

Money Fund Intelligence



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Comparing Online Money Market Trading Portals

We recently spoke with several online money market trading “portal” providers about the current state of the money fund “supermarket” market. We wanted to ask why various participants got into, or are getting into, the portal market, and what makes their portals special. We also wanted to take a closer look at how various portals are targeting the institutional cash marketplace.

Elyse Weiner, MD and Global Head of Liquidity for **Citibank® Online Investments**, tells us why Citi got into the portal business, “The online investment module of CitiDirect® Online Banking had been around a long-time. It was a pretty neat little portal, but not widely marketed or used.”

“When we sold the asset-management business, Citi made a conscious decision that they were not going to be in the manufacturing business. They were going to be in the distribution business. So I started looking at the portal that we had and said ‘We don’t have to rebuild the wheel. All we have to do is take what we’ve got and expand it.’”

She continues, “The Citi portal

today, can be accessed either through CitiDirect, or through TreasuryVision, our treasury ‘dashboard’. Once you’re in the portal, you’ll find not only funds, but Citi CDs, time deposits and money market accounts. Time deposits are offered in 15 currencies. There’s a whole list of currencies you can invest in. We also offer Citi paper along with two other issuers, there’s repo, and we just keep going.”

What Makes Citi Different?

“We’re different because of our integrated technology, our geographic reach, and our relationships. At present, we offer the institutional share classes on the portal. But, we will start to look at our other channels and decide what’s appropriate for those platforms and target markets,” says Weiner.

Weiner continues, “You give your clients best-in-class choices, capabilities and service, and then you leave it up to them.... The portal is all automated, you put the trade in and it’s done.”

We also asked about the Citi relationship with Legg Mason’s Western Asset. “We continue to maintain distribution agreements for the Citi funds with Legg Mason, and the funds continue to carry the Citi name, but we also have distribution agreements



with a whole host of fund families.”

Historic Levels of Cash

Weiner says, “We know we’re looking at historic levels of cash, and there are reasons for it. Now the question is, ‘Is it going to stay or is it going to leave?’ Every indication that we have is that it’s going to stay. It’s more structural in terms of outlook and balance sheet management.”

Optimal Cash Efficiency

“So let’s say the average level of cash on a corporate balance sheet is going to be higher than it was in the past. Well now, cash managers have got to say, ‘Okay, how do I manage this cash? We’re trying to provide tools to help the cash manager actively manage the return on that cash and achieve what we call optimal cash efficiency.’” ♦

Note: This article is excerpted from Crane Data LLC’s Money Fund Intelligence.