

White Label Funds – Treasury Management

The customized treasury management solution



Background

The increasing challenges for asset management as well as the persistently low level of interest rate make it difficult for corporate groups to manage their liquidity successfully. By bundling the liquidity of the various companies into an individually created white label treasury fund under Swiss, Luxembourg or Irish law, you can optimize the returns of liquidity simply and readily. You would also benefit from economies of scale, cost transparency, and a reduction of administrative requirements. At the same time, the issued fund units continue to be deemed liquid, where possible, and in accordance with the definition of the fund as a "Treasury Fund". Furthermore, acting as your partner and general contractor, we offer you the entire range of governance, legal, risk management, investment, and distribution capacities.

Using this investment solution, the companies belonging to the corporate group can subscribe to individual units of the fund in the necessary currency and redeem them when in need of liquidity.

Asset Management

The investment strategy of the white label treasury fund can be defined individually and is geared to client-specific requirements regarding the risk profile, duration, return objectives and the necessary liquidity reserves.

It is also possible to set up various currency classes in the fund, which are hedged against the reference currency (e.g. Swiss franc).

The corporate group and its affiliates can thus invest in the desired currency unit class and receive fund units in return.

Accounting

White label treasury funds offer regular account statements, as well as an annual report. Accounting reports may be produced according to IFRS or Swiss GAAP FER. Cost indicators such as the TER (Total Expense Ratio) are calculated and shown in the accounts.

Case study example – Use of white label treasury funds:

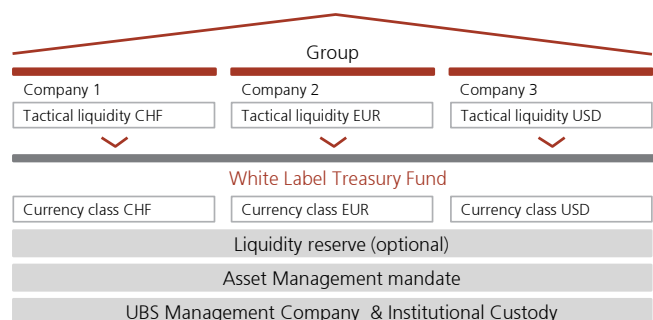
Your challenge

A corporate group consists of various companies. The group has strategic liquidity, while the companies have tactical liquidity. Its treasury management accounts are kept consolidated but kept decentralized invested in its own currency class.



Possible solution

The group centralizes its treasury management by launching a white label treasury fund. The liquidity and any existing investments are transferred to the fund. The group and its affiliates can opt for various currency classes. Thanks to this investment solution, the companies can subscribe individually to units in the fund in the required currency and redeem them when in need of liquidity.





Governance

Fund supervision	Local financial authority
Legal structure	FCP, SIF, SICAV, RAIF, AIF and other local specific structures
Multi-Share / currency class	possible
Audit company	necessary



Service providers

Management Company	UBS Management Companies
Asset Manager	UBS, third party or sponsor
Custodian Bank of Fund	UBS or third party
Custodian of Fund units ¹	UBS or third party or sponsor

¹UBS as sub-custodian



Requirements

The following criteria must be fulfilled as part of the feasibility study for a white label treasury fund:

- At least two companies invest in the fund
- Foreign companies or their custodian banks have a standing client relationship or subcustodian agreement with UBS
- Minimum fund volume: CHF 100 million



Regulation and Taxes

In Switzerland, this fund solution is subject to the Swiss Collective Investment Schemes Act (CISA) and has been approved by FINMA as a Swiss fund of the type "other funds for

traditional investments" for qualified investors. It is therefore exempt from sales tax, stamp tax and value added tax. In Luxembourg, the fund is not subject to any Luxembourg tax on income and capital gains. However, the fund is liable to a subscription tax ("taxe d'abonnement").



Tailor-made ESG mandates

White label funds are particularly suitable for implementing tailor-made ESG mandates. This is because you have the choice of the various Environmental, Social and Governmental sustainability criteria you want to apply, either in your role as asset manager or in your role as sponsor together with your chosen asset managers. Through our Proxy-Voting offering you also have the ability to either opt for principles and standards defined in the publicly available UBS Management Company proxy voting directive policy or to opt for a dedicated directives, according to your role as sponsor and/or the delegated asset manager, for executing voting preferences. With a white label fund solution, we can assist you in implementing the regulatory and operational set up of your ESG strategy.



Administration

UBS Management Companies work with a limited number of best-in-class selected Central Administrators while you as a white labelling client will have a contract only with the UBS Management Company.

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