

Reduce operational complexities and maximize yield from long-term holdings

LEARN HOW SECURITIES LENDING CAN ENHANCE RETURNS AND REDUCE EXPENSES

- Determine the fallout benefits of securities lending to fund shareholders.
- Understand costs and returns on cash-management vehicles used to hold lending collateral.
- Address fee splits between funds and lenders.

UNDERSTAND FEE STRUCTURES

With pressure on fees, many funds are looking to securities lending programs to maximize yield on their long-term holdings. This requires a clearer understanding of competitive financials.

KEEP ABREAST OF INDUSTRY BEST PRACTICES

Uncover trends, opportunities and risk with Broadridge Securities Lending. This comprehensive, proprietary dataset comprises information on registered investment companies governed by the Investment Company Act of 1940 (The '40 Act). Coupled with rich, Broadridge subject-matter expertise, this data helps boards and fund companies gain a better grasp of the competitive landscape and uncover opportunities to improve their returns.

FOCUS ON MEANINGFUL INSIGHT

Making an apples-to-apples comparison between funds can be challenging. Broadridge helps simplify the process. With a clearer view of fees, practices and procedures, boards and fund companies can better determine how they stack up against their peers. Firm-wide and on a fund-by-fund basis, powerful insight helps increase returns and reduce expenses.



GAIN A ROBUST VIEW

Broadridge Securities Lending contains comprehensive information on open-end funds, variable insurance portfolios and ETFs, including:

- More than 95% of fund families with more than \$20 billion in assets under management
- More than 97% of assets known to be involved in securities lending

Data is derived quarterly from public filings including annual reports and Statements of Additional Information (SAIs). This provides fund companies with a timely view of both broad trends and important details.

CASE STUDY: COSTS FEE SPLITS AND PAYMENTS TO (AND FROM) AFFILIATES

DATA THAT MAKES A DIFFERENCE

The Broadridge Securities Lending dataset contains a host of valuable information, including data on gross and net income, fees paid, fees not included in revenue split, and more.

OPTIMIZE YOUR SECURITIES LENDING PRACTICES

Gain the market insight you need to craft better securities lending agreements. Employing methodologies developed over more than 30 years of regulatory and compliance reporting, Broadridge has assembled a comprehensive, insightful database designed to provide competitive views of securities lending industry-wide.

Content in the Broadridge Securities Lending Database

- Lending agent (if named in SAI)
- Gross income from securities lending activities
- Fees paid to securities lending agent from a revenue split
- Fees paid for any cash collateral management service
- Administrative fees not included in revenue split
- Indemnification fee not included in revenue split
- Rebates paid to borrower
- Other fees not included in revenue split
- Aggregate fees for securities lending activities
- Net income from securities lending activities

CHOOSE BROADRIDGE

To get the insights you need for a competitive edge, turn to the leader in foundational solutions for the industry. With a 30-year history of driving innovation, Broadridge seamlessly adapts to change and delivers a singular level of customer service.

Call your Broadridge representative today, or visit broadridge.com.

The challenge

An advisor with a substantial securities lending practice reported that the revenues and fees paid to an affiliated lending agent were in line with industry norms. Charged with reviewing these figures and ratifying these agreements, the board struggled. The number and variety of different securities lending agreements at the firm and across the industry made it difficult to identify and make appropriate comparisons—so the board asked Broadridge to establish a watch list of affected funds and associated standards.

The solution

Broadridge deployed its unique database to determine how best to evaluate the advisor's practice. This uncovered insight into the costs and benefits of securities lending through affiliated and unaffiliated agents. It also enabled the board to measure the value of securities lending for individual funds, and to understand the fallout benefits for the advisor and the funds' shareholders. By coupling data insights and subject-matter expertise, Broadridge helped the board to evaluate the advisor's securities lending on a case-by-case basis and across the firm overall.

The outcome

The board now uses Broadridge Securities Lending as a regular part of its oversight. This helps them to understand the advisor's practices, incorporate new data from other firms into their benchmarking and assessments, and address potential regulatory challenges. Broadridge Securities Lending has become a critical part of the board's annual review of the advisor's securities lending agreements. It also serves as a template for considering potential changes or additions to those agreements, helping the board to weigh the value of different alternatives.

Broadridge, a global fintech leader with over \$4 billion in revenue and part of the S&P 500 Index, provides communications, technology, data and analytics. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth.

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Communications
Technology
Data and Analytics

