

Firm Brochure

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This brochure provides information about the qualifications and business practices of The Cambridge Strategy (Asset Management) Limited. If you have any questions about the contents of this brochure, please contact us at +44 (0)20 7659 9840. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about The Cambridge Strategy (Asset Management) Limited also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

If you are amending your brochure for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the brochure or on the page immediately following the cover page, or as a separate document accompanying the brochure. You must state clearly that you are discussing only material changes since the last annual update of your brochure, and you must provide the date of the last annual update of your brochure.

Not Applicable.

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Advisory Business

Firm Description

The Cambridge Strategy (Asset Management) Limited is an independent, boutique asset management firm based in London with research and trading offices in Hong Kong and Australia and a marketing and client service office in the USA (New York).

The Cambridge Strategy (Asset Management) Limited was incorporated in England and Wales on the 3rd April 2006, and the Company registration number is 5766019. The firm previously traded as Hammond Black Limited, but the name was changed in July 2007.

It is a Private Limited Company and is equally owned by its three senior principals:

Edward Baker (former CIO of Emerging Markets at Alliance Bernstein)
Russell Thompson (former Head Trader of Asian Markets at AIG Trading)
Peter Henricks (former CEO of Alliance Capital, Asia)

The Cambridge Strategy (Asset Management) Limited is authorised by the U.K. Financial Services Authority ("FSA"), registered as an Investment Adviser with the US Securities and Exchange Commission ("SEC") and the SFC in Hong Kong.

Types of Advisory Services Offered

The Cambridge Strategy (Asset Management) Limited offers global currency alpha, active currency overlay, Asian long/short equities and emerging markets equities and macro programmes.

Fees and Compensation

- A. *Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.*

Note: *If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.*

The Cambridge Strategy (Asset Management) Limited is compensated for advisory services as follows:

Management Fee – % per annum, calculated and payable monthly

Incentive Fee – % of the gain of the net asset value (NAV), payable semi annually (calculated on periods ending 30 June and 31 December)

Note: As mandates can have many different facets, the fee structures are negotiated on a client on client basis.

Management Fees are based on the NAV as of the first business day of each month and payable by the client.

- B. *Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.*

Not Applicable

- C. *If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.*

Not Applicable

- D. *If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.*

Not Applicable

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Not Applicable

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Not Applicable

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Not Applicable

4. If you charge advisory fees in addition to commissions or mark-ups, disclose whether you reduce your advisory fees to offset the commissions or mark-ups.

Not Applicable

Performance-Based Fees and Side-By-Side Management

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

The Cambridge Strategy (Asset Management) Limited is compensated for performance based on a predetermined water mark and calculated as a % of the gain of the net asset value (NAV), payable semi annually (calculated on periods ending 30 June and 31 December)

Note: As mandates can have many different facets, the fee structures are negotiated on a client on client basis.

Types of *Clients*

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Institutional pension plans
Banks/ insurance companies
Multi-managers

Minimum account size is USD 10 mm

Methods of Analysis, Investment Strategies and Risk of Loss

- A. *Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.*

Currency:

Our currency programmes aim to profit from short and medium term moves in the currency pairs. To achieve this, the firm employs a systematic approach, designed to perform across diverse market environments. The process combines three families of decision making tools: a Systematic Technical Strategy, a systematic Fundamental strategy and a market information strategy. The systematic Technical Strategy uses a series of proprietary trading algorithms operating over multiple timeframes. The algorithms combine trend continuation and trend reversal signals. The Systematic Fundamental Strategy reflects a predetermined set of positions designed to select “market” views on the relative attractiveness of currencies versus the US dollar. Assets are allocated to the Systematic Fundamental Strategy based on proprietary measures of volatility in the global currency markets (in high volatility markets – the allocation is reduced and when volatility is low the allocation is increased). The market information strategy leverages the experience and global network of our portfolio managers to understand and exploit the behaviour of other market participants and to participate in hedging investment flows. We believe that the long run success is achieved through successful mitigation of downside returns (with risk controlled at the portfolio, strategy and individual trade levels). While a daily VaR limit is enforced at both the aggregate portfolio and sub-strategy level, a further layer of risk mitigation is incorporated within each strategy. For the systematic technical and market information strategies each trade is given a risk allocation based on our assessment of appropriate Extreme Risk Adjusted Trade Size (ERATS) using a proprietary methodology. Within the Systematic Fundamental strategy, the aggregate net US dollar exposure is maintained at zero.

Equity:

The Global Emerging Markets Equities Programme combines both top down and bottom up components. We believe that at any point in time there is an identifiable set of factors that drive earnings, valuations and stock prices in the short to medium term. These factors can be macroeconomic, cyclical or structural and can be global, regional or country specific. Identifying these key drivers and market expectations for them is the first step in our investment process.

Our stock selection then identifies those stocks that offer attractive risk/reward characteristics relative to these key drivers. This will sometimes lead us to pursue contrarian opportunities but in other cases stocks with high expected earnings potential will be attractive. As a result our investment approach has both ‘growth’ and ‘value’ elements and leads us to a ‘style’ neutral portfolio. We believe that corporate governance is a significant element of any stock’s risk/reward profile and our research addresses the subjective issues that link corporate governance to valuations.

Regional and country allocations are actively managed reflecting three elements: top down assessments, bottom-up opportunities and risk controls. Country risk remains the largest element of portfolio risk in emerging markets and effective risk control requires careful attention to country weights. Currency exposures are a related source of portfolio risk and reward and are explicitly managed. Although our bias is to be long emerging market currencies, there are times when the signals from our proprietary currency models motivate us to hedge our exposures.

Portfolio tracking error is carefully monitored and kept below 8%. We feel that exposure limits are

the most effective risk control tool available and limits are set at the region, country, sector and individual stock levels. Liquidity is carefully monitored and we avoid holdings that cannot be liquidated over a reasonable time frame.

We invest in non-benchmark stocks, including holdings in frontier markets. These will generally be smaller holdings and they will only be maintained when we believe they offer exceptional upside potential. The portfolio is limited to a total of 20% in the frontier markets.

Macro:

The process is anchored by the belief that by utilising a combination of both top-down and bottom-up approaches in currencies, equities and debt, investment opportunities can be clearly identified and exploited. The first element of the process is to identify the key cyclical and structural factors that we expect to emerge over the short to medium term (and whether these factors are best exploited through rates, equities, currencies, or a combination of them). A risk management overlay is employed to ensure that the portfolio is not overly concentrated in any type of instrument and allows the portfolio to be calibrated to match a preset threshold of maximum acceptable downside risk.

Within the equity component, securities are selected to capture the top-down factors through analysis that incorporates rigorous bottom-up methods to reflect the view on a sector, stock or country. A key element is the identification of powerful drivers of global markets. Within the currency component, the team looks to profit from short and medium term moves in currency pairs, utilising an approach designed to perform across diverse market environments. Within the rates component, decisions are made on both a top down and bottom up basis and are designed to profit from price anomalies and future directional moves. Implementation of the portfolio is undertaken on both a relative value and directional basis.

- B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.*

Currency:

Active risk management is a core part of our strategies. Risk is monitored on a real-time basis at the Portfolio level, where daily VaR is set at a pre-determined level. A daily Var is also maintained within the Technical and Fundamental Strategies. We use proprietary systems and external systems such as CRM, Algorithmic and Bloomberg to monitor risk.

Equities:

Portfolio tracking error is carefully monitored and kept below 8%. We feel that exposure limits are the most effective risk control tool available and limits are set at the region, country, sector and individual stock levels. Liquidity is carefully monitored and we avoid holdings that cannot be liquidated over a reasonable time frame.

Macro:

Risk control is a critical component in the team's investment approach as the portfolios are managed to add value and ensure that risk/reward dynamics are appropriate. Within the strategy, risks are controlled and no arbitrary risk allocations are made to strategies that are not working.

We practice this at trade, asset class and portfolio levels. Positions are sized to equalise risk (measured by volatility) contribution between asset classes. A flexible but disciplined risk management framework aims to lock in profits on winning positions and cut losses on losing positions.

While the investment strategies followed by Apollo's investment team are typically thematic and are usually medium to long term in nature, the actual trades executed to implement the ideas are constantly monitored and may be frequently adjusted. The risk of underperformance is monitored and controlled on a position-by-position basis.

- C. *If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.*

Not Applicable

Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

The firm and its management personnel have had no legal or disciplinary event resulting in action or judgement.

Other Financial Industry Activities and Affiliations

- A. *If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.*

Not Applicable

- B. *If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.*

We have an application pending with the NFA as a CTA NFA ID 0395258

- C. *Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.*

1. *broker-dealer, municipal securities dealer, or government securities dealer or broker*
2. *investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)*
3. *other investment adviser or financial planner*
4. *futures commission merchant, commodity pool operator, or commodity trading advisor*
5. *banking or thrift institution*
6. *accountant or accounting firm*
7. *lawyer or law firm*
8. *insurance company or agency*
9. *pension consultant*
10. *real estate broker or dealer*
11. *sponsor or syndicator of limited partnerships.*

Not Applicable

- D. *If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.*

Not Applicable

Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

- A. *If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.*

The employees and management are aware of the confidentiality of the work they undertake, and they sign a confidentiality agreement on starting employment with the company. At the same time employees and management are made aware of insider dealing rules. Internal checks are in place to limit/negate any such occurrence. The firm has a best execution policy that is in accordance with the Mifid directive.

We have a Compliance Officer, Compliance staff and a compliance committee who along with the fund Directors take part in checks and controls. We also employ an independent external compliance firm who visit the office on a monthly basis and advise us of updates to regulatory rules and conduct an ongoing compliance audit.

We have a code of ethics that is available to clients on request.

- B. *If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.*
Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

Not Applicable

- C. *If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.*

See A. above. We also have personal account dealing guidelines of which all staff are aware and are available for client review on request.

- D. *If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.*

See A. Above.

Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

Brokers are not recommended to clients.

When selecting brokers for client accounts, the firm focuses on the quality of execution capabilities and cost. Given Mifid requirements, best cost of execution is considered key.

In relation to soft dollars, if the firm receives such costs they are used to the benefit of client accounts as per FSA requirements

- a. Explain that when you use client brokerage commissions (or mark-ups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.*

Any research received would be used to the benefit of client accounts

- b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favourable execution.*

Not applicable

- c. If you may cause clients to pay commissions (or mark-ups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.*

Not applicable

- d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.*

Soft dollars would be used to the benefit of accounts that relate to the soft dollar

- e) Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or mark-ups or markdowns) within your last fiscal year.*

Research.

Types of research received would include access to analysts and strategists for discussions, written research reports and access to management of companies on broker sponsored research trips.

Review of Accounts

- A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.*

Our Investor Relationship Managers report back to clients at the minimum on a monthly basis. We provide written market summaries and performance reports along with any specific reports as requested by the client.

- B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.*

See A.

- C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.*

See A.

Client Referrals and Other Compensation

- A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not Applicable

- B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

We maintain the right to use 3rd party marketers to attract investors. We have executed the necessary checks to ensure they are of good standing and have appropriate regulatory registration, and work with them under the constraints of a legal contract.

Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

We do not hold client monies. Any client monies invested in one of our “Funds” are held in a custodian account and managed by the Fund Administrator. For managed account investors, monies are held and controlled by their own Custodian/Fund Administrator

Investment Discretion

If you accept *discretionary authority* to manage securities accounts on behalf of *clients*, disclose this fact and describe any limitations *clients* may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (*e.g.*, execution of a power of attorney) The Cambridge Strategy manages client monies in accordance with the powers given under individual client investment management agreements.

Voting Client Securities

- A. *If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.*

Not Applicable

- B. *If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.*

Not Applicable

Financial Information

- A. *If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.*

Not Applicable

- B. *If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.*

Not Applicable

- C. *If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.*

Not Applicable

Requirements for State-Registered Advisers

- A. *Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.*

See Form ADV

- B. *Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.*

Not Applicable

- C. *In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person are compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.*

- D. If you or a *management person* has been *involved* in one of the events listed below, disclose all material facts regarding the event.

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Not Applicable

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Not Applicable

- E. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

Not Applicable