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ISSUE 398 02 September 2026



PRIVATE MARKETS' NEXT CHAPTER

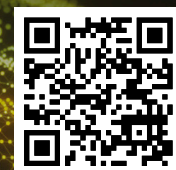
**Centralis Group CEO Aidan Foley
talks about the firm's capital
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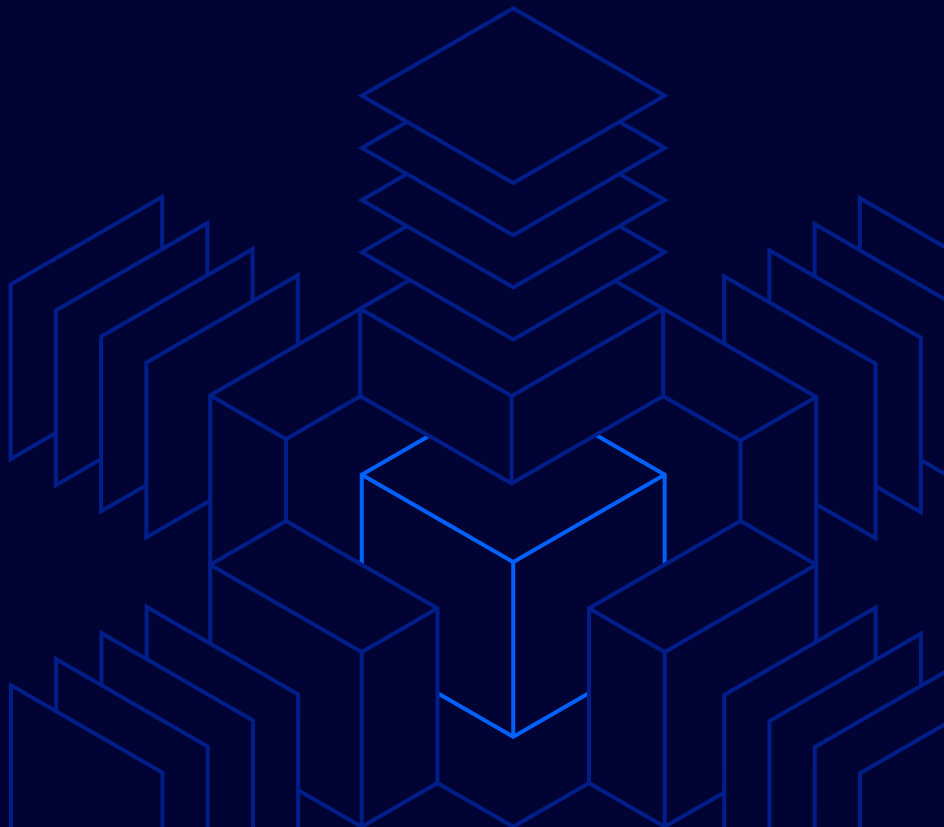
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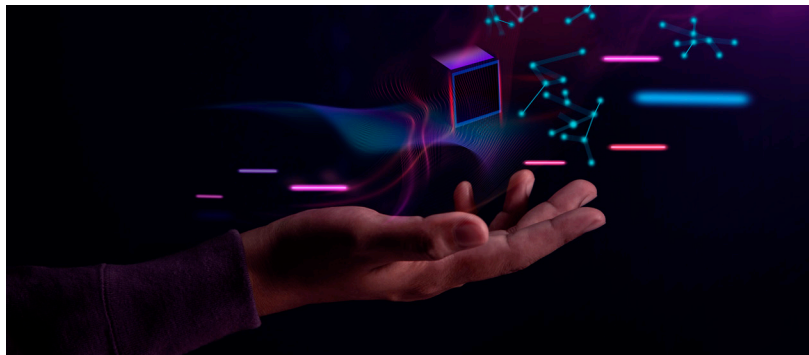
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HSBC and Standard Chartered execute first live tokenised deposit transaction on Swift's ledger

HSBC and Standard Chartered have announced the completion of bank-to-bank tokenised deposit interoperability through the first live cross-border transaction on Swift's blockchain-based ledger.

The transaction — conducted through the exchange of payment messages between the two banks using Swift's ledger — was recorded as tokenised deposit obligations on both HSBC's Tokenised Deposit Service (TDS) and Standard Chartered's tokenised-deposit infrastructure.

Swift's blockchain-based ledger acted as the secure orchestration layer, enabling the obligations to be matched and netted between the banks prior to final settlement through existing systems.

The firms say this marks a milestone for the use of tokenised deposits by regulated financial institutions to issue, transfer, record, and settle tokenised deposits which not only demonstrates interbank interoperability, but also advances

industry progress on 24/7 cross-border payments.

Lewis Sun, head of Digital Currencies, HSBC, says: "HSBC's interoperability transaction with Standard Chartered via Swift is a landmark moment for the promise of tokenised deposits. It demonstrated how digital money issued by banks can be interoperable across institutions while maintaining the integrity and regulatory oversight of the existing financial ecosystem.

"Tokenised deposit interoperability underscores how we can bring together different infrastructures to benefit our clients."

Mark Willis, head of Emerging Payments, Transaction Services, and Digital Assets at Standard Chartered, says: "Tokenised deposits are a key pillar of Standard Chartered's digital assets strategy, which aims to build end-to-end solutions that enable our clients to transact, settle, and manage tokenised liquidity and value across borders."

NtisoAkhona acquires stake in FundRock

Apex Group, a global financial services provider, has announced that NtisoAkhona has acquired a minority stake in its wholly-owned subsidiary, FundRock Collective Investments. NtisoAkhona is an investment consortium led by South African business leaders Mcebisi Jonas and Noluthando Gosa. Apex Group says that this move reinforces its commitment to local ownership and the continued growth of its South African operations. According to the firm, this investment builds on the longstanding relationship between Apex Group and NtisoAkhona and further aims at strengthening FundRock Collective Investments South Africa's position as a provider of collective investment scheme management.

Already a shareholder partner in other Apex Group South African businesses, NtisoAkhona is expanding its investment in the group through this transaction, which the firm says further strengthens Apex Group's Broad-Based Black Economic Empowerment ownership structure.

Peter Hughes, founder and CEO of Apex Group, says: "South Africa is one of Apex Group's most important markets globally and a key driver of our long-term growth strategy. Expanding our relationship with NtisoAkhona reflects our confidence in South Africa, our commitment to meaningful local ownership, and our shared ambition to continue building a stronger business for our clients, our people, and our partners."

Mcebisi Jonas, chairman of Ntiso Investment Holdings, adds: "We are pleased to deepen our partnership with Apex Group through this investment. Apex Group has consistently demonstrated its commitment to South Africa through investment in people, local capabilities, and innovation."

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Kane Solutions granted a ManCo licence by Financial Services Commission Mauritius

Kane, a provider of specialist fund administration services, has announced that Kane Solutions (Mauritius) has been granted a Management Company (ManCo) licence by the Financial Services Commission of Mauritius.

The licence enables Kane to provide a range of management company services supporting entities throughout their lifecycle, from establishment and structuring through ongoing governance, compliance, and administration.

Core services include corporate structuring, company secretarial services, governance support, financial accounting, and reporting and tax compliance.

These capabilities are supported by Kane's proprietary integrated management system (IMS) platform, which delivers an integrated framework for administrative, governance, and reporting activities.

Kane also provides fund administration services in Mauritius.

TMF Group acquires Navigator Partners

TMF Group, a provider of global administrative and compliance services, has acquired Navigator Partners, a Finland-based provider of fund and investor administration, corporate, and foundation management services.

Headquartered in Helsinki, Navigator Partners brings over 20 years of experience in a full range of services, including fund administration, accounting and reporting, payroll services, property management administration, foundation administration, and tax compliance services.

The business also operates Compass, its own proprietary portfolio reporting platform.

TMF Group says that the transaction gives the group an immediate, robust platform into Finland's funds, family office, and foundation administration market.

Additionally, the firm says this acquisition enhances TMF Group's presence in the Nordics and expands the firm's service offering in Finland, which will now include financial services for private wealth and family office, private equity, foundation, real estate, and investment firms.

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Citi launches new platform Custody+

Citi Investor Services has launched Custody+, a suite of near and real-time solutions, to meet always-on industry demand following compressed settlement cycles, continuous markets, and AI-driven decision making.

The release represents a strategic shift from a standardised and traditional custody model to a modular ecosystem of solutions which can be adapted to clients' workflows and operating models, the firm says. The core aspects of the new platform involve speed and certainty, intelligence and control, as well as infrastructure for diverse operating models.

It encompasses various integrated capabilities such as: real-time asset servicing, instant settlements, on-demand FX, digital asset custody, accelerated tax, real-time cash and liquidity, as well as white-label platform capabilities.

Chris Cox, head of Investor Services at Citi, says: "Citi's Services business invests over US\$2 billion annually in its platform strategy with a focus on

speed, scale, and availability. Custody+ is a clear example of this investment as we build infrastructure to eliminate latency and drag for institutional investor clients. By integrating our global network with data and technology, we are redefining the operational backbone for clients who require precision, transparency, and continuous market access."

According to Citi, the announcement comes as the bank completes the US rollout of its patented Single Event Processing (SEP) technology, a milestone in the transformation of its custody infrastructure.

Amit Agarwal, head of Custody at Citi Investor Services, says: "Custody+ is the product of a multi-year commitment to building infrastructure that matches the speed of our clients' strategies. We have designed each solution to help clients simplify their operating models amid increasing complexities in the operating environment. Custody+ is our response to their evolving needs as the industry continues to transform, moving away from legacy to next-generation architecture."



MAS introduces new set of measures along with AIMA

The Monetary Authority of Singapore (MAS) has announced a set of measures aiming to strengthen the country's position as a leading asset management hub.

The measures include a proposed tax exemption for qualifying profit-related returns from the provision of fund management services, expected to take effect from the Year of Assessment 2027, with further details at Singapore's Budget 2027.

A new Hedge Fund Investment Programme will also be in place to invest with hedge fund managers committed to establishing or deepening their presence in Singapore.

And lastly, a new Investment Management Track under the ONE Pass framework, with the Ministry of Manpower, which may recognise returns linked to investment performance as part of established compensation structures in the industry. These are areas the Alternative Investment Management Association (AIMA) and its members have been engaging with MAS on, and AIMA has welcomed the authority's response.



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Clear Street to now clear and execute trades for its Canadian clients

Clear Street Canada can now clear and execute trades for its Canadian clients on Clear Street's cloud-native platform. The firm says that this is the first time that its own clearing and execution technology has powered its Canadian business. Canadian institutional trading still runs largely on legacy systems, much of it owned by the incumbent bank-dealers.

Clear Street says that it has built its own stack: one platform to trade, clear, and settle, on cloud-native

infrastructure. Bringing it to Canada gives domestic clients direct access to the same technology behind the firm's US business.

John Skain, CEO of Clear Street Canada, says: "Canadian institutions have been tied to legacy trading technology they do not control and that has not kept pace with the market. On our platform, clients see their risk as the market moves and settle on one system, instead of reconciling positions across several overnight."

Caplight to provide independent pricing for Citi DDR product

Caplight, a data and technology platform for private company securities, has been chosen by Citi to provide independent pricing for its new digital depository receipt (DDR) offering.

The product tokenises private company shares for eligible investors, with Citi's first DDR representing shares in web3 and blockchain platform Kaleido.

According to Citi, it is the first major bank to apply this specific depository receipt model to private company shares.

The firm aims to bring institutional-grade custody and settlement to an asset class historically traded through bilateral processes.

Caplight will provide ongoing, independent pricing of the private company securities underlying Citi's DDR issuances via its MarketPrice data feed, which supports fee assessment and periodic custodial reporting.

MarketPrice utilises AI-driven pricing models, which combine real-time transaction data, market signals, and fundamental data. ■

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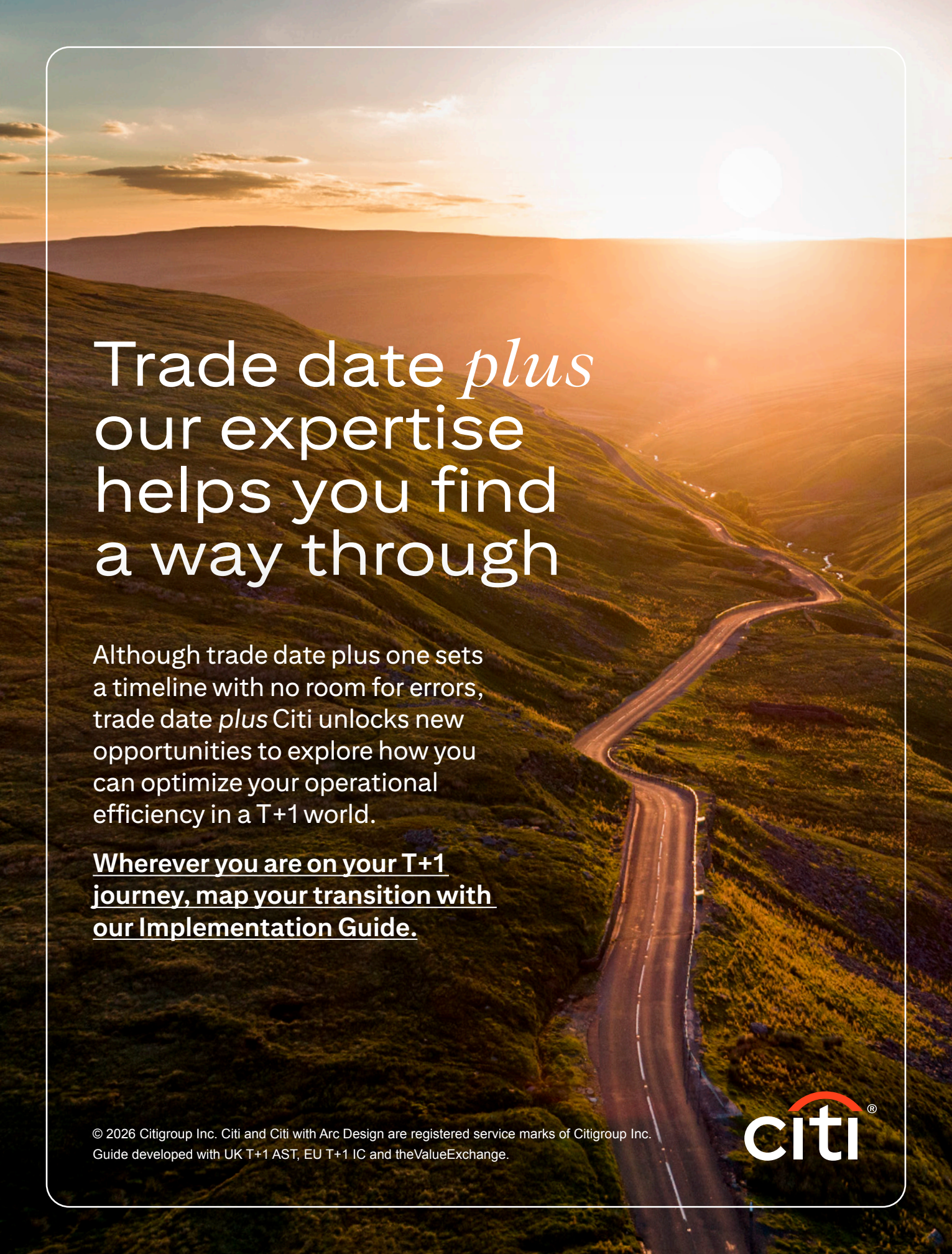
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A scenic photograph of a winding asphalt road through a lush green valley. The sun is low on the horizon, creating a warm, golden glow across the sky and the landscape. The road curves through the hills, leading the viewer's eye into the distance.

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The operating partner behind private markets' next chapter

Alternatives have become more global, more complex, and more operationally needed. Centralis Group's CEO Aidan Foley talks to Asset Servicing Times about how the firm is scaling — through capital markets expansion, a transatlantic platform, and disciplined investor-backed growth — while keeping its specialist, senior-led model intact

Ask any asset manager where their pain points lie; the answer is rarely front office. You will hear issues stemming from the back and middle — the servicing, the reporting, the governance — too much of the sector has failed to keep pace with clients. Managers are being served by providers assembled through a string of acquisitions that have not been properly integrated, as a result the client experience is served through legacy platforms that were never built for today's cross-border complexity, delivering a commoditised service that is not modern-day tech-enabled. Meanwhile, funds have adopted more complex global structures against an evolving regulatory landscape. What used to be a periodic administrative task is now a continuous, cross-border discipline — the risk is shared between the managers, and appointed providers. Oversight or cutting corners results in steep operational costs, elevated risks, and a sharp fall in investor confidence.

At Centralis, we have built a business on combatting these pressure points, providing asset managers and multinational corporates with their most complex, cross-border, outsourced corporate, fund, and debt capital markets services — managed by senior industry experts, delivered accurately and on time. This is a deliberately narrow promise. We are not trying to be the largest administrator in the market; we are trying to be the one clients trust with their most critical and challenging work.

A common observation we see time and time again — a global alternative asset manager deploys capital through a web of cross-border special-purpose vehicles (SPVs) — real cash flows, multiple

parties, waterfalls, and paydowns that must be right every time, across each currency. Forming the vehicles was the easy part and, frankly, a commodity. The value, and the risk, sat in administering the money moving through the structure accurately and reporting it cleanly to the manager and its investors.

This is our sweet spot, and precisely the work of a commoditised, legacy-platform model tends to underserve. It is a small example of a larger point: we treat complexity as our core competence, not as an exception to be priced away.

Growing intelligently, not swiftly

The more challenging operating environment raises the bar on the quality of growth. Our approach is disciplined: we expand where there is durable client demand, and where we can add genuine capability, jurisdictional strength, or access to higher-growth markets. Acquisitions must earn their place, and each new service line should follow the same discipline.

Two of those service lines illustrate the point — and both sit within a deliberate capital markets push that is complementary to an established fund services franchise across governance, risk and compliance (GRC), fund administration, and fund-linked SPVs. The logic is straightforward: the substance, structuring, and governance muscle we already apply for asset managers can be extended to more asset classes, without diluting the services providers exceed in.

Loan agency:***Expert-led and tech-enabled from day one***

Private credit continues to grow rapidly, and with it the demand for independent, conflict-free facility agents, and security trustee services. Increasingly, lenders and sponsors want an independent, non-bank agent they can trust with the cash and the controls — these are appointments driven by the law firms and arrangers structuring the deals. We have launched a dedicated loan agency capability to meet that demand — and we have done it in a way that reflects how we think a new service line should be built.

We start with two differentiators most new entrants struggle to claim together.

First, expertise: the offering is led by Joe Ellis-Grewal, CFA, based in our Central London office, an experienced key figure across the UK loan agency and administration market with a strong record across credit products.

Second, technology: we are launching as fully tech-enabled from day one with the utilisation of a market leading, modern, cloud-based loan servicing platform, rather than the legacy outdated systems many incumbents are still trying to escape. Most newcomers have people or technology. We have chosen to launch with both.

Aviation finance:***A clear expansion signal***

Aviation finance is our second capital markets expansion, and a firm signal of intent rather than a tentative toe in the water. The logic is the same. Ireland sits at the centre of global aircraft leasing and a fast-growing aviation asset-backed securities (ABS) market, Centralis already has both the Irish base and a long-standing strength in the SPV services that lessors, airlines, banks, and asset managers rely on. Building a dedicated aviation finance capability is a natural, complementary extension of the same platform — entered, as with loan agency, led by specialists with the operational discipline our clients expect.

An independent partner to the advisory community

How we work matters as much as what we do, we operate as an independent partner to the legal and advisory community, not a competitor.

Law firms, fund counsel, and arrangers structure and advise; we administer, report, and govern once the structure is live. Clients are comfortable putting us in front of their boards and their investors because we are not trying to own the end-relationship — the adviser who introduces us has reassurance that they own the relationship.

This independence should be viewed as paramount and commercially valuable to everyone in the chain. It is why a growing share of our most crucial mandates come through people who already know our work. Counsel and intermediaries who trust us with the operational delivery are free to focus on advising and structuring. In a market rightly sensitive to conflicts, being the safe, independent pair of hands is not a soft attribute. It is a hard differentiator we see overlooked by the need for commercial gain.

A transatlantic platform for global managers

The most visible expression of our strategy is our acquisition of PINE Advisor Solutions, the US fund governance, compliance, and distribution business headquartered in Denver. PINE gives Centralis an immediate and credible US front end — an established, trusted presence with direct access to fund boards, and advisers across high growth segments: registered funds, evergreen and interval structures, active ETFs, and outsourced private-fund chief financial officer (CFO) services. PINE Distributors, which is an affiliated broker dealer, recently surpassed US\$45 billion in assets under distribution, a marker of the scale and trust built.

Strategically, PINE creates two connected 'power alleys'. In Europe, Centralis provides substance-and-complexity structuring through SPV services and fund governance, risk, and compliance (GRC). In the US, PINE provides fund governance and regulatory services. Together they form a single, multi-jurisdictional platform for alternative managers who need consistent governance, operational discipline, and regulatory support across both sides of the Atlantic from a single partner.

As part of our long-term strategy — this is a widening of our existing GRC lane, not a new strategic tangent. It extends the GRC footprint we have built in the UK and Cayman into the US, and it is highly complementary to our UK GRC business.

It is a natural next step in a deliberate transatlantic build — and clients will continue to work with the teams they know and trust, now backed by the scale and reach of an international platform.

A platform with long-term backing

None of this happens without the support of conviction and capital. Our majority shareholder, HGGC, backed Centralis because it saw a strong specialist business with genuine client trust, sector relevance, and clear expansion plans.

Their investment represents a long-term ownership stake, not a short-term capital deployment.

The relationship is built on a simple division of roles. HGGC backs the long-term strategy and helps us invest in the systems, people, and service quality that sustained growth demands.

Management remains the voice of the business and the custodian of the client relationships. The PINE acquisition is the clearest proof of that model working in practice: capability-additive, disciplined M&A into a higher-growth market, executed by the management team and, supported by our investor.

What lies ahead

My conviction is that the winners in fund and corporate services over the next decade will not be the largest processors.

They will be the integrated, cross-border, governance-led specialists who can operate wherever their clients invest and treat complexity as their core competence rather than an exception to be priced away.

Equally, we are not trying to be everything to everyone. We would rather specialise where we have a right to win and excel, than spread ourselves too thinly across services we cannot lead. Every expansion we make — loan agency, aviation finance, the US platform — is chosen on that test: a market where our expertise, our clients and our capabilities give us collateral to compete, and win.

The foundations and future of any reputable service provider should follow: complete, bespoke expertise across corporate, fund, and debt capital markets services for asset managers and multinational corporates, delivered by senior people who own the outcome.

As alternatives and the capital markets that serve them enter their next phase — more global, more complex, more demanding — our ambition is to be the operating partner behind it. ■

“Private credit continues to grow rapidly, and with it the demand for independent, conflict-free facility agents and security trustee services”



When family offices become institutions

As family offices move further into private markets and manage increasingly global portfolios, their investment strategies are beginning to resemble those of institutions. But can their operational infrastructure keep pace?

Zarah Choudhary explores





Family offices are investing more like institutions than ever before. Portfolios now stretch across public markets, private equity, private credit, real estate, infrastructure, and direct investments, forcing the operational machinery behind them to catch up.

Goldman Sachs' 2025 Family Office Investment Insights survey of 245 family office decision-makers found alternatives accounted for 42 per cent of average portfolios, including 21 per cent in private equity, 11 per cent in private real estate and infrastructure, 4 per cent in private credit, and 6 per cent in hedge funds. Looking ahead, 39 per cent expected to increase private equity exposure and 26 per cent planned to increase private credit. The shift is not simply one of allocation. Family offices are increasingly co-investing, holding assets through special purpose vehicles, and operating across jurisdictions. Yet many remain relatively compact organisations, creating a widening gap between institutional-style portfolios, and the infrastructure used to administer them.

Frank Anduiza, US managing director at Vistra Fund Solutions, says diversification has increased both the volume and variety of data family offices must handle.

"These assets bring different cash flows, liquidity rules, valuations, entity structures, and reporting cycles," he informs. "Legacy systems and spreadsheets were not designed to handle differing data from such a range of sources."

Cédric Cajet, product director at NeoXam, argues that the workload "no longer scales with headcount".

"Each of these asset types brings its own valuation rules, its own risk indicators, data challenges, and its own accounting treatment," he adds. "A private credit facility, a co-investment special purpose vehicle, and a real asset holding cannot be measured, or booked, the way a listed equity is."

The single-view problem

The most visible consequence is consolidated reporting. A family office may receive data from custodians, private banks, fund administrators, general partners, and managers, while maintaining records for trusts, foundations, holding companies, and special purpose vehicles (SPVs).

The challenge is not simply collecting those records, but making them comparable.

Christiane El Habre, head of family office and regional head of Middle East at Apex Group, points out: “The core problem is that the data arrives in different formats, on different timelines, and with different definitions of value.

“Private assets are valued quarterly or semi-annually, liquid assets daily, and direct holdings often only when someone asks. Stitching that together into a single, trustworthy picture is a data-governance problem before it is a technology problem.”

Cross-border structures add another layer. El Habre notes consolidated information may also need to satisfy different regulators, tax authorities, and auditors, exposing processes originally designed only for internal family use.

Stuart Pinnington, global head of asset owners at IQ-EQ, similarly identifies fragmentation as a central obstacle. Assets may sit across several custodians and managers, each sending information through different systems, formats, and reporting timetables. Historically, he says, much of the aggregation and reconciliation has been completed manually through spreadsheets.

“The objective should be to create a single source of truth for the portfolio,” Pinnington says.

“That means collecting data from the various underlying systems, validating, and standardising it, and then presenting it consistently so the family can see its overall performance and liquidity in one place.”

The underlying data matters as much as the dashboard. Cajet warns that unless securities, counterparties, entities, and currencies are mapped into a common reference model, “aggregation produces a number nobody trusts”.

True consolidation must also provide look-through into feeder funds, fund-of-funds, and holding structures to reveal concentrations by company, sector, geography, or manager.

Research from The Family Office Association adds a qualification to the pursuit of a single system. Its 2025 paper on consolidated reporting argues a sustainable model is better understood as a comprehensive reporting system than a single platform.

With assets ranging from listed securities to property, art, and other illiquid holdings, not everything supports automatic data feeds, meaning regular reconciliation and work outside the platform can remain necessary.

Private markets change the rules

The operational strain becomes clearest in private markets. Preqin data cited by IQ-EQ show the number of family offices tracked with exposure to private markets has increased by 524 per cent since 2016. Private assets do not fit neatly into infrastructure designed around listed securities. Capital calls, distributions, commitments, waterfalls, and irregular valuations must be tracked over long lifecycles, often using documents rather than structured messages.

Belinda Aspinall, head of global family and private investment office practice, EMEA and APAC at Northern Trust, describes private asset administration as still “paper heavy with limited straight through processing”.

“While maintaining a spreadsheet for 10 direct investments was viable, once the number increases the manual element increases the associated risk,” she says.

Cajet adds that private markets “break the assumptions that public-market operating models are built on”. Family offices must monitor unfunded commitments, forecast capital calls and liquidity, verify fees, and maintain an auditable record of valuation changes, while measuring private-market performance through internal rate of return (IRR) and multiples alongside time-weighted returns for listed assets.

The capability gap is already visible. Pinnington cites BlackRock’s Global Family Office Survey, in which 57 per cent of family offices identified gaps in internal reporting expertise, rising to 75 per cent for private-market analytics.

Custody has also had to stretch beyond traditional safekeeping. Research from Northern Trust describes a global custodian’s role as including settlement, income collection, corporate actions, cash movements, accounting, and performance measurement, while also reflecting holdings and activity for non-custody assets to provide a fuller financial picture.

Rob Lowe, market head, UK, at Pictet Asset Services, states that each investment class requires some bespoke reporting. Pictet has combined reporting from its Pictet Connect platform with eFront for private assets, allowing clients to see traditional and alternatives portfolios through one reporting suite.

“Service providers often get caught somewhere between institutional and private wealth services, when the reality is that family offices now demand a blend of both,” Lowe says.

Outsourcing without surrendering control

That demand is changing the line between what sits inside the family office and what is delegated.

Anduiza says outsourcing is becoming more attractive as specialist operational requirements become difficult to maintain internally. External providers can supply technology, data controls, and processing capacity without forcing family offices to build large permanent teams.

Cajet sees capability and continuity, rather than cost alone, as key drivers. Building an internal team capable of multi-entity accounting, private-market operations, and consolidated reporting can create dependence on a small number of people.

“What they are not willing to give up is the tool itself,” he emphasises. “Most want to retain their own platform as the place where data is consolidated, controlled and owned — the processing can be delegated, but ownership of the platform and its data stay with the family.”

Lowe sees a similar distinction among larger offices, which are increasingly keeping governance-critical activities inside while outsourcing operational tasks that do not require direct internal oversight.

For Aspinall, outsourcing can become the more cost and risk-effective option where offices oversee alternatives across jurisdictions while meeting complex tax and regulatory requirements.

The model nevertheless creates a fresh oversight challenge. Adding administrators, technology providers, and specialists can reduce internal key-person dependency, but increases the importance of vendor governance, access controls, cyber security, and documented processes.

Anduiza says the greatest risks emerge “where fragmented data and manual workflows clash”. Spreadsheet-based processes can create errors and inconsistent reporting, while poorly structured data can undermine automation and AI.

“No matter how good an AI agent is, if the data it is fed is inaccurate, its outputs will be too,” he elaborates. “Key-person dependency creates additional vulnerabilities when important knowledge is held by one individual rather than embedded in systems and controls.”

The institutional family office

Institutionalisation therefore does not necessarily mean making a family office bigger or more bureaucratic. It increasingly means importing institutional controls around data, reconciliation, permissions, audit trails, and operational resilience while retaining the discretion that made the model attractive.

El Habre argues the answer is to distinguish between what should be standardised and what should remain bespoke. Legal vehicles, administration, controls, and reporting frameworks can form a repeatable institutional “structural chassis”, while the family retains flexibility over jurisdiction, asset class, governance, and objectives.

“The expectation has shifted from ‘hold my assets and send me a statement’ to ‘give me the operating platform of an institution,’” she explains.

Yet personal service remains central. Aspinall says family offices expect institutional-level support across multiple asset classes and jurisdictions because they increasingly invest alongside large institutional investors. Lowe adds that this must still be delivered through “human-first interactions” and white-glove relationship management. For asset servicers, this creates a significant client segment, but not one that can simply be squeezed into existing institutional models.

“Family offices are one of the most significant growth opportunities in asset servicing, precisely because they are institutionalizing faster than the industry has adapted to them,” says El Habre.

Anduiza agrees that convergence with institutional investing creates an opportunity, but believes that providers must accommodate family offices’ greater requirements for privacy, flexibility, and personalised service.

The emerging model is therefore neither a traditional private bank proposition nor a scaled-down asset manager. Family offices want institutional-grade custody, administration, data, and controls, but on terms that preserve family ownership of information, bespoke reporting, and direct relationships with providers.

As portfolios move deeper into private markets and across borders, the question is no longer whether operational models will change. It is whether asset servicers can help family offices institutionalise the infrastructure without institutionalising away the flexibility that made them distinctive in the first place. ■



The domicile decision has become a distribution decision

Cheryl Bai, head of Fund Services, UK, at Gen II Fund Services, considers how proposed UK AIFM reforms, AIFMD II, and the growth of ELTIF structures are giving private capital managers more options, while tying jurisdiction choices more closely to investor access

The UK has re-entered the regulatory competition for alternative funds with notable intensity. In July 2026, HM Treasury published draft legislation intended to replace the existing alternative investment fund manager (AIFM) framework with a more proportionate and streamlined regime. The UK Financial Conduct Authority (FCA) has separately consulted on changes intended to make it easier for authorised alternative funds to hold private market assets while retaining investor protections.

At the same time, the European options are evolving rather than standing still. Alternative Investment Fund Managers Directive (AIFMD) II took effect on 16 April 2026, including new liquidity management requirements for open-ended EU AIFs. Luxembourg is seeing substantial growth in European Long-Term Investment Fund (ELTIF) formation following ELTIF 2.0, while Ireland has introduced provisions allowing ELTIF sub-funds within umbrella AIFs and a 24-hour approval route for qualifying investor ELTIFs that meet the relevant conditions.

The consequence is that managers have more credible choices, but the decision has become more multifactored.

Fund managers increasingly adopt a capital-driven approach. Which investors does the manager want to reach? Will the vehicle target institutional, wealth, or retail capital? Is UK, EU, or wider international distribution required? Does the strategy need an open-ended, semi-liquid, or conventional closed-ended structure? Can the manager maintain consistent governance, accounting, reporting, and investor servicing across several related vehicles?

A UK vehicle may be highly credible for a manager targeting UK institutional or wealth investors. Luxembourg may remain the logical route for a cross-border European raise or an ELTIF strategy. Ireland may be attractive where a manager values its established regulated fund structures, English-speaking fund industry, and developing ELTIF options. For global managers, several of these may coexist rather than serve as a mutually exclusive alternative.

Recent Gen II research found that 55 per cent of UK and European fund managers selected the UK as one of the domiciles they expect to be most attractive in 2026. Luxembourg was selected by 34 per cent, while Ireland and Singapore were each chosen by 24 per cent. Because respondents could select more than one jurisdiction, the findings point less to a dominant jurisdiction than to a market in which several fund centres fulfil different investor and product needs.

Investor-centric approach

Domicile discussions can become dominated by regulatory labels, legal structures, and establishment costs. Those considerations matter, but they should follow the commercial question of who is expected to invest.

A manager raising predominantly from UK pension schemes, insurers, or wealth intermediaries may reach a different conclusion from one targeting professional investors across several EU member states. An EU AIF managed by an EU AIFM

can use the AIFMD marketing passport for professional investors, while other structures may require country-by-country distribution arrangements. The choice of domicile therefore affects both investor access and the number of local requirements a manager must navigate.

The growth of private wealth makes this assessment more rigorous. A vehicle designed for a limited number of institutional investors will require a different distribution and servicing model from one intended to reach private banks, wealth managers, or individual investors through intermediaries.

The legal ability to offer a fund is only one part of the decision. Managers must also assess whether distributors will accept the structure, whether investors understand and trust it, and whether the potential capital raised justifies the ongoing servicing requirements.

ELTIF 2.0 illustrates the convergence between product design and domicile. The revised regime introduced greater flexibility around eligible assets and fund structures, while Luxembourg and Ireland have both developed routes for managers seeking to use ELTIFs to reach professional, qualifying, and retail investors.

One manager, several jurisdictions

The traditional question, ‘where should the fund be domiciled?’, implies that the answer will be one jurisdiction and one vehicle. For many managers, that is no longer realistic.

A cross-border raise may involve a principal fund, parallel vehicles, feeders for particular investor groups, and local distribution arrangements.

A wealth product may sit alongside an institutional flagship. An EU vehicle may give European investors a familiar route into a strategy managed from the UK or the US.

These structures can expand the manager’s addressable investor base, but they can also create duplication if the operating model is designed on an entity-by-entity basis.

Each vehicle may have separate bank accounts, investor records, financial statements, regulatory filings, and reporting deadlines. Capital calls and distributions may need to be coordinated across entities and currencies.

Fees and expenses must be allocated consistently, while information held by the manager, administrator, AIFM, depositary, and distributor must reconcile.

Investors entering the same strategy through different legal routes will still expect a coherent experience. The information they receive should be accurate, timely, and consistent regardless of where their particular vehicle is based.

This makes jurisdictional coordination a core operating requirement rather than a legal detail.

Full fund lifecycle considerations

Jurisdictions are often compared according to launch costs, approval timetables, and headline regulatory requirements. Those measures are useful, but they capture only the beginning of a fund’s lifecycle.

A private capital fund may operate for 10 years or more. During that period, it may hold several closings, add share classes, admit investors through different vehicles, refinance assets, and respond to new reporting requirements.

A structure that appears efficient at launch may generate substantial operational costs if it creates duplicated accounting, disconnected investor records, or repeated manual reconciliations. Conversely, a more involved initial structure may prove worthwhile if it gives the manager access to the right investors and supports future products without rebuilding the operating model.

Managers should therefore assess the total cost and complexity of operating the structure, including governance, local service requirements, investor servicing, and the coordination required to maintain consistency across jurisdictions.

There is no universal domicile hierarchy. The right answer depends on the target investors, distribution route, product structure, underlying assets, and the manager’s ability to operate the resulting structure effectively.

Domicile decisions are increasingly being driven by investor access considerations rather than convention. The strongest structure is not just one that can be launched quickly, but one that will remain operationally and economically viable throughout the fund’s lifecycle. ■



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Putting custody at the centre of asset manager growth

U.S. Bank is bringing its custody capabilities into a dedicated vertical. Wally Barys, head of Custody for Asset Managers at the bank, tells Zarah Choudhary why a more centralised model is intended to simplify service delivery, strengthen accountability, and support growth

Asset managers are operating in an increasingly complex environment across products, markets, and servicing requirements. For U.S. Bank, that has created a case for bringing custody for asset managers into a dedicated vertical, designed to give clients a more unified route into the bank's capabilities.

Wally Barys, who recently took over as head of Custody for Asset Managers within U.S. Bank's global Investment Services business, says the change is less about creating a new custody product than reorganising how existing expertise is delivered to asset manager clients.

"We have always had a very strong custody product offering supporting all of our business lines," he says.

"What we're doing now with the centralised vertical for custody is bringing together the client experience and the subject matter expertise."

The move comes as U.S. Bank sees growth across exchange traded funds (ETFs), alternatives, private markets, digital assets, and cross-border strategies. While custody remains a core function regardless of client type, the structures around it are becoming more complex and require greater coordination across service, operations, technology, and market expertise.

Previously, custody expertise for asset managers and corporate trust clients sat across different parts of the Investment Services organisation. Bringing these capabilities together, Barys says, should create a clearer operating model for clients navigating more complex asset classes, shifting regulations, and global markets.

Breaking down service silos

One of the main objectives is to remove internal silos for clients using U.S. Bank across multiple products.

An asset manager may use the bank through its corporate trust business while also relying on U.S. Bank for fund administration, custody, foreign exchange, or cash management services. A fragmented model can make it harder to determine ownership of an issue or find the correct escalation point.

"The gap that was there was not having a centralised point for a unified experience to deliver all those services to our clients," Barys explains.

The new vertical is intended to create clearer accountability, faster escalation management, and more consistent service delivery. This becomes particularly important as asset managers enter markets requiring deeper local expertise.

Barys points to increasing ETF activity in markets such as India and South Korea, where custody intersects with market-specific operational requirements. Having specialists able to speak across different client types and strategies should, he says, make the model easier for clients to navigate.

Different funds, different servicing demands

Although custody remains the common foundation, servicing requirements vary considerably across fund types and asset classes.

Traditional mutual funds represent what Barys describes as the “classic” custody model. ETFs, by contrast, place greater pressure on scale, precision, and coordination because of their daily creation and redemption processes.

That requires closer alignment between operations, client service teams, and business leads. Barys sees the centralised vertical as a way to streamline that interaction as U.S. Bank continues growing its ETF servicing business.

Private markets and alternatives create a different set of challenges. Assets may involve less standardised instruments, complex documentation, different valuation, or servicing requirements and, in some cases, processes still reliant on paper documentation.

The challenge is therefore not necessarily the same high-volume operating rhythm seen in ETFs, but the need to handle more bespoke requirements.

Global expansion adds another layer. Barys highlights growing investment into mainland China, Vietnam, India, and South Korea.

ETFs, private markets, and global or emerging-market strategies consequently form the three main themes shaping the vertical in its early stages.

Creating an end-to-end custody experience

The practical aim is to create what Barys calls “one coordinated team” for the client.

That means a consistent experience across onboarding, account opening, settlement, asset servicing, and corporate actions, while operational teams continue handling day-to-day processing and risk management.

The custody vertical sits between clients and operations, with responsibility for service coordination, complex enquiries, escalation management, and ensuring the right subject matter experts are engaged at the right time.

Barys says the model should provide better visibility and more consistent standards, while making it easier for the bank to respond to industry change. He points to shorter settlement cycles and market infrastructure modernisation as developments affecting custody operating models.

A centralised structure should make it easier to align service-level expectations, key performance indicators, policies, and procedures across the custody business, while giving clients a clearer path for communication when requirements change.

“In summary, [it is] a specialised service delivery model sitting between clients and operations, owning complex enquiries, escalations, and service coordination end to end for the client,” he says.

Where U.S. Bank sees growth

ETFs remain one of the clearest opportunities. Barys says U.S. Bank has experienced significant ETF growth over recent years and intends to continue focusing on more complex funds, including those investing into harder-to-access foreign markets.

Custody is only one part of that proposition. International investment can also bring foreign exchange and cash management requirements, with Barys describing custody as the “anchor product” around which wider services can be connected.

Private markets and alternatives are another priority as traditional managers expand beyond public markets. Meanwhile, global and emerging-market strategies are becoming more important as U.S. Bank’s client base becomes less domestically focused.

The bank wants to strengthen local-market knowledge across account opening, FX, settlement, and asset servicing, with the centralised custody vertical acting as the route through which that expertise is delivered.

Digital assets also illustrate the need for providers to adapt as demand and market structures evolve.

“You have to be ready to pivot very quickly,” Barys says.

Small and middle-market asset managers will remain an important segment, particularly where clients already have relationships with the wider bank beyond custody.

Technology aimed at reducing friction

Technology will play a central role in the vertical’s development, but Barys stresses that investment will target specific operational pain points rather than technology for its own sake.

After spending his first weeks in the role meeting key clients, he identifies access to data as one of the most important areas for improvement.

“Data remains a crucial part of service delivery to clients,” he says. “Our clients expect more than asset safekeeping. They want timely, accurate, and actionable information that helps them manage cash, liquidity, trading activity, and risk across their business. The quality of the data we provide is becoming just as important as the underlying custody service itself.”

The technology roadmap will focus on more efficient reporting, smoother onboarding, stronger workflow coordination, and faster issue resolution. Onboarding is particularly important as clients launch more complex products or enter markets where account opening and documentation can be more demanding than for a standard fund.

U.S. Bank already provides digital tools for online cash and securities movement and reporting through its client portal. Barys says the bank will continue investing in those capabilities to make information easier to submit, access, and process in a more automated way.

Consistency across geographies is another priority. Technology should help create more consistent operating models as the bank supports clients in the US and Europe.

“It’s not technology for technology’s sake,” he informs. “We want to be more scalable and just make it easier for clients to access their information, especially with shrinking settlement cycles.”

Custody as the backbone

The new vertical is also intended to connect custody more closely with U.S. Bank’s wider investment services and banking capabilities. Within investment services, that includes fund accounting, administration, and transfer agency, while the wider bank also provides corporate banking, brokerage, and capital markets capabilities. Barys says U.S. Bank wants to “deliver the entire bank” to clients.

“We don’t want custody to sit in isolation,” he says. “We believe that custody connects fund accounting, administration, transfer agency, FX, cash and broader banking relationships in a way that can allow asset managers to access our full suite of offerings through one coordinated experience.

For asset managers, the aim is to make those capabilities feel more connected and position custody as a backbone for broader relationships and future growth.

Building the vertical

Over the next 12 to 18 months, Barys has five areas of focus.

The first is building the operating model, including clearer ownership across product groups, service operations, global network management, and the client experience team. This includes strategic hires and bringing the right groups together.

Second is deepening the bank’s focus on asset managers, particularly ETFs, alternatives, and private markets, while working with existing clients to understand what products and markets they may move into next.

Third is creating a consistent global strategy across the US, London, Dublin, and Luxembourg so clients experience what Barys describes as “one U.S. Bank” from a custody perspective.

The fourth priority is improving the end-to-end client experience by reducing friction, strengthening escalation management, and creating greater consistency across products and locations.

Finally, technology investment will be directed at those same friction points, particularly account opening, enquiry management, and escalation.

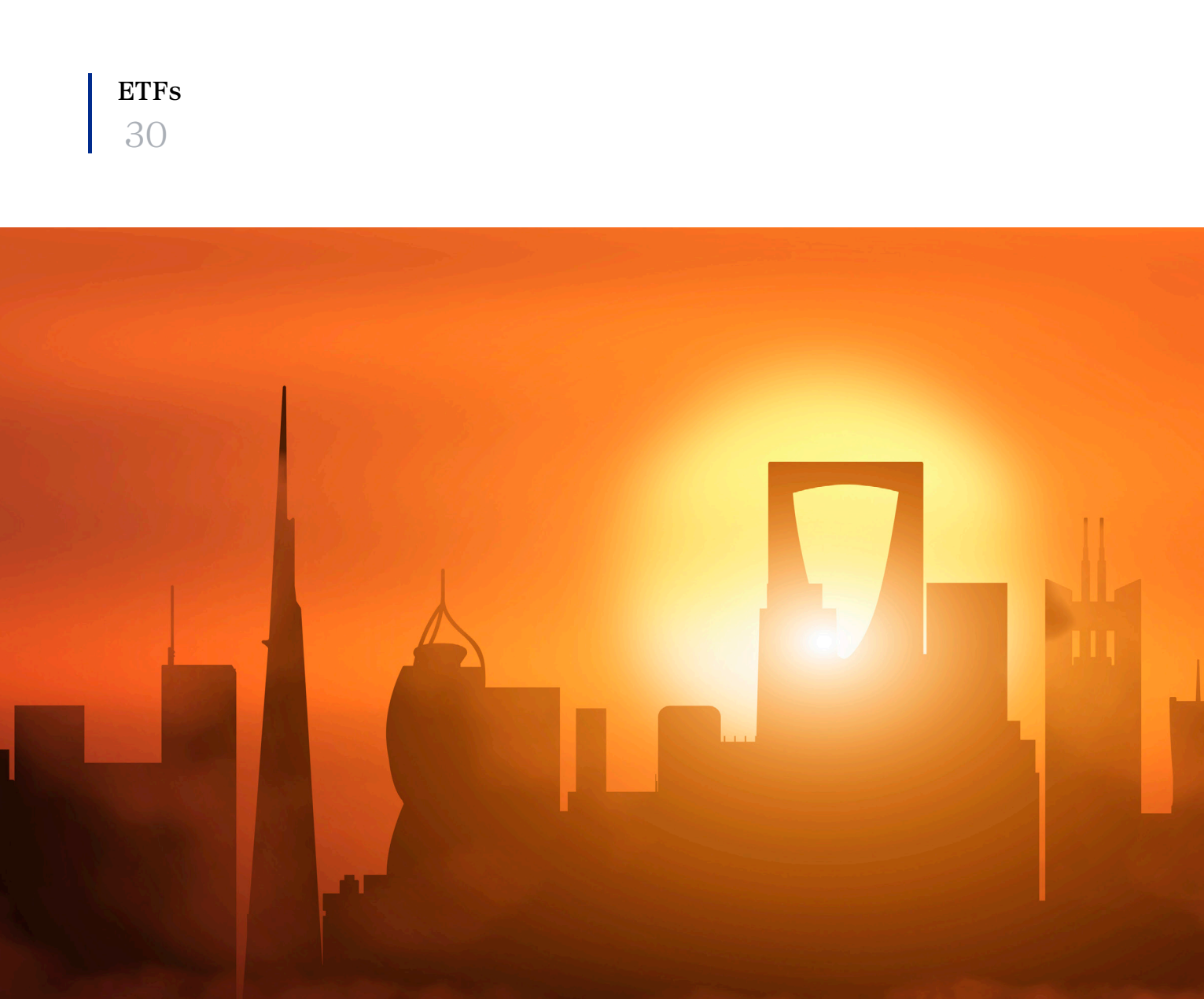
Success will ultimately be judged through the client relationship.

Barys points to client satisfaction, growth in existing custody relationships, and expansion in the US and Europe as evidence that the model can scale consistently across geographies.

“In short, our goals are stronger client relationships, clearer accountability, scalable growth, and a custody experience that asset managers view as integrated, responsive, and easy to work with,” he summarises.

The ambition is straightforward: clients should not need to understand U.S. Bank’s internal structure to get an answer.

“The client should not have to navigate an org chart to get a fast, comprehensive and knowledgeable response from us,” Barys concludes. ■



Saudi Arabia

Analysing the Kingdom's ETF market

With exchange traded funds becoming increasingly important in the securities lending market, Carmella Haswell explores this landscape in the Middle East following the selection of Saudi Arabia's first market maker for ETFs



The Kingdom of Saudi Arabia is 10 years into its Vision 2030 roadmap, which aims to shape the future of its financial sector to promote income diversification, boost savings, and offer various financing and investment opportunities.

Complementing this mission is the increasing investment in exchange traded funds (ETFs).

In May 2026, SAB Invest, the investment arm of Saudi Awwal Bank (SAB), announced its official registration by the Saudi Exchange (Tadawul) as the first ETF market maker in the Kingdom.

This achievement marked a new era for the country's capital market, according to the firm, supporting Vision 2030's Financial Sector Development Program and delivering tangible benefits to investors through improved ETF trading efficiency.

According to EquiLend Data & Analytics, since SAB Invest's market making activities began on 18 May 2026, securities lending balances for Saudi Arabia-listed equities have risen by 2.4 per cent to US\$1.3 billion.

Further, inventory levels increased by 3.4 per cent to US\$24.5 billion, and average fees have dropped by 2.2 per cent to 424 basis points.

The importance of securities lending liquidity for market makers is essential to borrow and hedge efficiently, states EquiLend, and since the beginning of the year, inventory has increased by 157 per cent to US\$24.5 billion with new participants expanding into the Kingdom's emerging lending market.

Majed Alqahtani, chief brokerage officer at SAB Invest, says the presence of a dedicated market maker enhances investor confidence, reduces trading costs, and ensures that ETF prices closely track their underlying assets. He suggests that the development positions Saudi Arabia as a more attractive destination for both domestic and international investors seeking efficient, transparent, and liquid investment vehicles.

As the first entity to be registered under Tadawul's ETF market making framework, SAB Invest will provide continuous two-way quotes for the SAB Invest Saudi Quant ETF — Saudi Arabia's first quantitatively driven, Shariah-compliant ETF.

This role is designed to deliver better liquidity, tighter bid-ask spreads, and enhanced pricing efficiency, empowering investors with greater flexibility in accessing the Saudi equity market.

“With clear structuring, disclosure and Shariah governance, Shariah-compliant ETFs could become an important bridge between local investor preferences and global ETF market practices”

Jalal Faruki, SNB Capital

Looking at the landscape more broadly, Alqahtani pinpoints the “rapid growth” that the Middle East’s ETF market is experiencing, noting that both Saudi Arabia and the United Arab Emirates (UAE) are at the forefront.

As of mid-2026, Saudi Arabia’s ETF assets under management (AUM) have reached approximately US\$2.38 billion, with the number of listed ETFs rising from 7 in 2022 to 13, according to SAB Invest. The UAE’s ETF AUM has also surged to US\$847 million, nearly doubling its ETF count since 2022.

The expansion is underpinned by regulatory reforms, such as the modernisation of Saudi Arabia’s Securities Borrowing and Lending (SBL) framework, which now permits ETFs to be used as eligible securities for lending and collateral purposes.

“These changes are enabling both domestic and international investors to participate more actively in securities lending and repo markets, with ETFs increasingly serving as efficient, transparent vehicles for collateral management and liquidity enhancement,” says Alqahtani.

However, he notes that challenges remain, including the need for greater liquidity, further infrastructure development, and the integration of Shariah-compliant practices to ensure broad market participation.

As noted by Jalal Faruki, head of securities at SNB Capital, Shariah-compliant ETFs are particularly important in Saudi

Arabia because they can translate passive and rules-based investing into structures that are accessible to investors with Shariah requirements.

Madhur Bhandari, country head of Securities Services, HSBC Saudi Arabia, highlights that while total AUM in ETFs are small at this stage, there is sizeable AUM managed by asset managers in a Shariah compliant manner.

The Capital Market Authority (CMA) framework requires specific disclosures where a fund is Shariah-compliant, including certification by the appointed Shariah committee and disclosure of the committee’s roles, responsibilities, and applicable standards.

Faruki adds: “With clear structuring, disclosure and Shariah governance, Shariah-compliant ETFs could become an important bridge between local investor preferences and global ETF market practices.”

Uncovering the market

Setting the scene, it would appear that not only is the ETF market expanding in the securities finance world, but it is also impacting liquidity, collateral, and risk management strategies. By 2035, the ETF market is projected to reach US\$35 trillion in AUM. Following the end of 2025, S&P Global Market Intelligence data estimated full-year net ETF inflows at US\$1.5 trillion.

Zoning in on Saudi Arabia, Faruki believes the ETF market here is becoming increasingly relevant to the securities finance discussion as it sits at the intersection of market access, liquidity provision, and SBL.

At year-end 2025, Saudi Exchange data displayed 13 listed ETFs, total AUM of 8.94 billion Saudi riyal (US\$2.38 billion), annual traded value of SAR1.19 billion, and 262,553 ETF trades. “This remains modest relative to the size of the Saudi equity market, but growth in AUM and activity shows that ETFs are becoming a more visible part of the market structure,” Faruki notes.

The current Saudi ETF universe covers a range of exposures, including Saudi equities, sukuk, gold, US equities, US technology, Hong Kong/China exposure, and thematic or rules-based strategies.

This matters for securities finance because ETF liquidity depends not only on secondary market trading, says Faruki, but also on the

ability of market makers and authorised participants to manage baskets, hedge exposures, facilitate creation and redemption, and source the securities required to support efficient pricing.

SBL and the ETF market go hand in hand; and it appears that the market structure around it is being built to support demand in this area. For instance, in early 2026, Tadawul introduced an ETF market-making framework to strengthen secondary market liquidity and price formation. In addition, it confirmed that ETF market makers can borrow via SBL to support their activity.

Bhandari says: “SBL is embedded in the market structure. All listed securities are eligible, except tradable rights. Lenders can earn incremental returns, while borrowers support shorting and hedging, posting at least 100 per cent collateral, with Edaa as depository and Muqassa as central counterparty.

“Foreign access also widened from 1 February 2026, when the CMA removed the Qualified Foreign Investor concept, alongside Edaa amendments that allow borrowing for re-lending to clients of brokers, custody members, and foreign financial institutions.”

Further, the SBL framework in Saudi Arabia enables the temporary transfer of securities between lender and borrower, Faruki says this helps market participants manage activity and mitigate settlement risk. Under the SBL Regulations, borrowing can be used for purposes including short selling, relending to clients, settlement failure resolution, and the creation of ETF units.

“In this sense, ETFs and securities lending should be viewed as complementary market-structure tools. As the ETF market in Saudi Arabia broadens, particularly across fixed income, Shariah-compliant, thematic and cross-border strategies, the need for reliable lending supply, collateral management, and ETF market-making support should naturally increase,” Faruki adds.

Advocating for robust governance

The key for success in any emerging market, or an established one, is governance. Saudi Arabia has made notable strides in this respect when it comes to securities lending, working with associations as well as local and international participants to build a strong framework.

The same concept will need to be applied to the ETF market in order to provide firms with transparency and confidence.

“Lenders can earn incremental returns, while borrowers support shorting and hedging, posting at least 100 per cent collateral, with Edaa as depository and Muqassa as central counterparty”

Madhur Bhandari, HSBC Securities Services

“Improving governance should attract both domestic and international investors because it reduces operational uncertainty,” notes Faruki.

“For domestic investors, it can support broader adoption of ETFs as transparent, liquid investment tools. For international investors, it helps bring Saudi ETF and SBL practices closer to the standards international investors already use, while retaining local regulatory and Shariah requirements.”

To begin this discussion, we must first know where the market stands. Faruki provides an overview of the current regulatory initiatives and practices in place to support market participants.

The CMA Investment Funds Regulations require ETF units to be deposited with the Saudi Securities Depository Center Company (Edaa), allow ETF units to be issued or cancelled in cash or in kind, require appointment of a licensed market maker, require regular disclosure of indicative net asset value during the trading day, and require disclosure of component securities and weightings on the Exchange, he explains.

Separately, Edaa’s SBL Regulations require a binding written SBL agreement, minimum collateral of at least 100 per cent of the current market value of borrowed securities, transaction reporting, and record-keeping by custody members.

Faruki believes the next stage of development is about deepening confidence in how these rules operate in practice.

“Governance is a key enabler of a scalable ETF and securities finance ecosystem, because it gives market participants confidence in how risk is managed and how returns are shared”

Andrew Stephen, J.P. Morgan

“Governance is a key enabler of a scalable ETF and securities finance ecosystem, because it gives market participants confidence in how risk is managed and how returns are shared,” suggests Andrew Stephen, executive director, buy-side Trading Services at J.P. Morgan.

“In practice, this means clear standards and consistent market practice around disclosures, collateral quality and management, counterparty risk controls, revenue splits, and investor protections.”

In Stephen’s eyes, the more transparent and predictable these guardrails are, the easier it is for market makers, authorised participants, custodians, and global investors to commit balance sheet and scale activity over time.

The introduction of Tadawul’s ETF market-making framework aims to create a more dynamic and accessible ETF ecosystem.

Alongside this framework, which could improve execution certainty and investor confidence in Saudi-listed ETFs, Stephen says a broader range of products, efficient creation and redemption mechanisms, and the continued development of supporting infrastructure such as securities lending and financing, can create a more mature ETF ecosystem.

Reviewing the market and the factors which could contribute to more robust governance, SAB Invest’s Alqahtani has suggested a three-pronged approach alongside the message: “Transparency is foundational.”

Mandate real-time disclosure of ETF holdings, lending activity, and collateral arrangements, with clear and transparent rules governing ETF short selling and reporting.

The development of a centralised platform for securities lending and borrowing, underpinned by the adoption of international best practices for collateral management and counterparty risk oversight.

Regular review and public reporting of market maker performance and ETF liquidity metrics, alongside targeted initiatives to improve investor literacy on ETF mechanics, their application in securities lending, and the associated risks and benefits.

He concludes: “Taken together, these measures would align Saudi Arabia’s ETF market with global standards, increase transparency, and further attract institutional and international capital. Enhanced governance not only mitigates risk — it builds the trust that is essential to capital inflows.”

With growth comes new prospects

As market participants anticipate the future development of Saudi’s ETF market, they reflect on their own participation and initiatives in the region.

HSBC Saudi Arabia’s work on ETFs is focused on market infrastructure rather than product issuance. With ETF market-makers now able to borrow to support pricing, the bank’s role as agent lender is to connect that demand with domestic supply — lending both ETF units and the underlying basket constituents and supporting smooth creation and redemption.

Bhandari comments: “Client interest is clearly increasing with growth in supply from domestic clients seeking increasing yield on otherwise static holdings and demand from international clients increasing owing to the recent relaxation in foreign ownership. This allows a larger pool of foreign players to be active.”

J.P. Morgan has seen a steady increase in inventory entering its lending programme, reflecting the breadth and depth of the Saudi market. A growing component of this has been retail driven supply, which in turn is driving a corresponding uptick in ETFs available for lending mirroring underlying client behaviour, notes Stephen. Mobilising this inventory efficiently to meet borrower demand and maximise value for clients remains a core focus for the firm.

On the other side of the trade, J.P. Morgan continues to work closely with triparty agents including leveraging J.P. Morgan's own platform to support counterparties in financing Saudi ETFs, notably through working on expanding collateral eligibility to include these assets.

Stephen pinpoints Shariah-compliance as a key factor across the Saudi market, not limited to just ETFs. "We have seen first-hand even through the launch of our securities lending capabilities across the Kingdom that this is a key requirement for many clients and has a direct impact on the success of many of these new initiatives."

In agreement, market participants anticipate the role of ETF-linked securities lending to take an upward trajectory over the next few years. The importance of ETFs in the region and within the securities lending and securities finance sector is evident, given client demand and the push from firms for its further development.

Providing a positively optimistic stand on the market, Alqahtani says: "The region is expected to outpace global averages in ETF market growth, driven by regulatory liberalisation, cross-border fund passporting, and the introduction of innovative products — including Shariah-compliant and quantitative ETFs."

As market infrastructure matures and liquidity deepens, Alqahtani believes ETFs will become more widely used as collateral and lending vehicles.

Following a similar train of thought, HSBC Saudi Arabia's Bhandari anticipates the ETF market maker pool will expand, subsequently increasing borrowing demand. In addition, he believes netting legislation will be implemented, therefore unlocking larger international flows, alongside the maturation of agent lending and triparty collateral capabilities.

For Faruki, the first area of development in this market is likely to be operational, rather than product-led. As ETF issuers, market makers, custodians, and institutional investors become more active, he suggests securities lending should support more efficient creation and redemption, better secondary market liquidity, settlement failure management, hedging, and short selling activity where permitted.

From a product breadth perspective, Faruki says the market could develop further across sector, factor, fixed income, Shariah-compliant, international, and cross-listed strategies. "Each additional product category creates new requirements for

"The region is expected to outpace global averages in ETF market growth, driven by regulatory liberalisation, cross-border fund passporting, and the introduction of innovative products"

Majed Alqahtani, SAB Invest

market-making capacity, underlying basket liquidity, inventory management, and borrow availability."

Providing a J.P. Morgan perspective, Stephen states that more ETFs should begin lending out portions of the underlying shares they hold, typically starting with the most liquid names and scaling as funds become a more meaningful pool of inventory. At the same time, he says borrowing and lending of ETF units themselves should increase because it is a clean way to take or hedge broad exposure without having to source borrow across many single stocks.

He concludes: "The growth will not be uniform, since the ETFs with the most consistent turnover and the least settlement friction will build borrow depth first while smaller or more specialised products lag.

"A good indicator that the market is moving from occasional activity to something more routine will be sustained increases in ETF AUM and turnover, more consistent two-way pricing from market makers, and greater use of ETFs and their baskets, around rebalances and volatility — times when borrow availability and settlement efficiency matter most."

Bringing this discussion to a close, the future of ETFs within securities lending seems bright, with many prospects on the horizon. While it is a market still emerging, the Kingdom of Saudi Arabia offers much promise for both domestic and international players. The key takeaway: watch this space, and watch it closely. ■

Navigating India's evolving asset servicing landscape

Deutsche Bank's Trust and Securities Services vice president, Sayali Bute, has built her career in institutional sales and asset servicing since joining the bank as a graduate trainee. She now works with clients across India's rapidly developing investment market while supporting growth in the bank's custody and fund administration business

Can you give us an insight into your personal journey into the asset services industry, why did you decide this was the career for you?

My journey in the financial services industry has been shaped by a combination of curiosity, opportunity provided by Deutsche Bank (DB), and amazing people I met on my way. I have spent majority of my career in this industry and over time I have released how critical custody and fund accounting are to the functioning of capital markets. While much of the work happens behind the scenes, it forms the foundation that enables investors, asset managers, and financial institutions to operate with confidence.

In my early years, I was fascinated by the scale of our business, from the sheer volumes we process, to the diversity of clients we serve. India's financial services industry is constantly evolving through regulatory reforms, the emergence of new asset classes, and the growth of new investor segments. That dynamic environment meant there was always something new to learn. I have led several initiatives in the bank to help new client segments like Public Sector Undertaking, Non-Banking Financial Companies (NBFCs) and help them understand role of custodian, and design solutions to meet their unique needs. This experience was extremely rewarding.

What kept me going is the client facing and business development aspect of my role. It helped me translate my learnings into meaningful client conversation and gave me an opportunity to understand their businesses and challenges and gave a holistic view of the industry.

Over the years, my role has also given me the opportunity to work with a wide range of client segments and collaborate with colleagues across products, operations, legal, compliance, and senior management teams. This combination of continuous learning, engagement with market, commercial thinking, business development, and relationship building is what continuously drives me at work every day.

What aspects of your job do you enjoy the most?

I like relationship building, problem solving, and inventing new ways to get client's attention to DB. It is very rewarding to see a relationship develop over time from initial conversation, to building trust, solving client problems, and creating partnership that delivers long term value.

I also enjoy the learning that comes with working across custody, fund services and the broader Trust and Securities Services (TSS) ecosystem. It has given me a perspective on how different parts of the financial markets connect with one another.

Being fairly new to the industry, how do you find your experience compared to those who are more established? Are there pros and cons to each?

There is no doubt that people who have spent many years in the industry bring an invaluable depth of knowledge.

They have seen market cycles, regulatory changes, and industry transformations. Newer people cannot really know it the way they did but you always have to start at some point.

The best way to do this is to spend time on the ground to understand the fundamentals and connect with the right people. In my early years, I spent a lot of time understanding the basics, asking questions, and doing deep dives into operations, regulations, and market infrastructure to understand not just what we do, but why we do it. Relied heavily on resources available internally (DB's Namaste India Guide is a big support till date) to improve my knowledge and spent time with colleagues who almost always were willing to share their experiences.

At the same time, I think there is a value in bringing a fresh perspective and questioning existing ways of doing things. New people bring new perspectives simply because they are not as attached to the traditional way. In a rapidly changing industry like ours, that curiosity is important. I believe the best outcomes come when those fresh perspectives are combined with the experience and wisdom of seasoned professionals. My advice to anyone who is starting new is to be curious. Spend time on the ground, understand how things work, volunteer for different projects, and build relationships with people across the business. The experiences may seem unrelated at the time, but over the years you begin to connect the dots and that makes you better at your job.

Have you noticed any misconceptions about the asset servicing industry? Is there anything in the industry you would like to see evolve or change?

One misconception about the asset servicing industry is that it is often viewed as a back office function. In reality, it plays a much bigger role in the financial ecosystem than many people realise. There is only a little formal education around what the industry does, especially when you are right out of university, despite its scale and importance. In practicality, custody and fund administration are at the heart of financial markets, helping ensure the safekeeping of assets, accurate fund accounting, and the delivery of data that ultimately supports investment decision making.

What excites me most about the future of the industry is the impact of AI. I genuinely believe it will be a game changer. AI has the potential to accelerate almost everything we do, from data processing and reporting to insights and client servicing. There is a significant opportunity for our industry to help clients adapt to these changes, and I believe asset servicers will be at the centre

of that transformation. How quickly and effectively clients receive and use information will influence how intelligent, efficient, and connected financial markets become.

If there is one evolution I would like to see, it is the industry moving beyond being viewed solely as a service provider and increasingly being recognised as a strategic partner. Given the amount of data we handle and the insights we can help generate, we are uniquely positioned to support clients in making better and more informed decisions. I believe that the partnership roles will only become more important in the years ahead.

What is the training process of a new employee? Do you think it was beneficial to your role and others who may now be in the same position you were?

I was fortunate to be part of a very comprehensive graduate training programme at DB. One of the highlights was getting the opportunity to meet colleagues from across the world, some of whom I am still in touch with today. It gave me an early exposure into the global nature of our industry.

The way the programme was structured also gave me exposure to different functions across the business. Asset servicing is a highly knowledge-intensive industry that requires a deep understanding of markets, operations, processes and, most importantly, clients. Before moving into a client-facing role, I had the opportunity to work closely with client management and operations teams, which helped me understand the client lifecycle, their needs, and the challenges they face on a day-to-day basis. That experience was invaluable because it gave me the confidence and foundation needed for the role I am in today.

I would absolutely recommend young people joining the industry to take the time to learn the business from the ground up, ask questions, and build relationships across the organisation. The knowledge and network you develop during those early years will stay with you throughout your career and often become just as valuable as the technical skills you acquire along the way.

In terms of your career, where do you see yourself in a decade?

As I progress in my career, I hope to take on larger leadership responsibilities and gain greater international exposure. I am currently focused on deepening my understanding of India's

investment landscape and contributing to the growth of the institutional client segment, but I also want to play a role in sharing India's growth story with global markets and contributing to the broader development of the region. I see myself in a multi-geography role, working across different markets and leading diverse teams. One of the most exciting aspects of our industry is the opportunity to learn from different regions, understand their unique market structures, and bring those insights together to create better outcomes for clients.

I want to be in a position where I can identify emerging trends, evaluate their impact, and help turn ideas into products, solutions, or initiatives that create positive change in capital markets. If there is one thing I hope defines my career in 10 years' time, it is the ability to bring together markets, clients, technology, and people to deliver meaningful progress for the industry.

What advice would you give to young graduates when entering the financial services field?

My biggest advice would be to stay curious. Ask questions, understand the 'why' behind things, and never stop learning. Financial services is a vast industry, and the more curious you are, the more opportunities you will find to grow. I would also encourage graduates to build connections and get their hands dirty. There is no better way to learn than by doing. Take on different projects, volunteer for opportunities, and spend time with people who know more than you do. The knowledge and relationships you build in those early years will often shape your career far more than you realise at the time. ■

Sayali Bute
Trust and Securities Services vice president
Deutsche Bank



"I have had the pleasure of working closely with Sayali and have been consistently impressed by her professionalism and commitment to delivering results.

"Sayali has excellent interpersonal and communication skills and combined with her technical knowledge she is able to build strong relationships across teams and work effectively with a wide range of stakeholders.

"Sayali was instrumental in getting TSS India's first Public Sector client onboarded and brought global best practices from asset services industry to the public sector clients. Her contributions have been recognised through various internal forums, reflecting her dedication to the franchise."

Aayush Upadhyay

Head Client Management, Insurance, AIFs and NBFC,
Trust and Securities Services
Deutsche Bank

"Sayali joined our TSS team 6-7 years ago as a graduate trainee. Fresh out of university, she brought with her an infectious energy, a strong sense of curiosity, and an eagerness to learn.

"Whether it was understanding complex regulations, mastering operational processes, or exploring new ways of working, she consistently demonstrated a genuine desire to broaden her knowledge and contribute meaningfully to the team.

"As someone new to the corporate environment, Sayali was never hesitant to ask questions or challenge conventional thinking.

"Her fresh perspective often encouraged us to re-examine existing processes and consider alternative approaches, adding value through her inquisitive mindset and innovative ideas."

Deepa Viswanathan

Head of Product and Market Advocacy for India,
Trust and Securities Services
Deutsche Bank

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Industry Appointments

Ogier appoints Costello as Head of Fund Administration, Ireland

Ogier Global has appointed Nichola Costello as head of fund administration, Ireland.

Costello has also joined the board of Ogier Global Investor Services (Ireland) as executive director, where she will support the strategic oversight and development of the firm's Irish fund administration business.

She previously supported Ogier Global through the authorisation process for its Central Bank of Ireland fund administration licence and has helped develop the firm's Irish platform since its launch.

Commenting on her new role, Costello says: "The priority now is to build on the foundations already in place: a scalable platform, a talented team, strong governance structures, and a service offering that supports a growing and diverse client base."

HSBC appoints Nagarajan as Head of Securities Services for Australia and New Zealand

HSBC Corporate and Institutional Banking has appointed Swaminath Nagarajan as head of Securities Services, HSBC Australia and New Zealand. Based in Sydney, Nagarajan brings more than 20 years of experience to his new role.

Previously, he spent four years at global investment manager New Forests as global head of data solutions.

Most notably, Nagarajan held an 11-year tenure with Citi, where he was most recently APAC head of data, investment analytics and ESG. He also worked within the firm's prime finance, securities services, and fund accounting businesses. Further, he took on analyst positions at BNY and J.P. Morgan at the earlier stages of his career.

HSBC says Nagarajan's experience extends to their institutional clients as they "seek custody, fund administration, and issuer services for their businesses".

4Pines Fund Services selects Sciortino

4Pines Fund Services has announced Brian Sciortino as chief operating officer, strengthening the firm's leadership team as it continues to expand its fund administration platform, client service capabilities, and operational infrastructure.

Sciortino brings nearly three decades of leadership experience overseeing large-scale operations, and has led complex service organisations responsible for claims administration, customer operations, enrollment and billing, implementation, quality assurance, vendor management, and shared services.

Most recently, Sciortino served as senior vice president at Versant Health following a 27-year career at MetLife, where he was also vice president for almost a decade.

4Pines says the appointment comes as the firm continues to invest in operational and technology infrastructure supporting its growing client base of private equity, venture capital, and alternative investment firms.

Sciortino has overseen organisations of more than 1,300 internal professionals and hundreds of third-party service personnel across domestic and global operations.

BNY appoints Malhotra to board of directors

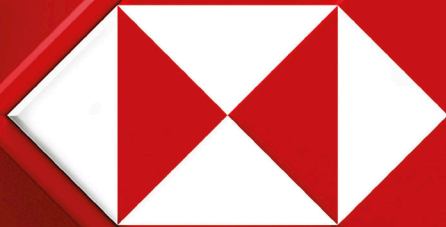
The Bank of New York Mellon Corporation has elected Vikram Malhotra to its board of directors as an independent director, effective 1 October 2026. With the addition of Malhotra, BNY's board of directors will have 12 directors, 11 of whom are independent. Malhotra has been a senior partner at McKinsey & Company since 1998.

Throughout his time at McKinsey he has held numerous leadership positions including serving as chairman of the Americas, serving on its shareholders council (board of directors), and leading parts of its banking and life insurance practices.

Malhotra has also served on Wharton's advisory board since 2021 and was chair of Wharton's graduate executive board from 2015 until 2021.

Commenting on the appointment, Robin Vince, chairman and CEO of BNY, says: "Over the course of his four decade career at McKinsey, Vik has advised CEOs and boards on some of their most consequential strategic, organisational, and growth priorities."

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Pictet Asset Management welcomes Le Léon

Pictet Asset Management has appointed Alfred Le Léon as head of ETF distribution, EMEA; a newly created role following the recent launch of the firm's first ETFs in the European market.

Le Léon joins Pictet Asset Management from J.P. Morgan, where he spent almost eight years as head of ETF distribution for France, Benelux, and French-speaking Switzerland.

He began his career in 2010 as an ETF specialist at HSBC and Deutsche Bank, and holds an MSc in Economics and International Finance from the University of Bordeaux.

Le Léon will report to Malick Badjie, global co-head of sales, and will have a strong focus on supporting clients across EMEA, says the firm.

Speaking on the appointment, Badjie says: "We are delighted to welcome Alfred at an exciting time for our ETF business in Europe. Alfred brings more than 15 years of ETF distribution experience and a proven track record of building ETF businesses across European markets.

"His expertise will be instrumental in accelerating the growth of our ETF franchise and broadening access to our AI Enhanced Equity Index Active ETFs to investors."

Kaizen welcomes Daniel to relationship management team

Kaizen has appointed Kerry Daniel as client relationship manager.

Based in London, Daniel has spent over 20 years working across fintech, post-trade operations, and regulatory change.

She joins the firm from Mirador Solutions Consultancy, a London-based firm specialising in technology, data, alternatives, and AI, where she was most recently director of business development.

Most notably, Daniel spent three years at OSTTRA following 12 years at MarkitServ.

At MarkitServ, she led a team of relationship managers, focusing on product adoption, revenue retention, and cross selling opportunities.

In addition, her previous role required an understanding of the regulatory landscape to support clients through mandatory clearing, regulatory reporting, and venue trading.

Earlier in her career, she spent over three years at the Depository Trust & Clearing Corporation (DTCC) as senior relationship manager for EMEA and APAC, where she was responsible for all new client onboardings onto the DTCC DerivServ platform.

Kaizen says Daniel's background gives her a strong understanding of regulatory challenges its clients face and the technology needed to address them.

The firm also expresses Daniel's experience will be "hugely valuable" as it continues to develop the Kaizen Hub platform, which brings together client technology, data, and regulatory expertise to help clients get a clearer view of their reporting and manage data more effectively over time. ■



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