



## The Currency Exchange Fund N.V.

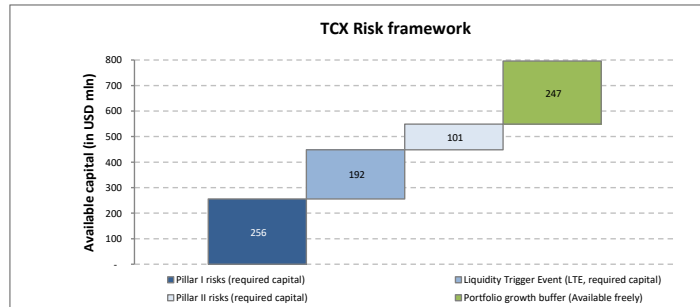
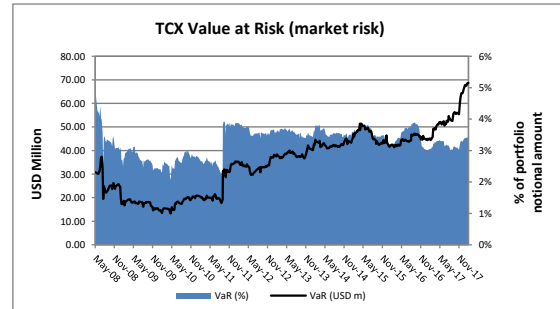
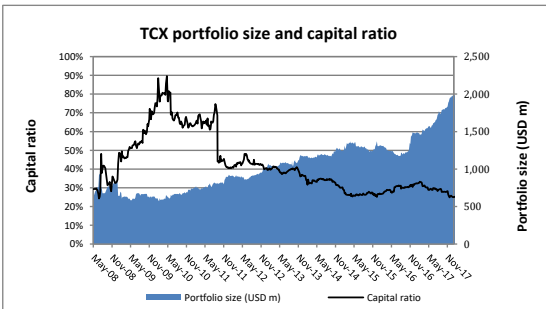
### Monthly Report February 2018

Profit / Loss	Feb-18 (USD million)	2018 ytd (USD million)
Realized net interest income/loss on swaps/forwards	3.9	8.9
Realised FX result on principal for swaps/forwards	-1.5	-5.0
Unrealised (MtM) income/loss on swaps/forwards	3.0	20.5
Results on liquidity investments, incl. translation gains/losses	-0.1	2.8
Results on other items, incl. translation gains/losses	-0.8	1.7
Operational expenses	-1.3	-2.3
Other income / expenses (incl. interest on debt)	-1.0	-1.4
<b>Net profit/loss realised</b>	<b>2.2</b>	<b>25.2</b>

On a significant portion of its local currency derivatives portfolio (typically 20%-30%), TCX is short EUR as opposed to USD. This short EUR position is managed in two ways: first, through the purchase of EUR denominated securities (the 'liquidity' portfolio), and second through EUR:USD swaps. These instruments combine to create a matching long EUR position that is designed to neutralize the P&L impact of EUR:USD exchange rate movements. However, for IFRS reporting purposes, the derivatives and securities portfolios must be reported separately. Depending on the movements of the EUR:USD exchange rate, this can lead to reporting translation losses on the liquidity investments. Such losses are always offset by gains on the EUR leg of the local currency derivatives where TCX is short EUR.

#### VaR and capital efficiency

Market risk exposure (USD million)	68.7
Market risk exposure (% of notional exposure)	3.7%
Capital / Risk Weighted Assets	24.9%
Available Capital (USD million)	796.6
Diversified 12m FX stress test (USD million)	144.7
Undiversified 12m FX stress test (USD million)	499.2



#### Currency exposures

