

Streamlined access to leading institutions

Your guide to Fixed-Term Funds



Smart cash investing made easy

TreasurySpring offers a simple, digital platform to potentially maximise return and minimise risk on your excess cash holdings.

Access to high quality counterparties across the repo, government, SSA and corporate sectors via an FTF

Products range in term from several days to 1 year and are available in GBP, EUR, USD, AUD, CAD, ZAR, PLN and NOK



What is an FTF?

A Fixed-Term Fund (FTF) is simply a fund available for clients to invest in, wrapped around a short-dated fixed income instrument. FTFs are available through our platform, which is accessed via a single onboarding. Once onboarded, clients gain access, via our FTFs, to 30+ investment-grade banks and 650+ specific cash products across three verticals.

Features:

- Available with underlying investments in Government/SSA, Bank (Repo and deposit) and Corporate
- Single counterparty exposure
- Single client ownership
- FTFs are always 100% maturity-matched
- No marked-to-market volatility
- Considered to be cash and cash equivalent for accounting principles

Benefits:

- Aim to provide some of the best risk-adjusted rates available to institutional investors
- No credit co-mingling in any FTF issued
- No concern around run-risk, therefore no liquidity mis-match
- FTFs offer capital preservation using marked-to-model pricing methods
- Satisfies balance sheet cash holdings for auditor requirements

Government FTFs

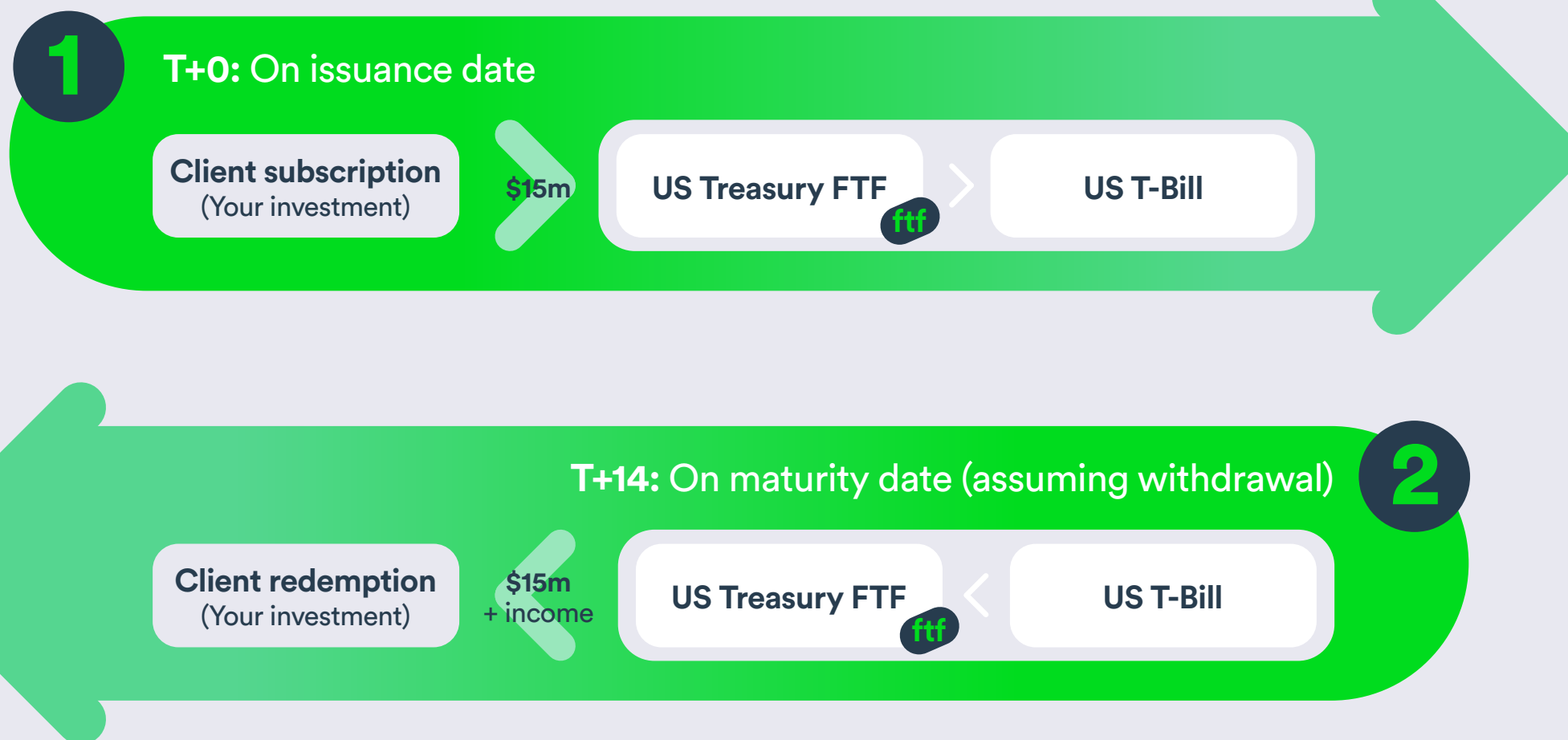
Including government treasury bills and bonds

Government FTFs have direct exposure to individual treasury bills and bonds issued by governments.
Low-risk cash management investments in a client's home currency.

15+ governments
available on
TreasurySpring portal

-  UK Treasury
-  US Treasury
-  Belgian Treasury
-  Canadian Treasury
-  Dutch Treasury
-  French Treasury
-  German Treasury
-  Italian Treasury
-  Kingdom of Denmark
-  Kingdom of Sweden
-  New Zealand Government
-  Republic of Austria
-  Republic of Finland
-  Republic of Ireland
-  Spanish Treasury

Example: Investing \$15m in a US Treasury FTF for 2 weeks



SSA FTFs

Sovereign, supranational, and agency debt (SSA)

SSA FTFs have direct exposure to debt obligations of sub-sovereign, supranational, local authority, or government agency counterparties. Slightly higher yielding than government FTFs, despite many SSA counterparties carrying higher credit ratings than stand-alone governments.

40+ SSA available
on TreasurySpring portal



Example: Investing €10m in a European Investment Bank FTF for 2 weeks

1

T+0: On issuance date

Client subscription
(Your investment)

€10m

EIB FTF

ftf

EIB ECP

T+14: On maturity date (assuming withdrawal)

2

Client redemption
(Your investment)

€10m
+ income

EIB FTF

ftf

EIB ECP

Financial FTFs

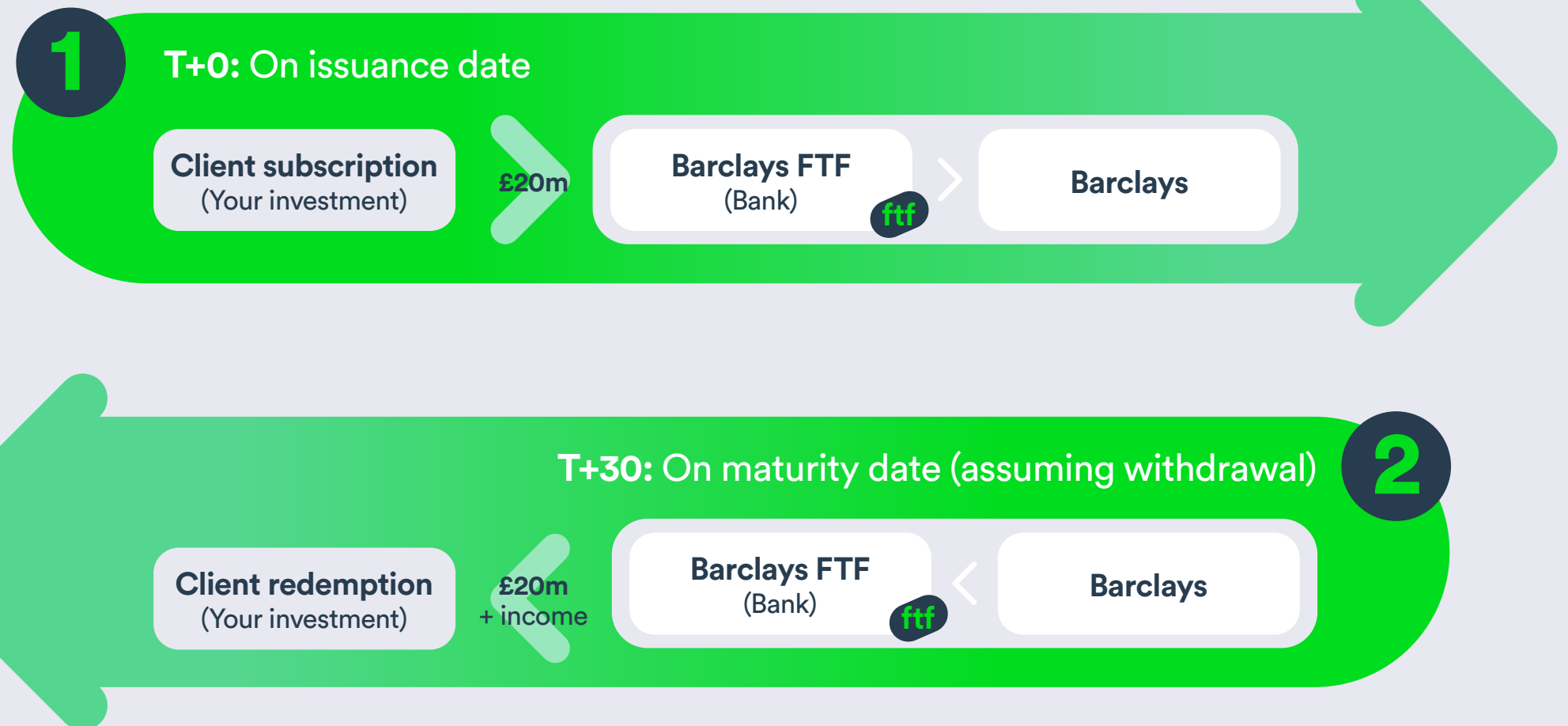
Financial institutions

Bank FTFs have direct exposure to a bank through investments in its commercial paper, certificates of deposit or loans. In some instances, collateral is taken from the banks rendering greater security.

30+ banks available on TreasurySpring portal



Example: Investing £20m in a Barclays FTF for 30 days



Secured Financial FTFs

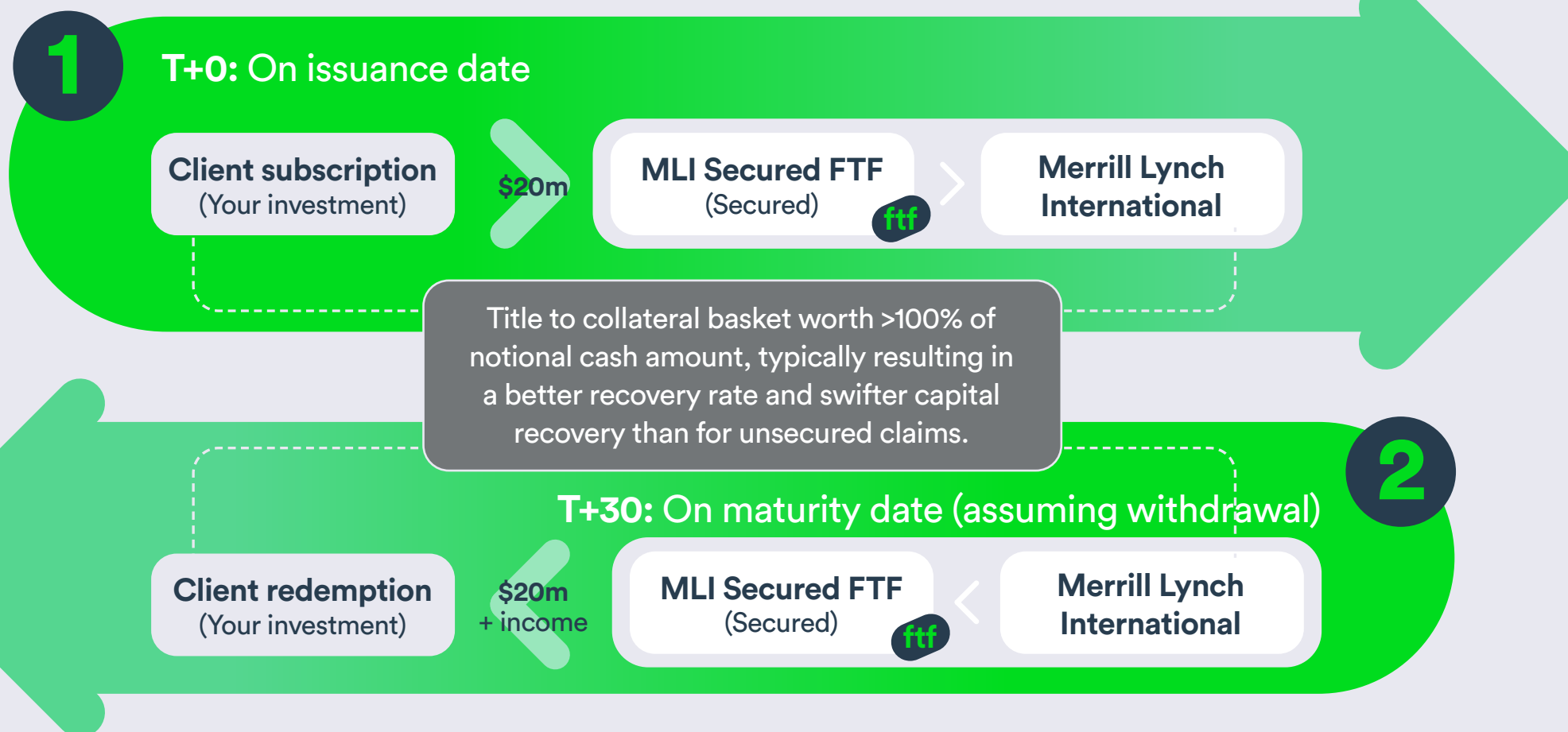
Over-collateralised repurchase agreements (“Repo”)

Secured Financial FTFs have direct exposure to an individual bank, secured by a collateral basket that is worth more than 100% of the value of cash placed with the bank, with assets being managed and marked to market daily by an independent third party. These FTFs are only labelled as “secured” on our platform if assets have market standard haircuts and diversification in place.

Secured Financial FTFs available on TreasurySpring Portal



Example: Investing \$20m in Merrill Lynch International Secured FTF for 30 days



Repurchase agreements (“Repo”)

The basics: Overview of repurchase agreements

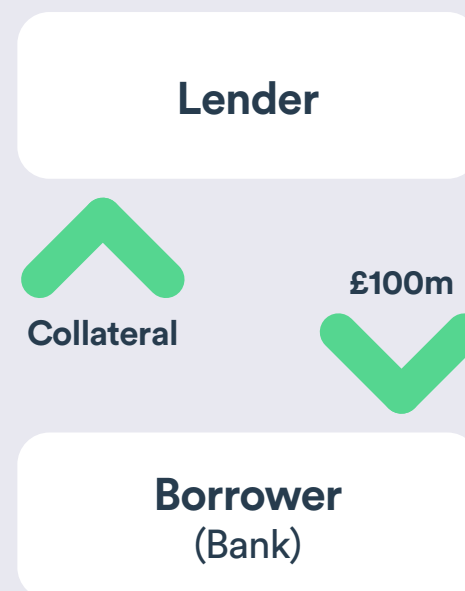
TreasurySpring’s Secured Bank FTFs allow instant access to the \$10 trillion+ repo market, without the operational and legal overheads of setting up and engaging directly. The significant operational, legal, and technological complexities of trading repo mean that it is either impossible or impractical for the majority of institutions to engage.

What is a repo?

- A repurchase agreement (repo) is a form of short-term borrowing.
- In a standard repo transaction, a bank finances its ownership of securities by borrowing money from a customer and posting the securities as collateral.
- The bank borrows less than the market value of the securities, so that the loan from the customer is over-collateralised, protecting the customer against a drop in the value of the securities.
- The transaction is typically structured as a sale of securities, with an agreement to repurchase at a specific future date at a higher price that factors in the cost of funding.

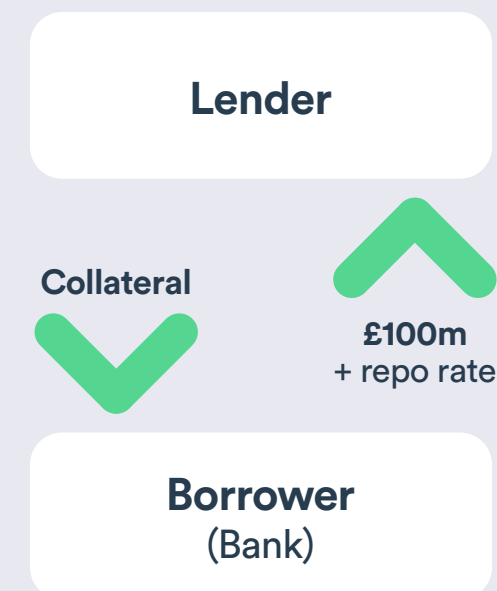
1

Start (issuance) date



2

End (maturity) date



Corporate FTFs

Short-term corporate lending

Corporate FTFs have direct exposure to investment-grade, non-financial corporations. Offer the ability to diversify away from the financial sector (reducing correlation) with the possibility to enhance return.

Corporates available
on TreasurySpring portal



Example: Investing £15m in a Mitsubishi HCC UK FTF for 1 week

1

T+0: On issuance date

Client subscription
(Your investment)

£15m

Mitsubishi HCC
UK FTF

ftf

Mitsubishi HCC
UK PLC

T+7: On maturity date (assuming withdrawal)

2

Client redemption
(Your investment)

£15m
+ income

Mitsubishi HCC
UK FTF

ftf

Mitsubishi HCC
UK PLC

Product mechanisms and features

Next actions: Options for after an FTF term matures.

FTF Shares

For FTF Shares, the next action can be set to Hold, Redeem, Switch, or Convert to CCY:



Hold: Upon maturity, the funds will be held as cash in the Cell's custody account until 12:15pm (London time) on each day until they are withdrawn (or used to purchase FTF Shares).



Redeem: Upon maturity, funds will be returned to your bank account.



Switch: Upon maturity, the funds will be used to purchase a different FTF Class, as specified by you.



Convert to CCY: Upon maturity, the funds will be converted into your chosen currency. An indicative conversion rate will be shown in next actions and confirmed following the WMR benchmark rate publication used to make the conversion.

Extendable FTFs (eFTFs)

For eFTFs the next action can either be Extend, Do not extend – Hold, or Do not extend – Redeem:



Extend: the maturity date of the eFTF will be extended to the Extended Redemption Date.



Do not extend – hold: the eFTF will be set to redeem on the Redemption Date (or Extended Redemption Date). Funds will be held as cash in the Cell's custody account until 12:15pm (London time) on each day until they are withdrawn (or used to purchase FTF Shares).



Do not extend – redeem: the eFTF will be set to redeem and funds will be returned to the Applicant's bank account on the next Redemption Date (or Extended Redemption Date).

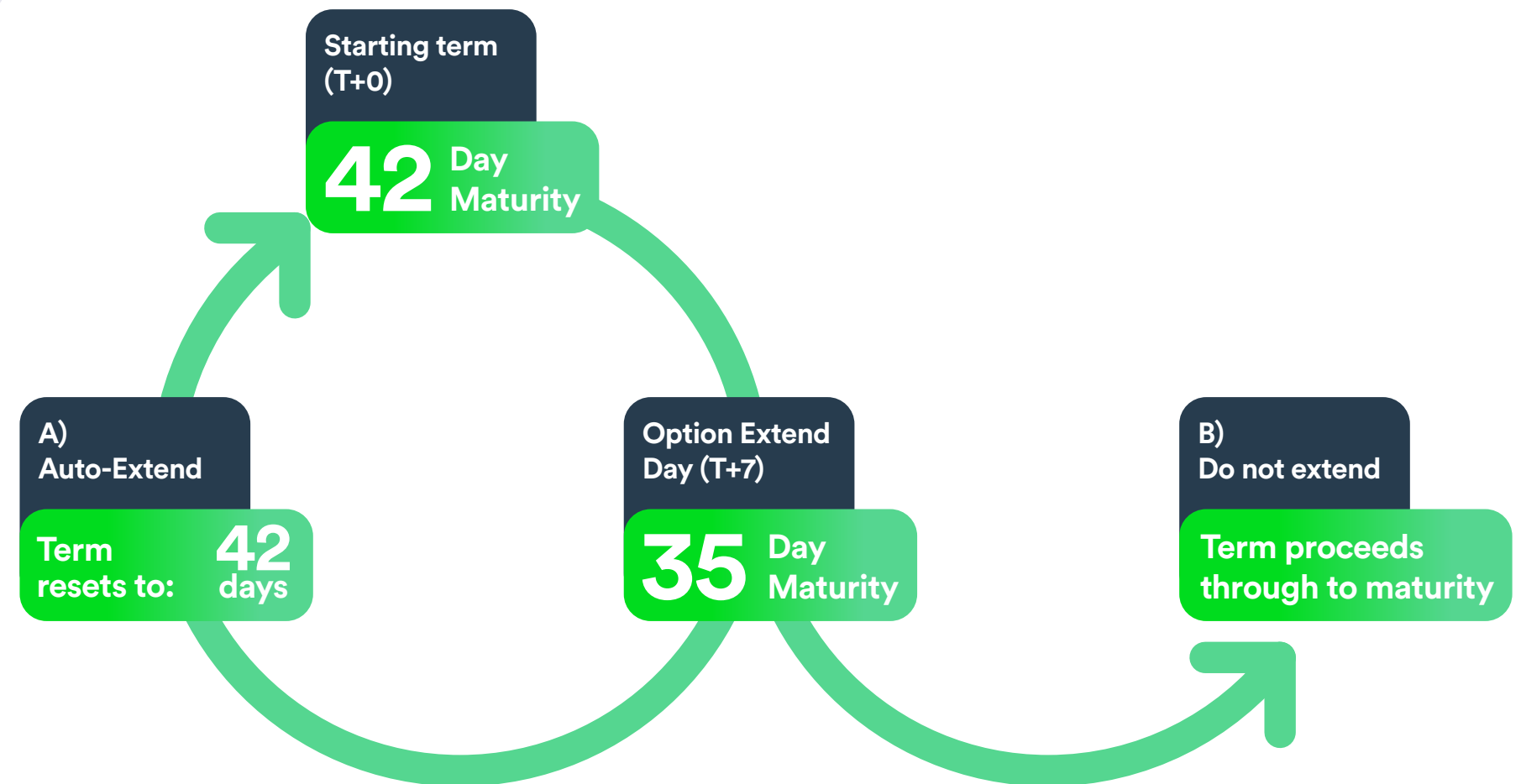
Product mechanisms and features

Extendable FTFs



Extendable FTFs: Provides you with the option to extend the fund's term back to its original maturity period at regular intervals, known as Option Extension Dates.

- Typically, eFTFs offer a weekly Option Extension Date. This allows clients, each week, to either:
 - (i) extend the term of the eFTF for an additional week (resetting to the original number of days to maturity); or
 - (ii) let the eFTF mature as scheduled.



Example

- Term: 42 days
- Extends to: 42 days
- Extension Frequency: 7 days

Product mechanisms and features

Currency conversion

Currency conversion upon FTF maturity

Toggle on “Currency conversion” via the ‘next action’ button of the FTF after selecting “Withdraw” or “Hold”


Withdraw: Option to convert part or all of your redeeming FTF into another currency and withdraw to your designated bank account in the destination currency.


Hold: Option to convert funds and invest into another FTF shown on the platform in the destination currency.

These options can be selected any time before cutoff date.

Example: Converting \$10m in a US Treasury FTF (denominated in USD) to GBP

- 1 US Treasury FTF approaches maturity date and “Withdraw” is selected as next action.

Next action  Currency conversion ☒

Exchange to 

- 2 Upon maturity, USD10m converted to GBP with reference to a transparent, “WMR mid” benchmark rate, typically using the 11am fixing.



- 3 GBP lands in your designated account.



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