

BNY MELLON

Asset Servicing

North Carolina Supplemental Retirement Plans - Board Meeting
February 22, 2024



BNY Mellon Is Trusted By Asset Owners Worldwide

Leading market position

#1

Global Custodian¹

\$45.7T

Assets under Custody and/or Administration²

Servicing global asset owners

1,920

Asset Owner Clients³

\$6.8T

In Assets³

1,200 | \$2.1T

Corporate Clients³

290 | \$2.4T

Public Clients³

380 | \$400B

Endowments & Foundations Clients³

50 | \$1.9T

Sovereign Wealth Funds or Central Banks Clients³

Americas

\$4.1T

Assets³

\$2T Public Pension AUC/A³
250+ Public Pension Clients³
50% of the Top 50 U.S. Endowments⁴
30% of the Top 15 U.S. Foundations⁴

Europe

\$1T

Assets³

\$0.8T European Pension Fund AUC/A³
200+ European Pension Fund Clients³
6 of the top 10 Largest Dutch Pension Funds⁴

Middle East

\$0.5T

Assets³


7 of the top 10 Sovereign Wealth Funds⁴
2 of the top 5 Central Banks⁴

Asia Pacific

\$1.2T

Assets³

8 of the top 10 Central Banks⁴
3 of the top 5 Sovereign Wealth Funds⁴
2 of the top 5 Pension Funds⁴



1. Ranking based on latest available peer group company filings. Peer group included in ranking analysis: State Street, JPMorgan Chase, Citigroup, BNP Paribas, HSBC, Northern Trust and RBC.
2. Includes the AUC/A of CIBC Mellon Global Securities Services Company ("CIBC Mellon"), a joint venture with the Canadian Imperial Bank of Commerce, of \$1.5 trillion at September 30, 2023.
3. BNY Mellon internal sources as of March 2023
4. Money Market Directories as of May 2023

OUR STRATEGIC FOCUS AREAS

Creating trusted and innovative solutions that power the global financial ecosystems now and for the future



OPTIMIZE OUR CORE

Simplify, digitize, and scale our global operating model

- Deliver core product enhancements and streamline client services globally
- Develop digitally-enabled client experiences

Sustain our trusted and resilient enterprise

- Influence and adopt regulatory change and industry best practices
- Proactively manage (emerging) risks, including cyber security



BUILD NEXT GENERATION SOLUTIONS

Develop the financial infrastructure of the future

- Extend breadth of capabilities into an integrated, data-driven platform
- Invest in collaborations to deliver innovation on behalf of our clients

Deepen market and product capabilities

- Develop service offerings in line with market and investor demand
- Break new ground (e.g., digital assets services)



DEVELOP INDUSTRY LEADING TALENT AND BRAND

Enable the workforce of the future

- Attract industry leading talent that understand our clients' strategic priorities
- Provide our people with tools and resources to succeed today and tomorrow

Champion diversity, equity and inclusion

- Follow a purpose-driven growth strategy.



ACHIEVE SUPERIOR OUTCOMES

Drive value through performance and service excellence

- Lead with expertise (Asset Owner Academy) and a consultative approach
- Digitize our client experience
- Enhance data access and flexibility

Deliver the bank

- Bring the firm's full global capabilities to our clients, including FX, Liquidity Management, and Securities Finance

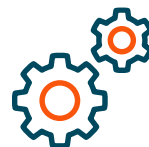
5 Keys to Achieving Investment Operations Excellence

At BNY Mellon's inaugural Asset Owner Leadership Summit 2023, hosted with Stanford Long-Term Investing, industry leaders outlined a roadmap to foster innovation and identified strategies to enhance operational efficiencies by harnessing technology and data. Discover the five key themes to capitalize on.



Capitalize on Conditions for Pursuing **INNOVATION**

- To achieve consistency in investment performance, **innovation is crucial** and demands a deliberate organizational process of **discovery and collaboration** both internally and with peers
- Asset owners want to seize untapped innovation potential and are seeking new "Communities of Learning" to pool knowledge and share experiences
- The challenges in today's market and economic environment **could act as catalysts for innovation** that revolutionizes and propels businesses and industries forward



Establish a Cost-effective and Scalable **OPERATING MODEL**

- **Balancing cost pressures** and managing the resulting **execution priorities** is the most significant challenge asset owners currently face, but key considerations to achieve this include:
 - how to balance internal versus outsourced capabilities
 - which external partners to select and the extent of the impact of outsourcing on the firm's long-term ability to innovate
- **Bridging the operational gap** between public and private markets **can help boost operational efficiency** and investment performance in line with the continued growth in private market allocations
- Collectively ingesting public and private market data, overlaid with proprietary data and processing it at scale, **can help tackle an issue on the cost of data** and its supporting operating environment.

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Pursue **DATA** as a Service

- Establishing a **data management and governance model** to foster growth is the asset owners' **foremost strategic imperative**
- Effective data solutions are often believed to come from **industry collaboration and outsourcing** due to the required scale of investment needed
- The rapid advancement of data solutions might cause potential oversight of underlying model assumptions and the perpetuation of biases which might even be amplified in new data-driven systems



Optimize **TECH** Discovery and Pay-offs

- **Integrating new technologies** is asset owners' key challenge when aligning the investment strategy with their operating model
- The process that most asset owners apply to tech discovery is inefficient
- Emerging technologies offer significant potential to help boost investment performance and **simplify operational processes**



Foster Next-Generation **TALENT**

- Asset owners play a pivotal role in **nurturing the next generation of talent**
- Asset owners which benefit from a formidable reputation in their home markets may find it challenging to target a **global talent pool**.
- The growing importance of technology requires asset owners to **adapt their recruitment strategy** in search of talent with a native technology and innovation mindset

Operational Workflow Transformation

BNY Mellon is investing heavily in automation supporting core operational processes



Tax Processing

Xceptor

- Phased implementation of Xceptor's end-to-end tax platform
- Digital process automation for tax documentation management and pre-population, identification of tax relief opportunities, and enhanced submission and tracking of withholding tax reclaims



Class Actions

FRT

- BNYM has partnered with Financial Recovery Technologies (FRT), the leading global securities class actions recovery provider
- FRT has taken over the class action eligibility analysis and claims filing process from BNYM



Data Intake & Recon

Azure/GRX

- Automate collection and consumption of external inputs such as manager/broker statements, reconciliation details
- Leverage machine learning and artificial intelligence to recognize patterns and accelerate integration



Exception Processing

PControl

- Automate manual processes to increase straight-through processing metrics
- Standardize common components to enable global "pass the book"
- Focus attention on exceptions, items requiring resolution, value added tasks



Inquiry Management

ECRM

- Capture and track client inquiries
- Capture and track internal inquiries among functional groups
- Ensure timely responses
- Derive insights to enable continuous process improvement

Leveraging new technology to re-imagine and re-engineer the work we do

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