

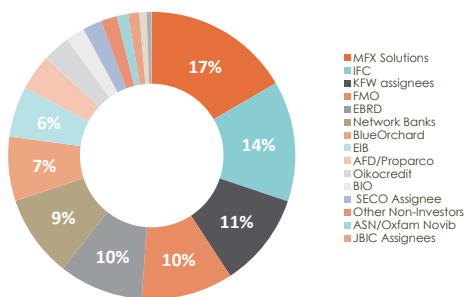


The Currency Exchange Fund N.V.

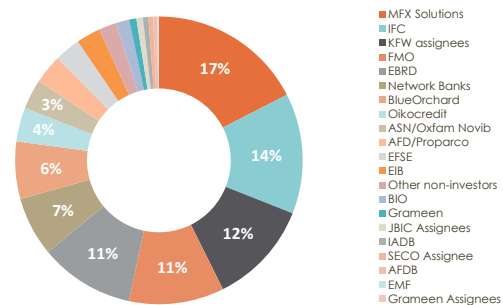
Monthly Report October 2020

TCX Derivatives Portfolio	Long local Currency	Short local Currency	Net Exposure (Long-Short)	Gross outstandings (Long+Short)	Net Exposure Dec-2019	Gross outstandings Dec-2019
By type of investment						
Primary	3,085	183	2,902	3,269	2,648	3,356
Trading	-	-	-	-	5	5
Hedging (LCY:USD)	10	1,150	(1,140)	1,160	(843)	863
Total LCY portfolio	3,095	1,333	1,762	4,428	1,809	4,225
Hedging (EUR:USD)	371	34	338	405	291	311
Total TCX portfolio	3,467	1,367	2,100	4,834	2,100	4,535

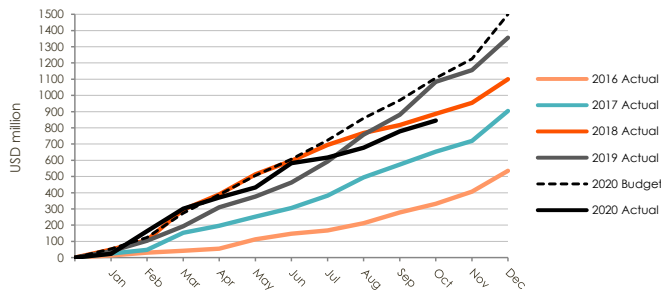
Primary production per counterparty, 2020 ytd (excluding bonds)



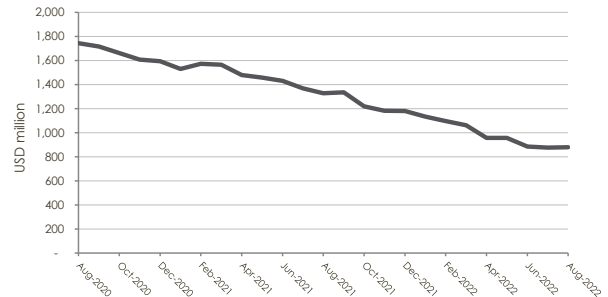
Primary outstandings per counterparty (excluding bonds)



Primary production 2016-2020 (excl. bonds)



Maturity Profile: net LCY portfolio



Profit / Loss	Oct-20 (USD million)	2020 ytd (USD million)	2019 (USD million)
Realized net interest income/loss on swaps/forwards	6.3	103.8	123.5
Realised FX result on principal for swaps/forwards	-7.7	-50.0	-43.6
Unrealised (MtM) income/loss on swaps/forwards	9.3	-64.5	34.6
Results on liquidity investments, incl. translation gains/losses	-0.5	14.0	15.1
Results on other items, incl. translation gains/losses	-0.3	2.1	4.3
Operational expenses	-1.7	-9.8	-11.9
Other income / expenses (incl. interest on debt)	-0.4	-4.8	-7.7
Net profit/loss realised	4.96	-9.14	114.3

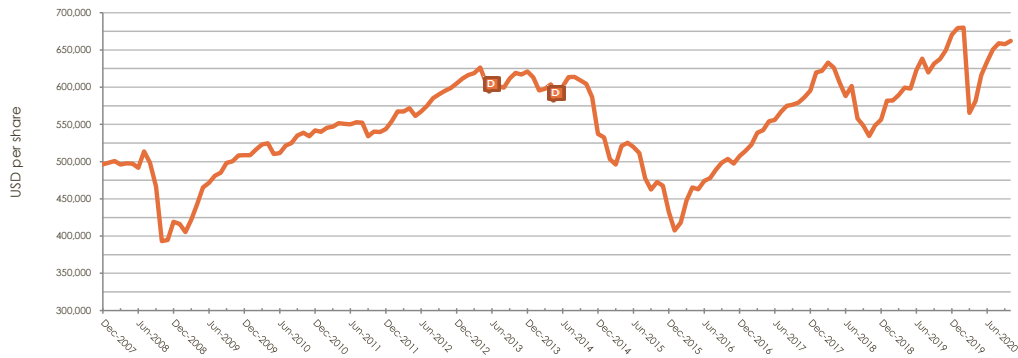
On a significant portion of its local currency derivatives portfolio (typically 20%-30%), TCX is short EUR as opposed to USD. This short EUR position is managed in two ways: first, through the purchase of EUR denominated securities (the 'liquidity' portfolio), and second through EUR:USD swaps. These 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.



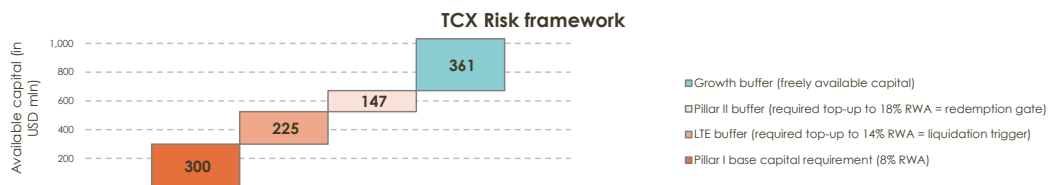
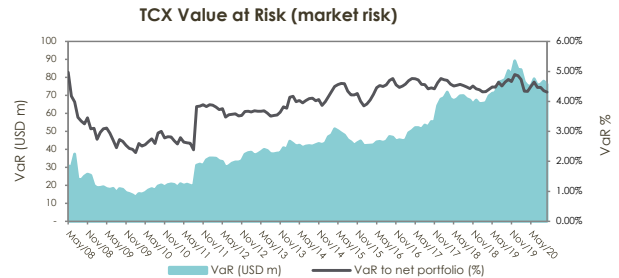
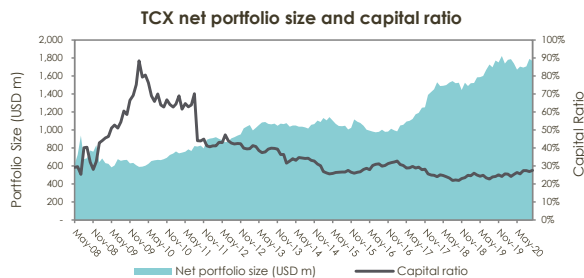
hedging frontier currencies

The Currency Exchange Fund N.V.
Monthly Report October 2020

TCX Net Asset Value per A-Share



NAV performance	Oct-20 (USD million)	2020 ytd (USD million)	Oct-20 (USD/share)
NAV at start of period	742.1	751.3	657,899
P/L in period	5.0	-9.1	4,399
Issuance & redemptions in period	0.0	4.9	0
Distributions to shareholders	0.0	0.0	0.0
NAV at end of period	747.1	747.1	662,298
VaR and capital efficiency	Oct-20	Sep-20	Dec-19
Market risk exposure (USD million)	76.2	78.0	89.2
Market risk exposure (% of net notional exposure)	4.3%	4.4%	4.9%
Available Capital (USD million)	1,014.0	1,008.9	1,025.0
Risk Weighted Assets (USD million)	3,672.7	3,755.7	4,236.8
Capital / Risk Weighted Assets (Capital Ratio)	28%	27%	24%
Available Capital cushion (capital in excess of 14% minimum, USD million)	499.8	483.1	431.9
Available Capital cushion (as percent of Available Capital)	49%	48%	42%
Available Liquidity (USD million)	1,087.3	1,095.6	1,035.0
Diversified 12m FX stress test (USD million)	167.9	172.2	182.9
Available Capital/Diversified 12m FX stress test (USD million)	6.0	5.9	5.6
Undiversified 12m FX stress test (USD million)	563.4	574.8	631.6
Available Capital / Undiversified 12m FX stress test (USD million)	1.8	1.8	1.6
Ratio Undiversified/Diversified stress test	3.36	3.34	3.45

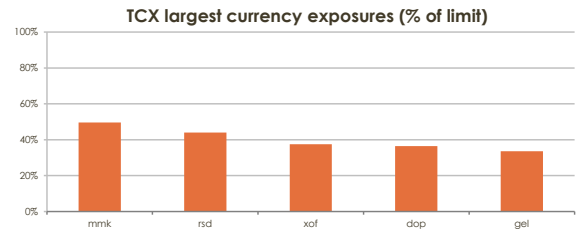
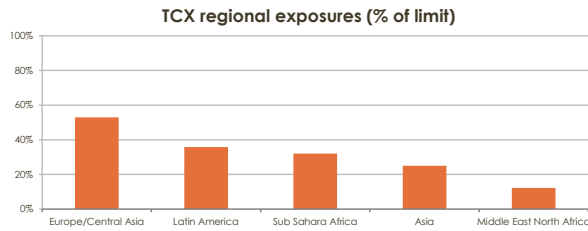




The Currency Exchange Fund N.V.

Monthly Report October 2020

Currency exposures



Country Classification

