



# MUFG FX Overlay

A Fully Automated Passive Hedging Solution *that*

Simplifies Complexity

Enhances Transparency

Drives Down Risk & Cost

## The Challenge

Managing a currency hedging program is a heavy operational burden that requires expertise and experience. On top of that, navigating the complexities of foreign exchange (FX) execution and currency risk can be significantly time consuming and costly. Hedging portfolio and foreign denominated share classes is typically not core expertise for many firms and mistakes can get expensive. Therefore, many firms look to outsource the full end-to-end hedging process to a third-party with a balance sheet and the expertise to guarantee success across the entire process at competitive price point. This allows firms to focus on their core value add to their clients.

## The Solution

MUFG FX Overlay (FXO) offers clients a comprehensive, flexible, cost effective and transparent passive currency overlay hedging solution that simplifies these challenges. The platform is designed to mitigate risks related to FX exposures within a portfolio or hedged share classes. The fully automated, flexible, passive cloud-based system enables you to tailor every aspect of your FX overlay program across the entire lifecycle of a hedge, including hedge ratios, hedge frequency, NAV triggers, tenors, and execution methodology.

## Capabilities include:

### Share class hedging

Reduce the FX risk of foreign denominated share classes to better track the main share class.

### Portfolio hedging

Hedge foreign currency denominated assets of a portfolio back to the base currency.

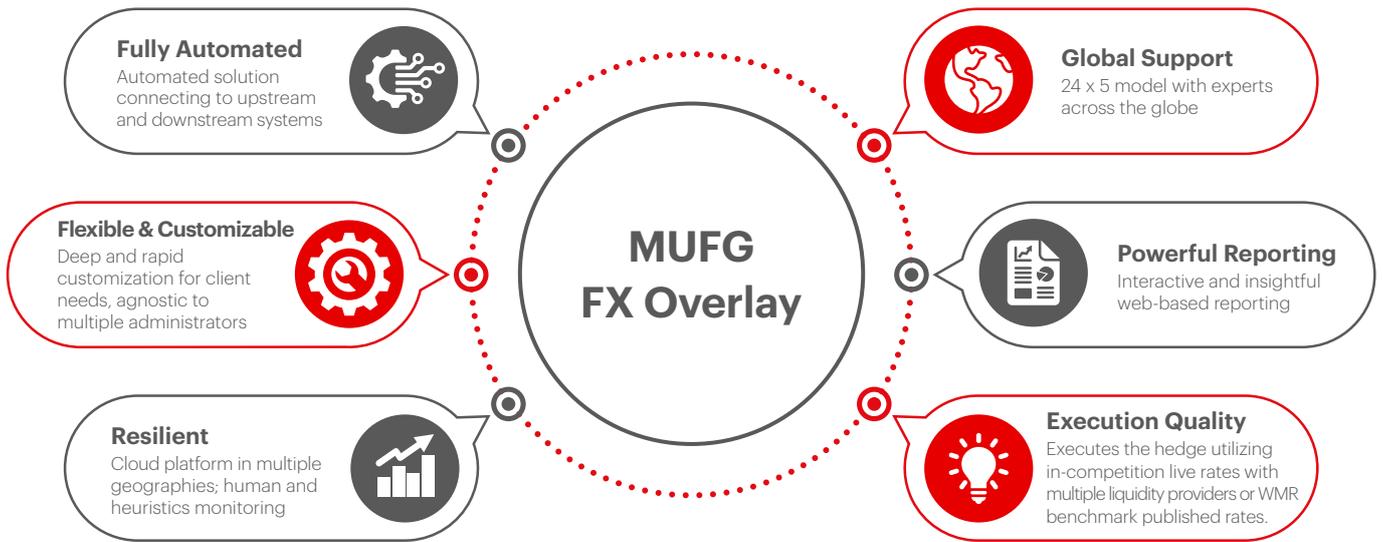
### Lookthrough hedging

Provide hedging of underlying portfolio positions and net with a share class offering.

### Index tracking

Ability to mimic industry offered indexes, such as the MSCI World Index.

**Features**



**Benefits**

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**Increase Investment Opportunities**  
Diversify your fund offering across regions, increasing distribution to expand and develop a global investor base.
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**Improve Efficiency**  
Improve FX execution efficiency and obtain full price transparency on execution either by competitive pricing from a panel of top-tier market makers, or with reference to a benchmark.
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**Reduce Risk**  
Outsourcing some or all of your currency hedging program will drive down operational and market risk.
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**Collateral Management Support**  
Gain access to premier cash management and collateral arrangements, including synthetic margin options.



**One-Stop-Shop**

Combining our FXO services with our fund administration services and fund financing services empowers clients with end-to-end operational support.



 To learn more, please visit us at [www.mufg-investorservices.com](http://www.mufg-investorservices.com)

 **Contact us**

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