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GROUP

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Deutsche Börse Group: Global Funding and Financing (GFF) Funding solution: Select Invest

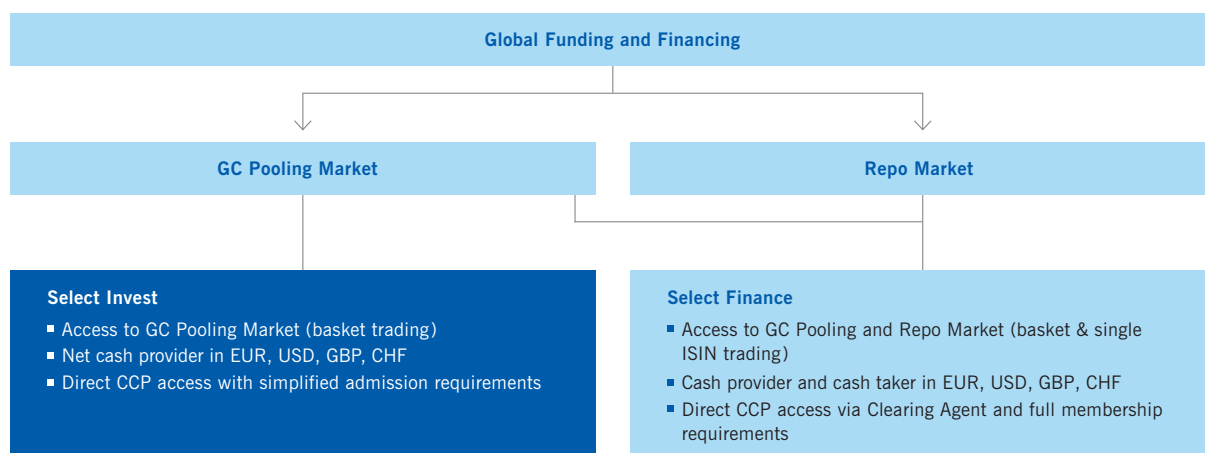
Select Invest provides buy-side customers with a highly secure environment for cash investments via a range of four standardised collateral baskets. Customers benefit from consolidated services of different Deutsche Börse Group entities, which cover the full cycle from trading and clearing to collateral management from a single point of access.

Select Invest is one of the buy-side streams of the very successful joint interbank repo service GC Pooling®. It offers the buy-side user-friendly electronic trading to lend cash to selected banks in exchange for European Central Bank (ECB) eligible securities, non-ECB eligible securities and equities. The highly efficient straight-through-processes help the buy-side to manage daily cash on a secured basis against predetermined collateral baskets.

The service brings customers the best of Deutsche Börse Group: access to the web-based Eurex Repo electronic marketplace, clearing services of Eurex Clearing and Clearstream's proven settlement, custody and collateral management.

In contrast to the anonymous interbank market offered by GC Pooling, Select Invest leaves the bilateral trading relationship between banks and their buy-side clients unchanged as they first trade on an OTC basis and then the trade is novated through Eurex Clearing as central counterparty (CCP). Through this novation the buy-side customer transfers the counterparty risk to Eurex Clearing.

Overview on buy-side access opportunities



Streamlined processing

Trading is available daily from 07:00 CET with a pre-trading phase of 30 minutes. The main trading phase ends at 18:00 CET with the exception of overnight trades (14:00 CET). Once the trade has been matched, Deutsche Börse Group does all processing, including the reversal of transactions, automatically. Eurex Repo delivers the trade information to Eurex Clearing for risk management and novation. Eurex Clearing generates settlement instructions for both cash and collateral and Clearstream automatically allocates the necessary collateral to secure the trade. Comprehensive reporting offers a transparent overview of the concluded trades, settlement and collateral management.

The Select Invest service gives buyside customers the advantages of trading through a CCP without having to go through the process of becoming a full clearing member. The customised Specific Repo Clearing licence neither requires a contribution to the clearing fund nor the delivery of margin payments.

Key characteristics and benefits

- Electronic and bilateral cash funding in EUR, USD, GBP and CHF
- Collateralisation with different baskets of ECB or non-ECB eligible fixed income securities or equities
- Simplified access requirements (no default fund contribution, no margin requirements)
- Best-price execution with request for quotes (RFQ) 1:1 or/and 1:n or entry of prearranged trades
- Trade-out possibility i.e. during the term of a cash provider trade, it is possible to borrow cash up to a maximum of the amount invested
- Sufficient cash funding provided, Eurex Clearing accepts the trade and steps in as counterparty (novation)
- Multiple standard terms from overnight until two years
- Free reports for tracking trade settlement
- Automatic allocation of collateral
- Real-time substitution of collateral
- Minimum trade size of EUR 1 million
- No trading and clearing fees
- Standardised legal agreement under German law

Contact

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