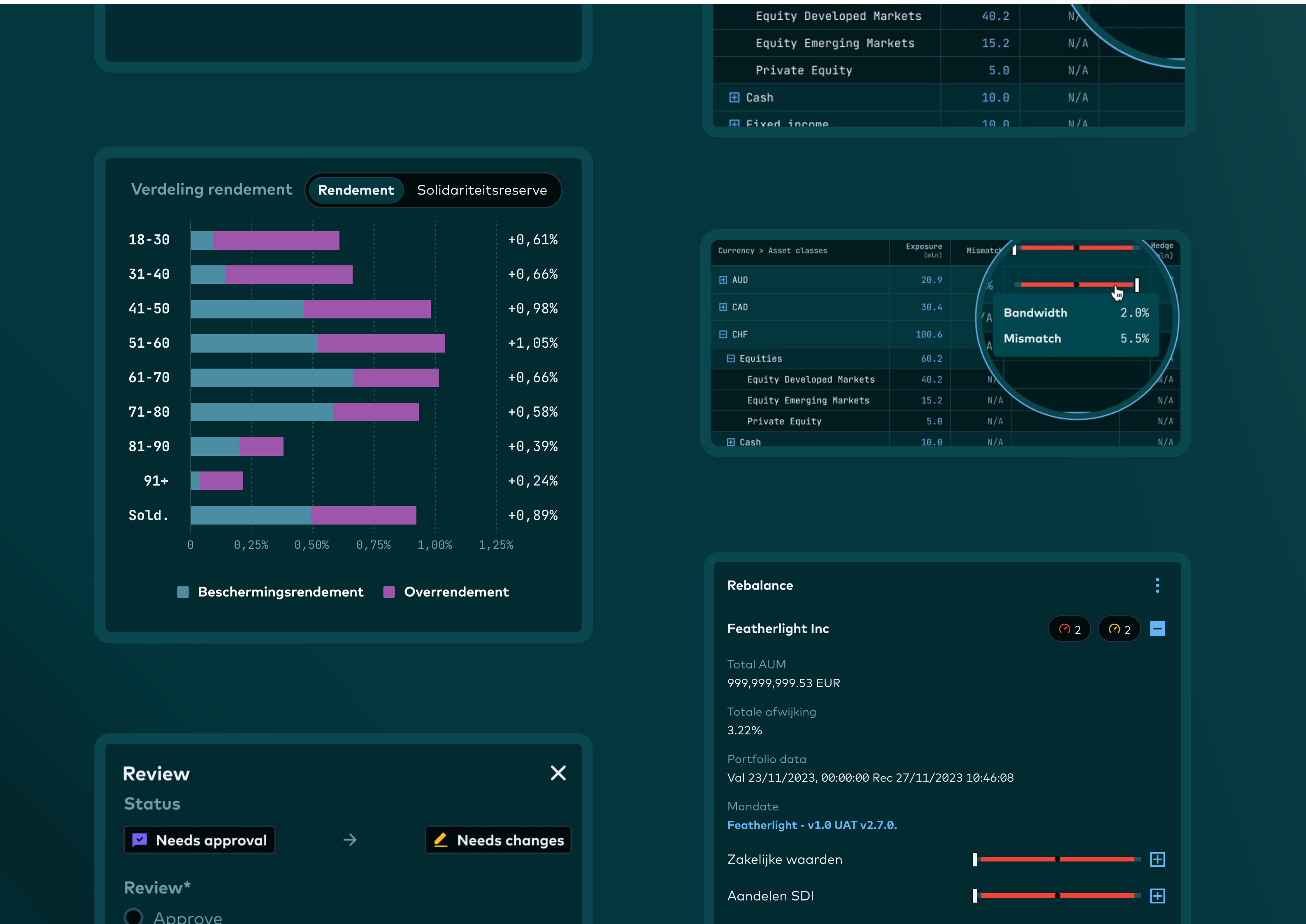
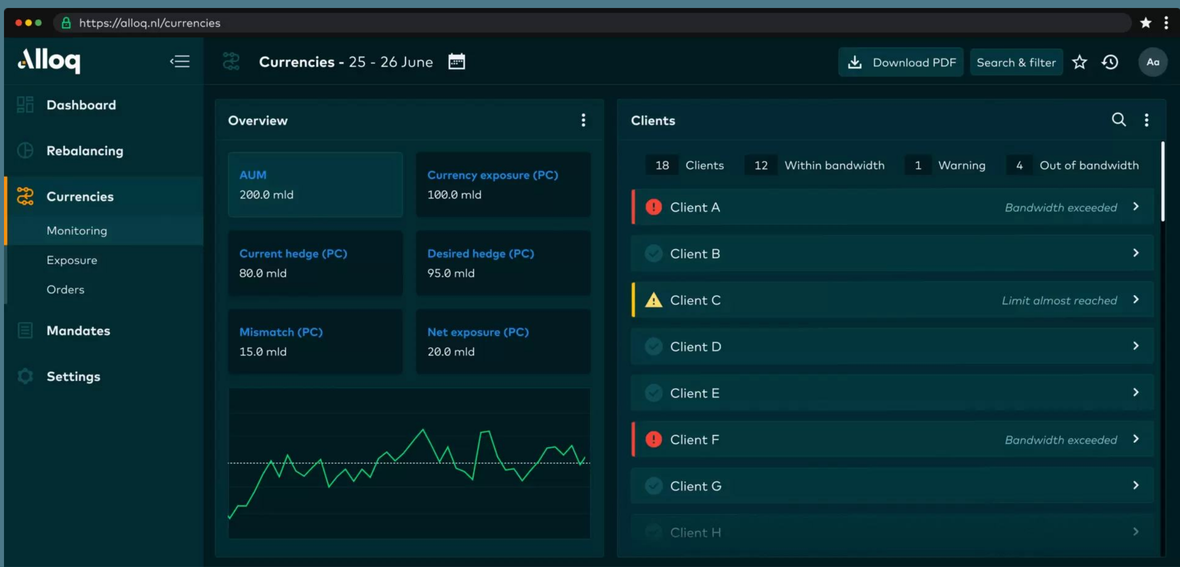
Control your currency risks worry-free, with automated management.

Currency hedging



Discover the power of Alloq - request a demo and transform your financial strategy.



The Currency Hedging module of Alloq offers a complete solution for managing your FX risk by providing real-time insight into the current exposure, hedging, and mismatch within the portfolio.

With this automated approach, operational risks are significantly reduced, freeing up valuable time for other important processes such as portfolio management.

Alloq can automatically generate fully STP (Straight Through Processing) orders to minimize currency risk. The system calculates optimal transactions based on existing FX derivative positions and takes into account parameters such as ticket size, maximum buy limits, counter-party risk, and rolling hedge strategies.

Currency hedging.

Hedging strategies

The Alloq system supports virtually any currency and/or asset class-related hedging method. Whether it's benchmark weights, market weights, or proxies, the easy-to-read syntax gives investment managers complete control.

Subject	Hedge basis	AUD	CAD	CH
EQ WW	Benchmark: Z_MS WDM N	100.00%	100.00%	100.00
EQ EM	Benchmark: Z_MSA EM	100.00%	100.00%	100.00
EQ EUSMALL	Benchmark: Z_MSA EM	100.00%	100.00%	100.00
RE DIRECT	Quotation currency	100.00%	100.00%	100.00
RE IND	Quotation currency	100.00%	100.00%	100.00
AL RISKPAR	Quotation currency	100.00%	100.00%	100.00

Detection of deviations

Alloq automatically detects deviations in a portfolio with exception reporting. Any deviation from the value triggers an immediate alert, while users can view data at currency, asset class, and gross/net currency exposure levels.

Currency > Asset classes	Exposure (mln)	Mismatch	Bandbree
⊞ AUD	20.9	1.5%	
⊞ CAD	30.4	-2.5%	
⊟ Equities	60.2	N/A	
Equity Developed Markets	40.2	N/A	
Equity Emerging Markets	15.2	N/A	
Private Equity	5.0	N/A	
⊞ Cash	10.0	N/A	

Hedge proposals with a 4-eyes-check

Alloq loads market values, FX contracts, and mandates for overview. Users adjust positions with clear, filterable data and place orders directly for maximum control. All changes are recorded in a revision log for transparency and compliance.

View pending changes

Add a comment or file to explain the pending changes and submit

CHANGES

USD

Hedge value ~~25,000,000~~ 30,000,000

Comment (optional)

Setting up validations

Alloq offers the capability to view the entire currency exposure every 15 minutes, with minimal delay between insight and actual order transmission to the back office. The process can also be executed fully STP (Straight Through Processing).

Category	Exposure (Cash allocation)	Exposure (Analysis date)	Exposure
⊞ AUD	0 AUD	680,564 AUD	680,
⊞ GBP	0 GBP	1,107,672 GBP	1,107,
⊟ USD	0 USD	135,980,688 USD	135,980,
⊟ AL COMMOD	0 USD	0 USD	
ALCO GSPR	0 USD	0 USD	
⊟ AL INFRA	0 USD	0 USD	

Asset Allocation Integration

The integration of the currency hedging module with the Asset Allocation module optimizes the investment strategy. This promotes more efficient management of currency risks for a balanced asset allocation.

Asset classes	Target weight	Trigger up	Tri
⊟ Equities	65%	2%	
⊟ Equity Developed Markets	25%	6%	
Equity US	10%	2%	
Equity Europe	10%	2%	
Equity Asia	5%	2%	
⊞ Equity Emerging Markets	15%	2%	

Alloq

Alloq

Alloq is a software solution designed for institutional portfolio managers, enhancing the robustness, speed, and accuracy of allocation management processes such as rebalancing, currency hedging, and LDI (liability-driven investment). It seamlessly integrates with client mandates, maintains audit trails, and ensures allocation management for the present and the future.

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