

Foreign Exchange Risk Management



Your requirements are our priority

Corporate

- ✓ Outsourced Treasury Solutions
- ✓ Rate negotiation
- ✓ Risk Management
- ✓ Market insight & management
- ✓ Accounting, Costing, Reporting
- ✓ Regulatory compliance

Individual

- ✓ Rate negotiation
- ✓ Risk Management
- ✓ Market insight & management
- ✓ Regulatory compliance

Valufin's background

Sharon Constançon, Director of Valufin started Constançon Currencies in 1988, a financial services company providing foreign exchange solutions to importers and exporters. Rapid growth resulted in a late 90's listing on the JSE. Murray MacDonald, former employee of Constançon Currencies and Constançon are together again complemented with new technology platforms to deliver their proven and tested services, Valufin today delivers a proven risk management model for importing and exporting companies, an approach validated in Constançon's Masters' MBA Thesis.

Empower your employees

Engage your Board

Energise your processes

Own and understand your risks

No more surprises

Valufin's services support international trading companies to manage all aspects of their related treasury and currency rate risks, operations, recording, reporting, controls and management.

Forex Lifecycle: Valufin supports the management of currency exposures from placement of order until funds transfer & information is correctly accounted & recorded

Valufin's services

Forex Services that are tailored to meet the requirements of each customer's risk profile, volume, budget, in-house knowledge, systems and industry.

1. **Due Diligence** - an assessment of your current forex policies, procedures, approach, risk management, reporting and accounting. The assessment is carried out onsite and a detailed evaluation report is provided covering all areas and provides recommendations on what should be addressed.
2. **Policies and procedures** - assistance with setting up of policies, procedures, recording, managing & reporting of currency exposures and hedging instruments.
3. **Implementation** – support the embedding of appropriate processes into the relevant departments, usually to ensure the correct management and risk evaluation is in place and informative reports reach the Board.
4. **Management of forex risks** (real and accounting) – definition and implementation of control and management processes required, advice on using appropriate hedging strategies and determining correct accounting and reporting requirement.
5. **Market Monitoring** – interbank currency information feeds ensure Valufin has the ability to monitor exchange rate movements in real time and the implications this has on all customer portfolios, rates and margins. Currencies are our focus which allows our customers to manage their business rather than be distracted by exchange rates.
6. **Transactions** - buying and selling foreign exchange in all instruments from any provider as either a single transaction or part of a treasury management strategy. We provide a transparent understanding of instruments, their value, cash flows, interim and exit behaviour, protection, opportunities and risks. We negotiate the rates on your behalf with your providers, or new ones sourced, and choose the most appropriate instruments in line with your risk profile and needs. The transaction negotiation is managed to take advantage of timing benefits present in the portfolio and the markets.
7. **Bespoke retained management service** – service solutions are geared to meet your needs, risk profile, infrastructure, competitors and industry. The engagement process, relationship and interaction, the information flow options and online services are all geared to your business demands. These requirements are driven by your infrastructure and the relationship forex has within your business to pricing and risk.
8. **Individuals Transferring funds under regulatory regimes** – we provide a service that manages the process of attaining the required certificates or approvals and interface with you and your bank to arrange the compliance documents, transfer documents and then negotiate an improved rate.
9. **Online Forex Risk Manager (FRM) Treasury System** – exposure & hedging management system handling costing, cash flows, revaluations, effective rates (complex maths managed) & accurate profit & loss determination.
10. **Reporting** – daily, monthly, quarterly and annual risk and accounting reports covering exposures, risks, deals transacted, cash flows, profits, effective rates, revaluations, ultimate product costs and more.
11. **Training** - the business understanding of Foreign Exchange relating to Spots, FECs, resultant cash flows, accounting issues, costing & hedging. Understanding the impact of foreign exchange exposures on your business.

Valufin is totally Independent & Transparent

We work with your banks & brokers and if appropriate we can introduce other providers. Our revenue is not linked to the provider that supplies the currency service to you, you pay us an agreed fee which less than your gains.

Registered by the Financial Services Board in South Africa –FSB Ref 41552

Registered by the Financial Services Authority in United Kingdom –FSA Ref 592294

Registered as Money Services Business with HMRC – MLR Ref 12701572

Knowledge

- ✓ Record import and export transactions
- ✓ Identify currency mix
- ✓ Create a time map of exposures
- ✓ Determine natural hedges
- ✓ Track shipping changes
- ✓ Be aware of supplier and customer behaviour

Risk Evaluation

- ✓ Risk profile of the business/industry/stakeholders
- ✓ Price elasticity
- ✓ Time and currency risk

Strategy

- ✓ Which providers and instruments to be considered
- ✓ Use of interest rate mismatching
- ✓ Portfolio approach
- ✓ Risk reporting
- ✓ Decision making process
- ✓ Delegation of authority
- ✓ Management assurance
- ✓ Effective Rate key to accurate management

Transact

- ✓ Monitor currency market
- ✓ Determine instrument & provider
- ✓ Negotiate rates

Manage

- ✓ Capture online exposures and hedging
- ✓ Confirmations verified
- ✓ Audit trail of all activity
- ✓ Costing rates for internal product pricing
- ✓ Accurate raising of values in ledger

Report

- ✓ Exposure and Risk reporting
- ✓ Accurate shipment profit determination
- ✓ Revaluations of unrealised position
- ✓ Year to date profit and loss
- ✓ Cash flow management

Systems

- ✓ Online Forex Risk Manager (FRM)
- ✓ Online workflow, assessment and alert management
- ✓ Permission & Access controls
- ✓ Position visibility to customer & Valufin
- ✓ Modular and Tailored

Costs

- ✓ Retainer (full treasury service)
- ✓ Percentage of turnover (infrequent transactions)
- ✓ Percentage of gain (single transaction)

Valufin fees are a percentage of savings on rates negotiated.

Therefore you have an immediate benefit from the first transaction

Further bonus on direct savings –

Immediate financial & operational benefits:-

- Accurately priced forex forward & swap rates
- Reduced costs to manage
- Risks are known & controlled
- Decision making management information
- Truly accurate business & product accounting
- Service is provided in all related matters
- Hosted - IT is totally taken care of
- Available globally on 24/7 basis

Your Outsourced Foreign Exchange Advisors and Managers

Transparency, Independence, Service, Trust The *currencies* that make the difference