

Client: Managing Partners Limited
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MPL launches Swiss Franc share class

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Managing Partners Limited, the boutique fund manager, has launched a Swiss Franc share class in its Traded Policies Fund to meet the appetite from Swiss investors for investment vehicles denominated in their domestic currency, of which there is a limited supply.

MPL also anticipates growing demand from Swiss investors for an asset class that delivers steady, incremental returns uncorrelated to the financial markets, which are beset by a high level of volatility.

The volatility seen this week in the Swiss Franc highlighted the risks they – and investors globally – face when investing in foreign assets without currency hedging in place. The new Swiss Franc Growth share class is available to both institutional and retail investors.

TLPs are US-issued whole of life policies sold before their maturity date to allow the original owners to enjoy some of the benefits during their own lifetimes. They offer investors the security of knowing exactly what amount will be paid out upon maturity, but not when. Therefore fund managers need to carry out prudent actuarial analysis and sufficient diversification.

Jeremy Leach (pictured), Managing Director of MPL, says: “Swiss investors have a fairly limited range of investments denominated in their own currency. But investing in assets priced in foreign currencies has been particularly costly for them in the last few years because the Swiss Franc has appreciated so strongly, thanks to its peg against the Euro, neutralising and even negating any investment gains. One of the biggest challenges they now face is that the Franc has become more volatile. But they are no more willing to take risks with currency exchange rates than any other investor. This week’s events emphasised the importance of launching our new share class, which is fully hedged so Swiss investors can enjoy potential returns of between eight and 10 per cent without the currency risk. Given there are no other TLP funds denominated in Swiss Francs we expect significant support for this share class, especially at a time when global financial markets are so volatile.”

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