



Currency Overlay Solutions

NAB Markets

NAB's Currency Overlay program allows you to minimise the operational burden associated with FX risk management, enabling you to focus resources on key business objectives. Our hedging solution can be tailored to your business needs and is cost-effective, transparent and scalable.

Experienced currency overlay provider:

- NAB has been an overlay service provider since 2008 with \$30B of funds under management.
- 24-hour coverage with teams based in Sydney and Melbourne, with support from NAB's European, Asian and North American centres.
- Experience in providing hedging solutions for a range of clients in multiple jurisdictions, including; superannuation funds, asset managers, insurance companies and endowment funds.

Core components of our offering:

Hedging solution:

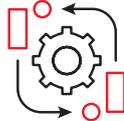
Portfolio hedging solutions – Hedging Solution can be established at a portfolio or asset level, hedging underlying exposures or to a benchmark index.

Share class hedging – Hedging multiple fund share classes can insulate investors from currency volatility which may erode returns.

Private markets – NAB has extensive experience in structuring hedging to support liquidity management for unlisted assets.

Monitoring of the hedge portfolio:

NAB will consume your portfolio data and implement hedges based on pre-agreed risk tolerance levels.



Implementation:

FX hedges are implemented with NAB as principal by our dedicated portfolio management team and booked against independent benchmarks, providing transparency on transaction costs.



Reporting:

NAB has a suite of reports which includes compliance reporting, mark-to-market profit/loss, performance and reports required for RG97 cost disclosure.



NAB can also support clients required to report derivative transactions to ASIC via our trade reporting service.



Key Features:

Customisable – The hedging program can be customised to meet your objectives (this includes tolerance bands for monitoring and rebalancing as well as the use of proxy currencies to reduce transaction costs)

Scalable – Our documentation allows seamless addition of new funds or portfolios at no additional cost

Integration – Ability to consume a variety of portfolio formats from custodians and administrators

Independent Transaction Cost Analysis (TCA) – Analysis and third-party verification of FX costs

Want to know more?

Please contact your NAB Relationship Manager or the NAB Currency Overlay team

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