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## The Edmond de Rothschild Group

Based in Geneva, the Edmond de Rothschild Group has a presence in most of the world's leading banking centres, with 2,000 employees, 30 offices in 17 countries across the globe, and EUR 100bn in assets under management.

Wherever our clients are located, the same high standards of quality apply: our clients can rely on the first-class service and support which have been the Rothschilds' trademark over seven generations.

Traditions and legends can only survive if nourished by constant innovation, intelligently brought to bear in the achievement of excellence. This is how the Edmond de Rothschild Group has translated its heritage of the past seven generations into a vision of the future.

Edmond de Rothschild Group upholds the fundamental values of finance - experience, skill, integrity, trust, and confidentiality. This corporate culture is applied with unbending discipline to a single purpose: to dedicate the experience of seven generations to the management and administration of private and institutional portfolios.

The Group's presence in Luxembourg dates back to 1969, when Banque Privée Edmond de Rothschild became the first Swiss bank to establish a branch in Luxembourg. This branch developed into Banque Privée Edmond de Rothschild Europe, the foremost subsidiary of a Swiss bank in Luxembourg.

Taking advantage of Luxembourg's position as the leading fund administration hub in Europe, Banque Privée Edmond de Rothschild Europe has become the centre of expertise for fund administration for the entire Edmond de Rothschild Group.



# Fund Services: Overview and Strengths

Our fund services division, which is largely third party client oriented, is among the most reputable and innovative in Luxembourg.

Besides traditional funds, we have vast experience in providing high quality, value-added services to specific and complex investment vehicles (i.e. funds of hedge funds, single hedge funds, private equity, and real estate funds).

Banque Privée Edmond de Rothschild Europe (BPERE) is a one-stop shop providing setting-up, custody, administration, registrar, and domiciliary services for your fund.

Having been in the fund administration and custody business for over 25 years, BPERE has acquired extensive experience in administering third party funds. We are constantly seeking to anticipate future market requirements.

## Domiciles

- ▶ Luxembourg (UCITS IIIs, SIFs, SICARs, and other UCIs)
- ▶ Cayman Islands
- ▶ British Virgin Islands
- ▶ Italy

Certified\*



\* Level II for custody & fund administration since 2003.

## Structures

- ▶ Single and umbrella funds
- ▶ Multi-manager structures
- ▶ Institutional and dedicated funds
- ▶ Funds of hedge funds and hedge funds
- ▶ Pooling/cloning structures
- ▶ Real estate funds
- ▶ Wrapping structures
- ▶ Private equity and venture capital funds
- ▶ Unit-linked products
- ▶ Art funds
- ▶ Master custody

## Key Figures

- ▶ Assets under administration (EUR) over 40bn  
of which alternative assets under administration over 14bn
- ▶ Funds and sub-funds under administration over 400
- ▶ Personnel dedicated to fund services 300

## Why choose Edmond de Rothschild Institutional and Fund Services as your service provider?

- ▶ Seven generations of bankers that place the interests of their clients above all other considerations.
- ▶ Not an industrialized process: a tailor-made approach coupled with an outstanding reputation.
- ▶ One-stop shop: an integrated system for custody, fund administration, transfer agency, and domiciliary and corporate secretarial services.
- ▶ Execution desk for cash and securities.
- ▶ Dedicated, multilingual contact persons and backups.
- ▶ Fully automated pooling, multi-manager, and cloning structures.
- ▶ Dedicated desks for hedge, private equity, and real estate funds.
- ▶ SAS 70 compliant since 2003 (custody and administration).
- ▶ Interface with StatPro (performance attribution and contribution reporting, VaR reporting, etc.).
- ▶ Automated compliance monitoring (VIGIL): to assist boards of directors and/or fund managers to comply with investment policies and legal restrictions.
- ▶ Preparation of marketing sheets along with regular updates.
- ▶ Internet-based workstation (BPLINK): real time and Windows-based.
- ▶ Index control: besides the various pricing controls, this tool enables the detection of pricing errors prior to sending out the NAV.
- ▶ Value added custody services for HNWIs or institutional accounts.

“  
NOT JUST A SERVICE PROVIDER  
BUT A PARTNER”

# Dedicated Desks

## Fund of Hedge Funds Desk

In 1969, the Edmond de Rothschild Group became the first in Europe to set up a fund of hedge funds. Since then we have developed a complete range of services for this asset class and are now serving a significant number of third party clients who recognize BPERE as a first-class service provider in this sector.

In 2001, due to the complex and often opaque nature of hedge funds, BPERE created a special team, known as the "Fund Desk", which is dedicated exclusively to the sponsors and investment managers of funds of hedge funds and funds holding hedge funds on an ancillary basis.

The team focuses on:

- ▶ order routing;
- ▶ due diligence (qualitative and quantitative data research and analysis);
- ▶ follow up of estimated valuations and equalization factors;
- ▶ pricing analysis and administration data reporting on the underlying funds.

## Private Equity and Real Estate Desk

Banque Privée Edmond de Rothschild Europe has been active in private equity administration since 1991 and undertakes to combine close and continuous client relationships with the customization of services, offering tailor-made solutions.

Following the adoption of the SICAR law and more recently the SIF law, the Private Equity/Real Estate Desk was created in order to meet the specific requirements of these structures. This team is dedicated to fund administration, custody, and general banking services (including domiciliary and accounting services for special purpose vehicles).

This dedicated team can offer you the following benefits:

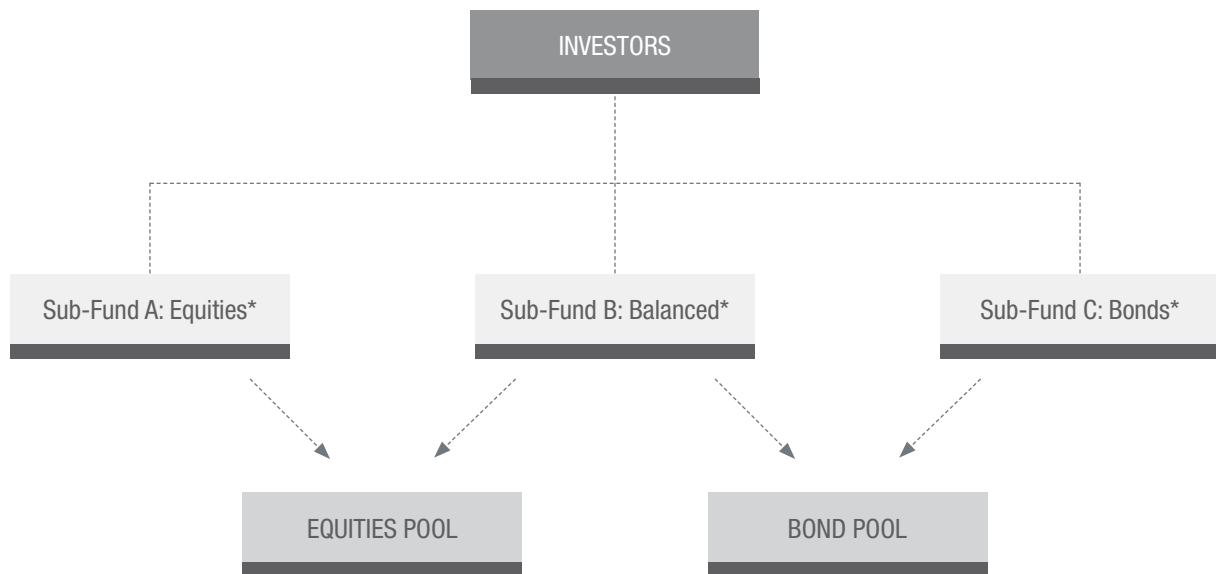
- ▶ one-stop solution: multilingual staff with a variety of skills (legal, accounting, reporting, system administration, etc.);
- ▶ an entrepreneurial attitude;
- ▶ the use of dedicated software;
- ▶ best practice internal and client operating procedures, reviewed by external consultants.

# Pooling Techniques

## Intra-fund pooling

The intra-fund-pooling concept is based on an umbrella fund in which the assets held by various sub-funds are pooled together in one or more portfolios and subscribers simply invest in a sub-fund.

A percentage of these assets is allocated to the respective portfolios according to each sub-fund's investment policy. In this way, assets from the sub-funds are pooled together in the portfolios, each of which is under the control of a chosen manager. Each portfolio is a conglomerate of assets belonging to the sub-funds of the fund and is specialized in one geographical market, one sector of activity or one investment product.



\*Legal Entity

Asset Allocation

Stock Picking

## Co-management

The co-management concept is based on two or more umbrella funds in which the assets of the sub-funds of various funds are pooled together in one or more portfolios.

Co-management is advantageous to a promoter who wants to have different funds (e.g. an institutional fund and a retail fund) managed by the same portfolio manager. In a co-management structure a promoter can add a new fund to the structure at any time. A percentage of each sub-fund's assets will be allocated to the respective portfolios according to the investment policy of the sub-funds. Assets from the funds are pooled together in portfolios, each of which is under the management of a chosen manager. Each portfolio is a conglomerate of assets belonging to the funds and is specialized in one geographical market, one sector of activity or one investment product.

## Benefits

- ▶ fewer separate accounts to manage;
- ▶ lower risk involved in the launch of new funds because of a reduced break-even point;
- ▶ flexibility in new product design;
- ▶ consistency of investment performance;
- ▶ reduced custody, administration, and audit costs.



## Wrap Accounts

In addition to its activities in the areas of administration and custody of investment funds, Banque Privée Edmond de Rothschild Europe offers a sophisticated service for “Wrap Accounts” including full multi-currency custody, trade settlement, and reporting functions.

Wrap accounting is the term used to describe the management of a series of segregated sub-accounts principally dedicated to high net worth private investors belonging to one or more of our institutional clients. The sub-accounts are grouped together for asset management purposes and linked to one or more single model portfolios according to the preferred area of investment and appetite for risk of each sub-account. Each sub-account has exactly the same asset composition as the model.

The model portfolios are set up on a virtual basis, i.e. the manager runs the portfolio by concentrating on its composition, which principally includes (but is not limited to) fixed income, equity, and mutual investment fund assets.

All accounts are opened in our system in the name of our institutional client(s), usually (a) bank(s), which will request the opening of a number of segregated sub-accounts into which our client(s) will decide to enter assets of its/their client(s).

All transactions, dividends, and corporate actions occurring at model level are automatically replicated in the client(s)' sub-account(s) linked to the model.

Valuation, rebalancing, client statements editing, and fee calculations are dealt with by BPERE.



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