

The Assetbox

The future of
asset management
out of a box

Zurich, November 21, 2013



Agenda

1. Welcome
2. Background
3. Our solution – the Assetbox
4. Panel discussion
5. Q&A
6. Closing remarks and Aperero

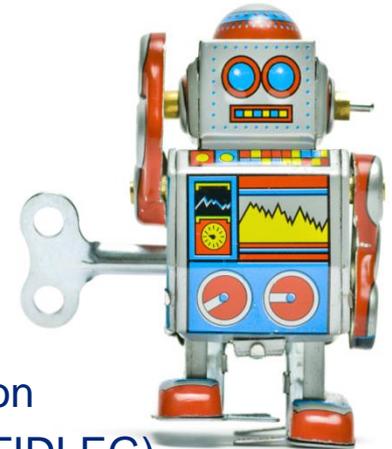
Background

Market trends

- Macroeconomic situation fundamentally changed: ultra-expansive monetary policy, low interest environment, longevity, liquidity preference, demographic change, shift in world economic power
- Specific asset management trends: Increasing requirements from institutional investors, lack of investor trust, cost pressure, critical mass vs specialisation, technology

Regulatory developments

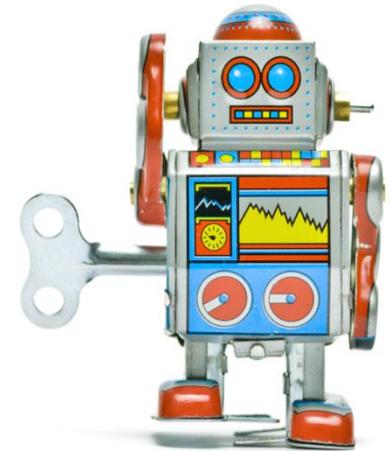
- In both Switzerland and the EU first wave of regulatory regimes have entered into force (AIFMD, rev CISA)
- Further specification being worked out (FINMA circulars, SFAMA guidelines etc)
- Increased requirements for asset managers in the area of licences, compliance, risk management, reporting and distribution
- Next wave of regulatory initiatives will come (EMIR, FINFRAG, FIDLEG)



Challenges for Swiss asset managers

A combination of opposing trends increase the pressure to act

- Increasing costs for operations, risk management and compliance
 - More complex regulatory and market environment as well as increasing sales efforts require further resources
 - Customer trust and loyalty pattern decrease longterm client relationships
 - Trend to passive strategies with low margins
 - Increased competition increase pressure on margins
-
- **Developments force many asset managers to re-think their strategy and operating model**
 - **Strong market need to develop new ways to organise, operate and comply**



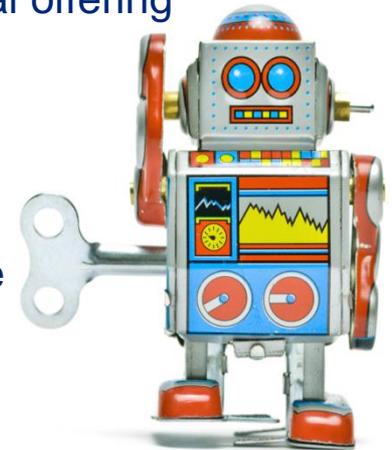
What is the Assetbox?

Driven by reality, inspired by a vision

- As a result of these trends we have developed the “asset manager out of the box”
- The Assetbox is a unique combination of service modules for asset managers to complement their organisation and operations
- Support in creating a successful and economical operating model while meeting all applicable regulatory requirements and investor expectations
- The Assetbox will allow you to focus on your core strength while we take care of all the rest and is therefore a true entrepreneurial offering

A unique partnership

Deloitte and Etops have combined their operations and consulting service offerings to the most comprehensive range of regulatory, operations and compliance outsourcing to asset managers available in the market.



What it is not...

An offering available anywhere else

The Assetbox is a unique and most comprehensive combination of service modules for asset managers which you will not find anywhere else in the market

Just consulting

The Assetbox is not just consulting but rather hands-on doing based on robust and reliable processes, systems and tools with the objective to getting the job done

Just technology

Equally, it is not just a system or technology, but the combination of systems, processes, outsourcing and know support provided by Deloitte and Etops specialists

Only for the big players

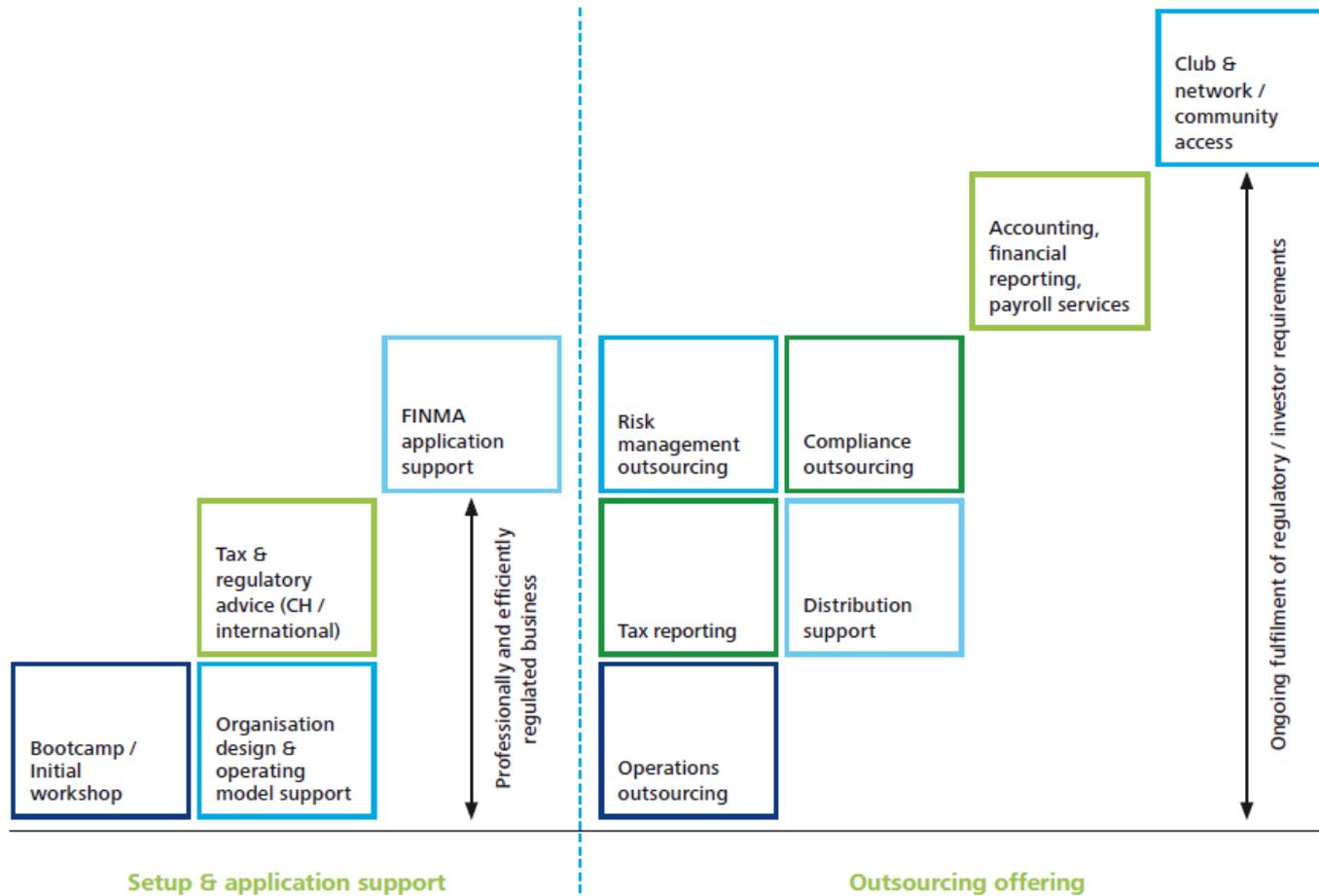
While most of the modules make sense for bigger players too, small and mid sized managers will harness the full value of the offering

Eating away yet more of your revenues

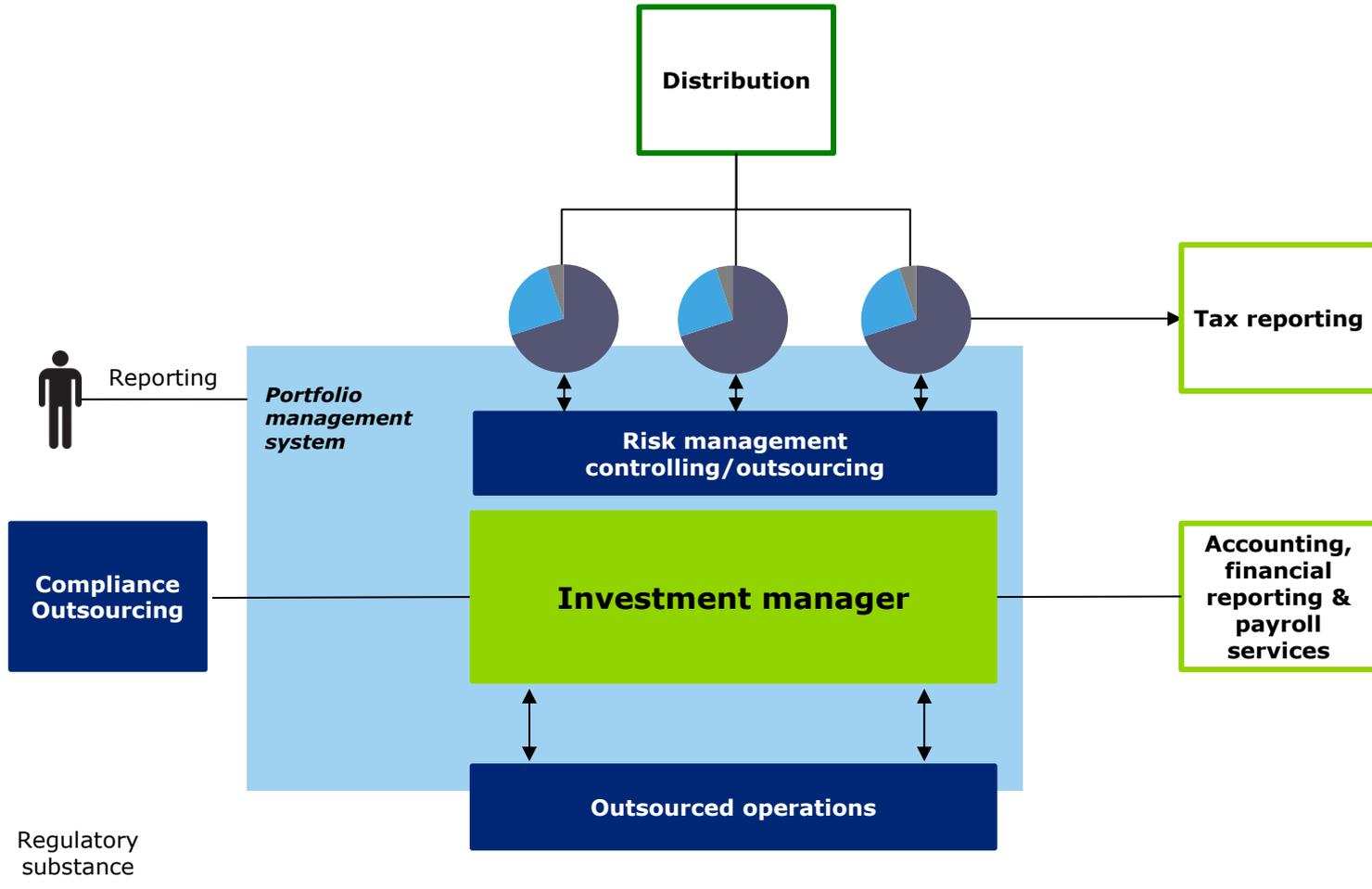
Outsourcing benefits from synergies and scaling effects, therefore the Assetbox will help you save money while benefiting from state of the art services



Assetbox unraveled I



Assetbox unraveled II

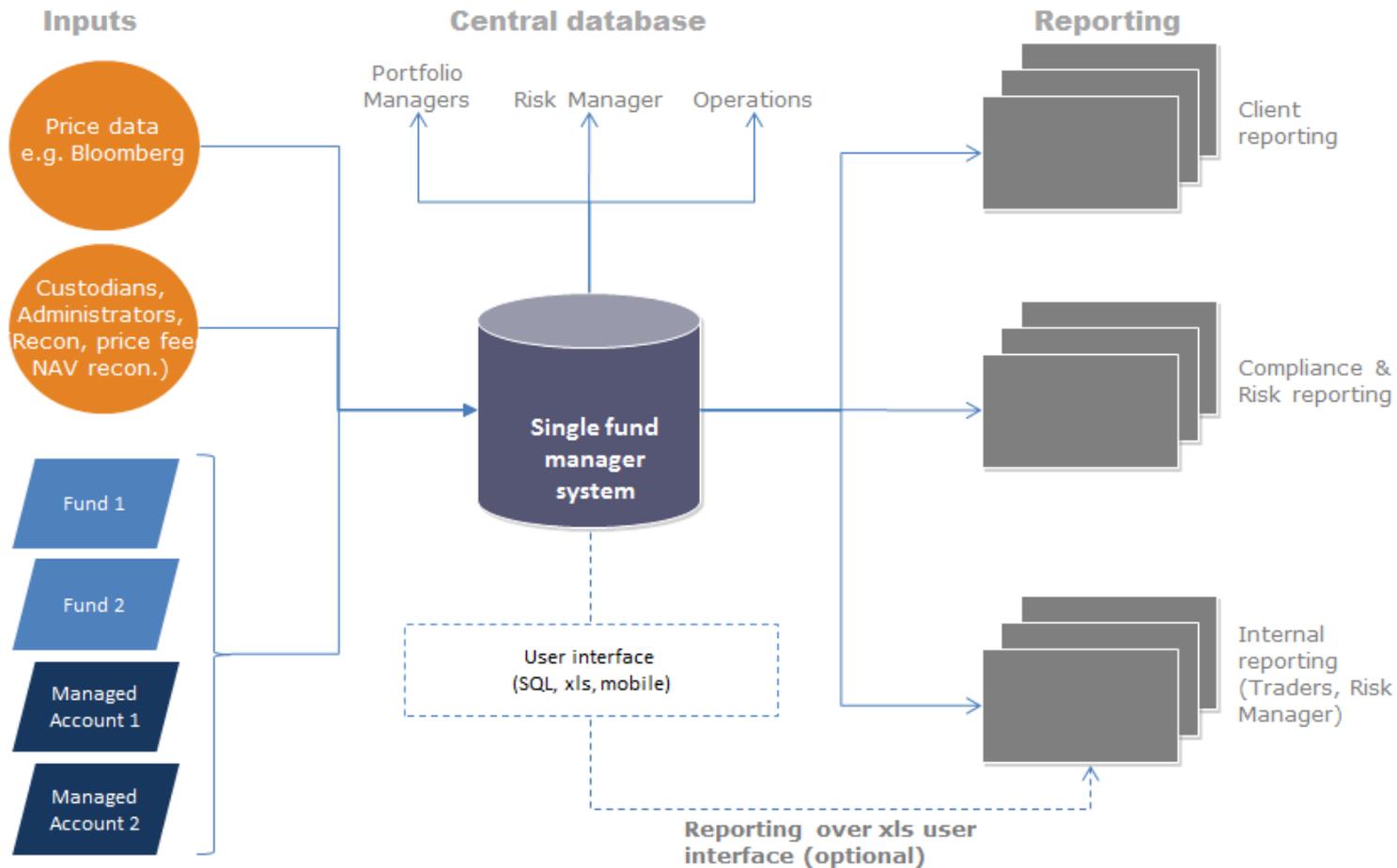


Legend:



Regulatory substance

Operational/Risk system solution overview



Risk and Compliance reporting I



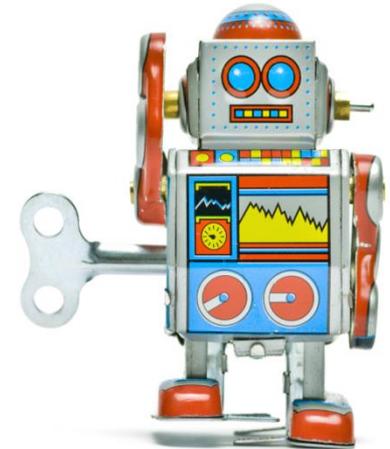
FINMA application support

FINMA application support services

- A combined team of Deloitte and Etops specialists will support you in obtaining an asset manager licence from FINMA
- Based on comprehensive understanding of your strategy we will support in defining a target operating model which will satisfy all regulatory requirements and expectations of the target investors
- During the process we will be coordinating with all stakeholders, including FINMA and the application auditor

Our services

- Support in target operating model definition
- Set up the operating model including all relevant documents, policies, procedures, contracts, guidelines and checklists
- Prepare your licence application
- Select and work together with the application auditor to produce the application audit report
- Coordination, communication and follow up with FINMA



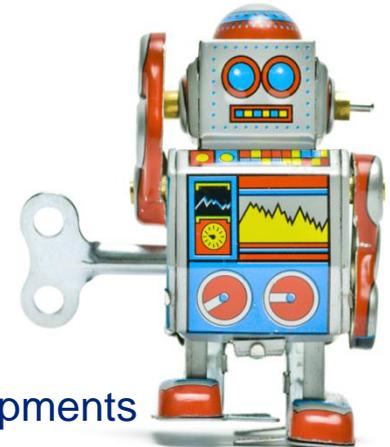
Compliance outsourcing

Deloitte compliance outsourcing

- Deloitte will provide you with a complete compliance outsourcing offering
- During on-boarding we will analyse the specific compliance risks and regulatory risk profile of your business, and agree a bespoke compliance scope with you to ensure appropriate skills, experience and level of involvement is ensured
- A wide range of skilled professionals are available to suit your needs, and substitution is ensured
- Documentation of potential breaches with comprehensive audit trail

Our services

- Complete outsourcing of the compliance function
- Added specialist skills to your existing resources
- Automated and comprehensive compliance reporting directly generated from the system including pre trade compliance and automatic notification
- Regular and pro-active support and updates in regulatory developments
- Provide bespoke and tailored compliance education



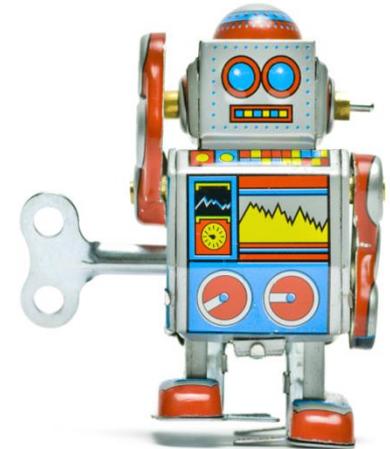
Distribution support services

Deloitte distribution support

- We will support the definition of the distribution strategy, prepare all required documents (KIID's, SRRI, prospectus, etc) and organise the initial registration and submission of all relevant documents to the authorities
- Through our online access (D-share) you will be able to share information, monitor the status and through the distribution matrix you have real time status overview in all jurisdictions
- We will maintain the registration and pro-actively inform you about any updates required as well as produce all necessary reports (UCITS, AIFMD, CISA and tax reporting)

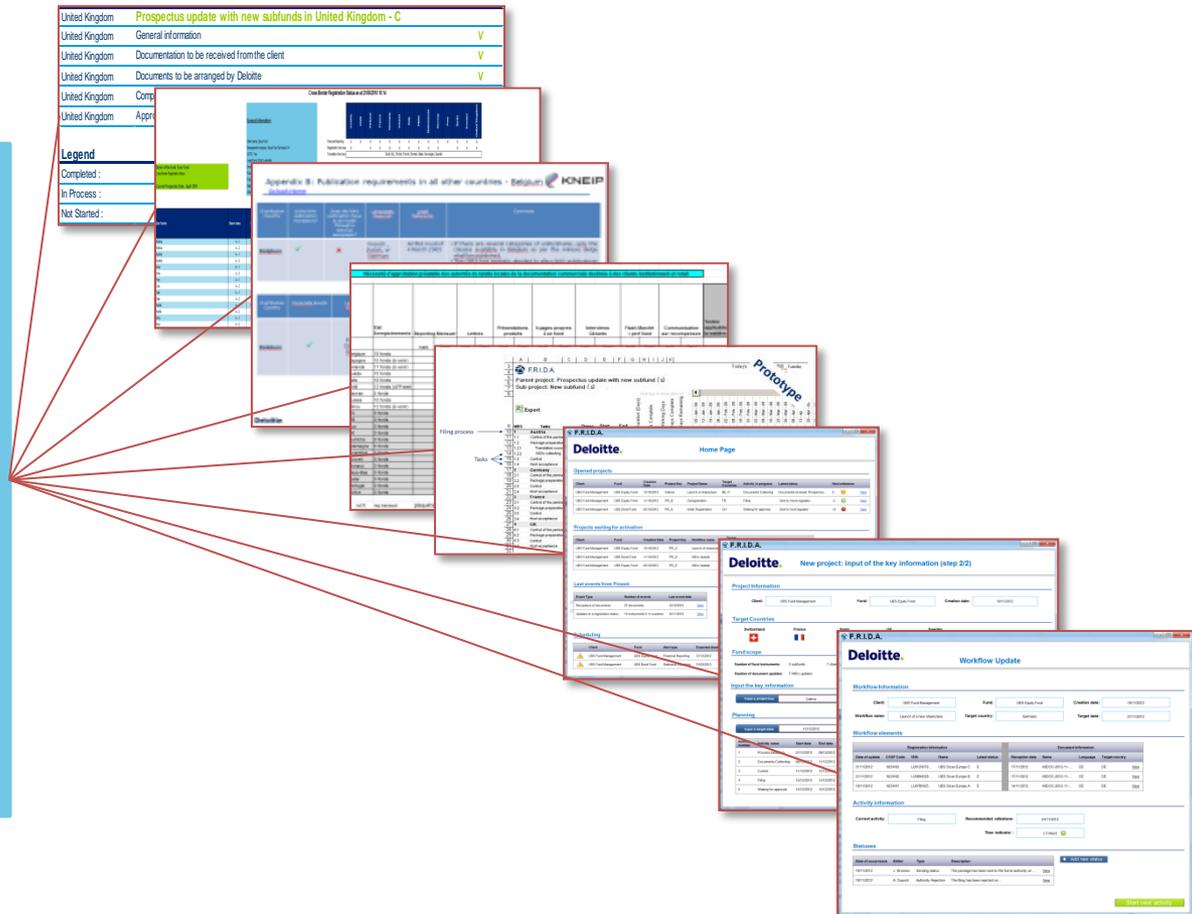
Our services

- Market intelligence to determine distribution approach and markets
- Preparation of documents such as KIID, SRRI, prospectus and perform initial registration
- Monitoring distribution requirements via distribution matrix
- Prepare regular CISA, UCITS, AIFMD and tax reports including ad hoc reporting including submission to authorities and publication on your website



Distribution support II

Direct access through D-share to have instant and comprehensive overview on project status, updates, current document versions and any actions required



The screenshots illustrate the FRIDA system's capabilities, including:

- Project Status Overview:** A table listing projects with columns for status (Completed, In Process, Not Started) and actions.
- Document Management:** Screens showing document versions and actions required for specific projects.
- Workflow Updates:** Detailed views of project workflows, including registration information and activity logs.
- Data Tables:** Various tables displaying project details, such as 'Parent project' and 'Filing process'.

Distribution support III: Distribution matrix

Dashboard **Registration/Distribution matrix**

01 | Funds Selection **02 | Registration/Distribution matrix**

Setting up the registration matrix Export XLS

Filter Sub-Fund ISIN : Share class status : Matrix status : Effective Date : Country(31/31) Reset Search

Registration Distribution Delete errors Manage country

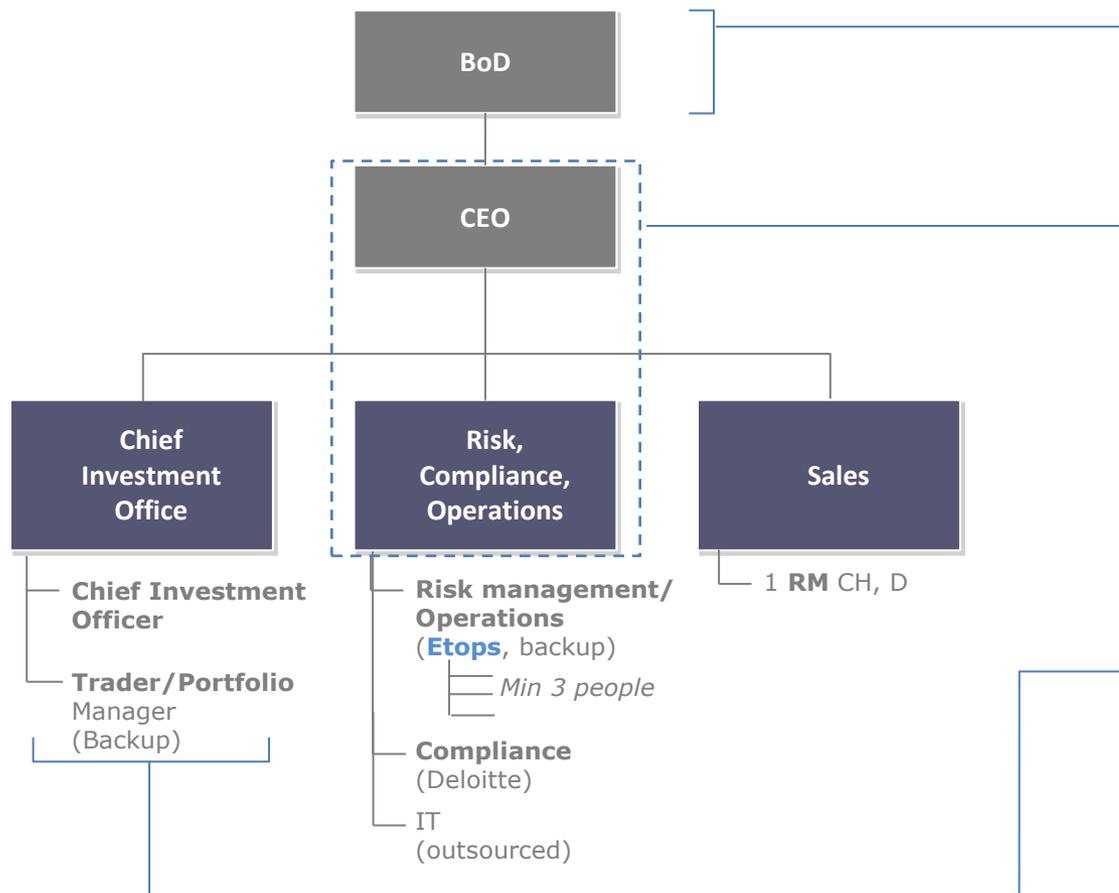
Fund structure <small>Expand / Collapse</small>	ISIN	AT	BE	BG	CH	CL	CY	CZ	DE
— FI Distribution	LU0209127420				R				
— FI Capitalisation	LU0209120800				R				
— FI Distribution	LU0209120800				R				
— FI Capitalisation	LU0209120800	R			R				R
— Absolute Volatility Bond Equities									
— AD Capitalisation	LU0209121971	R	R		R			R	R
— AD Distribution	LU0209121971	R	R		R			R	R
— AD Capitalisation	LU0209121971	R	R		R			R	R

Legend Cancel Delete Add status

Practice

Practical examples (1/2)

Potential Organisation Chart



Commentary

Case:

- *Managing one Hedge Fund strategy in 2 funds*
- *Staff: 4 internal*

Board of Directors

- 2 out of 3 members to be independent
- Meaning 2 external Directors, backgrounds from compliance/risk/investment

CEO / Compliance

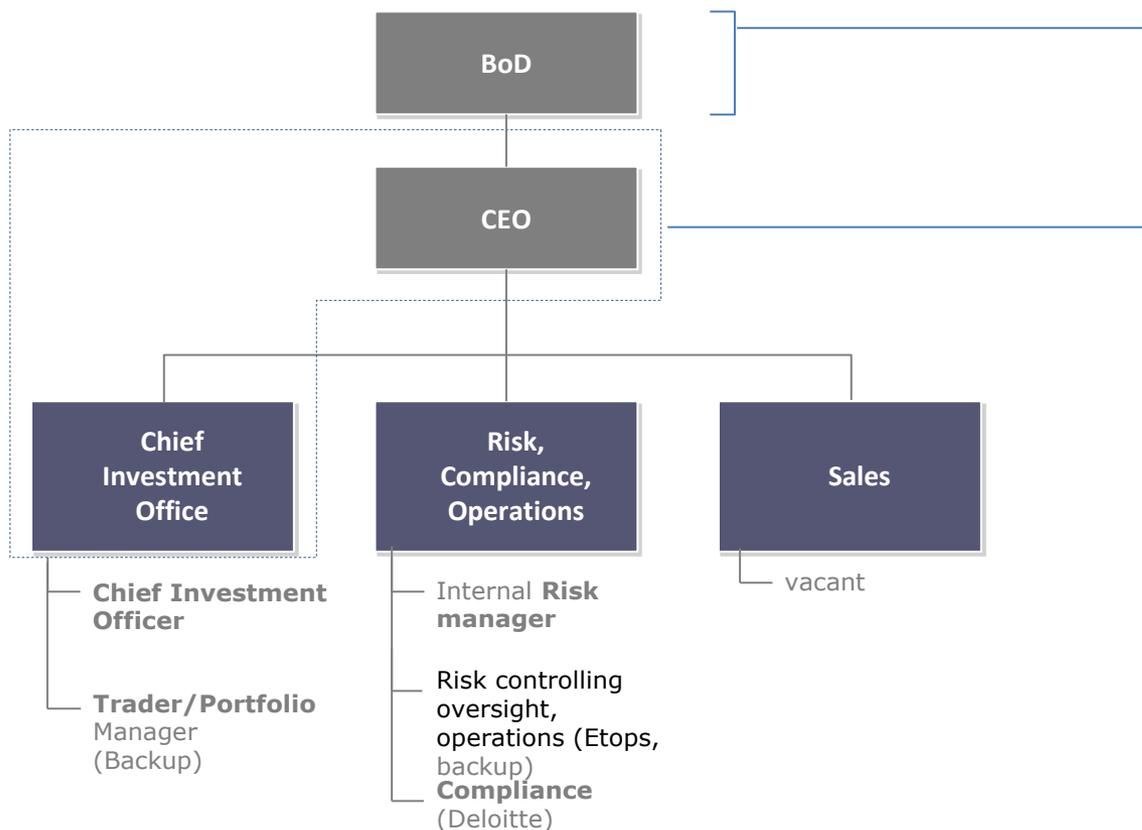
- CEO also assuming Risk/compliance/ops functions
- Risk management outsourced to Etops
- Compliance outsourced Deloitte
- IT outsourced to specialist firm

Chief Investment Office

- CIO & 1 person for backup
- Clear independent form Risk/Operations & compliance

Practical examples (2/2)

Potential Organisation Chart



Commentary

Case:

- *Managing 2 long only funds,*
- *2 long only mandates*
- *Staff: 3 internal*
- *AUM: 100 mio. CHF*

Board of Directors

- 2 out of 3 members to be independent
- Meaning 2 external Directors, backgrounds from compliance/risk/investment

CEO / Chief Investment Office

- CEO also assuming CIO role
- No involvement and complete separation from Risk & Compliance oversight

Risk, Compliance, Operations

- Experienced Risk Manager to perform Risk oversight within a 30% employment
- Risk management backup outsourced to Etops and Etops systems
- Operations outsourced to Etops
- Compliance outsourced to Deloitte
- IT infrastructure outsourced to specialist firm

Q&A

Your contact persons



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