

# Foreign Exchange Strategy

30 September 2010

Investment Committee



JYSKE GLOBAL  
ASSET MANAGEMENT

This memo documents JGAM's Foreign Exchange decisions on Managed Asset Allocation Portfolios. See Asset Allocation Strategy for further update.

## New loan mix

Today we have had an ad hoc Investment Committee meeting, where we discussed the development in the EUR/USD exchange rate.

Based on the latest movements in the EUR/USD and in the light of a current weakening of the US dollar (USD) and Fed's signal to continue Quantitative Easing (QE), we have today converted the EUR loan into USD. This means that we currently have a **100% funding (loan) in USD**.

Further, we have placed a stop loss on half of the loan at 131.50 EUR/USD, selling EUR and buying USD. Should this stop be executed the funding will again be 50% in EUR and 50% in USD.

## Editors

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When an investment is denominated in a currency other than the investor's base currency, the investor must be warned that changes in exchange rates may have an adverse effect on the value and price of or return on an investment.

Bond investment involves risk. Many factors, including the country's credit quality, willingness to pay, liquidity, social conditions and economic developments may affect the price of a bond. Indirect factors may also affect the price of a bond, for instance global economic factors, global risk tolerance and geopolitical risks.

Equity investments are associated with risk. Movements in the equity market, the sector and/or news flow, etc. regarding the company may affect the price of the equity. In connection with an ADR or similar papers, the foreign exchange risk exists relative to the currency in which the underlying equity trades.

Alternative investments (including commodity investments) involve risk. Movements in the credit market, the sector and/or the news flow, etc. regarding the issuer may affect the price of an alternative investment.

Leveraged investments are very risky, exposed to all the above mentioned factors as well as a fall in the value of collaterals combined with an increase in the value of the loan currencies. Leveraged investments are only recommended for investors with a suitable risk profile.

All of the above mentioned risk factors should not be regarded as exhaustive.