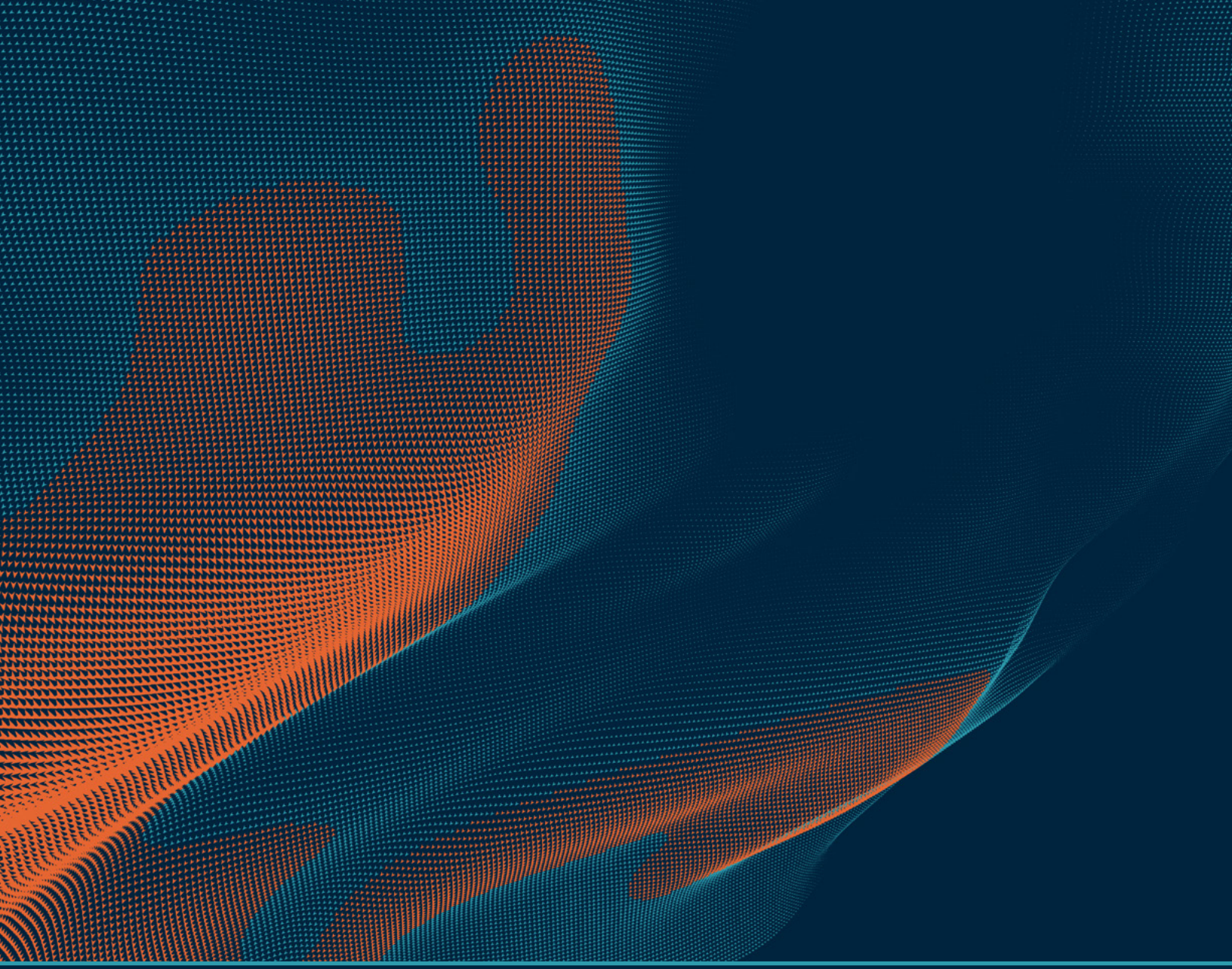


BNY

DEPOSITARY RECEIPTS

Providing investors, brokers and issuers access to global markets

THE DEPOSITARY RECEIPTS OPPORTUNITY

The Depositary Receipts (DRs) product is a negotiable security providing investors, brokers and issuers with a more convenient way to invest in global securities. With growing investor appetite for diversification, DRs offer a unique opportunity for issuers looking to expand their investor base, promote brand awareness, or raise capital. Whether you are looking to have your shares traded over-the-counter or listed on U.S. or European stock exchanges, DRs provide a powerful solution for companies seeking global reach. With American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs), issuers can easily tap into the vast pool of investors looking to diversify their portfolios.

DRs solve the challenges investors face when buying shares in foreign companies, providing an easy and accessible way to invest in companies located in different regions and markets. From startups to large multinational corporations, DRs offer a convenient way to increase your liquidity, diversify your shareholder base and enhance your visibility in the global market.

BENEFITS OF DRS FOR ISSUERS AND INVESTORS

Level I DR Program

Non-Capital Raising
Quoted Over-the-Counter

- Relies on home market disclosure*
- Exemption from U.S. reporting requirements
- Securities and Exchange Commission (SEC) Form F-6

Level II DR Program

Non-Capital Raising
NYSE or Nasdaq listing

- Ongoing SEC reporting (20-F)
- International Financial Reporting Standards (IFRS) or U.S. Generally Accepted Accounting Principles (GAAP) reconciliation
- Sarbanes-Oxley Act compliance for Foreign Private Issuer (FPI)
- SEC Form F-6

Level III DR Program

Capital Raising
NYSE or Nasdaq listing

- U.S. prospectus disclosure (Form F-1)
- Ongoing SEC reporting (20-F)
- IFRS or U.S. GAAP reconciliation
- Sarbanes-Oxley Act compliance for FPI
- SEC Form F-6

	Benefits to Issuers	Benefits to Investors
Access	**Access to a wider pool of investors:** By listing DRs issuers can tap into a larger pool of investors who may not have access to the issuer's domestic market and increase their visibility and exposure to analysts.	**Easy access:** DRs provide investors with a convenient and accessible way to invest in foreign companies without the need to navigate complex foreign markets or currency exchange systems.
Liquidity	**Increased liquidity:** DRs help increase liquidity by providing a more convenient and accessible way for investors to trade the issuer's shares.	**Liquidity:** DRs can offer higher liquidity compared to foreign shares due to the greater number of investors and the ability to trade during U.S. market hours.
Diversification	**Diversification of shareholder base:** DRs allow issuers to diversify their shareholder base by attracting investors from different regions and markets.	**Diversification of portfolio:** Investing in DRs helps investors to diversify their portfolios by gaining exposure to companies in different regions and markets.
Connectivity	**Access to U.S. capital markets:** DRs provide issuers with access to U.S. capital markets, which is an important source of financing for companies seeking to expand their businesses.	**Familiarity:** DRs traded on U.S. exchanges are subject to U.S. regulations and accounting standards. DRs are more familiar and transparent to U.S. investors than foreign shares.
Cost Efficiency	**Reduced administrative costs:** By using DRs, issuers reduce administrative costs associated with cross-border transactions, such as currency conversion and settlement.	**Trading cost efficiency:** Trading DRs can be less expensive than trading foreign shares directly, due to lower transaction fees and fewer currency conversion costs.

* Rule 12g3-2b

SIZE OF THE DR MARKET

The growth of DRs has revolutionized global investing, giving investors convenient access to a broad range of companies across multiple sectors and regions. DRs solve for challenges that come with investing globally, such as settlement issues, currency conversion and unfamiliar market practices.

North America is the largest equity capital market opportunity globally, with a total Equity Assets Under Management (EAUM) of $92.6 trillion and $11.1 trillion invested in international companies. With 78% of all DR investment by value, North America also represents the most significant component of DR ownership, with over 5,108 institutional investors utilizing DRs for global diversification.

DRs are a key component for active investors' equity portfolios, with 81% of DR investment held in actively managed strategies. In fact, North American active investors alone hold $821 billion in DRs. As of 2Q26, the entire global DR market had grown to $1.34 trillion, held by 7,879 institutions.

The benefits of DRs are clear: They provide easy and convenient access to international equities, while offering a range of solutions to overcome common global investing challenges. So, whether you're an individual investor or an institutional investor, DRs are a powerful tool to help diversify your portfolio and maximize your returns in the global market.

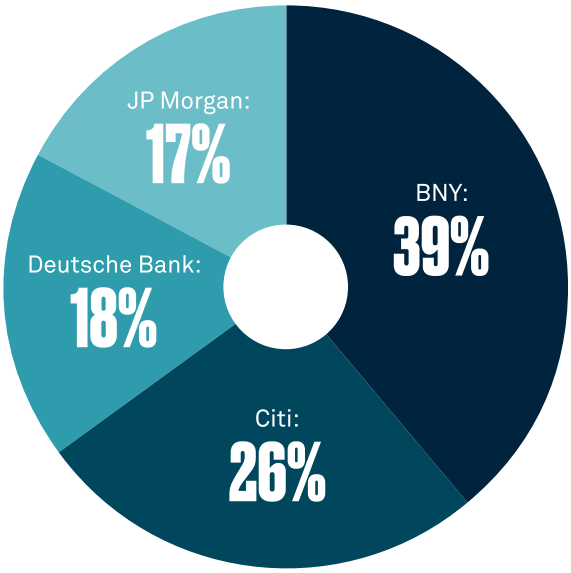
$11.1T
North American International Assets Under Management

$1.34T
DR Assets Under Management

74.5%
Unsponsored Program Coverage

39%
Sponsored Program Market Share

Sponsored Programs Market Share



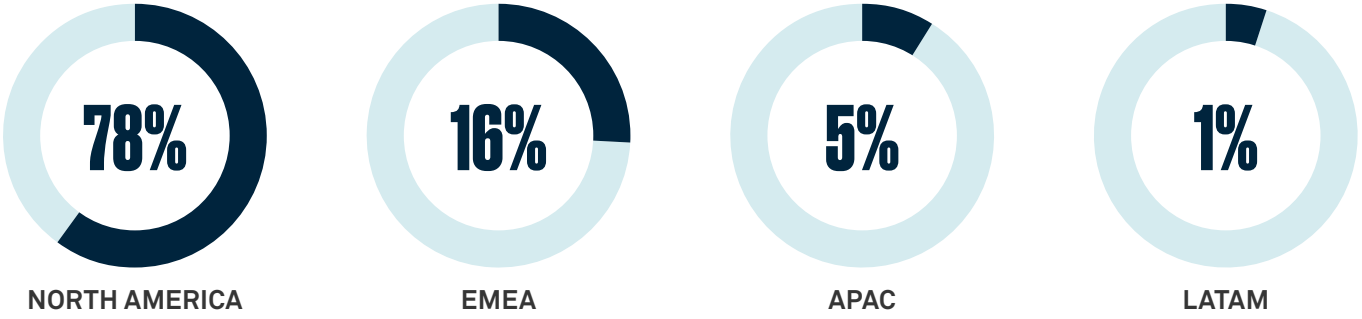
Source: S&P Global, BNY Depositary Receipts and Bloomberg. Note: All figures as of 2Q26 unless otherwise noted.

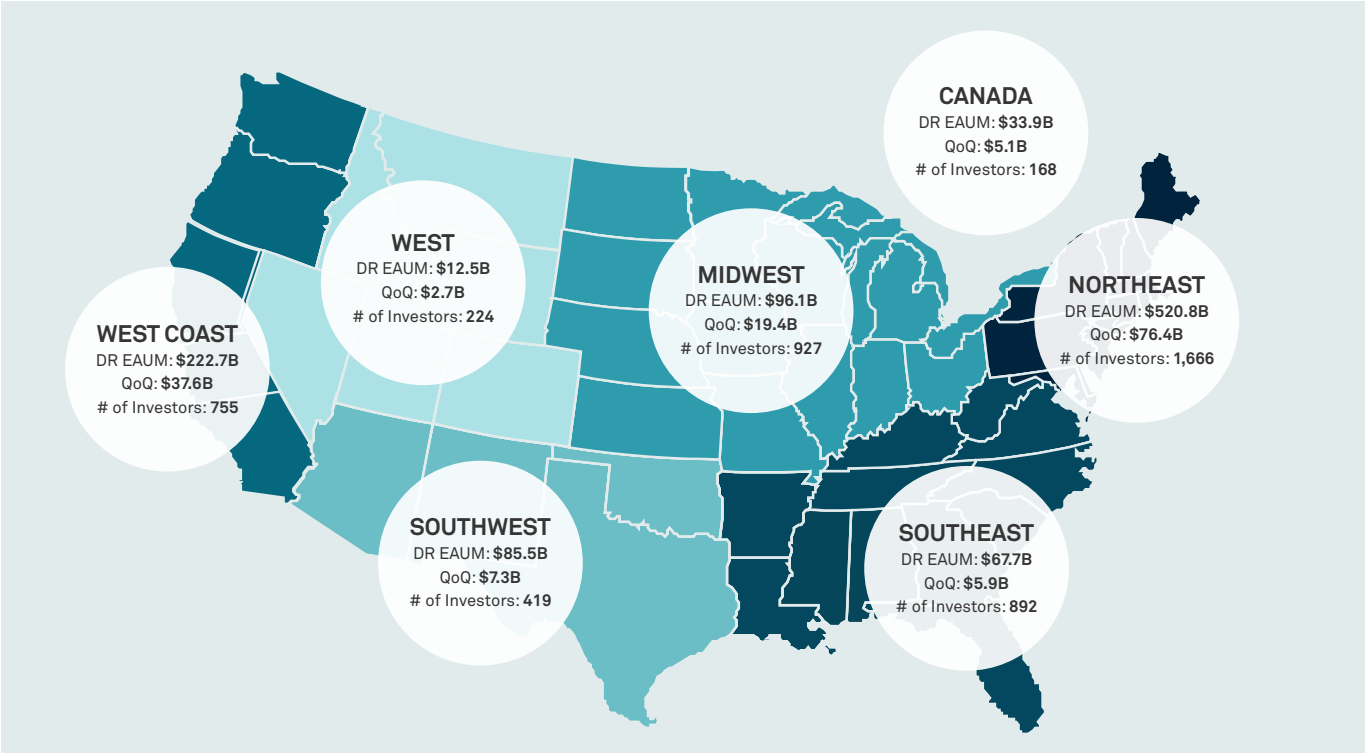
Source: BNY internal platforms/adrbny.com as of 8/31/26

THE DR INVESTOR LANDSCAPE

Investor Geographic Region	Institutional Holders	DR AUM ($B)
North America	5,108	$1,044.1
Europe, Middle East and Africa	1,716	$218.3
Asia Pacific	665	$67.7
Latin America	390	$10.5
Total	**7,879**	**$1,340.6**

DR Investment by Region (% of AUM)





Sources: S&P Global, as of 2Q26.

MANAGED ACCOUNTS

Over the years, the growth of the DR universe has given investors convenient access to a broad range of companies across multiple sectors and regions. When diversifying globally, investors face settlement challenges, currency conversion, and unfamiliar market practices, but DRs can help them overcome these challenges.

For investment managers, implementing strategies across different investment vehicles is essential to meeting the needs of asset owners. Whether it's mutual funds, exchange-traded funds (ETFs), collective investment trusts (CITs) or separately managed accounts (SMAs), each vehicle presents unique advantages and challenges.

An SMA is a portfolio of securities owned directly by an investor and managed according to a specific discipline and/or style by a professional investment manager. Like mutual funds, SMAs offer professional portfolio management, but they also provide a number of features distinct from mutual funds such as:

- **Portfolio Customization**
- **Tax Trading Optimization**
- **Transparent and Simplified Costs**

For international equity strategies, ADRs offer simplicity and cost efficiency. SMA portfolios, in particular, benefit from the use of ADRs, which provide a simple and effective way to track global institutional strategies. With DRs being DTC-eligible, and trading and paying dividends in USD, investment managers can simplify the holdings of non-U.S. companies in U.S-based accounts, reducing the complexity of managing international equities.

By utilizing ADRs, investment managers can effectively replicate the top holdings of their mutual funds in SMA portfolios, with minimal tracking error. The size and scope of the ADR market is critical in achieving this goal, providing investment managers with a deep pool of liquidity to draw from and a broad range of companies to invest in. With their ease of use, cost efficiency, and broad market reach, ADRs provide a fundamental solution for building SMA portfolios that track global institutional strategies with precision and ease.

Below is an example of how the SMA product uses DRs to replicate the top 10 holdings of the Mutual Fund:

Top 10 Holdings of a Mutual Fund and the Managed Account ADR Equivalent:

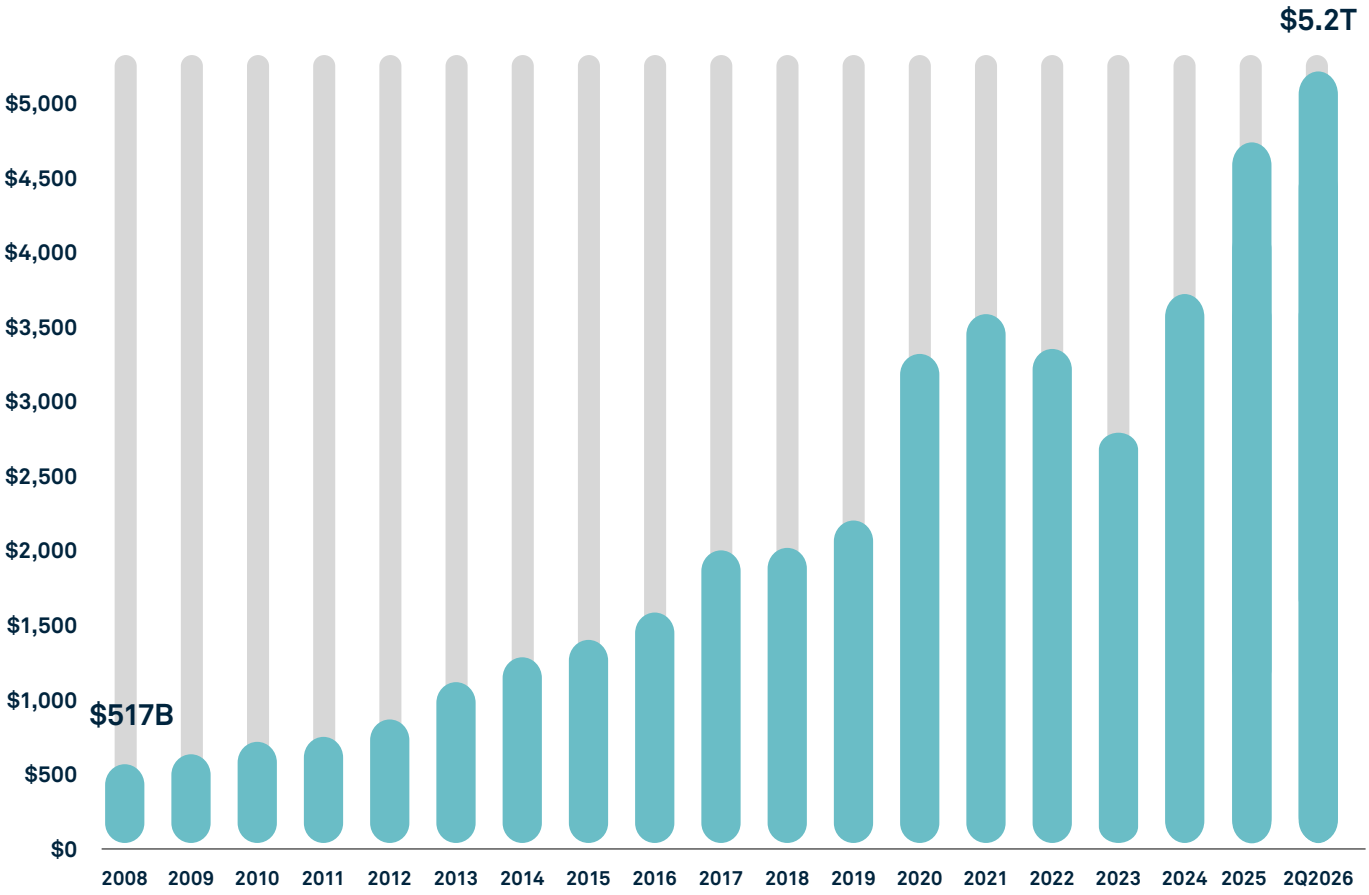
BNY INTERNATIONAL STOCK FUND		BNY WALTER SCOTT INTERNATIONAL STOCK ADR STRATEGY	
HOLDINGS	% PORTFOLIO WEIGHT	HOLDINGS	% PORTFOLIO WEIGHT
Taiwan Semiconductor Manufacturing	4.12	Taiwan Semiconductor - ADR	4.96
AIA Group	4.06	Air Liquide - ADR	4.17
ASML	3.66	AIA Group - ADR	3.62
ASM International	3.48	ASML	3.53
Keyence	3.04	Compass Group - ADR	3.35
TotalEnergies	3.02	ASM International	3.33
Compass Group	3.01	L'Oreal - ADR	3.15
Lonza Group	2.71	TotalEnergies - ADR	3.04
Alimentation Couche-Tard	2.71	Inditex - ADR	2.89
Merck	2.59	Lonza - ADR	2.61

Sources: BNYM Walter Scott International Stock Fund
BNYM Walter Scott International Stock ADR Strategy

Investment Advisory Assets surpassed
$18.2 TRILLION
in 2Q26

Managed Accounts grew to
$5.2 TRILLION
as of 2Q26

Managed Account AUM ($B)



Source: Managed Accounts – The Cerulli Edge: U.S. Managed Account Edition 3Q26.

INVESTOR VOICE

SMAs are an important and growing business for Capital Group. Our SMAs allow clients to easily access our generations of knowledge over multiple market cycles, the expertise of our deeply experienced portfolio managers and our history of long-term results in a relevant vehicle for high-net-worth clients. Broad Depositary Receipts coverage allows Capital Group to deliver our international and global equity strategies while meeting the requirements of the SMA vehicle."

Pete Thatch, Director, National Accounts, Capital Group

TOP SMA SPONSORS AND MANAGERS

Managed account products are made available to investors on the investment offering platforms of wealth management and investment advisory firms. The firms with these platforms are termed Sponsor Firms. The products on the platforms are therefore available to the Sponsor Firms' advisors and their advisory networks, who in turn can use the products with their clients.

TOP 15 SMA SPONSORS

RANK	FIRM	2Q 2026 ASSETS ($ BILLIONS)
1	Morgan Stanley Wealth Management	**$883.6**
2	Charles Schwab	**$635.2**
3	Fidelity Investments	**$558.0**
4	UBS	**$381.1**
5	JPMorgan Chase	**$245.4**
6	Wells Fargo Advisors	**$202.1**
7	Bank of America Merrill Lynch	**$141.8**
8	Raymond James	**$121.4**
9	Envestnet	**$115.3**
10	Citi Wealth	**$77.3**
11	Robert W. Baird	**$52.9**
12	LPL Financial	**$51.5**
13	Ameriprise Financial	**$34.0**
14	SEI Investments	**$32.9**
15	Northwestern Mutual	**$28.2**

Source: The Cerulli Edge U.S. Managed Accounts 3Q26 page 12 Separate Account Program Sponsors (Includes Single-Contract, Dual-Contract, and Proprietary Programs)

TOP 15 SMA MANAGERS

RANK	FIRM	2Q 2026 ASSETS ($ BILLIONS)
1	BlackRock	**$635.7**
2	Goldman Sachs Asset Management	**$559.2**
3	Morgan Stanley Investment Management	**$503.9**
4	J.P. Morgan Asset Management	**$501.1**
5	Fidelity Investments	**$290.8**
6	UBS Asset Management	**$257.6**
7	Charles Schwab Asset Management	**$249.0**
8	Northern Trust Company	**$231.0**
9	Capital Group Companies	**$181.1**
10	Franklin Templeton Investments	**$179.6**
11	AB Global	**$138.4**
12	Nuveen Asset Management	**$103.1**
13	Natixis Investment Managers	**$94.4**
14	Allspring Global Investments	**$81.9**
15	BNY Investments	**$75.7**

Source: The Cerulli Edge U.S. Managed Accounts 3Q26 page 16 Largest Separate Account Consultant Program Asset Management Groups ($ billions)

OUR PARTNERSHIP

BNY partners with Investor Relations (IR) teams to optimize the DR opportunity and expand engagement across all investor segments.

Beyond the Institutional Top Tier

- Customized targeting to identify long-only investors that utilize the DR in their strategies
- Focus on Tier 2, 3, 4 investors across the U.S. to connect issuers with the full scope of the market

Managed Accounts Segment

- Identify investment managers with managed account strategies that utilize the DR and help issuers engage with the right teams
- Highlight the DR to investors and inquire about SMA products to understand the full purchasing power for engagement prioritization

Wealth Management and Retail

- Partnership with wealth managers to connect with financial advisors that act as portfolio managers, a segment that manages more than $4.7T in assets
- Research and insights on how to efficiently engage with the growing retail market

Industry Leading Experience

Our commitment to providing tailored solutions and support sets us apart from other DR banks, making BNY a compelling choice for issuers looking to enhance their global investor connectivity.



Advisory Solutions

Engages issuers, brokers, and investors and aims to make cross-border investing seamless, efficient and cost-effective. Investor solutions, broker solutions, IR and ESG advisory teams help our clients' investor relations teams achieve their program goals.

Transaction Structuring & Execution (TSE)

Delivers innovative solutions to help issuers navigate the capital markets and assist with complex cross-border corporate actions.

Proxy & Dividend

Carries out the operational proxy/voting processes for meetings, preparing proxy materials and maintaining management information systems housing proxy data.

Product Management

Oversees business strategy, business intelligence, strategic innovation and business applications solutions.

Operations

Delivers the seamless movement of broker and investor share positions between the DR and the local market, and focuses on rights related to corporate events.

Relationship Management

Responsible for your DR program on a day-to-day basis. Coordinates the activities of specialist support groups.

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