

## Supervisory Services



Fund Structuring > Management Company > Fund Administration > Transfer Agent > **Depository Bank**

This document constitutes one of three documents providing a high level overview of the key activities performed by Credit Suisse (Luxembourg) S.A. acting as depository bank (Depository), the other two being:

- Safekeeping of the Fund Assets
- Processing and Settlement

These services are specifically designed to meet your requirements, enabling you to focus on your core business.

### Service Description

Credit Suisse (Luxembourg) S.A., in its capacity as depository bank, provides effective and robust supervisory services for fund assets and related activities as required throughout a fund's entire lifecycle.

The scope of the supervisory function is based on an assessment of risks associated with the nature, scale, and complexity of the fund's strategy and the organization of the fund. Taking into account the best interests of investors, the Depository then determines the level of due diligence and controls required.

The supervisory services provided by the Depository can vary significantly depending on each fund's legal structure, the applicable laws and regulations, as well as the agreements concluded between the fund and the Depository. The range, content, and conditions of the services agreed upon are defined in the depository bank agreement and further detailed

in an operating memorandum specifically designed for the fund, which may consist of the following tasks:

### Due Diligence

Where the Depository and/or the fund has delegated functions, the Depository may conduct comprehensive due diligence on certain delegates in order to verify their expertise, financial strength, and reputation. The due diligence obligations can include:

- Ensuring the appropriate selection and ongoing monitoring of sub-custodians (i.e. for in-custody assets held within Credit Suisse's global custody network)
- Regularly reviewing non-network asset holding counterparties using a risk-based approach (i.e. for ex-custody assets)
- An ongoing review of certain delegates appointed by the fund or the fund's management company (e.g. Fund Administrator, Transfer Agent), to the extent the Depository has an oversight duty to fulfill

### Asset Monitoring

The Depository ensures that it has at all times a complete overview of where and how the assets of the fund are held or registered. The Depository therefore performs an asset monitoring function over the traditional assets it holds on behalf of the fund, such as equities, bonds, and money market instruments, as well as for assets not held in custody, such as derivative contracts, loans, private equity, and real estate.

The Depositary's asset monitoring obligations with respect to relevant fund activities and operations typically consist of:

- Ensuring fund assets are properly recorded
- Verifying ownership of fund assets
- Ensuring reconciliation of fund assets is properly performed

Additional obligations may include the monitoring of securities lending and re-hypothecation activities as well as any look-through requirements.

### **Cash Monitoring**

The cash monitoring obligations of the Depositary with respect to a fund's activities and operations may apply to:

- Cash accounts held with the Depositary
- Cash accounts held with third-party credit institutions (e.g. cash collateral agents, accounts operated by subsidiaries, or other counterparties such as private equity or real estate funds)

Depending on the legal regime, the Depositary may carry out some or all of the following cash-monitoring duties:

- Maintaining a comprehensive and up-to-date list of all the fund's cash accounts based on information provided by the fund
- Ensuring reconciliation of each fund's cash accounts is properly performed
- Identifying large or unusual cash flows

### **Depositary Bank Oversight**

The Depositary may also be required to perform a number of oversight functions, which principally consist of:

- Ensuring that the sale, issue, repurchase, redemption, and cancellation of fund units are carried out in accordance with the applicable law and the fund's constitutional documents
- Verifying that the value of fund units is calculated in accordance with applicable law and valuation rules
- Verifying that each fund complies with its investment policies and applicable law and rules governing the fund (i.e. investment guideline monitoring)
- Ensuring the timely settlement of fund transactions
- Verifying that fund distributions are calculated and disbursed in accordance with the applicable law and rules governing the fund

The oversight obligations of the Depositary are further set out in the Depositary's policies and procedures.

The aforementioned are subject to periodic reviews to ensure relevance and adherence to the regulatory framework as well as the high standards and requirements of Credit Suisse Group.

### **Investment Categories**

The fund-related service offering of the Depositary covers the following investment categories:

- Traditional funds
- Funds of funds/Funds of hedge funds
- Senior loan funds
- Real estate and infrastructure funds
- Private equity funds
- Microfinance funds
- Shariah-compliant investment funds
- Insurance-linked funds
- Other thematic funds

In addition to the Depositary's core activities of safekeeping, trade settlement, and oversight, the service offering may also include cash management, credit, foreign exchange, and reporting.

### **Value Proposition**

Credit Suisse Investor Services (CSIS) has a proven track record of successfully launching new funds or transitioning existing ones by leveraging its proficient onboarding team. CSIS has both the resources and expertise to accommodate complex fund structures throughout the entire fund lifecycle, allowing asset managers to focus on their core activities and pursue their investment objectives.

### **Service Provider**

- Credit Suisse (Luxembourg) S.A.

### **Your Partner for Fund Services**

Credit Suisse Investor Services (CSIS) is the competence center for Private Label Fund solutions within Credit Suisse.

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### **Contact Us**

For more information, please contact your relationship manager or visit our website:

[www.credit-suisse.com/investorservices](http://www.credit-suisse.com/investorservices)

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