



Depository Receipts 2024

THE YEAR IN REVIEW



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01 **LOOKING BACK**

KEY HIGHLIGHTS

Through a year of elections globally and geopolitical change and risk, with markets focused on new technology such as Artificial Intelligence (AI), the Depositary Receipts (DR) product continued to add value to investors.

*In 2024 the trading volume of DRs grew by **12%** globally, and the traded value by **30.8%**.¹*

45%

Growth investors represent 45% of North American DR investment

82%

Active firms represent 82% of North American DR investment

55%

Developing Market DR investment accounts for 55% of global investment in DRs, while Emerging Market DR investment accounts for 45%

22%

Total number of DR holders has increased annually, a 22% increase since 2020

6,930

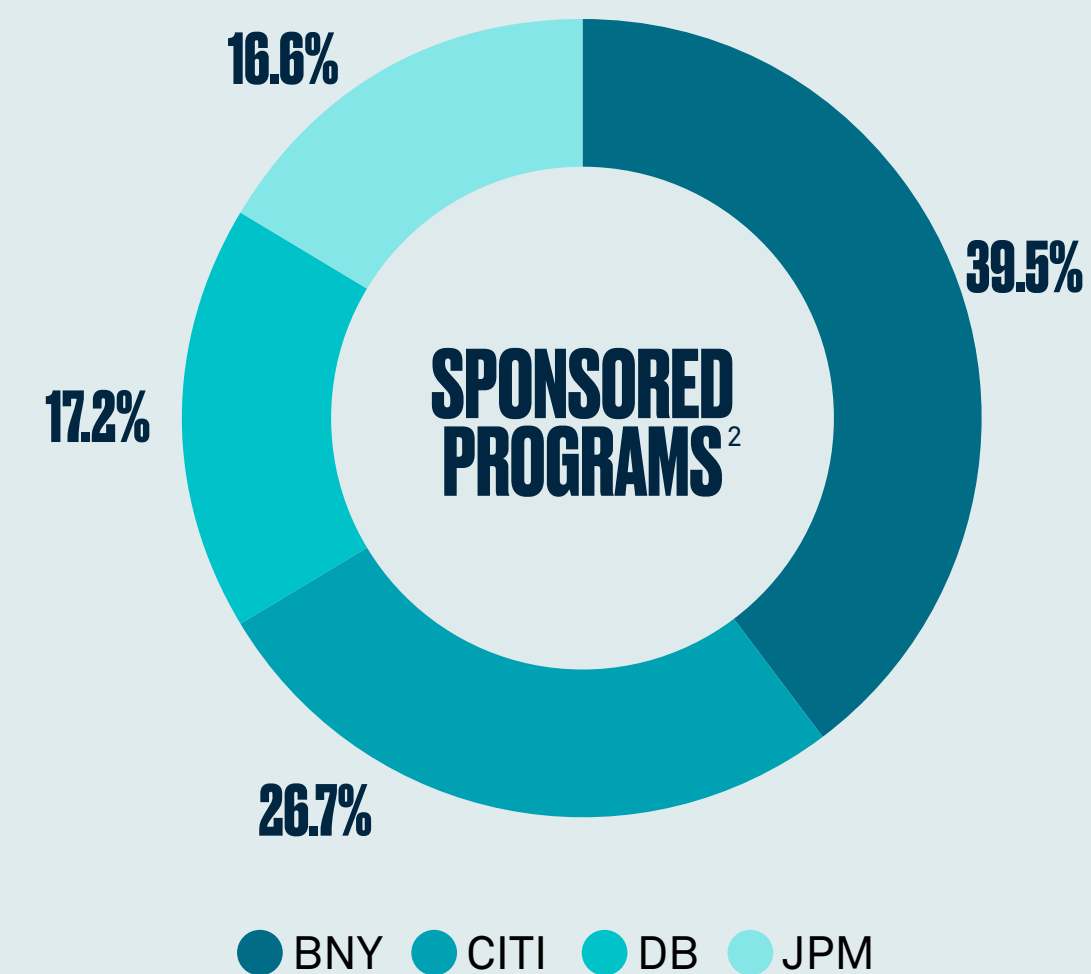
There are 6,930 institutional holders of DRs as of Q4 2024

THE YEAR AT A GLANCE

BNY is proud to remain the #1 provider of Depositary Receipts globally, with 495 sponsored and 1,590 total programs.

The continued value of the product to the investor community is demonstrated by the growth in the market for unsponsored programs, which are created in response to specific investor need. In 2024 we opened 28 of these programs.

The U.S. markets continue to be a destination of choice for new international equity issuers, and in 2024 we opened 17 new sponsored programs, leading the field. BNY maintains our **#1 market share** in sponsored DRs.²



\$5.6T

in DR value traded, with total volume of 210.1B¹

34

New sponsored DR programs created in 2024²

59

New unsponsored DR programs created in 2024²

2,733

Total DR programs²

\$428B

BNY DR AUC (assets under custody)

74%

BNY unsponsored program coverage

1. Bloomberg as of January 1, 2025. DR Volume and Value traded for the entire ADR market

2. BNY and other depositary bank websites, as of February 3, 2025



As BNY looks forward to the year ahead, we see continued tailwinds for the DR product in the challenged yet resilient equity capital markets, in strong demand for access to the U.S. capital markets from international issuers, and in potential opportunities to leverage new technologies such as AI as well as new markets or segments in the GDN.

—CHRIS KEARNS
GLOBAL HEAD, DEPOSITARY RECEIPTS

DEPOSITARY RECEIPTS 2024 OWNERSHIP SNAPSHOT¹

INVESTOR GEOGRAPHIC REGION	INSTITUTIONAL HOLDERS	DR EAUM (\$B)	DR EAUM YR BEFORE (\$B)
North America	4,317	\$716.8	646.1
Europe, Middle East & Africa	1,628	\$160.3	\$150.3
Asia Pacific	643	\$64.0	\$57.2
Latin America	342	\$4.9	\$6.0
TOTAL	6,930	\$946.0	859.6

\$946B

DR investment total at year-end 2024

\$717B

North American DR investment total for 2024

71B

North American DR investment growth year on year

82%

Active investors in N. America investment in DRs, with \$587B

TOP 10 INSTITUTIONAL DR HOLDERS	NUMBER OF DR HOLDINGS	DR EAUM (\$B)	DEVELOPED DR EAUM (\$B)	EMERGING DR EAUM (\$B)
Fidelity Management & Research Company, LLC	235	44.8	30.2	14.4
Fisher Investments	94	27.1	19.0	8.0
Capital International Investors	45	21.6	14.7	6.8
Capital World Investors (U.S.)	35	19.8	10.9	8.9
Dodge & Cox	45	17.2	13.9	3.2
Baillie Gifford & Company, LTD	49	14.4	10.6	3.4
T. Rowe Price Associates, Inc.	64	12.5	9.9	2.4
Wellington Management Company, LLP	118	12.4	9.6	2.6
Primecap Management Company	19	12.3	9.2	3.1
Sanders Capital, LLC	10	11.4	2.3	9.0

DEPOSITARY RECEIPTS DRIVE INVESTMENT PRODUCT DEVELOPMENT

Asset managers continue to expand distribution of their investment strategies beyond mutual funds, launching vehicles to meet asset owner demand, including ETFs, Separately Managed Accounts and Custom Direct Indexing products.

For international equity strategies, DRs offers investors convenient access to a broad range of companies across multiple sectors and regions, reducing the complexity of managing international portfolios and making it an attractive solution for all investor segments, including Institutional, Wealth Management and Retail investors.

Depository Receipts Can Aid Portfolio Growth for the Wealth Management Segment

As portfolio product development continues to expand, advisors are turning to products that offer tax efficiency and flexibility including Active ETFs, Separately Managed Accounts (SMAs) and Custom Direct Indexing products, which utilize DRs for international exposure:

- ETF inflows for 2024 were the highest since 2021 at \$113B. Active ETF net flows for 2024 of 24.6 fell just short of the combined \$25.9B for the prior 3 years combined. Rep-as-PM programs were a major driver of the uptick, seeing a 183% increase in active ETF net sales at wirehouses.¹
- SMAs experienced a similar acceleration in growth with net sales amounting to \$86B, which is greater than the last two years combined.¹
- Custom index products drove United States equity SMA sales across 2024, accounting for 68% of U.S. equity SMA net sales.¹

+50% Managed Account Industry has reached \$13.5T in assets, up 50% over the past two years²

+60.5% SMAs have grown 60.5% over 2 years, DRs are key product for portfolio construction²

1. Source: BNY Growth Dynamics – Wirehouse Trend data as of December 31, 2024

2. Source: The Cerulli Edge, U.S. Managed Accounts Edition 4Q24

“

We're using ADRs about as much as we can in [international investment]. If the ADR is liquid enough, it's usually cheaper and easier to hold, and you get to trade in both markets, so you get the best of the best. You can trade in the international market and then if an account comes to you during the day and you need to liquidate in the U.S. market, then you have the ability to do that as well.”

—TIER 4 MUTUAL FUND, TRADER

“

We offer SMAs that replicate all of our international mutual fund strategies... The same team that manages the mutual funds, manages the SMAs.”

—TIER 1 FIRM, PORTFOLIO MANAGER

BNY EXPERTISE: IN STORIES

BNY leverages our experienced team to manage complex and market-innovating events for our clients

JSC KASPI.KZ

Kazakhstan - January 2024

- Split the REG S and 144 A, then upgraded the REG S to a Level II ADR
- Facilitated the exchange of 196,592,325 DRs from the Common Depositary to DTCC in connection with the change in primary place of issuance
- Delivered secondary offering of 11,300,00 DRs, valued at \$1,039,600,000

**SPLIT OF LONDON LISTING
INTO NEW LISTING IN US**

ATOUR LIFESTYLE HOLDINGS

China - June 2024

- Secondary offering managed for this DR client
- Issued and delivered 11,500,000 ADSs valued at \$194,350,000 to the underwriters in T+1 for onward delivery to investors

FIRST T+1 CLOSING

ZEEKR INTELLIGENT TECHNOLOGIES

China - May 2024

- Notable IPO transaction in the form of a spin-off of this EV car maker from Geely automotive
- Issued and delivered 24,150,000 ADSs valued at \$507,150,000 to the underwriters at closing

IPO MARKET ACTIVITY

ANHEUSER-BUSCH INBEV

(Belgium) - March 2024

- Secondary offering closed
- Issued and delivered 12,250,000 ADSs, valued at \$753,375,000 to Morgan Stanley, as underwriter representing the Selling Shareholder

**SIGNIFICANT FOLLOW-ON
OFFERING**

02 LOOKING FORWARD

The IPO market improved in 2024 over 2023, raising 55.8% more value with 244 IPOs pricing over the course of the year. Market watchers expect 2025 to provide an increase over those figures², and discussion of listing in the U.S. markets continue to take place with issuers globally.

244

IPOs and 507 Follow-on offerings in 2024¹

45%

International companies represented 45% of 2024 IPOs¹

29

29 DR offerings, raising \$12B¹

55.8%

2024 IPO value raised 55.8% more than 2023³

1: FactSet IPO Market Summary as of 8 January 2025 .

2: Financial Times, "US set for IPO comeback as private equity firms seek to offload holdings." January 5, 2025.

3: SIFMA, 4Q24 Quarterly Report. January 2025.

DEPOSITARY RECEIPTS AND THE IPO MARKET: WELL-MATCHED FOR SUCCESS

BNY sees the DR product as offering a set of unique advantages to foreign private issuers over listing with an ordinary share alone:

DRs Simplify the Listing and Share Management Lifecycle

- Issuers typically maintain their local ownership structure
- Issuers avoid FX exposure, and DRs provide flexibility and support complex corporate actions
- Flexibility to terminate the DR Program without impacting home market

DRs Reduce Vendors, Increase Support, and are Cost Effective

- BNY performs many roles supporting a company's U.S. listing, e.g., vote distribution, management of dividends, etc.
- BNY acts as a committed provider to provide secondary market support
- DRs eliminate vendor expenses

DRs Can Increase Investor Demand⁴

- DRs enable issuers to list their underlying shares locally with ease, access multiple markets, and may provide deeper liquidity through offering fungible separately traded securities

DRs Reduce Trading Challenges for Issuers⁴

- DRs support issuers with multiple listings, ensuring that DR holder entitlement is not impacted by differences in settlement cycles
- Trading between markets and flexible DR to Ord ratio can increase liquidity
- Depositary manages T+1 settlement

⁴: <https://www.nasdaq.com/articles/how-much-do-dual-listings-add-to-liquidity>

THE INDEX LANDSCAPE FOR DEPOSITARY RECEIPTS¹

Issuers thinking about listing in the U.S. often look at the growth of index funds when they consider how and where they want to list. Different index funds may hold both DRs or ordinary shares, and generally determine holdings based on the issuer's domicile, not their listing location².

Of the top 20 index funds that invest in DRs, the Nasdaq 100 Index and the MSCI World Index have seen the largest increases in equity assets under management (EAUM) tracking over the last year¹.

\$3.47T There are approximately 2,000 Index funds globally that invest in ADRs. Total EAUM for these indexes is \$3.47T.

The largest Index funds (based on EAUM) that invest in ADRs include:

\$428B
Vanguard Total International
Stock Index Fund

\$319B
Invesco
QQQ Trust

\$118B
iShares Core
MSCI EAFE ETF

18%
18% of the Index investment
in ADRs is associated with
indices and Index funds that
require companies to be
listed in the United States

>\$1B
The MSCI World, MSCI Emerging
Market, MSCI EAFE, and
NASDAQ 100 Indexes all have
over 20 funds with over >\$1B in
EAUM each tracking them

¹ S&P Global Market Intelligence, data as of Dec 31, 2024.

² Source: www.msci.com/index-methodology (accessed 3/5/2025)

THE INDEX LANDSCAPE FOR DEPOSITARY RECEIPTS¹

TOP INDICES THAT INCLUDE DRS

	INDEX NAME	TOTAL EAUM 12/31/24 (\$B)	CHANGE IN EAUM SINCE 12/31/24 (\$B)	NUMBER OF FUNDS TRACKING INDEX	INDEX PROVIDER	MARKET FOCUS	REGION FOCUS	COMPANY SIZE FOCUS
1	NASDAQ 100 Index	465.7	138.1	27	FTSE	US Listing	Global	Large/Mid
2	FTSE Global All Cap ex US Index	459.8	35	2	NASDAQ	Developed and Emerging Markets	Global	Large/Mid/Small
3	MSCI World Index	317.0	68.8	37	MSCI	Developed Markets	Global	Large/Mid
4	MSCI EAFE Index	205.7	22.5	24	MSCI	Developed Markets	EAFE	Large/Mid
5	MSCI EAFE Investible Market Index	124.1	13.1	2	MSCI	Developed Markets	EAFE	Large/Mid/Small
6	FTSE Emerging Markets All Cap China A Inclusion Index	123.4	8.9	3	FTSE	Emerging Markets	Global	Large/Mid/Small
7	MSCI Emerging Markets Index	119.4	11.3	27	MSCI	Emerging Markets	Global	Large/Mid
8	MSCI Emerging Markets Investible Market Index	102.0	7.2	3	MSCI	Emerging Markets	Global	Large/Mid/Small
9	MSCI World Ex Japan Index	83.5	22.4	10	MSCI	Developed Markets	Global	Large/Mid
10	MSCI All Country World Index	72.3	14.5	9	MSCI	Developed and Emerging Markets	Global	Large/Mid

¹ S&P Global Market Intelligence, data as of Dec 31, 2024.

THE YEAR AHEAD iFLOW MARKET COMMENTARY

“

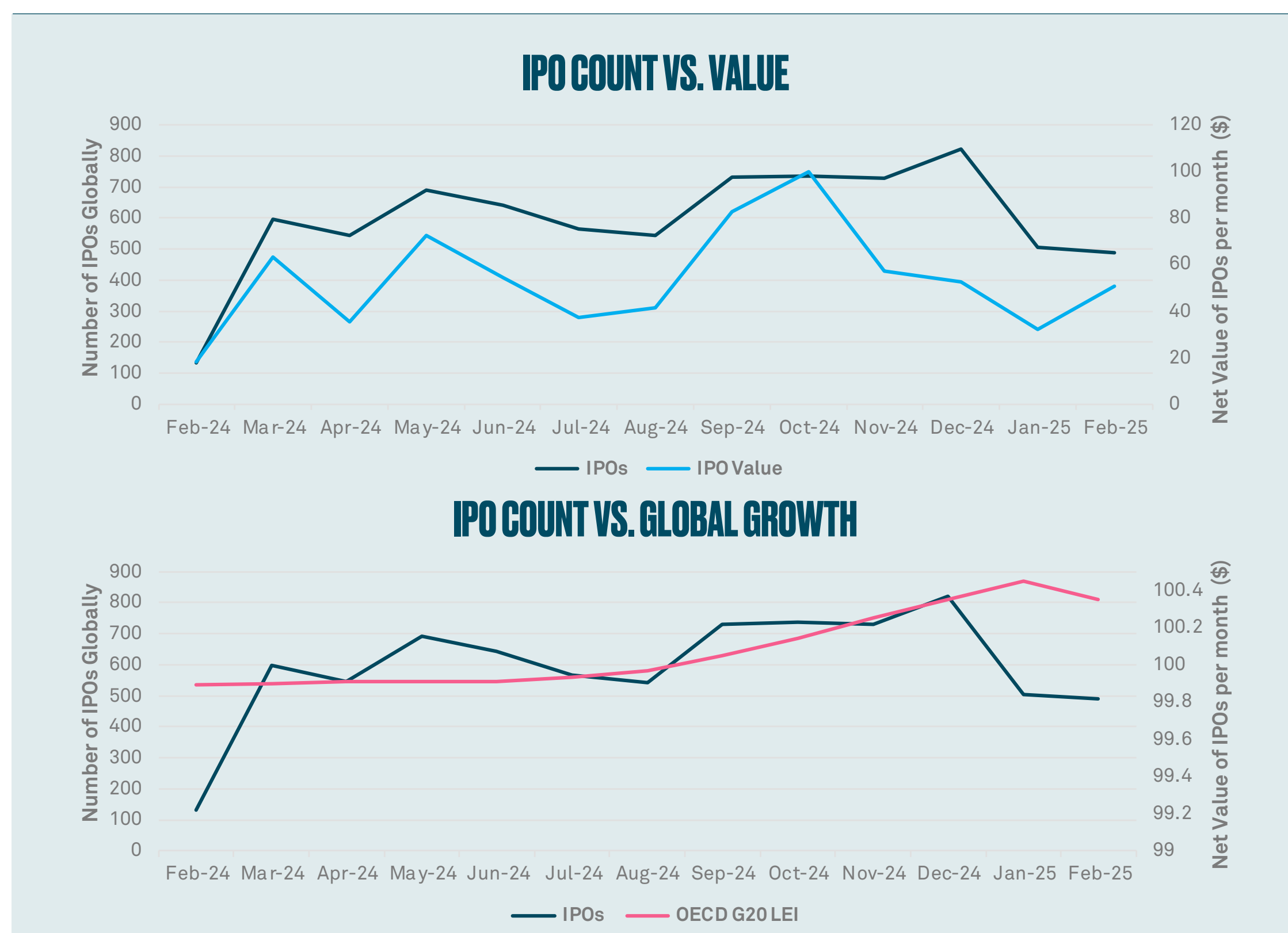
The demand in the U.S. for foreign shares is likely to remain in place given the need to diversify and rebalance portfolios after two years of U.S. equity outperformance”.

—ROBERT SAVAGE

BNY HEAD OF MARKET STRATEGY AND INSIGHT

THE YEAR AHEAD

iFLOW MARKET COMMENTARY



Source iFLOW BNC

Trusted with nearly 20% of the world's tradeable assets, BNY sees opportunities and risks that others can't.

iFlow is the expression of this unique vantage point. Based on anonymized and aggregated information, iFlow draws on \$52.1T in assets under custody and/or administration*

Looking ahead, the relationship of IPO and M&A activity to the USD and global growth in 2024 highlights the risks for markets in 2025. The risk for markets across the world comes from tariffs hitting growth.

The expectations are that some of this will be offset by other policy shifts – global easing bias and FX shifts. How deregulation and tariffs play out together in the US markets will be a big driver for IPOs and Mergers and Acquisitions as well.

Overall, much of the current investor moods for risk aversion stems from the uncertainty over how these policies play out over the year.

Given the high levels of cash and current liquidity and ongoing stronger global growth, the risks are skewed for more not less global investment flows.

(* AUC and/or administration figure as of December 31, 2024)

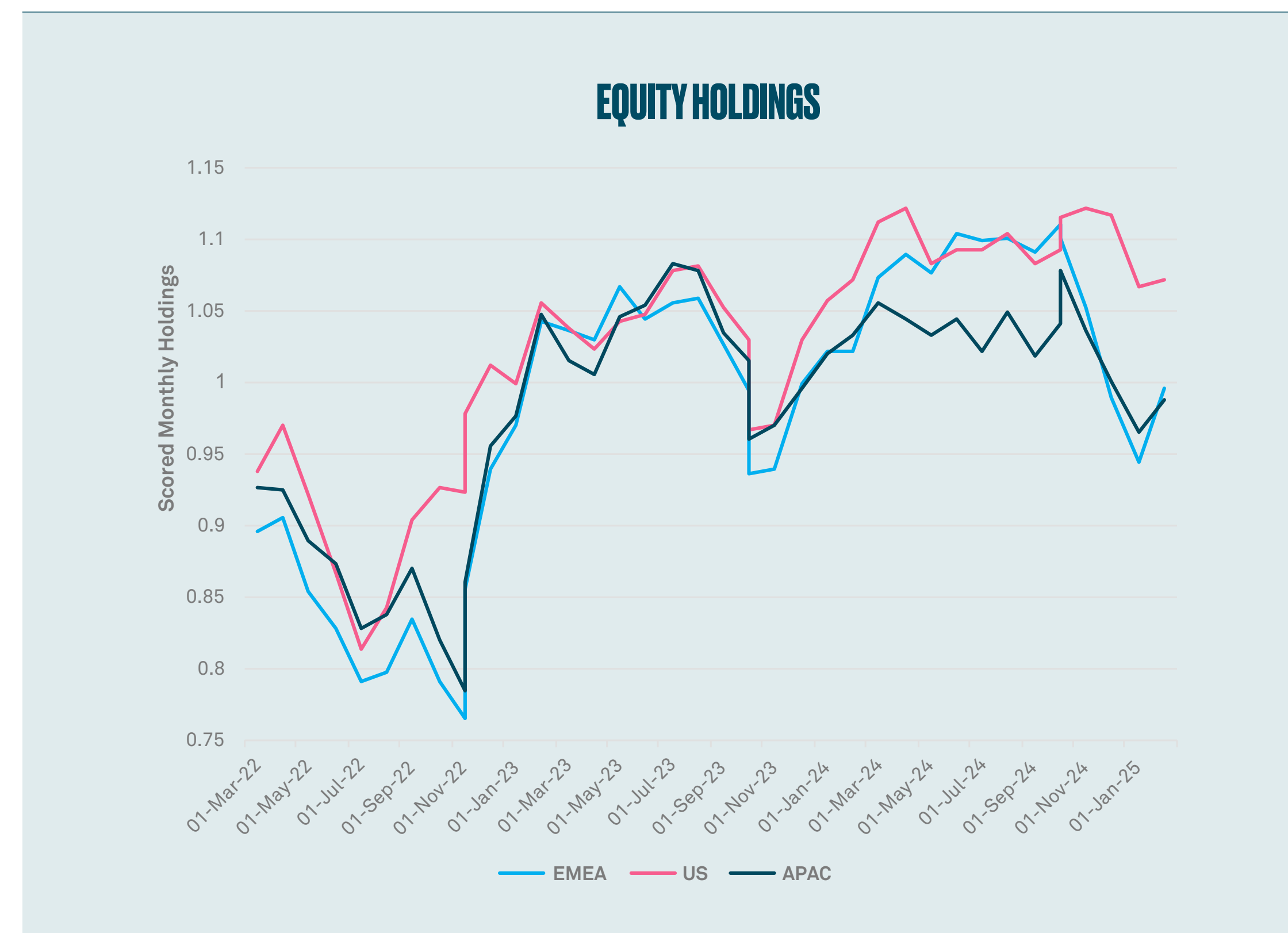
THE IPO MARKET iFLOW COMMENTARY

In 2024, U.S. IPOs were up 38% y/y with 20 deals raising more than \$500M each and 7 deals over \$1B. Globally, India led the market, then the U.S., then Europe.

The outlook for 2025 has the same three markets rising in IPO activity along with MENA as the diversification of the UAE and Saudia Arabia economies continues apace. China through the Hong Kong markets is also expected to rise back as a key part of the market.

President Trump's policy shifts are best captured by the acronym T2D2 – Tariffs and Taxes, Deregulation and Deportation. The sequencing and scope of the policy shifts requires balance. Tariffs will hurt U.S. companies and add to FX and earnings noise across global shares.

Tax cuts and support for U.S. companies will likely add to cross-border M&A and likely move some of the private credit and equity money to public markets – with increased IPOs in the months ahead.



DEPOSITARY RECEIPT PRODUCT INNOVATION

GDNs

What are Global Depositary Notes?

- Global Depositary Notes (**GDNs**) are negotiable securities that can represent an international corporate or sovereign entity's locally traded debt created by a depositary bank (the "depositary").
- They are **denominated in U.S. dollars** and are eligible for settlement in **Euroclear/Clearstream/DTC**.

BNY DRs launched Global Depositary Notes in 2 markets in 2024, Indonesia and Paraguay. GDNs are similar to the unsponsored DR product but are issued on fixed income securities.

We have established

20 GDNs
on **10**

Paraguayan Treasury Bonds, growing the market servicing both local and international players.

GDNs

AN OVERVIEW

How are GDNs issued?

- GDNs can be placed at the time of the initial local debt offering or any time after the initial issuance by buying the local debt and having a depositary bank create the GDN.
- The GDNs are generally issued under Regulation S and Rule 144A.

GDN Key Potential Benefits

SOVEREIGN DEBT ISSUERS

- Expands local debt market to a greater pool of international investors
- Supports diversification of the investor pool
- Interest and principal obligations remain in local currency

INVESTORS

- Allows institutional investors to diversify their portfolios
- Increased access to emerging market debt securities available to investors
- No need for the arrangement of local custody facilities
- Trade, settle and receive interest and principal in USD
- The GDN and respective local bond (which can be received upon cancellation), are fungible, increasing liquidity
- DVP/RVP in U.S. Dollars
- Ability to trade with multiple broker dealers

SOVEREIGN DEBT ISSUER

DEBT SECURITIES

LOCAL CUSTODIAN

BNY AS DEPOSITARY

GDN INVESTOR

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