

## Credit Facilities For Fund Administrators

### Key Benefits

- One-stop solution –banking and treasury, custody and investment management complementing credit facilities
- Prompt and competitive service with credit decisions and pricing negotiations taking place locally
- Structuring or re-structuring different types of credit facility
- Leverage for investments in Deutsche Bank products such as DB Absolute Return Strategy funds and other DB Wealth Management structured products as well as third party managed asset portfolio

We can help you find an appropriate credit solution for the most complex and demanding requirements. Our Client Advisors' extensive knowledge of the investment market enables them to tailor solutions that will meet your objectives and deliver them seamlessly.

\*As at 30 June 2016

### Our Solutions



## Types of facility

### Standard Credit Facilities

#### Standard “Lombard” Loans

- Term and revolving credit facilities in all major currencies
- Stand-by Letters of Credit and bank guarantees
- Liquidity lines
- Can be booked onshore or offshore
- Facilities secured by marketable securities held with Deutsche Bank

### Foreign Exchange Margin Trading

Foreign Exchange Margin Trading facilities allow you to hedge another asset or portfolio, or to engage in trading with the Bank’s Treasury team. These can be provided against cash, gilt, UST margins and are subject to conditions depending on currency pairs and tenors. Whilst 10% initial margins are normal, a higher percentage may be required for more exotic currency pairs

### Collateral

- All standard credit facilities are secured by financial assets and investments
- Advance Ratios applied for lending purposes will depend on the type of financial investment in question and on its quality. Broad indicative guidelines include:
  - **Cash:** 90% – 95% if in the same tier 1 currency. An FX haircut may be applied in the event that there is FX exposure
  - **Bonds:** 60% – 90% depending on currency, credit rating, quality of issuer, tenor and issue size
  - **Equities:** 40% – 75% depending on liquidity, volatility, market capitalisation and exchange upon which quoted
  - **Collective investment funds:** 50% – 90% depending on quality of manager and underlying investments, investment strategy, liquidity, volatility and fund size
  - **Deutsche Bank structured products:** 50% – 90% depending on liquidity and underlying risk

### Structured Credit Facilities

Through your local Client Advisor relationship, we provide access to bespoke credit facilities secured against a wide range of assets and structured in partnership with our dedicated Loan and Deposit Products (LDP) team. The focus in each instance is on the client and on structuring each transaction to suit the client’s primary objectives. In determining our appetite, every transaction is underwritten with regard to the strength of the client and of the underlying security. All facilities can be booked either onshore or offshore. Examples are included below:

- **Residential real estate:** We offer existing clients unregulated mortgages secured against properties in a variety of areas including London, its commuter belt zones, regional cities and the South of France
- **Commercial real estate:** Facilities can be secured against office or retail units. In each instance, the team will underwrite the transaction with regard to the covenants in place, lease length and any break clauses, rental income, location, quality of fit-out
- **Single stock loans:** Facilities secured against concentrated equity positions. Along with liquidity and market capitalisation factors, facilities are also underwritten with regard to the financial and operating strength of the underlying company in question



- **Aircraft:** Particular importance is attached to the underlying client behind each transaction and to the quality of the executive jet that would provide our collateral. Facilities are subject to minimum loan sizes of \$15m and facilities are generally structured as amortising facilities with 5 – 7 year tenors
- **Private Equity Capital Calls:** Facilities made available to fund contractual calls. Importance is attached to both the reputation, size and standing of the General Partner and the credit quality of the Limited Partners
- **Bridge facilities:** Where a contractual obligation exists or is certain to be put in place, we will consider bridging the flow of funds between two parties

We also have experience in other sectors and provide finance on a selective basis secured against art and also to fund corporate activities such as management buy-outs and acquisitions. In very selective instances, we also consider facilities secured against future cash-flows, such as endorsements and sponsorship revenues. In such instances, the credit quality of both parties is assessed

All our credit solutions can be tailored to ensure they best serve your business objectives. Your Client Advisor will provide you with prompt and accurate delivery of these solutions at competitive rates.

If you would like further details about these services please contact

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