

OpenText™ Straight-Through Processing (STP) Execution to Settlement

Providing an end-to-end view of securities transactions

The OpenText™ STP Execution to Settlement solution, part of the OpenText STP Product Suite, is designed for universal, custody, and trust banks seeking a transaction management system that includes both an electronic trade message processing capability and a web-based portal that enables clients to submit trade orders and settlement instructions for securities transactions, monitor trade life cycles, and facilitate wire-transfer and foreign-exchange activities.

STP Execution to Settlement offers detailed exception management, proactive alert notifications, and configurable reporting features that help to minimize the risk inherent in day-to-day securities operations that can lead to settlement failure. The result is that clients gain an end-to-end view of transaction flows that allows better control over their capital market investments.

STP Execution to Settlement supports a wide range of asset classes including equities, fixed income, mutual funds, exchange traded funds (ETFs), and alternative investments. Settlement instructions are supported for Deliver Free (DF), Deliver versus Payment (DVP), Receive Free (RF), and Receive versus Payment (RVP).

In addition to supporting securities transactions, the portal delivers a flexible interface for managing related instructions for money movements. Wire instructions are supported for MT103, MT202, MT202COV, and MT210 with submission possible via templates or free-form. Foreign exchange transactions can be automatically or manually generated to ensure concurrent currency movements to securities settlement.

So, whether your clients need a portal interface or will instruct their actions via FIX (principally Financial Information Exchanges, FIX), SWIFT, file uploads, or some hybrid of these interfaces, Execution to Settlement gives you and your clients the peace of mind that a state-of-the-art operations management platform can deliver.

SETTLEMENT STATUSES SUPPORTED

- *Pending Approval*
- *Rejected*
- *Settlement Data Error*
- *Settlement Not Routed*
- *Pending Settlement*
- *Pending Settlement Cancel*
- *Pending Settlement Replace*
- *Match/Settlement Problem*
- *Settlement Instruction Reject*
- *Failing Settlement*
- *Partially Settled*
- *Settled*
- *Settlement Cancelled*

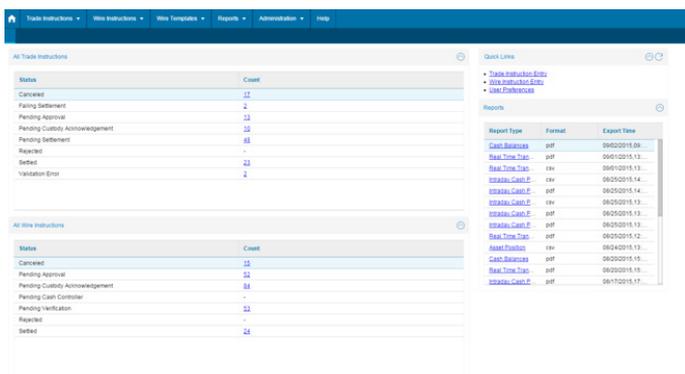
CONNECTIVITY OPTIONS SUPPORTED

- *SWIFT*
- *FIX*
- *MQ*
- *Various File Transfer Standards*
- *Web Interface*
- *Web Services*

MESSAGING STANDARDS SUPPORTED

- *ISO 7775*
- *ISO 15022/SWIFT MT*
- *ISO 20022 XML*
- *Other XML*
- *FIX Versions 4.0 to 4.4*
- *Comma Delimited (CSV)*

Dashboard to Summarize Needed Actions



Instructing

STP Execution to Settlement focuses on universal, custody, and trust banks where traditional flows are not simply post-trade. Clients need an ability to leverage execution flows, as well as post-trade services. Enhancing the traditional flows, STP Execution to Settlement can also support trading messages, including the conversion of a trade reported via various trade messaging protocols, into a Settlement Instruction for downstream processing by a bank's back-office system. This enables a view into a full workflow from execution to settlement. STP Execution to Settlement is the most comprehensive of the STP Platform offerings.

Visibility from Order to Settlement

1. ORDER CAPTURE



2. ORDER ROUTING



3. STATUS UPDATE



4. NET MONEY CALCULATION



5. SETTLEMENT INSTRUCTIONS



5. TRADE SETTLED



Trades and trade submission. This is supported via direct entry of a trade into a user interface in the portal, via FIX submission via our FIX gateway, or via Drop Copy from a client's broker's processing system. Full enrichment of an order with net money calculation is possible within this module of the portal. OpenText supports FIX versions 4.0 through 4.4, and maintains connectivity to several of the major FIX networks.

Allocation, confirmation, and affirmation. These flows are supported via FIX, Society for Worldwide Interbank Financial Telecommunication (SWIFT), file upload, or direct user interface.

Securities Settlement Instructions. These can be submitted via SWIFT-formatted messages or entered manually by keying data

directly into a secure, state-of-the-art web portal. Alternatively, the instructions can be automatically generated from imported files:

- **Manual instruction entry** – Users can key in details of the transaction, such as the security, quantity, and trade date directly into the portal. Lists of broker identification codes and securities identifiers are pre-populated to accelerate data entry and reduce opportunities for error. The entry process also includes necessary settlement instruction details including custodian, depository, and cash account information.
- **Automated instruction generation** – Clients can submit messages in a host-to-host model using any message type, file format, or protocol. Users can submit comma delimited files, ISO 7775, ISO 15022 (SWIFT MT), ISO 20022, or proprietary XML messages. Settlement instructions can be generated directly from an order or via Drop Copy of that order.
- Alternatively, users can upload files via a web portal. OpenText will parse and validate files, then create settlement instructions.

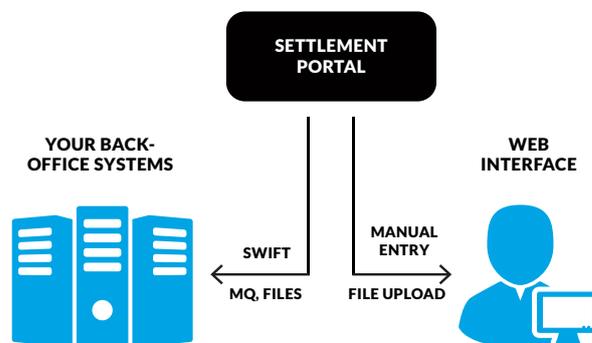
Once the instructions are received, a configurable workflow ensures that the appropriate controls are executed prior to approval and release to a custodian.

Wire instructions. These enable portal users to create instructions to move money to cover payment obligations as needed. The configurable maker/checker functionality permits delivering a controlled environment that delivers efficiency to a bank's clients. Wire instructions leverage standard SWIFT message formats, including inbound and outbound wire instructions and cover advices where needed.

Foreign exchange instructions. These are supported in conjunction with settlement instructions and can be enhanced to support an FX asset class as needed. Instructions are normally based on the FX execution platform to be connected, and can be via SWIFT or FIX formatted messaging or a proprietary format, should that be required.

Multiple Ways to Generate Instructions Monitoring

Once instructions are submitted, the status of transactions can be monitored on a real-time blotter or through various reporting tools



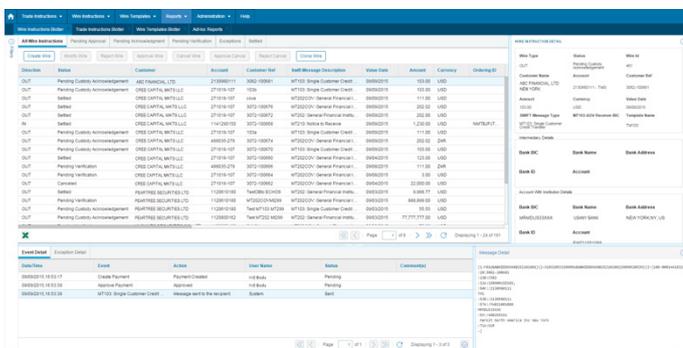
from within the portal.

- **Blotter** – Users can configure the blotter to display a wide variety of fields for each transaction. Filters enable users to

view all transactions associated with a particular country, currency, security identifier, trade date, or safekeeping account number. Users can view the status of all instructions pending approval, pending settlement, or partially or fully settled.

- **Reporting** – OpenText offers several standardized reports, as well as the ability to create customized reports for one-time or repeated use. All reports can be exported into Microsoft® Excel for download and further analysis, or generated in Portable Document Format (PDF) and then shared via email.
- **Exceptions** – An exception report displays instructions with validation errors or those rejected by the custodian. Email alerts can be configured to enable immediate notification and correction of situations that might cause settlement delays.

Blotter Presentation of Data Service



The STP Settlement Portal offers self-service administration and provisioning tools, as well as 24x7 technical support from OpenText.

- **Administration** – Permission to use the functionality of the portal is controlled by the client through a multi-tiered administration module that supports role-based access. Self-service password reset is available to reduce administrative costs.
- **Security** – Users access the STP Execution to Settlement through secure authentication. Based on preference, all data is encrypted during transport. A full audit trail of user access and file uploads is maintained in the logs to support historical analysis of transactions.
- **Technical support** - OpenText provides technical support services for customers through a multi-tiered model that enables rapid resolution of issues. Support specialists work with clients to troubleshoot problems, pinpoint root causes, and implement corrective action.

Benefits

Automated generation of settlement instructions enables STP of transactions from order to settlement. STP provides transparency to clients, reduces errors, shortens the time to process corrections, speeds transaction processing, and lowers operational risk. Extensive validation algorithms and configurable reporting capabilities enable users to quickly identify exceptions and make appropriate corrections. OpenText STP Execution to Settlement supports risk mitigation and efficient processing by delivering a user front end that is tuned to the specific needs of custody clients.

STP Execution to Settlement is offered in a software-as-a-service (SaaS) style model. There is no software to license, implement, or maintain. Clients can leverage the functionality of the portal via a monthly subscription pricing model, rather than having to invest up front in capital expenditures. OpenText assumes responsibility for all hosting and management of the software, including upgrades.

Implementation of the application is fast and easy, as OpenText will work to tightly integrate the settlement portal with your existing infrastructure. OpenText supports host-to-host file and message exchange with your middle-office and back-office applications. We will also assume responsibility for connecting to your clients and counterparties through whatever mechanisms better support their individual needs. OpenText supports a wide variety of connectivity options, message standards, and file formats.

OpenText STP for Securities

The STP product suite is a scalable message management platform specifically geared to the securities/capital markets, providing full end-to-end trade processing workflow support from order entry to order settlement—including end-to-end payment processing (both free-form and template-based), a web-based portal for client-management of transaction flows (cash and securities), and wealth-management support (including collective funds flow and middle-office flows) for a broad base of broker and custodian activities. By enabling a straight-through processing environment on the OpenText STP platform, clients gain efficiency by reducing hands-on activities, improve risk mitigation by highlighting exceptions to be handled, and reduce complexity by having multiple product flows all in one place.