

Foreign Exchange Strategy

25 June 2009

Investment Committee



JYSKE GLOBAL
ASSET MANAGEMENT

Current loan mix: CHF 67% and EUR 33%. Stop loss EUR/CHF at 1.4450

We decided maintaining our CHF funding as the Swiss National Bank (SNB) seems committed to a weak CHF. The currency has traded in a very narrow range between 1.5000 -1.5150 since our last committee meeting. On 26 June the CHF weakened from 1.5000 to 1.5250 in a few minutes on rumors that SNB was in the market selling CHF. The SNB needs a weaker currency in order to fight deflation.

The EUR/USD trend according to BCA¹ is up both for the 3 and 9 month forecasts. BCA furthermore expect the dollar to decline by at least another 10-15% in trade weighted terms before the bear market is over. We thus decided swapping our EUR funding to USD.

New loan mix: CHF 67% and USD 33%. Stop loss EUR/CHF at 1.4450 and EUR/USD at 1.3280

The USD weakened as we expected against EUR/AUD/NOK but reverted back to our May entry points against AUD & NOK (0.78 & 6.43) this week as the World Bank issued a warning about the recession being worse than expected. We still believe that the positions taken in May are good long term positions and decided to keep the positions.

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Important note: All investments involve risks. The prices of currencies and securities and the prices of various services follow the development in the financial markets. Past performance is not necessarily a guide to the future performance. Investment in a foreign currency or your own currency may result in losses/gains due to the market development.

¹ Bank Credit Analyst.