

Financial strength. Local expertise. Global reach.

# Corporate Trust Connection

2015 Summer

## U.S. Bank Leads Cybersecurity Campaign

In Washington, D.C., cybersecurity has taken center stage as the Office of Personnel Management recently reported a breach of over 4 million federal personnel records, following highly publicized breaches at Anthem, Target, and other large organizations.



U.S. Bank was a pioneer of industry-wide efforts to guard against this growing threat, spearheading a coordinated campaign to safeguard the financial services community and our customers from attack. This year, President Obama recognized U.S. Bank's leadership, including CEO Richard Davis, in a White House Summit. U.S. Bank's partnership with the federal government includes daily coordination to ensure the bank has the latest cyber intelligence.

The U.S. Bank Federal Marketing Initiative, an enterprise-wide thought leadership team, is working with its Information Security Services team to extend these efforts to protect our clients. Recently, the team has launched a cybersecurity outreach effort to federal agencies: Trust in US: U.S. Bank Cybersecurity Briefings. Starting with the Centers for Medicare and Medicaid, the briefings have been extremely well received by U.S. Bank's federal clients. Cybersecurity Partnership Executive Jenny Menna, who joined U.S. Bank in 2014 after leading the Department of Homeland Security's public-private cybersecurity efforts, offers an inside look at the threats and the state of the coordinated industry (federal), including tips for individuals to protect themselves and their families.

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"This is an incredible opportunity to use our expertise and leadership to help our customers protect themselves and their own customers."

– Jenny Menna  
Cybersecurity Partnership Executive  
U.S. Bank

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U.S. Bank will present the fourth annual Trust in US: Information Security Conference on September 16 and 17 in Minneapolis.

For more information about Trust in US: U.S. Bank Cybersecurity Briefings, please contact Beth Solomon, vice president, U.S. Bank Global Corporate Trust Services Government Practice, at [beth.solomon@usbank.com](mailto:beth.solomon@usbank.com) or Greg Jordan, Federal Marketing Initiative chair, at [gregory.jordan@usbank.com](mailto:gregory.jordan@usbank.com).

Through 20 acquisitions in the past 20 years, U.S. Bank's operational excellence has been honed to provide well-tested procedures and processes that we apply to seamlessly transition your bond issues.



## Meeting Needs through Successor Trustee Transactions

No one can deny that keeping up with economic, market, and regulatory change continues to present challenges to businesses and public institutions. These organizations rely on their financial services partners to help them maintain compliance with new regulatory requirements as well as increase their efficiency through streamlined processes and the use of technology. More importantly, organizations demand a high level of customer service to provide consistent, quality support.

If an organization's bond trustee needs are not being met by their current service provider, or they opt to consolidate multiple transactions with one provider to streamline processes, the organization may look to a new trustee, or successor trustee, to take over the administration of their trust issuances.

U.S. Bank Global Corporate Trust Services has broad experience in serving as a successor trustee and is able to add value by making the transition process a smooth, simple one for clients and their bondholders. Our team is respected within the industry and by our clients for our professional experience handling a large number of successor transactions each year. Some transactions even consist of hundreds of issuances when multiple issuances are consolidated with a single trustee. Through 20 acquisitions in the past 20 years, U.S. Bank's operational excellence has been honed to provide well-tested procedures and processes that we apply to seamlessly transition your bond issues.

Our advanced technology offerings provide clients with the following advantages:

- Access to bond account information at any time
- Timely compliance reminders
- Secure systems for the transfer of confidential information
- Quick and accurate transfers of funds
- Efficient processing of bondholder payments

Local administration, responsive and personalized service, relationship continuity, a long term commitment to the business, and reasonable fees are a few qualities our potential and current clients value in a corporate trust relationship. We pride ourselves on meeting each one of these needs while we continuously improve processes to deliver the best services to our clients. Some of the largest public companies and municipalities in the nation have chosen U.S. Bank Global Corporate Trust Services as their successor trustee based on our reputation for superior service and our continuous commitment to our clients.

To learn more about how your organization can benefit from transitioning to U.S. Bank for your trustee services, contact your account manager or visit us at [usbank.com/corporatetrust](https://usbank.com/corporatetrust).

## Leading the Industry in Automated Delivery of Trade Documents

U.S. Bank recently partnered with Markit to become the first trustee to implement their loan settlement custodian services. As milestones are reached during the settlement process, this service allows for the automated delivery of trade documents and messages via Markit's ClearPar and Markit Clear platforms. In the past, fund managers were required to manually download each individual trade package from Markit and then email the document to the trustee or custodian for further processing.

With Markit's loan settlement custodian services, clients will enjoy the following advantages:

- Risk reduction through the automation of a historically manual process
- Improved operational efficiency to trustees, custodians, and their clients
- Reduction of processing delays through rapid, automated delivery

Custodians and trustees can decide which documents they want to receive for each of their clients including confirm, assignment and acceptance agreement, funding memo, purchase and sale agreement, netting agreement, and multilateral netting agreement.

For several months, U.S. Bank worked with Markit to establish a MQ MFT channel between the two parties. When one of our high profile clients was interested in streamlining their business earlier this year, it provided U.S. Bank the opportunity to utilize this new technology with live trades. On February 25, the first loan trade in the industry was delivered via secured feed from the client's account on ClearPar directly to U.S. Bank.



As the first participants to use this technology, U.S. Bank played a significant role in improving the process for future users. Through daily tracking of document delivery and regular feedback meetings, U.S. Bank helped identify several operational issues and worked with Markit to resolve them. Today, trade documents consistently flow through the feed within minutes of settlement.

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U.S. Bank currently has five clients onboarded and several more expected to do the same in the coming months. Our role in this initiative clearly demonstrates our commitment to leading the way in implementing innovative industry procedures that provide more efficient services to our clients.

For more information on how U.S. Bank and Markit can work for you, please contact your account manager.



## Improved Trustee Reporting with Industry Standard Identifiers

U.S. Bank has extended its commitment to serving the bank loan and CLO markets by becoming the first corporate trustee to adopt Bloomberg's standardized, open-source methodology for identifying and reporting on syndicated loans. The Financial Instrument Global Identifier (FIGI) was created as part of Bloomberg's Open Symbology initiative to identify securities across global asset classes and deliver transparency and efficiency to the market.

This standard allows CLO investment managers to easily identify loans and improve performance reporting, which allows investors to better understand their investments. U.S. Bank will be including FIGI on investor reports and Pivot, the new online client portal, which emphasizes our dedication to continually improving the client experience for both CLO managers and investors.

For more information on FIGI, contact your account manager.



## Increasing Security and Efficiency in the Audit Confirmation Process

Each year, auditors send millions of confirmation requests worldwide to their clients' banks, customers, and suppliers asking them to confirm balances. This process has historically been performed through the post office and email, making it inefficient, difficult to track, and susceptible to fraud.



Capital Confirmation, Inc. (Confirmation.com) was established to provide secure electronic confirmation services to auditors, those responding to audit confirmation requests, and their shared clients. Their platform brings efficiency and security to the process. The validated network of responders provides auditors with the assurance that their confirmation is from an authorized responder while ensuring the auditor maintains control over the process, as required by auditing standards.

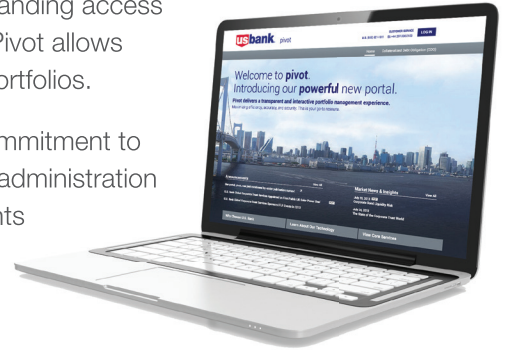
In an effort to provide our clients with the best solutions and services in the marketplace, and to continue to remain in the forefront of new technologies being adopted by the accounting profession, the Corporate and Public Finance Group at U.S. Bank Global Corporate Trust Services partners with Confirmation.com to provide clients and their auditors with a simple, online, secure platform for audit confirmations.

For more information or instructions on how to use this tool, please contact your account manager.

## U.S. Bank Enhances Pivot with Middle Office Services for CLO Managers

U.S. Bank Global Corporate Trust Services has enhanced its online platform, Pivot, expanding access to collateralized loan obligation (CLO) managers that outsource middle office services. Pivot allows these clients to gain cost efficiencies and improve the process of managing their loan portfolios.

U.S. Bank Global Corporate Trust Services invested in this technology to support its commitment to middle office services. The middle office group currently has \$30 billion in assets under administration and expects to grow its presence as a result of this upgrade. The platform will help clients manage their portfolios online by sharing key deal data and test results, critical alerts, file sharing, self-service reporting, and data comparison tools that streamline the reconciliation process.



“Middle office services are independent of trustee services, so all deal teams, technology, system access, and portfolio administration processes are segregated,” said Herb Schofield, senior vice president of U.S. Bank Global Corporate Trust Services. “Our new platform eliminates a lot of back-and-forth over email, automating processes and sharing information online so a client can respond quickly to a dynamic market environment.”

To learn more about Pivot enhancements, please contact your account manager.

## Invoice Processing Upgraded with VIPR



Continuous investment in technology plays a critical role in producing innovative solutions for our clients. This past October, updates to our debt service invoice processing software, Variable Interest Payment Regulator (VIPR), were implemented. These updates increase efficiencies in our processing to help ensure client invoices are accurate and timely. VIPR is a core system that prepares cash entries to our trust accounting system, calculates, invoices, and executes debt service payments to bondholders through our bond accounting system for fixed rate, variable rate, and Letter of Credit (LOC) backed deals. With VIPR, clients will enjoy:

- Flexible invoicing to multiple contacts via mail, fax, secure email, and the Client Information Delivery system
- Group billing feature enabling the delivery of one debt service invoice for numerous issues
- Debt service schedules available for each fixed rate issue upon request
- Statement snapshots with customizable time periods for grouped debt service payments
- Timely and accurate programmed cash flows for issue
- Daily automatic feeds from remarketing agents on variable rate CUSIPs as applicable
- Automatic invoices, after the final rate is received, on a variable rate deal for a specific accrual period
- Development and distribution of LOC draw documents
- Proactive identification of incoming funds for each bond issue

Please contact your account manager to learn more about VIPR.

[usbank.com/corporatetrust](http://usbank.com/corporatetrust)

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