WHEN TO USE CURRENCY OVERLAY

• When a company’s international assets are being adversely impacted by currency fluctuation.
• There’s a need to hedge overseas exposure, but don’t want it to remain a static percentage.
• A lack of time to monitor currency movements and be proactive in the market.
• Seeking a competitive exchange rate from the banks.
• Limited experience or expertise within the company, in creating a successful currency overlay program.
• A preference to outsource the duty of care to ensure clients obligations are met.

Rochford’s currency overlay services are uniquely designed for each mandate, underlying asset portfolio, and risk return profile. We understand all facets of foreign exchange – both as proponents of risk seeking, as well as for market risk mitigation.

AUD appreciation almost eliminates S&P gains for Australian investors post the GFC

This chart demonstrates, by not adopting a currency overlay strategy, returns for an Australian investor in international securities (i.e. US equities) were mostly overwhelmed by the AUD/USD currency move.
WHY WORK WITH US?

- For Passive strategy we offer peace of mind that the NAV will be unaffected by currency fluctuations.
- For Active and Dynamic strategies, we aim to improve the overall outcome of your portfolio returns (alpha) by active trading of currencies.
- Our economies of scale mean a reduction in your overheads by outsourcing to independent currency experts.
- This value-add is desirable to investors seeking a proactive approach to currency management.

Contact our expert Overlay Team today.