

# FX Overlay

## Our Outsourced and Rules-based FX Hedging Programs

Whether you're an investment manager or an asset owner, BNY Mellon makes managing your currency hedging needs easy. Through a client-led approach, our experienced team of product specialists will help you implement a tailored hedging solution based on your specific needs and objectives.

With \$100 billion of hedged assets under management, our FX Overlay solutions are designed to improve tracking efficiency, reduce operational risk and provide execution transparency, allowing your valuable resources to be focused on core competencies.

## Our FX Overlay Programs

### Share-class Hedging

Supports the distribution of your funds around the globe, share-class hedging strives to insulate your investors from excessive currency volatility.

### Portfolio Overlay Hedging

Mitigates — in whole or in part — your FX exposure within a single portfolio or aggregated investment portfolios.

### Index / Look Through

Employs a global or client-defined index as a proxy for portfolio composition, performance measurement or benchmarking purposes.

## How FX Overlay Helps You

### Improved Tracking

Our performance-driven model allows you to mitigate or explain hedging divergence.

### Operational Efficiency

Delivered through our highly automated scalable solution.

### Confidence

Rest assured you can rely on a trusted, highly-rated partner.



### Defined Costs

Competitive and fully transparent contractual cost schedule.

### Risk Reduction

An automated FX Overlay offering enables you to reduce operational risk with end-to-end client service from us.

## Key Features

- 1. Straight Through Processing:** Automated data feeds from various custody, transfer agent and fund administration systems reduce your operational risk significantly.
- 2. Hedge Optimization:** Our platform maintains your hedging targets, captures currency positions, and executes your hedges, adjustments and rolls.
- 3. FX Execution:** Trades are executed as per your overlay contract, including independent benchmarks with BNY acting as principal or through a give-up alternative.
- 4. Reporting:** Our comprehensive reporting suite includes post-trade, performance attribution analysis\* and trade cost analysis\*.

## FX Overlay Technology

Our currency hedging offering is underpinned by proprietary technology that automates the challenge of managing your FX Overlay needs. Our platform is highly configurable for various parameters, including hedge ratios, trigger thresholds, settlement tenors and benchmarks.

Our FX Overlay platform is at the forefront of currency management, allowing you to overcome the challenges of this ever-changing landscape, and is supplemented by BNY Mellon's full suite of FX execution services to support your broader FX needs.

For more information about FX Overlay with BNY Mellon, please contact us at [FXOverlay@bnymellon.com](mailto:FXOverlay@bnymellon.com).

\*Not part of standard offering.

