



SUNGARD AVANTGARD TREASURY

FX Management

AVANTGARD FX MANAGEMENT

Movements in market foreign exchange (FX) and interest rates can substantially affect a company's income. To manage this risk effectively an organization needs an up-to-date enterprise-wide view of risk positions and market rates. Also, the ability to look at exposures across both the balance sheet and cash forecasts is essential for a complete picture.

In many companies however this process can be complicated by multi-solution operations where broken processes must be patched together, generating significant issues in the reconciliation of workflow and data. Not only is this practice time-consuming, costly and risky; it is also unnecessary.

AvantGard can help. AvantGard FX Management is an integrated solution that can support corporations in cutting costs and reducing economic risk related to FX exposure by providing them with a single, integrated system for real-time FX and interest rate exposure management across all asset classes.

IMPROVED VISIBILITY OF CASH & RISK

It is critical that treasurers leverage their ability to closely control FX risk and hedging. By connecting to FX platforms via AvantGard FX Management, treasurers are able to gain access to all of the FX exposure data they need—quickly and on-demand. Corporations will therefore be facilitated in better driving STP and improving their visibility and control over cash and risk.

By automating the entire trade lifecycle, from pricing and capture to settlements processing, treasurers will be able to increase trading throughput and capacity. Additionally, because AvantGard FX Management automates the process of aggregating and validating data from multiple source systems, companies will be able to gain greater efficiency, transparency and control over forecasted cash flow exposures.





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SOPHISTICATED FX EXPOSURE CALCULATION, ANALYSIS AND DECISION SUPPORT

AvantGard FX Management is a Web-based solution that interfaces with FiREapps™ and interacts with any data source, including enterprise resource planning (ERP), general ledger (G/L) and data warehouse systems, to deliver timely and complete FX exposure analysis. Providing a transparent view of currency exposures, the platform streamlines collaboration between corporate treasury and local finance operations.

Focused on the most challenging and time-consuming aspects of foreign exchange exposure management, AvantGard FX Management delivers process automation from data to decision:

- Automatic exposure calculation enhances frequent monitoring and timely decision-making.
- Dashboard and detailed views of FX exposures by account, entity or user-defined group promote complete understanding of all sources of currency exposure and risk.
- Business rule-driven recommendations, including hedging, intercompany settlement, and cash conversion based on a company's risk management and operating parameters, support more consistent, predictable results.

IMPROVE DATA TRANSPARENCY

Corporations need dependable data to help improve productivity, reduce risk and exposure, and ease the compliance burden. However, they are often challenged by disparate, duplicate or inadequate information flowing throughout their organization, making it difficult to capture the data needed to make sound business decisions.

Operating in a global economy makes FX exposure unavoidable. Often, exposures in overseas investments can be rolled up and hidden in the balance sheet of a foreign subsidiary. Where complete data is not available, some companies may be conservative in their hedging strategies to avoid over-hedging. This approach can lead to unnecessary cost and risk. Therefore, the treasurer needs transparency to all of the data to fully understand the exposure that the business is running and to make the correct hedging decision.



REDUCE RISK

AvantGard FX Management gives treasurers confidence in, and control of, their organization's FX risk management program. As a result, treasurers can efficiently manage risk across a broader portfolio of currencies within tighter risk management parameters, improving the effectiveness of hedging and internal exposure management actions without increasing the possibility of over-hedging.

REDUCE COSTS

AvantGard FX Management provides a consolidated view of exposures from across the enterprise, enabling treasurers to reduce transaction costs by taking advantage of natural hedges and by eliminating operational sources of volatility. Empowering treasurers to manage exposures from a variety of different perspectives including global, regional, and entity-level as well as by account groups and account types, AvantGard FX Management maintains an efficient framework for balancing corporate and business unit risk management objectives. Displaying exposures and their relative risks so that treasurers can evaluate them at a glance, AvantGard FX Management ensures that exposure management actions are optimized to provide the most risk reduction at the lowest cost.

INCREASE OPERATIONAL EFFICIENCY

AvantGard FX Management tackles the hardest part of the foreign exchange exposure management process by automating the capture and aggregation of exposure data. Treasurers can focus their time on analysis and decision making versus compiling data and managing spreadsheets. To further support in-depth analysis, AvantGard FX Management's Web-based analytics and reporting facilitates a consensus view of actual and forecasted exposures between



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corporate treasury and local finance managers. Integrated feeds to trading platforms and treasury workstations effectively support Straight-Through-Processing and efficient hedge accounting.

THE SPEED AND CONVENIENCE OF SOFTWARE AS A SERVICE

A web browser is all that's needed to access all of AvantGard FX Management's powerful data management, analysis, decision management and reporting tools. Organizations can get started using AvantGard FX Management with minimal IT involvement (most companies are able to begin seeing results in just a few weeks). AvantGard FX Management customers benefit from new features and enhancements without installing or upgrading any software.

TRADING AND TREASURY INTEGRATION

Connect to Downstream Treasury & Trading Systems

Automates trade execution by a straight through process of currency actions to FX trading platforms. Closes the loop for end-to-end FX exposure management by integrating hedge data from treasury workstations into future exposure analyses and risk mitigation decisions.

Data Management

- Interactivity With Any Exposure Data Source
- Balance Sheet Exposure Data Aggregation
- Forecasted Cash Flow Exposure Data Aggregation

Exposure Analysis

- Detail on Economic/Accounting & Account/Entity-Level Exposures
- Exposure Analysis Alerts
- FX Gain/Loss Analysis
- Long/Short Position Analysis

Exposure Calculations

- Balance Sheet Exposure Calculation
- Forecasted Cash Flow Exposure Calculation
- FX Rate Data Feed & Custom Rate Upload



Decision support

- Hedge recommendations
- Internal Banking

Reporting

- Detailed Exposure Analysis
- Exposure & Balance Trends
- Company Exposure, FX Actions & Revaluation Balances
- Account Discrepancies, New Account Definitions & Trade Feeds

Key Challenges:

Timely Data Capture for efficient automation, aggregation and calculation of FX exposure

Complete and accurate exposure calculation

Increased Transparency to underlying summary G/L forecasted and actual balances that create exposure

Optimized risk management decisions

Benefits:

- Improved operational efficiency
- Dynamic exposure management
- Quick decision to action turnaround

- Eliminate hidden risks
- Eliminate over/under hedging

- Aligned FX Gain/Loss expectations
- Proactive management of accounting volatility

- Improved multi-currency accounting
- Optimized risk management program performance balancing cost control and risk priorities
- Adaptable to current business conditions and risk tolerance

www.sungard.com/avantgard

For more information, contact us at avantgardinfo@sungard.com

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