

Managing Partners Limited (MPL) 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.

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, according to MPL.

Jeremy Leach, Managing Director of MPL, commented: “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, neutralizing 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 emphasized 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.”

Traded life policies (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.

MPL says its research shows that TLPs are uncorrelated with other major asset classes, particularly in bear markets. Compared with the JPMorgan Global Aggregate Bond Index, over the last year - when bonds have struggled - correlation with major markets is negative at -45%. The Cayman-island based Traded Policies Fund offers share classes denominated in US dollar, Sterling, Euro, Yen, and Swedish krona.

The minimum direct investment in the fund is £35,000 but the fund can also be accessed via insurance bonds or SIPPs for £2,500.

The new Swiss Franc Growth share class is available to both institutional and retail investors. For further information on Managing Partners Limited range of funds visit

www.managing-partners.com