

THE JOURNEY TO THE POST-TRADE PROCESSING FUTURE: ACHIEVING SSI AUTOMATION

Every market participant is being pressured to do more with less. Eliminating SSI-related trade fails not only benefits both sides of the trade but enhances the overall functioning of the marketplace.

≈100% firms experience trade fails due to incorrect SSI information¹

THE ROAD HAZARDS: SSI FAILURE IMPACTS

Manual SSIs create downstream exceptions that are not always immediately visible. These include fines, regulatory impacts and opportunity costs, interest on borrowed stock and time to address claims and penalties. Plus the added issue of a failing buy causing the chain effect of a failing sell. Even when trades don't fail, manual processes create increased cybersecurity risks, with most communication still occurring via email instead of through secure networks.

18.7%

firms experience average fails due to SSI issues¹

3-4%

electronic trade confirmation fails due to missing SSIs¹

\$3B

estimated costs and losses from 2% global fail rate¹

2020

CSDR live in Europe: Brings daily fail penalties and mandate buy-ins

\$1-2 million

avoidable costs in exception handling time (for mid-sized IM)¹

8.1 million SSIs*

THE FIRST STAGE: MOVE FROM MANUAL TO AUTOMATED

1. UTILIZE the ALERT ASSIsT Program (Automating Standing Settlement Instructions Together). Buy-side clients can use this program to leverage DTCC to maintain their instructions within the **ALERT** platform. And with some of the largest prime brokers using **ALERT ASSIsT**, hedge funds who choose to leverage the program are able to establish a direct link to their SSI details.

2. SUBSCRIBE to the ALERT platform. The industry's largest and most compliant online global database for the maintenance and communication of account and standing settlement instructions (SSI). An **ALERT** subscription enables full access to a community of investment managers, brokers/dealers and custodian banks to share accurate account and SSIs.

ALL

major asset classes

6,000

community members

99%

SSI compliance rate with **ALERT**

Multi factor

data authentication available on all SSI updates

50% reduction in trade fails experienced by **GC Direct** users²

THE FINAL DESTINATION: CUSTODIAN-MANAGED

Global Custodian Direct (GC Direct)

Automates the exchange of SSIs between a custodian's central repository and the **ALERT** host. This enables the global custodian/prime broker to own and manage the SSI data, effectively creating the "golden copy" within the **ALERT** platform.

8

of the world's largest global custodians are already on **GC Direct***

For more information visit www.dtcc.com/SSIRoadmap today.

¹ Source: The TABB Group, LLC report, "Standing Together: An Instruction to the Investment Industry" (September 2016). Based on research with over 150 investment management firms, both long-only and hedge fund managers, from all major investing regions and across all AUM sizes.

² Source: A Roadmap to Automation: How an SSI Utility Benefits All Participants, DTCC, 2019

* As of May 2019

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