

Coalition for Epidemic Preparedness Innovations

Hedging Policy

Objective

The purpose of this policy is to describe how the Coalition for Epidemic Preparedness Innovations (CEPI) will manage the risk and protect to the greatest extent possible the value of its pledge contributions from financial exchange (FX) volatility. The main objective is capital preservation, not to maximise returns.

Policy statement

CEPI was established with the intention of financing vaccine research and development (R&D) programmes for a group of vaccine preventable diseases with epidemic potential.

CEPI's intention is to provide long term support to the sector, which will require additional resources, and CEPI will continue to raise additional funds going forward, in several different currencies.

It is decided that the operational currency of CEPI will be the United States dollar (USD) and that the R&D funding programmes would be denominated in USD to minimise CEPI's exposure to currency fluctuation risks.

CEPI's current donors have agreed to provide their pledges in a mix of currencies. This gives rise to a currency mismatch for CEPI and a risk that due to currency movements CEPI is not able to provide the support committed to its R&D programmes. CEPI will have operating expenses in various currencies, and will need to take this into consideration in its hedging strategy.

CEPI's FX risk can be hedged using standard financial market tools.

CEPI is committed to:

- Seek to use approved hedging strategies to eliminate, to the extent possible, the maximum amount of FX risk in its pledge portfolio.

Staff responsibilities

- CEPI's Director of Finance & Operations shall present a review of the actions taken under the hedging policy to the Board at least once a year.

Current version	1.0
Approved by CEPI Board	November 2017
Owner	Chief Financial Officer
Flow through	N/A
Linked documents	N/A
Past versions	N/A