

# Post-trade risk and custody specialists

## Thomas Murray Market Asset Safety Risk Assessments

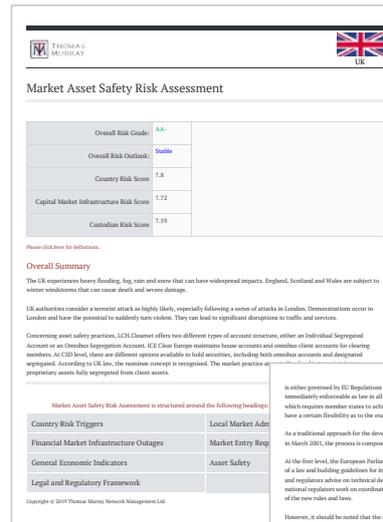
Due to increasing regulatory requirements aimed at the protection of assets in collective investment vehicles it is essential for depositary banks to demonstrate to fund clients that they understand and monitor the processes and risks inherent in local capital market infrastructures. These conditions fundamentally shape the manner in which the underlying assets of funds are held and are recoverable in the event of a default or crisis.

The Market Asset Safety Risk Assessments (MASRA) provide a comprehensive overview of the factors surrounding the protection of client assets in invested markets. The primary role of the report is to provide investors with an overall assessment of each market in terms of relative risks of loss of assets within the context of both the Alternative Investment Fund Managers Directive (AIFMD) and the Undertaking for the Collective Investment in Transferable Securities (UCITS V).

This includes elements of Country Risk (e.g. natural, political or financial environment) that could directly or indirectly trigger loss of principal, the risk of the state defaulting on its debt, as well as local market processes and risks in the capital market infrastructure and sub-custody arrangements affecting the safekeeping of underlying securities.

The assessments are graded on a scale of AAA to CCC.

A list of markets covered by the service is available on request.



**Market Asset Safety Risk Assessment**

Overall Risk Grade:	AA-
Overall Risk Outlook:	Stable
Country Risk Score:	7.8
Capital Market Infrastructure Risk Score:	7.72
Custodian Risk Score:	7.59

**Overall Summary**

The UK experiences heavy flooding, fog, rain and snow that can have widespread impacts. England, Scotland and Wales are subject to winter conditions that can cause death and severe damage.

UK authorities consider a terrorist attack as highly likely, especially following a series of attacks in London. Disturbances occur in London and have the potential to suddenly turn violent. They can lead to significant disruptions to traffic and services.

Concerning asset safety practices, LCI Client offers two different types of account structure, either an Individual Segregated Account or an Overseas Segregated Account. ICE Clear Europe maintains house accounts and omnibus client accounts for clearing members. All CSDs hold, clear and different options available to hold securities, including both omnibus accounts and segregated segregated. According to UK law, the nominee concept is recognised. The market practice of proprietary assets fully segregated from client assets.

Regulatory and Oversight Activity by Entity

Regulatory Supervisory Entity	Scope of Regulatory Authority	Scope of Supervisory Authority	Address	Website	Telephone	Notes
Bank of England	Banking and Financial Sector	Banking and Financial Sector	Thames Building London, EC2R 8AH	<a href="http://www.bankofengland.co.uk">www.bankofengland.co.uk</a>	+44 (0)20 7601 4444	-
Financial Conduct Authority (FCA)	Financial services industry	Financial services industry	25 The North Colonnade, Canary Wharf, London E14 5HS	<a href="http://www.fca.org.uk">www.fca.org.uk</a>	+44 20 7066 1000	-
Prudential Regulation Authority (PRA)	Prudential regulation of banks, building societies, credit unions, insurers and major investment firms	Prudential supervision of banks, building societies, credit unions, insurers and major investment firms	Thames Building London, EC2R 8AH	<a href="http://www.bankofengland.co.uk/PRA/Pages/default.aspx">www.bankofengland.co.uk/PRA/Pages/default.aspx</a>	+44 (0)20 7601 4444	-
Financial Policy Committee (FPC)	UK Financial System	UK Financial System	Thames Building London, EC2R 8AH	<a href="http://www.bankofengland.co.uk/financialstability/pages/fpc/default.aspx">www.bankofengland.co.uk/financialstability/pages/fpc/default.aspx</a>	+44 (0)20 7601 4444	-
European Banking Authority (EBA)	European Banking Sector	Equal implementation of regulatory and supervisory rules across all Member States	Floor 46, One Canada Square, London E14 5AA, United Kingdom	<a href="http://www.eba.europa.eu">www.eba.europa.eu</a>	+44 (0)207 382 1776	-
European Securities and Markets Authority (ESMA)	EU financial market	Financial services firms directly or through	105 Rue de la Grande Geneva	<a href="http://www.esma.europa.eu">www.esma.europa.eu</a>	+31 51 58 36 45	-

### More Information

If you are interested in Market Asset Safety Risk Assessments, please contact:

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