

FOREX, BROKING AND HEDGING SERVICES

JP Integra Group's principals have over eighty years combined experience in international financial and capital markets which enables us to provide substantial savings to clients with foreign exchange, broking and hedging requirements.

Who do we assist?

- Family Offices and HNWI's with assets and liabilities in multiple jurisdictions and currencies
- Private Funds with international investments
- Companies with multi-currency payroll obligations and/or multi-currency investments
- Asset Managers with globally diversified trading and investing requirements
- Investment Managers unable to secure standard Prime Broker and Custodian services

How do we assist?

We reduce client costs, reduce risk, improve operational delivery and enhance investment returns.

We evaluate the trading or investing strategy and suggest solutions that are appropriate to the client's needs. We can facilitate trade execution, broking relationships, banking services, prime broking arrangements, foreign exchange hedging and risk management.

What does the process involve?

A prospective client completes a questionnaire which provides us with an outline of the types of financial products they own or invest in, their custodial and brokerage arrangements or requirements, their foreign exchange conversion needs and other relevant information regarding their international financial activity.

We discuss the client's needs to focus on the key deliverables that they are seeking and agree the scope of our services. We devise a solution that addresses the client's needs, and on acceptance of our proposed solution, we work with the client to implement the strategy with their existing counterparties or with additional counterparties depending on whichever is most appropriate.

How long does the process take?

The consultation services to evaluate the client's needs and to provide an enhanced service solution typically takes two weeks. Where new counterparties, such as brokers and custodians are to be instructed there is an onboarding process that varies from provider to provider, but with our assistance and knowledge of the various providers, we are able to expedite this process.

What contracts are required?

We will enter into an engagement letter with you that will provide for an agreed consultative fee. We will negotiate terms with banking and brokerage counterparties and the client (or its managed entity) will enter into the relevant operating agreements with the counterparties.

How much does it cost?

Depending on the solution provided, there may be no cost at all to the client. For Forex and Hedging strategies we typically charge on the basis of savings delivered so there is no cost to clients; instead we receive a small percentage of the saved transaction costs directly from the relevant broker. For specific consultative services and bespoke solutions (such as negative interest mitigation on large EUR deposits) we will charge an agreed professional service fee based upon an estimate of time and complexity of the task.

Case Studies/Examples

Family Office

A family office oversees international business with offices in New York City and London and five residences in different countries and the running costs for these residences in four different currencies; USD and GBP for the two offices, USD for the home properties in New York City and Florida, GBP for a London apartment, EUR for a property in the South of France and CHF for a mountain chalet in the Swiss Alps. The income is mainly investment returns and dividends derived in USD and GBP with some EUR from activities in Europe.

The challenge in the first instance was to match the incomes with the expenses where possible and then to implement a foreign currency management plan to ensure a timely and efficient allocation of income and resources to meet operating expenses for the offices, residences and living expenses in the different domiciles while also meeting relevant business and taxation obligations. This methodology allowed efficient management of cash flows while also providing more financial certainty between business and investment income and outgoings related to international lifestyle expenses.

Private Equity Fund

A recently established African based, private equity fund involved in the mining, energy and real estate sectors. The fund's projects span a number of sub-Saharan African nations including Namibia, Nigeria, Ghana, Guinea and South Africa. The investors in the fund are generally invested in USD but often this is different from their home currency leading to individual FX exposure.

Business activities include importing equipment and components from Europe and the US to facilitate mining production as well as importation of solar and kinetic electricity production components. Additionally, mining production will result in USD and EUR receipts while electricity production typically results in local currency payments. While there are local currency expenses for infrastructure construction and employment, the fund reports in USD and there is obviously exposure to foreign exchange fluctuations.

JP Integra has been engaged particularly to identify key areas of foreign exchange exposure. Ongoing work is a fee based consultation service to devise a foreign exchange strategy to be implemented by the fund.

Private Fund

A fund established by JP Integra has different currency share classes to cater for investors from different countries including the US, UK, EU states and Switzerland. The fund's investment activity is in GBP and JP Integra was engaged to assist with hedging the foreign exchange exposure created between the various share classes to ensure that detrimental movements in the exchange rates do not have a negative impact on returns in the various share classes.

In addition, because of its size and stature, this fund was unable to secure a Prime Broker arrangement in the traditional manner – an increasingly frequent challenge for investment managers. As JP Integra also conducts the administration for the fund, as part of its NAV calculation, it is able to conduct the consolidation of reporting from the different banks and brokers that would normally be carried out by a Prime Broker. This service typically saves fees and also overcomes the challenge of securing a Prime Broker.

International Company

A major Middle Eastern based construction company with a multinational workforce including labourers from the UAE, Pakistan, India and the Philippines has been looking for a third party to facilitate payments to them in their home currencies as they traditionally repatriate their wages to their families back home.

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Questionnaire for Asset Managers

Trade execution facilities							
Do you participate in trading financial products? If yes, please indicate products							
FX	Equities	CFDs	Options	Swaps	ETFs		
Commodities	Other derivative products		Structured products		Others		

Would you like to discuss			
Execution capability	Market / Product range	Access to a specific market	

Prime Brokerage & Custody	Y	N
Are you reviewing your existing relationships at present?		
Do you require Prime Broking arrangements?		
Would you like to explore alternative arrangements to Prime Brokerage?		
Do you have custody requirements or are you looking to change provider?		

Forex hedging & conversion	Y	N
Do you invest or trade internationally?		
Do you have a formal FX hedging strategy?		
Do you use a non-bank third party for international payments?		
Have you considered an international currency management strategy?		

Other activities	Y	N
Are you involved in international investment projects or other activities?		
Do you allocate investment for third parties?		
Are you seeking investment?		
Do you require access to services in other countries / jurisdictions?		

Person completing the form

Name (print):

Title:

Company:

Email address:

Telephone Number (including country code):

Date:

Contact:			
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