



RISK MANAGEMENT AND HEDGING ADVISORY

>www.redmarket-consulting.com





“The world economy is regularly hit by financial crises of variable duration and magnitude: the collapse of the dot com bubble, the Argentinian crisis, subprime loans and the sovereign debt crisis in Europe, to name only the most recent ones. These crises usually impact the price of financial assets before spreading into the real economy.

A large number of companies worldwide are highly exposed to commodity prices, interest rates and currencies. However, few of them have the necessary human and technical resources to monitor these markets and be ready at all times to take the most appropriate decision. Our 25 years of experience managing financial market risks, in volatile and non-volatile environments, can help you manage these external risks serenely.”

Xavier Lefèvre



CORPORATES

“Reduce the negative impact of markets moves; currencies, interest rates and commodities.”

To help you mitigate the negative impact of currency, interest rate and commodity market movements on your net income and balance sheet, in coherence with your operational objectives and in compliance with regulations, we offer the following services:

- > Thorough analysis of global foreign exchange exposure; for each currency at risk, deep analysis of the hedging tools available, analysis of their historical and implied volatilities and the potential impact on the company’s financials.
- > Elaboration of a hedging policy in compliance with accounting rules and financial strategies.
- > Negotiation of credit lines and master agreements.
- > Assistance in implementing hedging strategy.
- > Monitoring of existing hedges and creation of a dedicated reporting kit.



INVESTORS

*Asset Managers,
Pension Funds,
Family Offices*

“Reduce volatility and optimize performance thanks to active currency risk management.”

Our objective is to set up for our investor and asset management clients a foreign exchange hedging policy that reflects their global investment policy with the aim of reducing overall portfolio volatility and enhancing returns.

- > Analysis of the risk induced by the foreign exchange component of an investment position and its impact on both historical and implied volatility at the portfolio level
- > Implementation of an FX Overlay policy; choice between active and passive management, benchmarking, rebalancing frequency, proxy policy, operational setup (trading counterparties, prime broker, ISDA negotiation)
- > Follow-up of the Overlay strategy; calculation of the tracking error, benchmark adjustment, impact of the FX Overlay strategy on the realized volatility and performances of the global portfolio



PRESS REVIEW

“Currency kings: Top performing manager in alternative ucits funds: Xavier Lefevre Parvest Multi-Strategy”

Source: City Wire Global

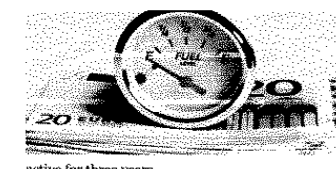
Currency kings: top performing Alt Ucits managers revealed | Citywire Page 1 sur 4

cityWire global

Register to get unlimited access to all of Citywire's Fund Manager database. Registration is free and only takes a minute. Register or Sign in

Currency kings: top performing Alt Ucits managers revealed

By Chris Sibley on 21 June 2012



The long-term future of the euro may be open to furious debate but which managers have proved adept at playing the currency markets regardless of the macro news flow?

In the Citywire Alternative Ucits Currency space there are currently 21 active managers with 12 months performance and, of these, 11 have been active for three years.

Let's take a closer look at the top three standout performers over these two periods of analysis:

Three year analysis

Manager	Fund name	Total returns over three years
Xavier Lefevre	Parvest Multi-Strategy FX I	9.89%
Michael Kunkler	HSBC GIF Global Currency L1CH EUR	7.35%
Dale Thomas/Max Wahl	Insight - Absolute Currency 918 EUR	7.20%
Average Manager		4.78%

Alternative Ucits A-rated manager Xavier Lefevre leads the pack in the three-year rankings for his work on the Parvest Multi-Strategy FX I fund.

Over the three years, he has returned 9.89% compared to his Citywire benchmark, the Citigroup EUR 3 Months Eurodeposit, which rose 2.63%. The average manager with a three year has returned 4.78% over the same period.

BACKGROUND

Xavier Lefevre. Founder

-2005/2013 Head of Portfolio Management

OVERLAY ASSET MANAGEMENT (BNPP)

-1998/2005 Head of FX LOUIS DREYFUS

-1993/1998 Treasurer GIAT INDUSTRIES

-1990/1993 FX trader CREDIT AGRICOLE GVE

LES ECHOS

“Such as during last summer’s crisis, when the performance of the carry trade showed a high degree of correlation with that of equity markets.” Xavier Lefevre OAM

LES DERNIERS D'ACTES

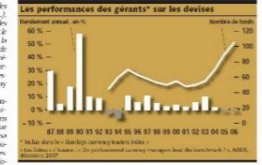
Les devises sont devenues une classe d'actifs à part entière. Des gestionnaires s'y sont spécialisés pour offrir aux investisseurs une couverture de leur portefeuille ou leur apporter une nouvelle source de rendement additionnel. Peu de gérants parviennent toutefois à être durablement et significativement performants sur ce marché exigeant.

Les monnaies s'ajoutent au menu des investisseurs

Les investisseurs ont vu leur rendement global baisser au cours de l'été 2011. Le principal responsable de la baisse a été le dollar, qui a perdu 10,2% de valeur par rapport à l'euro. Les investisseurs ont donc cherché à diversifier leur portefeuille en investissant dans des actifs étrangers. Selon l'indice de confiance de l'investisseur étranger (EIA) publié par l'Institut de la monnaie internationale (IMI), les investisseurs étrangers ont investi 1,1 milliard de dollars supplémentaires dans les actions américaines en juillet 2011, contre 1,2 milliard de dollars supplémentaires en juin 2011. Une hausse de 10% par rapport à l'année précédente.

Les investisseurs ont également cherché à se protéger contre la baisse du dollar. Les investisseurs ont investi 1,1 milliard de dollars supplémentaires dans les actions étrangères en juillet 2011, contre 1,2 milliard de dollars supplémentaires en juin 2011. Une hausse de 10% par rapport à l'année précédente.

Les investisseurs ont également cherché à se protéger contre la baisse du dollar. Les investisseurs ont investi 1,1 milliard de dollars supplémentaires dans les actions étrangères en juillet 2011, contre 1,2 milliard de dollars supplémentaires en juin 2011. Une hausse de 10% par rapport à l'année précédente.



Let's take a closer look at the top three standout performers over these two periods of analysis:

Manager	Fund name	Total returns over three years
Xavier Lefevre	Parvest Multi-Strategy FX I	9.89%
Michael Kunkler	HSBC GIF Global Currency L1CH EUR	7.35%
Dale Thomas/Max Wahl	Insight - Absolute Currency 918 EUR	7.20%
Average Manager		4.78%

Alternative Ucits A-rated manager Xavier Lefevre leads the pack in the three-year rankings for his work on the Parvest Multi-Strategy FX I fund.

Over the three years, he has returned 9.89% compared to his Citywire benchmark, the Citigroup EUR 3 Months Eurodeposit, which rose 2.63%. The average manager with a three year has returned 4.78% over the same period.

FORBES

“There was a time when only currency traders cared about currency moves. Those days are long over...”

How Emerging Market Mayhem Turns Up In Corporate America's Earnings

There was a time when only currency traders cared about currency moves. Those days are long over. The panic over massive devaluation of emerging market currencies is a reflection of a new normal for multinational corporations and investors. There is a new normal at play: big currency moves from many different countries at once that are impossible to predict. All headlines around the world screamed in January and February, emerging market currencies have dealt significant negative impacts to multinational corporations over the last year.

- The currency moves in the latter half of 2013 and early 2014 are now showing up on the balance sheets and income statements of corporates around the world. They led to a redefining of the "usual suspect" currencies that corporates typically report as impacting earnings. Those impacts were to the tune of 3 cents per share — three times the increasingly accepted standard of a penny per share — and they led analysts to begin asking more, increasingly pointed and sophisticated questions during earnings calls.
- The Changing Complexities of Impactful Currencies
- Since 2012, the "currency culprit" — currencies that corporates mention most often as impacting earnings — have changed. Where it was moves by the euro and the yen that most often affected corporates' revenues in 2012, it was emerging market currencies in 2013:
- In the first quarter, after a 32% devaluation, the Venezuelan bolivar was the second-most mentioned currency by corporates during earnings calls.
- The Brazilian real was the top most cited currency in the last two quarters, when it declined as much as 21%.
- The Indian rupee showed up on the currency culprit list in the third quarter, as it declined as much as 14%.
- ...The Argentine peso made the list in the fourth quarter, when it declined 11%.

At the same time, corporates were reporting impacts from the euro to a lesser and lesser extent. In the last quarter of 2013, the euro was not on the list at all.

Surprise: Currency impacts to Earnings per Share In 2013, the total negative currency impact reported by corporates in their earnings calls was \$17.5 billion. That currency impact translated down to earnings per share (EPS) and — as a consequence — affects shareholder value. Within that context, it becomes clear how important currency risk management is: raising EPS in dangerous business because investors tend to react (usually negatively) first and ask questions later on earnings surprises.

FX managers from leading multinationals increasingly have management objectives of less than 1 cent EPS impact. Yet the average EPS impact reported by corporates in 2013 was three times that.

Increasingly Pointed and Sophisticated Analyst Questions Given that corporates have for three years in a row seen significant negative impacts to EPS from currency volatility, and given the fact that those currency surprises are coming from a growing list of countries around the world, it makes sense that analysts are beginning to ask increasingly pointed and sophisticated questions of CFOs and CEOs during corporate earnings calls.

CURRENCY OVERLAY

“Investors willing to play a rebound on the Japanese stock exchange should invest in funds allowing currency hedging...”

Source: LeFigaro.fr

LE FIGARO.fr EXPERTISE INDEXES & ACTIONS FONDS & TRACKERS DEVISES & MAT. BÉRES DÉRIVÉS OÙTES

Actual | Fonds & Trackers | 206 | -0,09% | SANOFI | 78,85€ | -0,96% | AIR LIQUIDE | 97,90€ | -0,70% | GDF SUEZ | 20,37€ | -0,70% | LVMH | 143,69€ | -0,70% | LUN

Sicav: bonnes et mauvaises surprises après la chute du yen

Par Anne Bodescot | Publié le 05/02/2013 à 10:26 | Mise à jour le 05/02/2013 à 10:29 | Réactions (0)



Crédit Photo: LIONEL BONAVENTURE/AFP

La chute du yen peut pénaliser les sicav « actions japonaises », mais aussi certains fonds dédiés aux obligations internationales. La nouvelle politique de la Banque du Japon fait, comme prévu, chuter le yen. Une bonne nouvelle pour les sociétés exportatrices nippones et donc pour la Bourse japonaise. Depuis le début de l'année, les meilleurs fonds «actions japonaises» affichent déjà des gains supérieurs à 6 % ou 7 %, comme Parvest Equily Japon Classic (BNP Paribas), New Economy Japan (HSBC) ou Objectif Japon Couvert (Lazard Frères Gestion). Mais beaucoup d'autres sont, eux, dans le rouge.

Pourquoi? Parce que certains couvrent le risque de change, et les autres non. Le Nikkei a gagné plus de 8 % depuis le début de l'année. Mais la baisse du yen réduit à néant cette hausse pour les gestionnaires dont les sicav sont libellées en euros, s'ils ne se sont pas protégés, avec les instruments financiers adéquats, contre le repli de la devise nipponne. Moralité? Les épargnants qui souhaitent parier sur un rebond de la Bourse de Tokyo doivent de préférence souscrire des sicav qui s'autorisent ces couvertures, ou qui proposent des parts couvertes contre le risque de change.

NOS DERNIERS CONSEILS

- La probable cession d'une filiale soutient l'action NRJ Group - 13/05/14 10h43
- Intel revolt à la hausse ses perspectives, le titre au sommet depuis 2004 - 13/05/14 10h17
- De nouveaux outils pour investir sur les actions chinoises domestiques - 12/05/14 11h41
- Le marché français de l'imérim s'améliore, Groupi Cit devrait en profiter - 12/05/14 11h30
- Bouygues, Orange et filia : nette remontée des valeurs télécoms - 12/05/14 10h53

Voir plus



Greenpeace Loses Millions on Bad Currency Bet by Rogue Employee

collapse story Greenpeace has suffered a 3.8 million-euro (\$5.2 million) loss on an ill-timed bet in the currency market by a well-intentioned — if reckless — employee in its financial unit.

The environmental group, which is based in Amsterdam, said Monday the employee — who had bet the euro would not strengthen against other currencies in 2013, when it did — had acted beyond the limits of his authority.

Greenpeace International fired the employee, whom it did not identify, but said there was no evidence of fraud.

"Every indication is, this was done with the best of intentions but not the best of judgment," said spokesman Mike Townsley in a telephone interview from Mexico.

He said the organization was deeply concerned that the incident would offend its supporters, and apologized. Greenpeace does not accept contributions from companies or governments and is funded entirely by individuals.

Responsibility lies partly with the employee and partly with the organization, Townsley said.

The employee was a financial expert whose job included currency trades to protect the organization from fluctuations in the market. He was not qualified, however, to undertake trades on the scale he did. In addition, he ignored company rules, under which he should have checked with supervisors and probably hired an external expert for advice on how to manage risks.

First published June 16th 2014, 3:03 pm

RISK MANAGEMENT

“He ignored company rules, under which he should have checked with supervisors and probably hired an external expert for advice on how to manage risks.”

PARTNERSHIPS WITH SPECIALISTS IN:

- Regulation; EMIR
- Hedge accounting. IFRS9
- Debt management
- Mark to market and reporting
- Currency payments
- Execution and TCA (Transaction Cost Analysis)



24 Boulevard Jean Jaurès
92100 Boulogne-Billancourt
Tel: +33 01 46 89 42 72
Mob: + 33 6 11 66 69 69
xavier@redmarket-consulting.com
> www.redmarket-consulting.com