

Safekeeping of the Fund Assets



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:

- Processing and Settlement
- Supervisory Services

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

Service Description

The global reach of the Credit Suisse Group constitutes a key success factor for the account opening process and the set-up of fund accounts within specific markets.

The Depository is responsible for the opening of securities accounts within the Depository's sub-custodian network. It does so on behalf of the investment fund, either in its own name or duly referencing the specific investment fund. All assets transferred to these accounts are then subject to the Depository's custody activities.

The extent of the operational involvement required of the Depository varies depending on the fund's investment universe, e.g. the fund requires investments by way of omnibus accounts as opposed to segregated accounts or in developed markets as opposed to emerging markets. The detailed range, content, and conditions of the services agreed upon are defined in the depository bank agreement and further

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

Network Selection and Periodic Review

The custody offering of the Depository currently provides a single point of entry to around sixty different investment markets via the appointment of local sub-custodians that form the Depository's global sub-custodian network.

The Depository selects the appropriate sub-custodians and for such purpose pursues a due diligence process that considers each sub-custodian's reputation, specialization, and financial strength as well as the jurisdiction in which the sub-custodian is located. In particular, sub-custodians must demonstrate appropriate asset segregation between the Depository's proprietary assets, the sub-custodian's own assets, and the assets belonging to the fund during the fund's entire lifecycle.

Once a sub-custodian in a specific market has been selected, the Depository carries out a periodic review to verify that each sub-custodian continues to meet the aforementioned criteria.

Similarly, the Depository will review prime brokers directly appointed by the fund or its management company with respect to the fund, for their specialization, reputation, and financial strength. If a prime broker of a fund is appointed as sub-custodian of the Depository, it will be subject to the same level of scrutiny as any other sub-custodian within the Depository's network.

Account Opening and Maintenance

The Onboarding, Merger & Liquidation Team of the Depositary is responsible for the opening and maintenance of all accounts held with the sub-custodians. Relevant account information, including settlement details, is communicated to the investment manager and other stakeholders by way of a "streetside fact sheet", as updated from time to time.

In respect to the account of the fund at the Depositary, the Depositary monitors events which affect such accounts operationally such as:

- Methods of trading instruction or change of execution/signatory powers
- Creation of a new sub-fund or side-pocket, closure of a sub-fund, activation or launch of a new share class
- Corporate or other operational events impacting the fund structure or the markets in which it operates

Safekeeping of In-Custody Assets

Traditional securities (i.e. equities, bonds, money market instruments, summarized as "financial instruments" under AIFMD and UCITS V), delivered to the Depositary for custody are either held directly by the Depositary or held within the Depositary's network of sub-custodians. Assets may be held in segregated or omnibus accounts depending on market or operational considerations. Accounts are further sub-divided based upon the type of fund, i.e. Alternative Investment Fund (AIF), Undertaking for Collective Investments in Transferrable Securities (UCITS), or "Other" funds (e.g. offshore funds).

Cash is held in accounts opened with the Depositary in the name of the fund and, where necessary, with third parties in the name of the fund or in the name of the management company with respect to the fund.

Fund holdings (e.g. mutual funds and hedge funds) are mainly held by the Depositary via fund distribution platforms such as FundSettle or Vestima, or directly with the transfer agent of the fund being purchased. Such holdings are normally registered in the name of the Depositary acting as nominee on behalf of the fund. However, some fund holdings may be held ex-custody and registered directly in the name of the fund, e.g. for fund of private equity/real estate funds.

Other assets, such as physical certificates or other physical assets may also be accepted by the Depositary.

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.

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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