

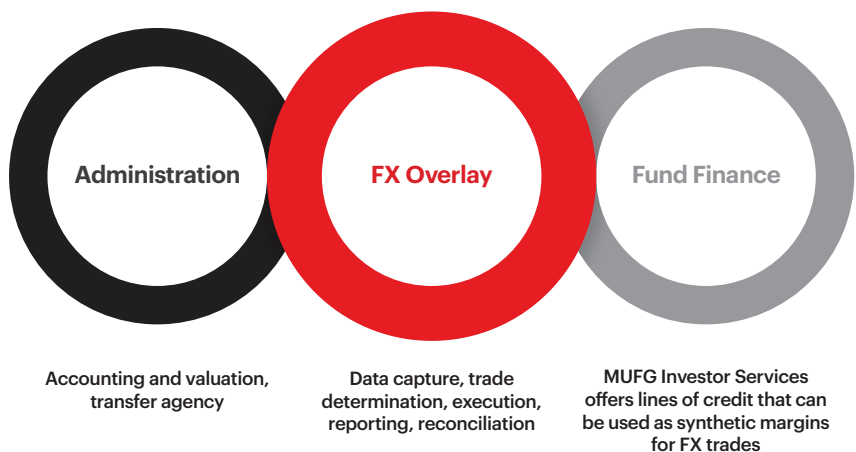


**MUFG FX Overlay (FXO) helps simplify currency risk management. FXO offers a comprehensive, flexible, cost-effective passive currency overlay hedging solution that simplifies hedging challenges.**

Our fully automated, cloud-based platform allows users to tailor every aspect of their FX overlay program, from hedge ratios to execution methodology, all while ensuring transparency and trust. Outsource the complexities of currency risk management to focus on what matters – delivering exceptional value to clients. Simplify your portfolio management strategy with confidence.

### Comprehensive & Flexible Solution

Our FXO services, when paired with our fund administration and fund financing services, provide truly comprehensive operational support. This powerful combination ensures NAV and portfolio valuations, margin requirements, and FX settlements are met efficiently and effectively.



## Benefits

Customize your FX overlay program for every stage of the hedge lifecycle, adjusting hedge ratios, frequency, NAV triggers, tenors, and execution methodology as needed.



### Increase Investment Opportunities

Diversify your fund offering across regions, increasing distribution to expand and develop a global investor base.



### 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.



### Reduce Risk

Outsourcing some or all of your currency hedging program will drive down operational and market risk.



### Collateral Management Support

Gain access to premier collateral arrangements that are tailored to our clients' requirements including cash margin alternatives such as account control agreements and other various collateral management techniques.

### 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

Look through a portfolio's assets to identify the underlying currency exposures to calculate hedge positions and can be netted against share class hedges.

## CORE CAPABILITIES

### Index Tracking

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

### Investment/Divestment

Currency conversion and investment hedge for underlying portfolio investing.

### Currency Spot Conversion

Supports invoicing, management fees and more.

## How it works

1

### Agreements

ISDA, CSA and FX Overlay agreement are required for share class and portfolio hedging. MUFG Investor Services also offers Fund Financing services that can be used to satisfy FX margin.

2

### Setup

FX hedging parameters are agreed/documentated including:

- Target hedge ratio
- Hedge frequency
- Duration of the hedge
- NAV trigger thresholds

3

### Administration

We connect directly with your administrator or data provider to obtain asset values and capital flows to determine the required hedging transactions.

4

### Hedge Calculation

FX exposure calculations, including performance and adjustments based on redemptions and subscriptions received in advance, are performed.

8

### Reporting

We provide FX confirmations, daily mark-to-market position, hedge status and cash management reporting.

7

### Trade Capture

The FX platform automatically submits the relevant executed trade data to the appropriate client banking and accounting systems.

6

### Trade Booking

Trade execution details are received, and we determine client side executed rates based on pre-agreed fees.

5

### Best Execution

Execution of the hedge occurs using the predefined hedging parameters using either live or published rates.



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