

Arqaam Capital

Custody Services





About Us

- Arqaam Capital (“Arqaam”) is a specialist emerging markets investment bank established in 2007 headquartered in the Dubai International Financial Centre (“DIFC”) and regulated by the Dubai Financial Services Authority (“DFSA”)
- Established to be a niche provider of derivative products for the Middle East, Arqaam has rapidly grown to become a leading world-class investment banking institution focusing on Emerging Markets
- We have a strong regional and international shareholder base, including Crescent Point, Emirates NBD and Public Institute for Social Security (Kuwait)
- Our team is comprised of finance industry professionals who are dedicated to the Middle East and Africa
- Arqaam’s investment in best-in-class systems, strict risk management policies and quality management has mitigated the impact of the current market conditions thereby attracting the attention of international banking clients in a flight to quality



Core Businesses

Treasury	Brokerage Services	Credit Trading
Equity Derivatives	Custody Services	Asset Management
ECM/DCM	Corporate Finance	Research

About Us

- License to arrange and provide custody services was granted by the Dubai Financial Services Authority (“DFSA”) in January 2008.
- With a primary focus on Gulf Cooperation Council (“GCC”) countries, we provide regional and international clearing and settlement services
- Arqaam has continued to develop relationships with some of the world’s leading global custodians as well as the top regional brokers in an effort to offer our clients the best service
- Assets currently under management exceed \$500M
- Our client base includes:
 - Family Offices
 - Mutual funds and investment managers
 - Pension funds
 - Insurance companies
 - Corporations and endowments

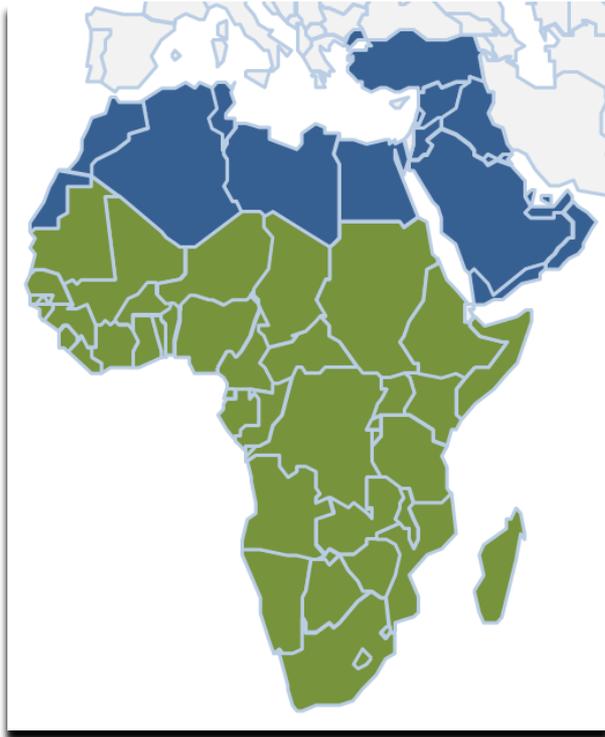




Arqaam Capital Custody Services Overview

Specific Services offered by the team

Trading, Clearing and Settlement	We offer our clients global access to stock markets and the ability to trade & settle in over 100 countries. Through our experience in exchange conventions & local regulatory practices we ensure a seamless solution for our client needs
Safekeeping of Client Assets	All assets from clients are ring fenced away from the Arqaam's proprietary activities and are maintained in segregated accounts dedicated only to client activity. Sub-agents contractually acknowledge the segregation and ring-fencing of client assets to assure their safekeeping and avoid client exposure to Arqaam credit risk
Reporting	A full array of automated reporting is available to our clients including statements which detail multi currency balances, portfolios and transactional history; including indicative portfolio valuations and audit response requests
Multi Product Access	From listed securities such as equities, futures and bonds to more complex derivatives such as options – all are available under one platform
FX facilities	A single platform to allow clients to forex existing cash holdings for either speculative or settlement purposes
Corporate Actions & Proxy Voting	Monitoring and processing of all corporate actions in the clients portfolio
Collateral Management	Management and reporting on all cash movements in relation to derivatives including margin payments & collateral calls



- Whilst the primary focus for the custody business is GCC & Africa our existing infrastructure and capabilities have meant further capacity to facilitate trading in:
 - Equities
 - ✓ US
 - ✓ European
 - ✓ Asian
 - Saudi P Notes
 - US and GCC futures
 - OTC Derivative Transactions



Risk Mitigation

How we ensure your portfolio is safe

Front to Back STP systems

Our systems have been designed such that from the trade execution stage until the market settlement everything has been automated. This prevents any manual/dual entry errors and ensures that the correct trade details are always settled

Selective Custodian and Broker selection process

All custodians and brokers are reviewed annually to ensure they comply with both the requirements of the regulators as well as Arqaam's internal policies

Legal & Regulatory

DIFC law recognises the segregation of client custody assets and DFSA regulations impose stringent rules, regulations and oversight to ensure the safekeeping of client custody assets

Account Segregation

All client activity is segregated to ensure no funds are co-mingled. This ensures funds are never incorrectly used and all reconciliations of the business activities are reviewed on a three level approval basis

Periodic External and Internal Audits

In line with international best practices Arqaam's custody division undergoes annual independent reviews, conducted by one of the Big 4 accounting firms, with all findings and audit comments reported straight to the Board of Directors, Audit Committee and the Dubai Financial Services Authority

In house trade workflow controls and practices

All transactions flow through a 2 stage approval process to ensure all transactions are reviewed prior to being settled in the market. This reduces any potential for error

Oversight

All strategic developments and risks are assessed by two Arqaam committees on a regular basis. These committees are the Operational Control Committee and Financial Risk Committee, both of which report into the Management Committee. Additionally the DFSA perform annual client asset 4c reviews

Risk Management and Reconciliations

All cash limits, balances and securities positions are validated and monitored by Arqaam's risk and finance teams with daily, weekly and monthly reconciliations. This ensures all exceptions are captured and reported in a timely manner

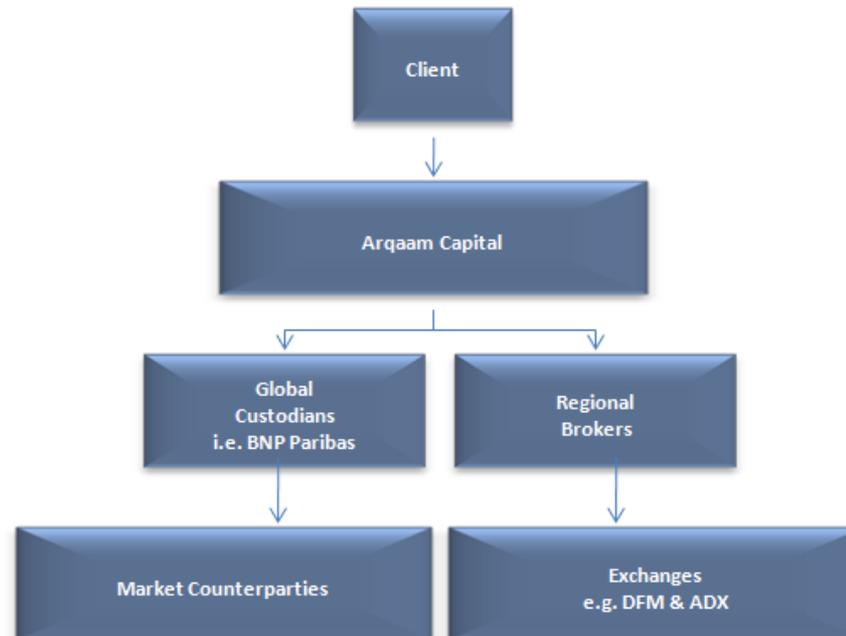
Operating Model

Nominee Based Safekeeping

All securities will be registered with Arqaam with the client having beneficial ownership

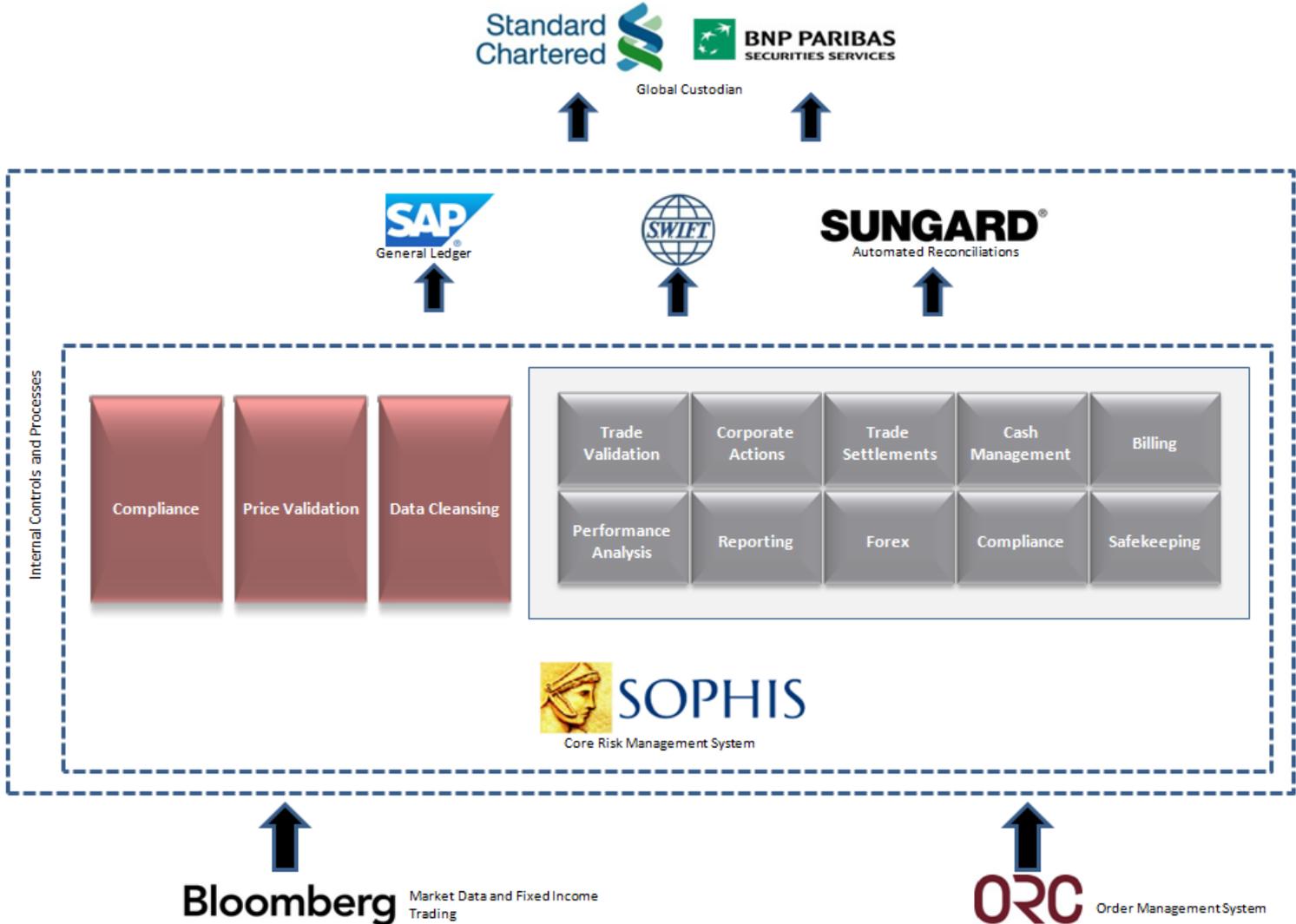
Sub-Custodian Network

Rather than custodising directly with the exchanges Arqaam has developed a number of regional partnerships with some of the leading custodians and brokers, and by leveraging on their infrastructure and economies of scale, are able to offer an efficient and cost effective solution for clients





Architecture and Systems





Basic Trade Workflow





Disclaimer

1. Regulator and responsibility

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