

Processing and Settlement



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

This document constitutes one of three documents providing a high level overview of the key activities performed by Credit Suisse (Luxembourg) S.A. or by its Irish Branch acting as depositary banks (Depositary), the other two being:

- Safekeeping of the Fund Assets
- Supervisory Services

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

Service Description

Throughout the lifecycle of the fund, the Depositary provides or supports the processing and settlement of transactions relating to the fund's assets, depending on the type of asset transacted.

In respect of securities held in custody with the Depositary, the Depositary ensures the proper matching and clearing and the timely settlement of the securities transacted until delivery is duly completed.

The operational services provided by the Depositary vary depending on the nature, scale, and complexity of the fund's investment strategy (e.g. equity fund versus real estate fund). The detailed range, content, and conditions of the services agreed upon are defined in the depositary bank agreement and further detailed in an operating memorandum specifically designed for the fund, which may consist of the following tasks:

Transaction Processing

The Depositary processes "proper instructions" received as per any pre-agreed communication method (e.g. SWIFT, semi-automated trade-file) from a duly authorized party (e.g. the investment manager). The execution or processing function has been set up according to the following investment categories:

- Traditional financial instrument (e.g. equities, bonds, and money market instruments)
- Mutual funds and hedge funds (including funds-of-funds and funds-of-hedge funds)
- Alternative investments (e.g. private equity, real estate, microfinance, senior loan, insurance-linked, Shariah, and other thematic funds)

For foreign exchange transactions, including currency spot, forwards, and other currency derivatives, the Depositary may offer trading in both main and exotic currencies which are commonly traded via NDFs (i.e. Non-Deliverable Forwards).

Financial derivative instruments and contracts, including exchange-traded options and financial futures, swap contracts, and other Over-The-Counter (OTC) products, may be traded with counterparties approved by the relevant management body of the fund. The Depositary handles the processing of subsequent incoming and outgoing cash flows relating to these derivative instruments and contracts.

Settlement

The Depositary monitors the timely settlement of fund transactions through a number of proven mechanisms including the follow-up of unmatched and overdue trades, carrying out regular cash and asset reconciliations, as well as internal account reviews. In the event of an identified settlement issue, the Depositary undertakes an investigation and informs the relevant stakeholders, as defined in the depositary bank agreement and/or operating memorandum. Accordingly, the Depositary collaborates with the stakeholders to help resolve the identified issue in a timely manner.

Corporate Actions and Income

The Depositary notifies the fund of corporate actions in good time and provides appropriate supplementary information as and when it becomes available. Subsequently, the fund acts on the aforementioned by instructing the Depositary in that respect. Alternatively, the Depositary is authorized to apply a default action for corporate actions on behalf of the investment manager in accordance with a pre-defined scheme.

Where applicable, the Depositary notifies the fund in relation to income collection, e.g. interest payments on fixed-income instruments or dividend payments on equity.

Cash Management and Payments

The Depositary produces and communicates cash position reports consisting of information on available cash balances for all cash accounts opened with the Depositary.

The Depositary executes all cash payments required by the fund and investment manager, under proper instruction, out of fund accounts held by the Depositary. Such payments may relate to securities purchases (e.g. free of payment transactions and fund purchases), loan payments, margin and swap payments, capital calls, fees, and other fund expenses.

Reconciliation of Financial Instruments, Other Assets and Cash

For financial instruments held by the Depositary (i.e. in-custody) and cash, the Depositary performs regular reconciliations between its own records and those of its network agents (i.e. its sub-custodians and its cash correspondents). The Depositary also conducts independent reconciliations of these positions between its own records and those of the fund, i.e. in the records of the central administrator.

For assets (including cash positions) held with third parties, the reconciliation exercise performed by the Depositary relies upon evidence provided by the third-party counterparties in the form of bank statements, holding statements (including excerpts from shareholder registers for fund holdings).

Reporting

In line with its responsibilities and duties, the Depositary provides the fund with information essential for its management. The reporting function is primarily provided online to the investment manager, allowing full access to fund data held by the Depositary. This is achieved through the Depositary's state-of-the-art, proprietary platform, DirectNet.

Additional customized reports are also made available, including:

- Settled trade reporting
- Exception reporting (e.g. failed and unmatched trades)
- Key Performance and Risk Indicators (KPIs & KRIs)
- Board reporting

As of the financial year-end of the fund, or on an ad-hoc basis if requested (e.g. for fund mergers), the Depositary provides the fund's auditors with reports and confirmations capturing the fund holdings as part of the annual audit.

Investment Categories

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

- Traditional funds
- Fund 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.
- Credit Suisse (Luxembourg) S.A., Ireland Branch

Your Partner for Fund Services

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

Contact Us

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

www.credit-suisse.com/investorservices



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