

# best execution:

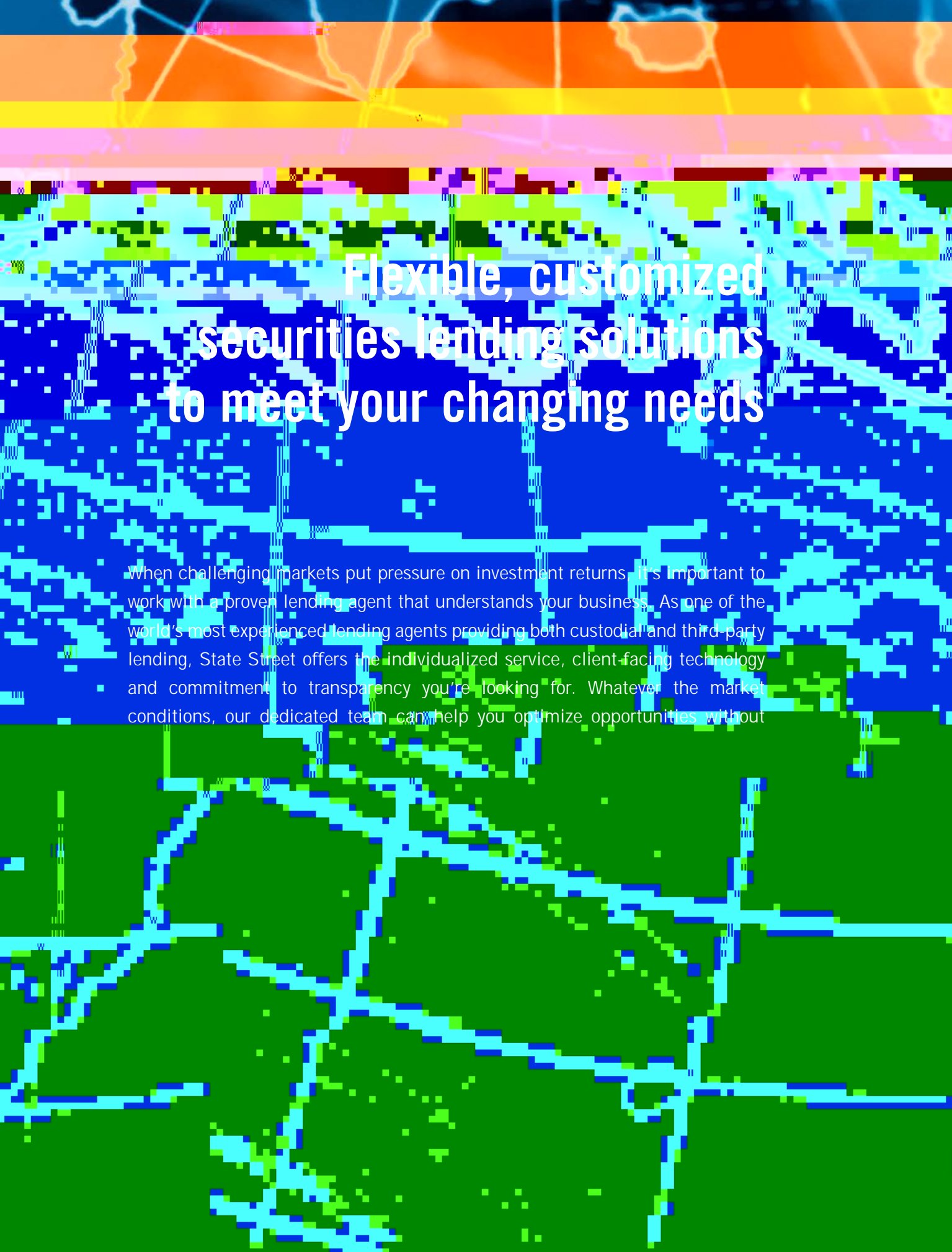
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existing working relationship already in place between State Street and Scottish Widows/ SWIP and extend the contract to cover legacy

“We are delighted that we have been able to extend and strengthen our strategic outsourcing it is a strong endorsement of our commitment to the securities servicing business,” said Joe Antonellis, vice chairman of State Street. “We to positively address the many changes taking place in the industry, such as Solvency II”.



# Flexible, customized securities lending solutions to meet your changing needs

When challenging markets put pressure on investment returns, it's important to work with a proven lending agent that understands your business. As one of the world's most experienced lending agents providing both custodial and third-party lending, State Street offers the individualized service, client-facing technology and commitment to transparency you're looking for. Whatever the market conditions, our dedicated team can help you optimize opportunities without

“This enables market players to better assess the rate at which their portfolios are being funded... The changing environment in the equity markets.”

lending platform, has expanded the data it offers on its websites.

Portfolio managers, hedge funds and trading desks that want to know how much the market is willing to pay to borrow securities will get a snapshot of market trends.

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market access to OCX's fully electronic market- for order placement and related market data.

“FastFill's unique pre-trade risk management together with their [application service provider] solution offers clients the ability to trade global markets

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The Australian Securities and Investments Commission on risks associated with exchange-traded

“ETFs are growing in popularity and people should understand the different features and risks of ETFs before investing,” said ASIC

ETFs are a type of managed investment that can be bought and sold like shares. They usually aim to replicate changes in the value of a share index, but are now also available for a wide range of assets including natural resources and foreign currencies.

The Australian regulator warned that securities disclosure for ETFs

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Among other securities lending industry trends, communication and reporting are cited as the most important drivers of quality service from an agent lender, according to an annual survey by







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C E • Å [ ] ^ Å [ - Å c @ ^ Å { æ } ^ Å à ^ ^ , & å æ | Å [ , } ^ ! • Å å } Å æ c - c ^ } å æ } & ^ È Å V @ ^ Å V ^ c æ • Å T ~ } å å } æ | Å Ü ^ c å ! ^ { ^ } c å Ü ~ • c ^ { r • Å ç V T Ü Ü D Å Ö ^ ç Å Ü ~ c j æ , Å & æ { ^ Å c [ Å @ ^ æ t Å experts discuss the securities lending market. V T Ü Ü Å ] : [ ç å ^ • Å t ^ c å t ^ { ^ } c È Å å • æ å j æ c ^ È Å æ } å å ^ æ c @ Å à ^ } ^ , c • å c [ Å ^ { } ] [ ^ ^ • Å [ - Å t I G Å ] æ t c å & å } \* Å & å ç Å • Å and, as of 2010 year-end, the statewide agent @ æ å Å [ ç Å t F I € € € € Å ^ { } ] [ ^ ^ Å å & & [ ~ } c • È å } å Å [ ç Å t Å 38,000 retired members.

**SLT: What prompted you to take a closer look at securities lending?**

**Dev Outlaw:** First, some important back- \* t [ ~ } å Å æ å [ ~ c å V T Ü Ü ç å } ç ^ • c { ^ } c • È Å Ü t å [ t Å c [ Å G € € t È Å V T Ü Ü Å , æ • Å ^ } c å t ^ ^ Å å } ç ^ • c ^ å å Å } Å @ å \* @ Å \* t æ å Å , ç ^ å å } & [ { ^ Å å } • c t ~ { ^ } c • Å - [ t Å æ } Å å } & [ { ^ È à æ • Å å Å • c t æ c ^ \* ^ È Å V @ ^ Å V T Ü Ü Å ] ^ } • å [ ] Å ] j æ } Å à ^ - sign prior to 2008 did not allow the crediting of unrealised gains to member or city accounts and the income-based investment strategy , æ • Å æ ] ] ! [ ] t æ c ^ Å - [ t Å c @ ^ Å ] j æ } È Å V T Ü Ü Å { æ å ^ Å ç • Å , t • c å ^ ~ æ c ^ Å } ç ^ • c { ^ } c • Å å } Å G € € t Å æ } å È Å - [ ] [ , å } \* Å the passage of legislation in 2009 that allowed the crediting of unrealised gains to employer accounts, moved to a total return strategy and ^ ç ] æ } å å å ç @ ^ Å å ç ^ ! • å , & æ ç å [ ] Å [ - Å å } ç ^ • c { ^ } c • È

V @ æ ç å å ç ç ^ ! • å , & æ ç å [ ] Å , å | Å & [ ] ç å } ~ ^ Å [ ç Å t Å c @ ^ Å ] ^ ç ç ^ - Å ^ Å ^ æ t • È Å V T Ü Ü Å à ^ \* æ } Å ç • Å • Å & ~ t æ ç Å • Å | ^ } å å } \* Å programme in 2003. With the income strategy in place at that time, securities lending potentially added incremental income to the portfolio.

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**Outlaw:**

## If you think Treasury isn't sexy, look at these numbers.

HazelTree Treasury Suite: Selected Hedge Fund Profiles					
Fund Size	\$500m	\$1b	\$1.5b	\$3b	\$6b
Long Exposure	90%	100%	100%	Fun	
				Fu165.836 995%11D23(e)15.047 0 Td(0%	



The Austrian economy's recovery has started to sputter. As a whole, GDP is expected to rise 3.1

In other words, after pre-crisis levels were reached in many areas, it is becoming clearer that there is not enough momentum for a lasting

Though this evidence points to faltering business is expected to continue throughout this year at a "more or less stable rate of a little below one per cent quarter-on-quarter, wrote Pudschedl. For

"Economic sentiment has worsened across the board during the summer...both consumers and industry alike are taking a less optimistic view of the coming months," wrote Walter Pudschedl,

One of the bright spots in the economic outlook was an optimistic labour market – Austria, with a population of about 8.5 million, added 30,000

"The mood in the industry...is still good, a further expansion is planned and necessary as during the 2008/2009 crisis investments were postponed and the revival started late and slow," he wrote, adding that the pace of investment recovery is not anticipated to be very fast.

And the outlook for 2012 shows an expectation of GDP growth under two per cent on the back of volatile international conditions that will "burden Austria's economy".

T hampering any recovery and it is expected to stay over three per cent in the coming months,

ic Forum ranks it 18th of 139 economies overall and sixth for business sophistication in its Global Competitiveness Index 2014-2015.

Part of the reason for this might be because securities lending, though regulated and practised, is not offered by the Central Depository and there is no lending pool in the market. If needed, an investor has to agree with his custodian bank if such services can be offered, and especially within UCITS funds, especially within ETFs, three supra-national

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