

EU Connection

*Financial strength.
Local expertise. Global reach.*



Fall 2016

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Committing to clients through investments in our team

U.S. Bank has grown its European corporate trust business considerably in recent years. We entered the European market in 2010 and have since increased our client base and market share to become an established leader, maintaining the top trustee position in the CLO market for three consecutive years. We were also recently recognised in Europe as the best provider of trustee services (overall) and debt/loan administration (overall) at the inaugural Alternative Credit Intelligence European Performance Awards in London.

By continuing to invest in our people, we are able to maintain our position as a leader in the industry and deliver superior corporate trust solutions to our clients.

We are pleased to announce new leadership and growth within our Business Development team.

Emma Hamley was promoted to head of European business development in June, and is responsible for new sales in Europe for the full array of corporate trust products and services U.S. Bank provides. Emma joined U.S. Bank in 2011 and her career spans more than 25 years in the corporate trust industry with experience in operations, administration, management and sales for multiple transaction types.

“As we expand our European team and align our structure to best serve our clients, we’re pleased to promote Emma to head of business development. Emma is an established leader with a track record of exceptional client service”

- Tom Cubitt, Senior Vice President



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In addition, we welcomed Rosie Brooke-Taylor to our Business Development team in July. Rosie joins us from Wilmington Trust where she was part of the Client Development team. Her prior experience includes a relationship management role with Capita Trust Company and business development roles with Moody's Corporation and Fitch Ratings. Rosie's expertise will strengthen our team and provide additional support to our clients.

With a dedication rooted in serving the corporate trust industry, we are excited to expand our tenured Business Development team and look forward to building upon our service offerings under the leadership of Emma. ■

Increased demand for settlement agency services

An efficient operational settlement is a critical step in any new issuance. For a number of years, U.S. Bank Global Corporate Trust Services has been facilitating this important process by acting as settlement agent to support issuers, independent advisers, arrangers and investors. Recently, we have seen an increase in demand for this service from our clients, particularly from independent arrangers who may not have the full clearing system infrastructure for primary market distributions.

We take full control of the settlement process by working as the liaison between the issuer, the arrangers or placement agents, the ICSDs (Euroclear and Clearstream), and the end investors facilitated through a master agreement between the arranger and U.S. Bank. Prior to the settlement date, we can apply for ISIN codes directly from the ICSDs and work with you and your counsel to ensure the governing documentation is sufficient for that purpose. On the settlement date itself, we can settle transactions on either a free of payment or delivery versus payment basis. We will proactively work with investors to ensure notes and subscription proceeds are transferred in a timely manner.

Our team of professionals has the detailed operational knowledge across all types of debt transactions to offer a comprehensive settlement service. Recent transactions we have completed include a secured U.K. Bond, directly negotiated between the issuer and a single investor, and a privately placed tap of an existing high yield bond, which was placed to a large number of investors and consisted of more than 70 trades.

For more information
on our settlement agent
services, please contact
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The master settlement agency agreement provides a convenient platform under which we can settle all future transactions where this type of service is needed. Outsourcing these aspects of settlement to U.S. Bank has allowed our clients to focus on structuring and distribution, removing the need to build an expensive, in-house back office solution.

While we can provide our settlement agency offering as a stand-alone solution, many clients rely on us as a single-source provider. Our settlement agent services can be combined with our standard trustee, paying agency, account bank and common depository offering, providing an efficient and convenient solution with a seamless integration of services.

Starting with our specialist-tailored settlement agent agreement, whatever your settlement agent service needs, our team will work with you to customise a solution to fit your circumstances. ■



The growing popularity of the Irish QIAIF as a direct lending vehicle

As investment managers further diversify their product offering, one growing trend is the Irish Qualifying Investor Alternative Investment Fund (QIAIF). One driver is investors' interest to engage with well-established fund managers, coupled with investment managers' increased focus on lending strategies that complement existing skill sets and investment platforms.

The trend in developing credit strategies in a QIAIF structure is continuing as managers increasingly view Ireland as a complimentary onshore jurisdiction to their offshore (typically Cayman) jurisdiction. At U.S. Bank, many of our clients have credit strategy products.

Another trending choice among managers is using an ICAV in conjunction with a QIAIF to structure complex strategies that do not readily fit the restrictions of the regulated UCITS regime.

There are many compliance and infrastructure demands when establishing a European fund. A QIAIF, for example, requires the appointment of a depository.

Under AIFMD, the depository is required to act in both a custodian and oversight capacity. The depository, therefore, has ultimate safekeeping responsibility for the fund's assets and is also required to oversee the fund's regulatory and contractual compliance.

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Our complete solution

Choosing the right service provider is essential to the success of your products. Credit assets require impeccable governance, including valuation, pricing and recordkeeping. It is essential to partner with a provider who can drive the process and help ensure timely reconciliation.

A key advantage you have when partnering with U.S. Bank is the seamless service integration that allows you to meet the demands of the changing regulatory landscape. You can depend on us for not only end-to-end loan settlement, collateral administration, account bank, custodian and security trustee services, but also for complete fund administration services, provided through Quintillion, an affiliate of U.S. Bank and an Ireland-domiciled full service hedge fund administrator based in Dublin's IFSC.

Comprised of highly-tenured professionals, our experienced teams at Quintillion and U.S. Bank Global Corporate Trust Services provide exceptional support for your product's unique needs. Our fully integrated solution offers the following benefits:

- Established link between U.S. Bank Corporate Trust Services (CDO Suite) and Quintillion (Advent Geneva) transaction and portfolio reporting FTP interface
- Reporting of daily position reconciliation between Quintillion and U.S. Bank Global Corporate Trust Services
- U.S. Bank cash accounts mapped into Quintillion daily cash reconciliation applications
- Output reconciliations provided to client and U.S. Bank Global Corporate Trust Services on a daily basis through Quintillion web reporting
- Use of agreed investment ID convention facilitates automated portfolio pricing by Quintillion within the daily/monthly NAV cycle

In an environment with various product types and structures, we offer a range of startup consulting and planning services to help you determine your best options. ■

If you have any questions
about launching your
next product, contact
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European business at a glance

- Over \$117 billion assets held in common depository
- €140 billion in assets under management
- 120 employees
- 117 deals closed year-to-date

Recent partnerships

€407 million

[Laurelin 2016-1 DAC](#)

U.S. issuer funding through

European market

Product: CDO

€1.1 billion

[Southern Power Company](#)

U.S. issuer funding through

European market

Product: Conventional/Eurobond

€410 million

[Babson Euro CLO 2016-1BV](#)

Achieved the tightest AAA pricing

at 128 bps above EURIBOR*

Product: CDO

€2,041,382,201

[Landsbanki \(LBI ehf\)](#)

Working together with U.S. Bank

for bond holders of Icelandic

Product: Conventional/Escrow

Structured Finance industry professionals commemorate 20 years at Global ABS

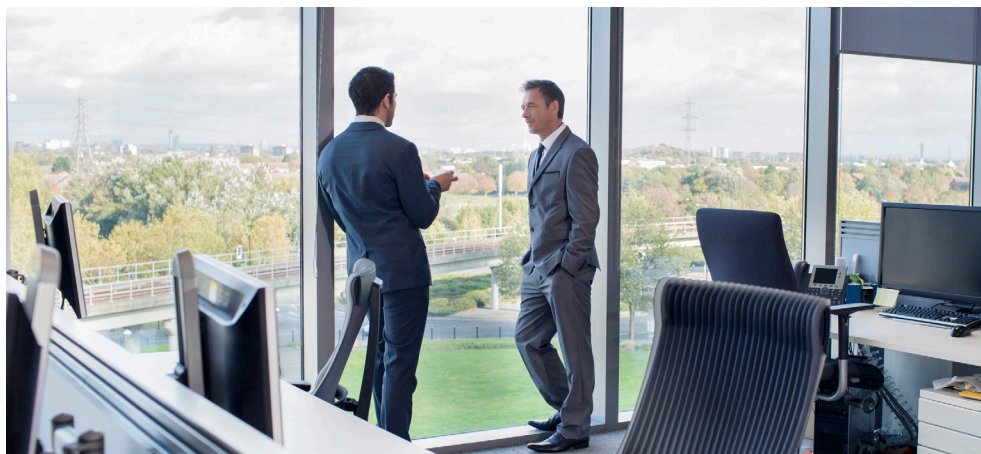
More than 3,200 ABS arrangers, originators, law firms, trustees and collateral managers gathered at IMN's 20th annual Global ABS conference in Barcelona 14-16 June. U.S. Bank was honored to sponsor and be featured in panels throughout the event.

Presentations, panels and discussions from this year's conference centered around regulatory issues and U.S. and European interest rate environments, especially with the impending UK referendum on EU membership at that time. The programme also reflected on historical developments in ABS to celebrate a momentous 20 years as Europe's most significant gathering in the securitisation industry.

U.S. Bank had 10 staff in attendance, our largest presence at Global ABS to date, and two associates were engaged as panelists. Laurence Griffiths, vice president and head of Relationship Management for Structured Finance, presented on a panel session titled, "ABS Primer." The panel provided an introduction to the structure of ABS transactions, and Laurence highlighted the functions of the trustee and agency roles in such deals. The importance of timely and accurate investor reporting, as well having a highly rated counterparty for transaction bank accounts, were also key messages to delegates.

Ed Leedham, senior vice president and chief counsel of U.S. Bank Global Corporate Trust Services, participated in a panel discussion titled, "Examining the Key Regulatory Hurdles to U.S. and European Cross Border Issuance and Investment." Panelists spoke about the challenges facing European issuers in EU markets and opportunities that may exist for European issuers in U.S. markets due to regulatory mismatches between the two markets. A key topic of interest was on risk retention in U.S. markets and the practicality of calculating retention on transactions, including with whom the responsibility rests to perform and validate retention amounts.

The U.S. Bank Global Corporate Trust Services team hosted an event on day two, featuring a ham carving, hors d'oeuvres and drinks as clients and prospects had the chance to connect with members of our team who traveled to Barcelona. ■



RMBS reporting enhancements provide clients with greater efficiencies

In an effort to provide organised, easy-to-read reports, we enhanced reporting for our residential mortgage backed securities (RMBS) clients. Staying one step ahead of our competition and delivering valuable tools our clients need to efficiently run their businesses are among our highest priorities.

While RMBS investors are focused on the content they receive, the challenge in delivering effective reporting is providing a clean and easy to navigate document, while simultaneously including detailed and expansive data that RMBS investors require. Each client prioritises various data points differently, so organising the data in a clean manner is essential.

With more than 16 years of structured finance experience, our knowledgeable analytics team is committed to providing our clients with best-in-class service. They were able to find a solution to deliver what our clients needed—increased readability and navigation to efficiently find necessary information.

Report enhancements were implemented in July and include improved design and aesthetics, increased detail in waterfall provisions with repositioning data based on investor feedback, and additional in-depth volumes of data with higher levels of transparency and accuracy.

We take pride in the quality of our reports and have achieved a “5 Star - Outstanding” grade from Fitch Ratings on the majority of structured finance reports, including our RMBS reports. Fitch Ratings uses Investor Report Grades (IRG) whereby scores are assigned to each issuer as a measure of the quality of the reporting available to investors. By implementing these new enhancements, we maintained our “5 Star – Outstanding” grade while providing clients with an improved document to more effectively meet their needs. ■

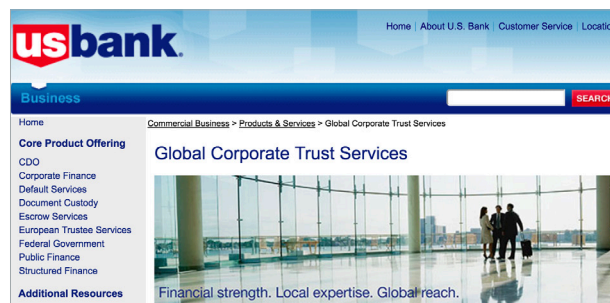
Please contact
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if you have any questions on
our RMBS solutions.

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Visit our new website

We are excited to announce a refresh of our U.S. Bank Global Corporate Trust Services website, offering users improved navigation, enhanced design and concise content about our solutions.



Visit us online at usbank.com/corporatetrust to learn more about the service offerings provided by Global Corporate Trust Services. ■

usbank.com/corporatetrust



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