

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 the 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.

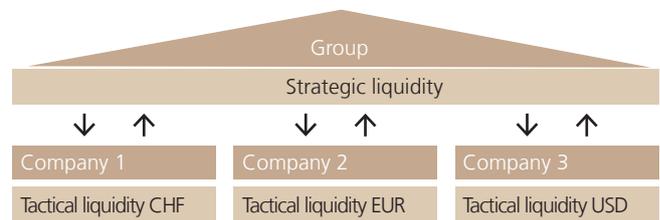
Accounting

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:

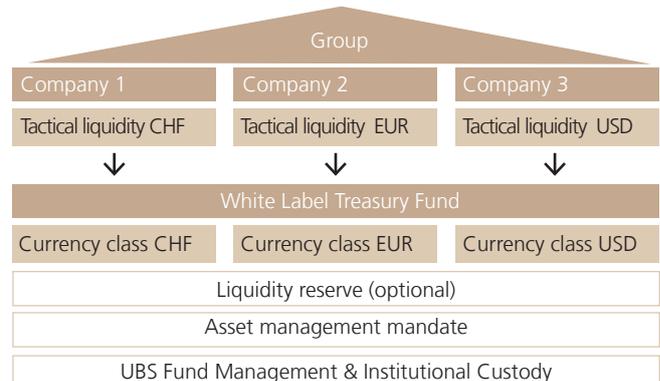
Your challenge

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 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

- | | |
|----------------------------|-----------------------------|
| • Fund Management | UBS Management Companies |
| • Asset Manager | UBS, third party or sponsor |
| • Custodian bank of fund | UBS or third party |
| • Custodian of fund units* | UBS or third party |
- *UBS 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 sub-custodian agreement with UBS
- **Minimum fund volume:** CHF 100 million

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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").



Administration

UBS Management Companies collaborate with Northern Trust as the preferred service provider for all fund administration services for white labelling solutions. As a white labelling client you would generally have a contract with the selected UBS Management Company which supervises administrative as well as regulatory tasks and guarantees the desired value proposition.

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