

Interest Rate Risk – Case Study

With any major investment, surety of cash flows and minimising the cost of funds are of vital importance.

Rochford partners with you and your Bank to ensure any hedging solutions undertaken is best aligned to your objectives and executed in an efficient manner, on fair terms.

[Contact us](#) today to discuss our experience and advice in managing interest rate risk on your business.

Case Study

An Australian fund manager was launching a new AU\$1bn property fund with 60% leverage. As a condition on the financing, 50% of the debt must be hedged.

Rochford advised and implemented the following strategies:

- Analysed and quantified the risks involved.
- Analysed the swap curve, evaluated the hedging solutions available and aligned the hedging strategy with fund objectives.
- Managed counter-party negotiations covering pricing, structure, documentation and execution.

With our support:

- The swaps were executed on significantly more favourable commercial terms than would have otherwise been achieved
- The swap execution was phased overtime to minimise the near term impact on distributions/cash flow.