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ACT Currency Partner AG

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This **brochure** provides information about the qualifications and business practices of ACT Currency Partner ("ACT"). If you have any questions about the contents of this brochure, please contact us at +41 43 499 06 40 and/or info@act-currency.ch. 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 ACT Currency Partner also is available on the SEC's website at www.adviserinfo.sec.gov.

ACT Currency Partner is a registered investment advisor. Registration as investment advisor does not imply any level of skill or training.

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Item 4 Advisory Business

- A. ACT Currency Partner AG ("ACT") was formed as *adam currency trading AG* in 1992 by Felix Adam in Zug, Switzerland. The name was changed to ACT Currency Partner AG in 2004. The company is principally owned by Felix Adam (CEO).
- B. ACT provides investment management services mainly to institutional clients and high net worth individuals focusing on foreign exchange and precious metals trading. The company manages a hedge fund and separately managed accounts.
- C. Clients investing through separately managed accounts may impose restrictions on the products (currencies, precious metals) and instruments (spot, options) traded, the maximum leverage used and the maximum loss limits accepted.

As of 31st March 2013 ACT managed 14'000'000\$ in the fund and in managed accounts on a discretionary basis.

Item 5 Fees and Compensation

- A. Fees charged to clients of separately managed accounts are established in written agreements. They consist of a 1-2% p.a. management fee. Fees are negotiable depending on the account size. The Fund charges a management fee of 2% as outlined within the offering memorandum.
- B. Fees on separate managed accounts are either deducted from the clients' assets or billed to client in arrears.
The management fees for the fund are accrued on a monthly basis and paid to ACT in arrears.
- C. There are no other fees than management and performance fees for managed account clients. There are additional fees (director's fees, audit fees, legal fees, custodian fees, administrator fees) for fund clients.
- D. No fees are charged in advance.

Item 6 Performance-Based Fees

ACT charges 20% of any net increase in cumulative profits in the managed accounts.

ACT receives a performance-based fee out of the net assets of the fund, equal to 50% of any Net New Appreciation.

The performance-based fees are payable on a monthly basis.

Item 7 Types of clients

ACT manages a hedge fund and provides portfolio management services to institutional and mostly high net worth individuals.

The fund is available for Eligible Investors at a Minimum Initial Subscription amount of EUR 250'000 and a Minimum Additional Subscription of EUR 100'000. The Eligible Investor is defined in the Offering Memorandum as any natural person, firm or company who is not a United States Person or otherwise prevented from investing in the Fund by applicable securities laws, whose ordinary business or professional activity includes the buying and selling of investments, whether as principal or agent, or (if a natural person) whose individual net worth with his or her spouse is of sufficient size that such individual can bear the risk of losing his or her entire investment in Participating Shares.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

A. ACT is focusing on foreign exchange and precious metals trading. Currently there is one strategy active, the ACT Alpha Strategy.

- The ACT Alpha Strategy is a currency only strategy using foreign exchange forward, spot and option transactions with margin assets invested in call and fixed deposits with prime brokers. The currencies traded are in particular (but not limited to): EUR, USD, CHF, GBP, JPY, CAD, AUD, SEK, NOK, ZAR. The investment process involves several sub-strategies:

The *Positioning Strategy* is a breakout stop positioning process. The trade parameters are based on the trailing 3 day average range of each currency pair which determines guidelines for the head of trading to consider for the placement of entry and/or exit levels. It is the head of trading's responsibility to determine actual trading levels within these parameters for either position reversals (long to short or vice-versa). Normally, he will place trading levels within 50-75% of these guidelines and he has the right to adjust these levels throughout the trading day.

If the Head of Trading has a strong fundamental or technical view on a specific currency pair and expects a large move (in the magnitude of 10-20%), a *Game Plan* is setup. Fundamental and technical analysis of the bigger picture is done in an opportunistic way. Internal and also external views are taken into account to identify potential larger medium term currency moves. They can be based on indicators like PPP (Purchasing power parity), interest rate development, geopolitical catalysts, etc. Once consent on a new Game Plan is reached in the ACT investment team, risk budget, target and position size are determined, instruments (FX Spot or plain vanilla options) are chosen and an execution plan containing entry and stop loss levels is set up.

The third sub-strategy is a *short-term option strategy* which consists of discretionary volatility and directional bets.

B. In addition to possibly not achieving his investment goals, the investor could lose money by investing in ACT's strategies. There are market, credit and operational risks involved in ACT's investment strategies.

- *Market risk*: There is a risk that the investment incurs a significant loss due to unfavorable movements in the foreign exchange market. Although ACT puts in stop loss orders to all open positions, there is no guarantee that this stops will be executed at exactly the rate in volatile market periods.
- *Credit risk*: Clients face credit risk since their funds are deposited as margin with the prime broker and/or the custodian.
- *Operational risk*: There is a risk of operational losses due to human errors or system (computer, telephone) failures. ACT has established processes and rules to reduce this risk to an absolute minimum.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of ACT or ACTs integrity. ACT has no information applicable to this Item.

Item 10 Other Financial Industry Activities and Affiliations

- A. ACT is not registered and currently not planning to apply for registration as a broker-dealer
- B. ACT is not registered as a futures commission merchant.
- C. ACT introduces clients who trade for themselves to banks and brokers and collects a small fee for this.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ACT has adopted a Code of Ethics for all employees of ACT describing its high standard of business conduct and duty to its clients. The Code of Ethics includes provisions relating to ethical behavior, insider information, confidentiality, reporting of significant gifts and other benefits and among other things.

ACT is required to place the interest of Clients before their own interest. ACT seeks to avoid conflicts of interest with its clients and will take any and all appropriate steps consistent with its Code of Ethics to resolve any conflicts of interest that may arise.

All employee at ACT must acknowledge the terms of the Code of Ethics annually.

Item 12 Brokerage Practices

- A. ACT has entered into a Prime Brokerage agreement with 2 large dealer banks. There are 10 – 15 spoke banks under this PB setup. Hence trade execution for clients can always be done at or close to the best price in the market. The prime broker fees average between 0.0004% and 0.0008% of notional amounts.
ACT receives free research from execution banks, independent of the trading volume done.
ACT chooses counterparties based solely on execution pricing.

Item 13 Review of Accounts

- A. Client accounts and fund portfolio are reviewed by the portfolio manager and the risk manager on a daily basis.
- B. Na
- C. ACT can provide a detailed P&L report to separate managed account clients on a daily, weekly or monthly basis. Fund clients can request an NAV estimate on daily basis or a final NAV on a weekly basis.

Item 14 Client Referrals and Other Compensation

ACT has written agreements with unaffiliated parties for the referral of prospective clients. No additional costs or expenses result from this agreements to clients.

Item 15 Custody

ACT does not have custody of clients' funds or securities.

Item 16 Investment Discretion

Usually ACT receives discretionary authority from the client. The client and ACT enter into an individual asset management agreement. Investment restrictions must be provided in writing to ACT by the clients or should be written in the asset management agreement.

Item 17 Voting Client Securities

Since ACT is only trading FX, ACT does obviously not have authority to vote client securities.

Item 18 Financial Information

ACT has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. ACT has not been the subject of a bankruptcy proceeding. ACT does not require or solicit prepayment of any fees in a client account.

Thank you,

ACT Currency Partner AG

If you have any questions please contact ACT at +41 (0) 43 499 06 40 or info@act-currency.ch.