MyTreasury

Company Description

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Overview
MyTreasury is a multi-product, multi-bank, multi-currency portal designed specifically to meet the cash management needs of corporate treasurers. Covering AAA-rated money market funds (MMFs), term deposits, certificates of deposit, short term loans, commercial paper, repurchase agreements and FX the platform will offer treasurers full market transparency for all these instruments from the major European funds and banks coupled with the ability to trade and settle electronically and maintain fully automated audit trails.

It is the only portal that has been designed by treasurers for treasurers rather than from the fund or bank perspective. It is also the only one that has been developed in Europe specifically for European treasurers rather than in the US and then "forced" to fit the European context.

Based on the results of a European Commission funded initiative, MyTreasury is part of ICAP Electronic Broking, a subsidiary of ICAP plc, the world's premier voice and electronic interdealer broker and the source of global market information and commentary for a wide range of professionals in the international financial markets.

The MyTreasury Approach
The MyTreasury model is based on full disclosure between corporates and funds or banks rather than on omnibus trading. This means that the platform reinforces corporate relationships with funds and banks which will always know who is investing with them. The full disclosure approach contrasts sharply with the omnibus trading model in which individual corporate investments are bundled together by the trading platform and invested as a lump sum often without disclosing the individual sources of the funds to the recipient. Our research demonstrated very clearly that most corporates do not like the omnibus model because they want to maintain direct contact with their relationship funds and banks. Most banks and funds also do not like these approaches precisely because they weaken relationships with corporate clients.

One of the main reasons why omnibus trading emerged was the settlement efficiencies that it can offer with single consolidated payments for multiple individual investments. But because of the strong preference amongst corporates, funds and banks to maintain transparency in their relationships, MyTreasury started from the point that the solution was not to introduce consolidated payments at the cost of losing transparency but to support individual investments and automate the payment process with the use of straight through processing (STP).

The MyTreasury platform is unique amongst MMF portals in offering fully automated trade processing right through to the fund transfer agents. This ensures that all trades are accepted immediately and confirmation provided as soon as the administrator has processed the trade. This involves no manual intervention whatsoever in contrast to other portals that give the impression of automated trading but actually rely on portal employees monitoring the portal and then phoning or faxing the trades through to funds in the traditional way. And where the level of trading activity justifies it, MyTreasury will also integrate the platform directly into the investor's own treasury management system (TMS) or Order Management System (OMS). Where it does not, trades can be simply exported into a TMS via an Excel spreadsheet or csv flat file.

As a result MyTreasury protects, and strengthens, the corporate / fund / bank relationship whilst delivering the same level of payment efficiency through its STP capabilities.

Fund and bank participation

The platform was beta-launched in February 2008 and fully launched in May 2008; initially covering AAA-rated USD, GBP and EUR offshore money market funds. All the major European fund providers are either already participating or are concluding discussions with the MyTreasury team. The platform currently carries 22 fund providers with over 175 investable share classes. Six more fund managers are currently being brought onto the platform. MyTreasury will then carry all the funds who have signed up to the IMMFA code of practice. In response to demand from current and prospective clients, we are in the process of adding US onshore funds to the offshore funds already on the platform and rolling out MyTreasury operations into the US and Asia/Pacific regions We are fully engaged with the largest US fund families and are looking to start offering US domestic MMFs in February 2010.

Time Deposits, Certificates of Deposits, Repo and Commercial Paper will be brought onto the platform from Q1 2010. Initial discussions have been completed with 25 major banks to assess their level of support for the initiative and their willingness to participate on the platform in the deposits arena. As existing, and clearly highly satisfied, clients of ICAP they have unanimously confirmed their interest in the platform and a number of them are now actively working with MyTreasury to finalise the deposit requirements and functionality. On the basis of our discussions to date we expect to have similar support for the remaining money market instrument product offerings, providing a highly attractive solution to treasurers covering all their major requirements. The demand for other instruments to be offered on the platform will be kept under constant review.

And in a new development FX will also be added to the platform in the summer of 2010.

Investor participation

The popularity of MyTreasury in the treasury community is reflected in a very substantial growth in

users throughout 2009. We now have over 170 registered user organisations with a total of more than 375 individual users. The diversity of the MyTreasury user base, ranging from small local governments with one or two fund accounts to global organisations with over 50 accounts, also illustrates the unique combination of simplicity in use and powerful risk control that MyTreasury offers and users value so highly.

Key Features

Market View

- Comprehensive market transparency for Corporate Treasurers across all major MMF providers.
- Customisable market views reflecting individual corporate user preferences.
- Ability to see own traded funds and to view other selected funds.
- Ability to compare all funds on a gross yield basis and net of management fees for each share class.
- Ability to input rebates and compare traded funds on a true net yield basis for invested share classes.
- 1-day, 7-day, 30-day yields updated daily.
- 3 month and 1 year yields updated weekly.
- End of day cash balances in each invested share class and fund provided daily.
- End of day total fund values provided daily.
- End of day % holding in fund.
- End of day share prices provided daily.
- Fund investment portfolio composition by asset type.
- Central library of key documentation (brochures, prospectuses, annual reports, administration guides, account opening forms, fund fact sheets, etc) for all participating funds.

Electronic Trading

- Secure ticket-driven, PIN protected on-line trading.
- Second signatory authorisation within corporates where required.
- Instant messaging between corporates, fund providers and transfer agents.
- Embedded intelligence for corporates to monitor compliance with own treasury policies such as maximum holding in a single fund.
- Embedded intelligence for corporates and funds to monitor compliance with fund rules, including maximum single investor limits, minimum initial and subsequent trade values and minimum holding requirements.
- Configurable trading limits for corporate and fund trading team members.
- Fully automated trading within defined limits.
- Block trading out of multiple bank accounts into a single fund account.
- Full integration with fund administrator systems for automated trade processing.
- Straight through processing (STP) links to corporate treasury management systems where required.
- Full electronic audit trail of trade histories available for 5 years including log of all actions taken during a trade and chat exchanged by each party to the trade.
- Ability to recreate the available market at the time of trade for up to 5 years.

Company Contacts

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