

Multi-Asset Class Prime Brokerage

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Merrill Lynch Multi-Asset Class Prime Brokerage

I. Single platform across all asset classes

- Equity, Credit, Interest Rate, FX, Listed Products, including financing products Repo / stock loan
- Single point of contact for all products through client rep one stop shop

2. Cross margining and netting

- > Specific risk based grids that optimise margin based on net market exposure across asset classes
- Ability to net total exposure (margin requirement) against total assets (collateral)



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3. Innovative and Flexible Financing Solutions

- > Unique structure for loans / illiquid assets financing Control, tax and funding efficient
- Structured / term repo financing for debt products
- Comprehensive equity finance products delivered through single service driven sales contact

4. Derivatives Intermediation

- Ring fenced platform for derivatives give-up service covering Credit, Interest Rate, FX
 & Commodities products
- Centralises collateral management and margin calls with positive impact on performance and operational cost base



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5. Strong supply in both Equities and Fixed Income securities

- ➤ Stock lending
- ➤ Repo



Financing and Short Coverage Solutions

- Securities lending
- Synthetic financing
- Repo financing
- Loan financing
- Equity financing
- Property derivatives



Derivatives Intermediation

Credit Default Swaps

- Single name
- Index Swaps
- Options on Single Name CDS / Index
- Index Tranches

Interest Rate Derivatives (including G10 currency)

- Swaps
- Swaptions
- Caps/Floors

FX

- FX Spot, Forward, Swap
- Non deliverable forwards (NDFs)
- FX Options



Derivatives Intermediation

Commodities

- US Natural Gas: OTC and natural gas Futures and options on Futures traded on ICE or NYMEX or CME/ Globex , plus the Clearport and ICE Clear equivalents of these
- Crude and Products: OTC, Futures and options on Futures traded on ICE or NYMEX or CME Globex, plus the Clearport and ICE Clear equivalents of these

Coming Soon

- ABX CDS (Index only)
- CMBX CDS (Index Only)
- Total Return Swaps (Bond and Index)
- Commodities US power, UK and Continental power, UK Gas, Emissions



Margin & Risk

- Stable & transparent margin engine clients can access the margin engine directly to run what-if scenarios
- Full netting capability incorporating, cash, cash products, plus PV of derivatives / repotrades
- Multi-asset class cross margining platform
- Single PB based margin call for products across the 4 major asset classes (Equity, Credit, Rates, FX) offering ability to post PB eligible margin against a wide range of derivatives contracts with a single collateral movement



Operational Overview & Reporting

- Single, global technology platform with multi-asset class capabilities
- Web based portal into Merrill Lynch
- "Near time" information availability
- Pro-active Client Services, middle office and operations groups in the regions
- Capture and resolve any upfront transaction issues
- Monitor and drive corporate action and dividend notification and activities specific corporate actions experts within the business group
- Continuous review and discussion around process improvement



Real Time Trade Blotter on MLPrime®

- Web delivered, secure digital certificate
- Client has access to the same information as the ML PB Client Services Team
- Client can monitor execution, booking and confirmation status of each transaction
- Covers all products eligible for derivatives give-up





Client Services

- Access to a global team via a single, consistent point of contact
- Multi-product specialists within Client Services Team to enable cross-training and ensure comprehensive support
- Global model allows clients to benefit from supplemental coverage in multiple time zones
- Service Representatives understand your business and proactively offer solutions and effective troubleshooting

Merrill Lynch Prime Brokerage has a dedicated middle office team working with us to manage day-to-day issues including:

- Trade file processing
- Reconciliations
- Portfolio accounting
- Corporate actions

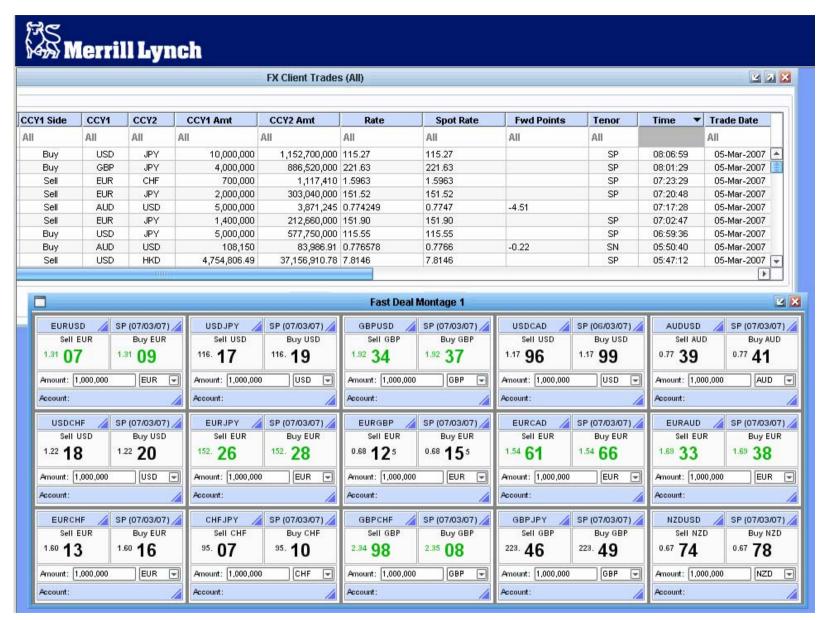
- Margin and risk control
- Stock loan fail management
- Settlement issues



Foreign Exchange - e-FX

- Fast, user friendly FX trading platform MLFX flexible access via GUI/API/FIX
- Multiple ECN connectivity
- Order book
- Credit checking and allocations
- STP
- Algorithmic risk trading







FX Prime Brokerage - Technology and Automation

STP - low touch or no touch processing

- Automated matching with near matching intelligence
- Automated trade allocation tools
- Automated position rolls
- Access and connectivity to multiple ECNs

User friendly web based GUI

- Real time revaluations for cash and options
- Credit checking, real time utilisation/availability display
- Flexibility of fee collection
- On line position rolls
- Real time and end of day reporting
- Configurable access to GUI for client, fund administrator etc



FX Prime Brokerage - Service requirements

24 Hour FX market requires

- 24 hour client integration team
- 24 hour client servicing team
- 24 hour e-FX platform
- Real time revaluations
- Cash management and margin issues



Merrill Lynch Prime Brokerage Services - Disclaimer

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