment option for excess cash reserves
- Covers repo transactions
- Maintain and monitor all non-cash collateral per loan, per compliance guidelines



## MODULE 2: ORDER/INVENTORY MANAGEMENT

- A FULL SUITE OF SERVICES TO MANAGE YOUR SECURITIES FINANCE BUSINESS -

**EquiLend Spire offers clients a full suite of services to manage their securities finance business. Our comprehensive and customizable Order/Inventory Management module can fit all your needs in one platform.**

### TRADING

Intuitive, user-friendly order management system comprising a feature-rich, customizable interface, allowing both seamless movement between single and bulk trade entry and clearing numbers.

Features:

- Fully integrated with EquiLend NGT and EquiLend Clearing Services through Messaging Gateway
- Connects to various trading venues
- Lending logic based on flexible rules
- Integrated securities lending market data for quick reference
- Security availability and locates
- Ability to populate availability screen intraday and then "time-out" when supply is exhausted and provide notification (lendable inventory tracking and notification)
- Rolls and opportunities
- Calculate true rate depending on each counterparty's pricing convention
- Auto-match needs to availability
- Easily identify easy-to-borrow collateral positions to assist in funding
- Separate hard-to-borrow securities and portfolios for greater revenue while minimizing cash exposure
- Utilizing DataLend or other vendors, know exactly the intrinsic value is for a given security

Borrower-specific features:

- Automatic and manual availability file upload
- Trades completed (automatic and manual trade completion)
- Ability to move between different DTC clearing numbers
- Reflects OCC-eligible securities
- Alerts for Hedge vs. non-Hedge bookings
- Ability to direct trades to Market Loan Program

Lender-specific features:

- Fair allocation queue
- Managing trading within client guidelines



## TRADE SUPPORT

Fully automated workflow process allowing quick and efficient views into trades done and returns processed. One unified platform to monitor and reconcile OCC and tri-party requirements in addition to cash management, target balances and connections to global depositories.

- An area to set global settings (account info, mark to market protocol, etc.)
- Returns and Recall Management
- OCC cash monitor
- Criteria-based auto-return
- Ability to match and kill recalls
- Mark generation
- Net SPO charges for marks
- Real-time insight into settlement status
- As-of booking support on open contracts
- Real-time DTC settlement status with view into pending trades and returns
- RAD screen approval flow through to DTC
- Inventory (box report) that reflects all DTC codes (10, 11, 20, 21, 30, 31, 280, etc.)
- Ability to release pending loans and returns
- EOD balancing tools
- Corporate actions notification and automation for mandatories
- Interface to post-trade comparison engines

## CONTROL

Detailed, interactive dashboard allowing for counterparty credit and concentration monitoring coupled with supervisory authorizations and end-of-day sign off. All-in-one platform to approve, decrement and track both security locates and T+1 requirements.

- A setting for administration details and storage (MSLA, GMSLA, GMRA, ISDA, etc.)
- Robust report production suite
- Counterparty activity and target balances
- Automatically calculate recall exposure and initiate recall
- Pricing interface (Bloomberg, IDC, etc.) for current price
- P&L monitoring

## BOOK MANAGEMENT

High-quality data covering securities lending activities is needed for regulators to identify potential risks. EquiLend Spire can ensure the relevant attributes of a securities loan are in place, including counterparty, collateral type, haircut, securities lending fee and rebate. EquiLend Spire will also assist in ensuring for the proper collection and management of:

- Dividends
- Rebates
- Margin
- Cash collateral reinvestment guidelines

In addition, EquiLend Spire will monitor restrictions on the “interconnectivity” of larger financial institutions to help promote greater transparency.



## MODULE 3: SEG OPTIMIZATION

- FREES UP SECURITIES AVAILABLE IN MARGIN THAT HAVE THE GREATEST P&L OPPORTUNITIES -

EquiLend Spire will monitor daily the activity of fully paid for customer assets to ensure that the firm is in compliance with possession or control requirements in accordance with Customer Protection Rule (15c3-3) and regulatory reporting.

- Performs daily root cause analysis of delivery deficits and prompts steps needed to bring securities into possession or control for any Possession or Control violations created
- Executes daily analysis of actionable items required under Possession or Control. These items include fail to receive, stock loans, stock dividends, bank loans, customer shorts and firm inventory shorts that cause deficit
- Through daily reviews of segregation calculations, EquiLend Spire directs Seg Optimization system calculations, stock borrow/stock loan recommendations and conduit borrows and loans
- Ensures that control locations have proper documentation such as custodial agreements, clearing agreements, acknowledgement letters, etc.
- Through daily analysis and leveraging DataLend data, EquiLend Spire looks to free up securities available in margin that have the greatest P&L opportunities

## MODULE 4: FULLY PAID LENDING

- GAIN THE OPPORTUNITY TO EARN INCREMENTAL INCOME ON YOUR PORTFOLIO THROUGH THE SECURITIES LENDING MARKET -

EquiLend Spire provides a full solution for implementing a fully paid program.

- Through EquiLend Spire's Fully Paid Lending module, you can borrow certain fully paid for excess-margin securities that other firms desire to borrow. In return, you gain the opportunity to earn incremental income on your portfolio through the securities lending market
- Your customer maintains full economic ownership of the securities on loan and may sell the securities or recall the loan at any time
- Automatically deposits monthly income payments into your client's brokerage account, and your portion will be directed to your firm
- Calculates and tracks the collateral received for your loans
- Allows you to easily monitor the number of shares on loan and loan values by client, investment professionals or office range
- Allows your customers to view their securities on loan and income payments on their account statements through a direct-access client portal
- Customizable to meet the needs of your FPL program

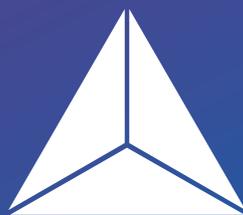


## **MODULE 5: SHORT SALE APPROVALS**

- FULLY AUTOMATED PROCESS IDEAL FOR TRACKING AND AUDIT PURPOSES -

**Proper short sale locate requirements are managed in a fully automated process ideal for tracking and audit purposes.**

- White-label client portal for direct client access and efficient processing
- Logic to provide quick response and turnaround of locate request
- Link the short sale to the locate
- Aggregate availability from both internal and external supplies
- Approve request, respond to client, provide reference number and decrement availability
- Easily scalable to support multiple requests or indications of interest (IOI) through an approval gateway



**OUR INNOVATION. YOUR ADVANTAGE.**

EquiLend is a leading provider of trading, post-trade, market data and clearing services for the securities finance industry.

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