



Investor  
Services

# Currency Overlay

## Case Study

Partnering with Marval Capital Ltd. to mitigate risk and reach new investors



## Business case

Marval Capital, a Canadian asset manager, has been running a high-performing fund (Marval Guru Fund) focused on the Indian market, capitalizing on its transition into a developed economy. As news of their success reached the United States, the next step in their growth involved bringing on new investors, and they were looking for ways to tap into this new market.



## Managing currency risk

Marval Capital had done the hard work in developing and implementing a successful investment strategy, catching the eye of US investors. But US investors in a Canadian fund face an issue: the USD/CAD exchange rate. While performance in the fund may be very strong, potential large swings between the Canadian dollar (the base currency of the fund) and US dollar (the base currency of the investor) can threaten the end performance for US investors. As a result, Marval Capital was looking for a way to manage this FX exposure.



## Currency Overlay

A tailored hedging strategy

Marval Capital understood the risk of USD/CAD volatility and made the decision that a hedged USD share class was the right approach. After the new USD share class was opened, RBC Investor Services (RBCIS) and Marval Capital agreed on a hedging strategy and timing to align with US investor subscriptions and net asset value (NAV) calculations. Marval Capital can now more effectively highlight their successful strategy in the US strictly based on fund performance rather than currency fluctuations, giving them a powerful new tool to reach new investors.

# Unlocking the benefits of our tailored solution

The impact of our partnership



## Enhanced focus on core business

Given the nature of the currency overlay program, Marval Capital has automated the go-forward effort in managing their currency hedge. They can sharpen their focus on fund performance and investor management, rather than on a share-class currency hedge.



## Dedicated service

Marval Capital and the RBCIS FX desk are now well connected and regularly exchange market insights. RBCIS has also facilitated further connections across the RBC enterprise, further deepening the partnership between Marval Capital and RBC more broadly.



## Tailored FX solution

The currency hedging solution was tailored specifically to meet the challenges faced by Marval Capital. Hedging trades were specifically timed to match USD share class subscriptions and NAVs, allowing the US-hedged fund performance to more effectively match that of the CAD-denominated fund.



## Expanded reach

With the launch of the TP Marval India Fund—a US feeder fund that pools US capital directly into Marval's flagship India strategy, the Marval Guru Fund—Marval Capital is now accessible to American allocators. This allows the firm to expand its on-shelf offerings and reach a wider investor base. Meanwhile, the USD-hedged share class of the underlying strategy continues to attract steady inflows.



## Enhanced transparency

Marval Capital has access to regular reporting from both internal RBCIS sources and external independent best execution analysis, giving them confidence in their FX execution quality.

*“Marval Capital Ltd.’s partnership with RBC on the currency hedging program has significantly enhanced our ability to manage FX volatility for the Marval Guru Fund.”*



## We're here to help

Interested in learning more about our solutions?  
Get in touch with our team for more information.

Contact us today



Investor  
Services

[rbcis.com](http://rbcis.com)