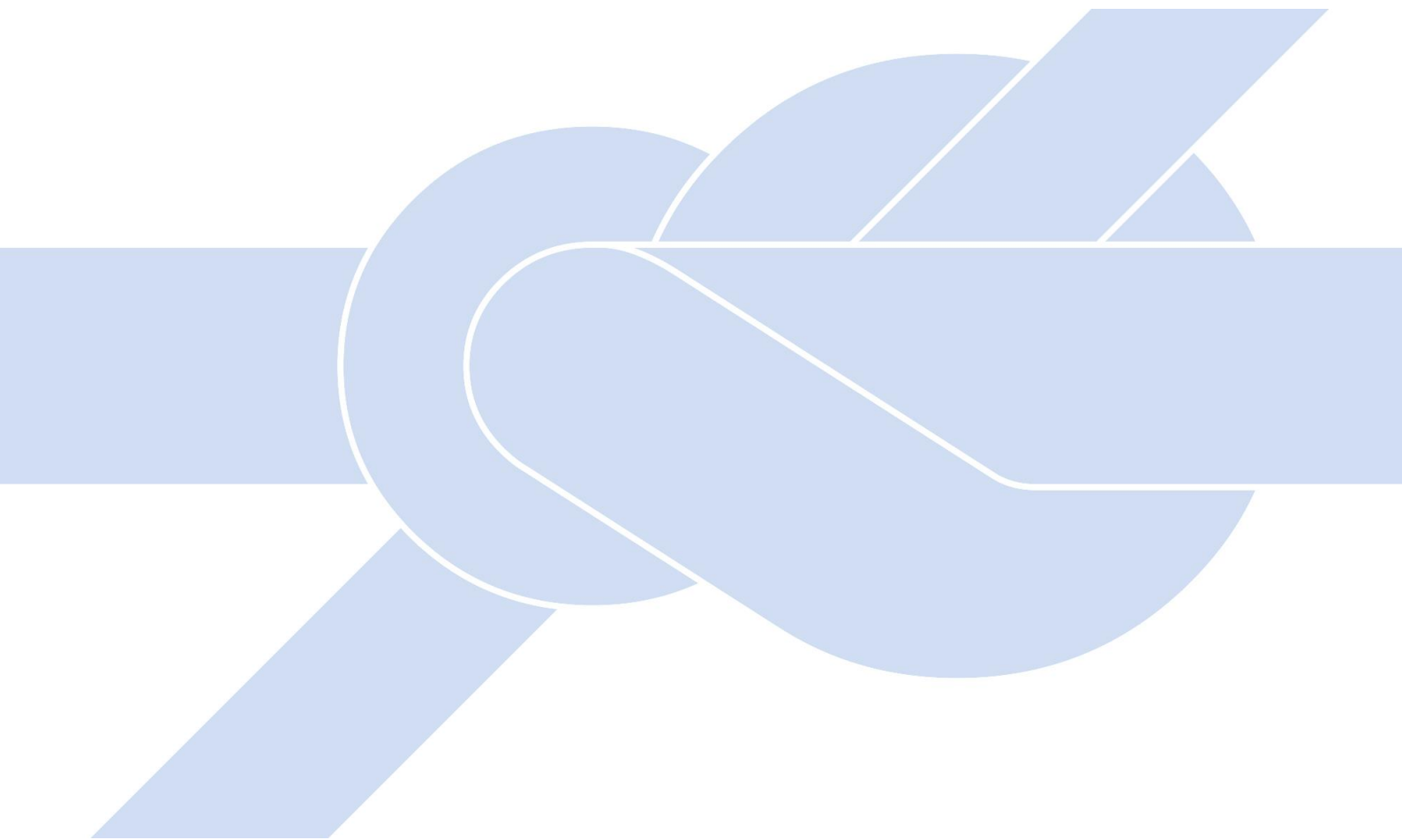




Form ADV Part 2A

Record Currency Management Limited (Record)

Brochure





Item 1. Cover Page

Record Currency Management Limited
Morgan House
Madeira Walk
Windsor
England
SL4 1EP

<http://www.recordcm.com/>

This brochure provides information about the qualifications and business practices of Record Currency Management Limited. If you have any questions about the contents of this brochure, please contact us at +44 (0) 1753 852 222 and/or ClientTeam@recordcm.com. 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 Record Currency Management Limited is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Record Currency Management Limited's CRD number is 110893.



Item 2. Summary of material changes

1. Item 5 – introduction of commission arrangements.
2. Item 14 – introduction of commission arrangement.



ITEM 3. Table of Contents

Item 1. Cover Page.....	2
Item 2. Summary of Material Changes.....	3
Item 3. Table of Contents	4
Item 4. Advisory Business	5
Item 5. Fees and Compensation	9
Item 6. Performance-based fees and side-by-side management	10
Item 7. Types of clients.....	18
Item 8. Methods of analysis, investment strategies and risk of loss	19
Item 9. Disciplinary information	23
Item 10. Other financial industry activities and affiliations.....	24
Item 11. Code of ethics, participation or interest in client transactions and personal trading .	25
Item 12. Brokerage practices.....	26
Item 13. Review of accounts	34
Item 14. Client referrals and other compensation	35
Item 15. Custody.....	36
Item 16. Investment discretion.....	37
Item 17. Voting client securities.....	38
Item 18. Financial information	39
Item 19. Requirements for state-registered advisers	40

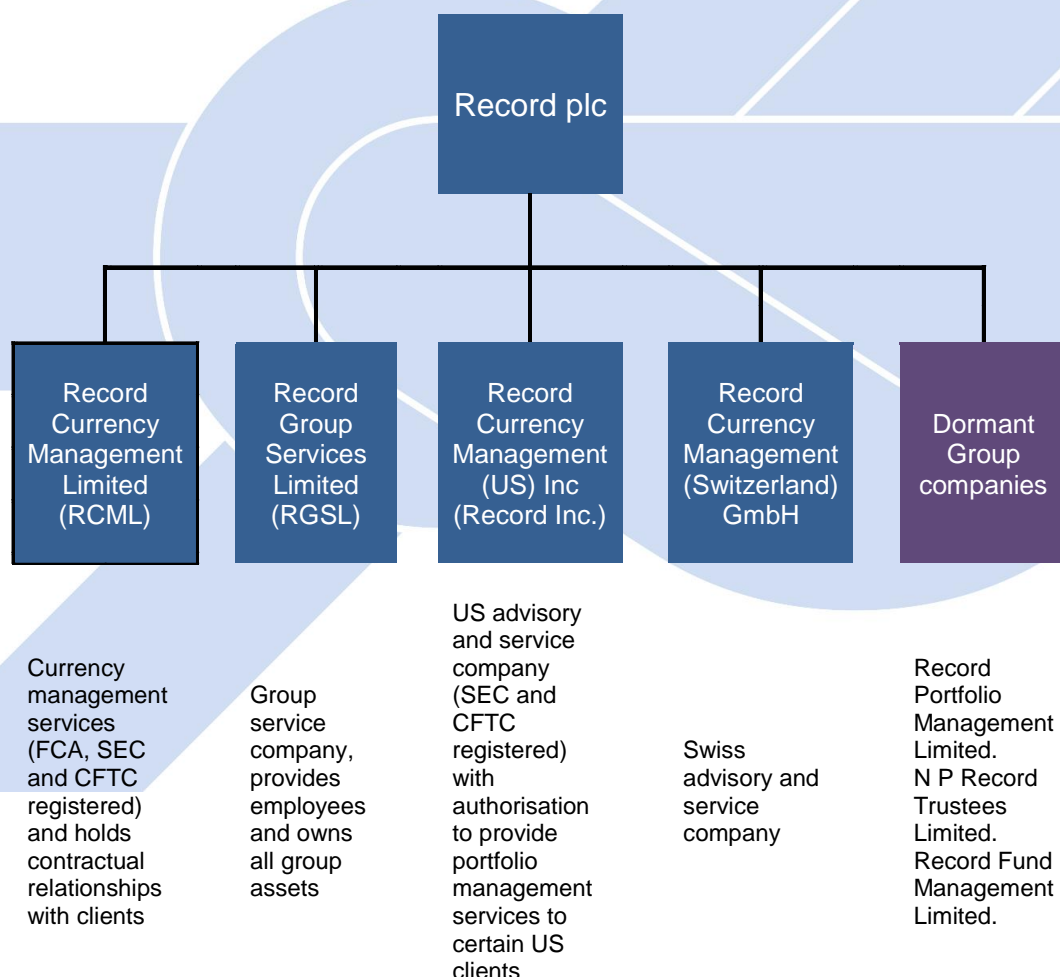


Item 4. Advisory Business

At Record, our principal focus is on currency management and developing a deep understanding of the risk and reward opportunities in currency markets. All currency management activities are carried out from our head office in Windsor, UK. Record Currency Management Limited (Record), Record Currency Management (US) Inc. (Record Inc.) and Record Currency Management (Switzerland) GmbH (Record Switzerland) are 100% owned by their parent holding company Record plc. Record plc is listed on the Main Market of the London Stock Exchange since our IPO in 2007.

Record was founded in 1983 by Neil Record and is a regulated provider of currency management services. Directors and staff have a majority interest in the firm.

Our corporate and regulatory structure is shown on the following diagram and tables:





Record plc's ownership structure as at March 31, 2020 is as follows:

Shareholder group	% shares owned
Record plc directors	45%
Other Record Group employees	8%
Other investors	47%

Advisory Services

Record provides investment advisory and implementation services to its clients of appropriate categorization. The specific services provided by Record to a particular client depends upon the investment objectives and restrictions, investment instrument limitations and guidelines agreed with the client, as set forth in the documents governing Record's agreement with the client.

Record provides advisory services and implementation through separately managed accounts, and through funds under the laws of a number of jurisdictions.

Record operates various types of currency mandates for clients:

(a) Passive currency hedging

Passive hedging removes a fixed proportion of currency risk, both upside and downside. Record's Passive Hedging programs are designed to minimize transaction costs and to make the resultant cash flows easier to manage. We offer additional services to target opportunistic value through active tenor management. Record also offers certain individual component parts of its passive hedging offering on their own or in combination to achieve the Client's specific objectives as set out in the Investment Management Agreement. Record currently offers its Passive Hedging as a segregated mandate.

(b) Dynamic currency hedging

Dynamic hedging varies the size of the hedge through time depending on the price path of the exchange rate, aiming to participate in the upside (i.e. base currency appreciation) and protect against the downside (i.e. base currency depreciation), in accordance with the investment strategy of the mandate. Record currently offers its Dynamic Hedging as a segregated mandate.

(c) Signal currency hedging

Signal hedging varies the size of the hedge through time, taking into account exchange rate movements, currency over- and under- valuations, and relative interest rates to determine the



size of the hedge. Signal hedging aims to participate in the upside and protect against the downside. Record currently offers its Signal Hedging strategy as a segregated mandate.

(d) Currency for return

Record currently has a suite of five currency for return strategies being Carry, Value, Momentum, Range-Trading and Emerging Markets. Record's investment philosophy is underpinned by a belief in the transparent exploitation of well-understood, persistent risk premia and inefficiencies observed in the FX market.

Carry is the empirical observation that high interest rate currencies tend to outperform lower interest rate currencies over the medium-term.

Value is the observation that over the long-term currencies will revert to fair value, such that undervalued currencies will appreciate and vice versa.

Momentum is the observation that currencies tend to trend, appreciating after a prior appreciation and vice versa.

Range-Trading is the observation that currency volatility tends to be elevated in the short-term relative to the medium-term.

Holding Emerging Market currencies targets to benefit from real exchange rate appreciation as a result of the economic convergence of emerging markets to developed markets, as well as offering higher positive real yields.

Additionally, Record is able to offer combinations of these strategies under a Multi-Strategy approach that seeks to target a diversified source of return from the currency markets through a combination of market inefficiencies and risk premia. By combining multiple return drivers, returns are targeted from a variety of market conditions and reduce the correlation of their currency program to other asset classes.

(e) Ancillary services

- (i) Cash Management – Clients with one of the above services (a-d) or on a standalone basis can have cash management services and/or equitization services relating to a quantum of cash set aside to support the currency program or to enable them to achieve specific objectives.
- (ii) Currency Execution – Record offers unconflicted fiduciary currency execution services in currency spot and forward transactions.



- (iii) Currency Audit – we examine and analyze foreign exchange deals done for a Client by its third-party providers and compare that performance against our in-house and / or third-party databases of historical currency rates to see whether excess costs have been incurred, and give advice on how to avoid them in the future.
- (iv) Collateral Management – where employed to perform collateral management services for our Clients, we manage and monitor daily FX margin requirements and collateral, either due to a regulatory requirement or the Client's choice of collateralized bank lines. Our offering includes a full spectrum of services, including margin determination, processing and movement as well as helping in any operational interaction with counterparty banks (e.g. CSA negotiation) and/or an FX prime broker.
- (v) Provision of signals – for the Client to trade (or have traded) on their own or their clients' accounts.
- (vi) Partnerships – Record acts as a referral agent for specific third-party investment management strategies.

Our advice is limited to the types of investments stated above.

AUME

As a currency manager Record manages only the impact of foreign exchange and not the underlying assets, therefore its "assets under management" are notional rather than tangible. To distinguish this from the AUM of conventional asset managers, Record uses the concept of Assets under Management Equivalents ("AUME") and by convention this is quoted in US dollars.

AUME composition by strategy (US Dollars)	June30, 2020		March 31, 2020	
	US \$bn	%	US \$bn	%
Dynamic Hedging	2.9	5%	2.5	4%
Passive Hedging	53.9	85%	50,3	86%
Currency for Return	3.1	5%	2.6	4%
Multi-product	3.2	5%	3.0	5%
Cash & Futures	0.2	0%	0.2	0%
Total	63.3	100%	58.6	100%



Item 5. Fees and Compensation

Currency for return, passive and dynamic hedging fees consist of either a management fee based on the gross value of currency positions managed or a lower management fee on the same terms with an additional performance fee charged on returns above an agreed benchmark. There are no standard fees as all exposures have their own unique characteristics.

Fees may vary according to complexity (non-standard implementation), mandate size, gearing and return target offered. In addition, clients who have seeded strategies or who have been early participants in strategies may have received preferable rates. Average fee rates are available in the annual and semi-annual report and accounts.

Record typically invoices clients quarterly in arrears for fees due.

Clients may also be subject to additional fees in relation to services provided by Record but these fees are not controlled or influenced by Record. Typical types of additional fees that clients may face and consider are custodian fees and prime broker fees where applicable.

Record has never received any soft commission. Record has third-party introducer arrangements in place with respect to both clients being introduced to Record as well as Record introducing clients to selected partners. This is separately disclosed to any impacted client.

Record has a commission structure in place for new segregated mandates where eligible staff may receive a proportion of management fees which is independent of the Group Profit Share & Share Incentive Schemes.

Record compensates its affiliate, Record Inc. via a management fee agreement. Record's US sales executives receive a salary and participate in group profit share schemes.

Our only income, hard or soft, is either:

- Currency management activity – only fees Record receive are the fees paid to us by our clients. As a result, our execution of client trades is entirely price-driven i.e. to achieve the best possible outcome for our clients, with no other criteria (except for any agreed credit criteria) applied.
- Introducer fees – Record receives a percentage fee for clients introduced to selected partners. This is disclosed to any impacted client.



Item 6. Performance-based Fees and side-by-side management

Record has a fiduciary duty to its clients. This duty is appropriate in all cases where Record has discretion over the investment process. A brief summary of Record's commitment to this duty is demonstrated by the following:

- Record is regulated by the UK Financial Conduct Authority and as such has to adhere to the FCA's Principles for Business which includes items such as the need to act with integrity and to treat customers fairly.
- Record manages all its clients' accounts in accordance with contractually agreed investment guidelines.
- Any breach of these guidelines will be reported to the client in a timely manner.
- Record's main trade execution objective is to achieve the best possible outcome for its clients. This is done in accordance with our documented Best Execution and Order Allocation policies.
- Record's standard process is to set up a panel of banks with whom to trade on the client's behalf and this is done via netting agreements. This ensures diversification across a number of counterparties in order to reduce credit risk. Record has a documented Credit Risk Policy which makes this process clear.
- Record has Conflicts of Interest and Code of Ethics policies in place.

As per Item 5 above, currency for return, passive and dynamic hedging fees consist of either a management fee based on the gross value of currency positions managed or a lower management fee on the same terms with an additional performance fee charged on returns above an agreed benchmark.

The above combination means that Record operates "side-by-side management" of accounts in that we manage a variety of accounts which may in some instances be the same strategy for a different fee structure. This gives rise to potential conflicts of interests and we discuss below how these potential conflicts are dealt with.

Record manages all client accounts in the utmost good faith and our primary aim is to ensure we achieve the best results for our clients. Our dealing policies make our processes clear and adherence to these policies is ensured by management oversight, compliance oversight and both internal and external audit functions.



Conflicts of interest relating to performance based fees when engaging in side-by-side management

Record fees are derived from fees paid by clients and this can be on a fixed management fee or a management fee plus performance fee basis. It is standard practice to set management fee plus performance fee scales for clients at a modest premium to a management-only fee structure when viewed over a full cycle, such that Record is compensated for the additional volatility in revenues from performance fees. In other words, Record is indifferent to a management fee only or a management fee plus performance fee because in a full cycle of investment performance, both fee options would, broadly speaking, contribute similarly to shareholder value. This is a deliberate design characteristic to avoid any conflict between different fee structures.

A) Overview of products and services

1) Client dealing

Record has Best Execution, Order Allocation and Order Handling policies in place and all orders are executed in accordance with these policies.

All orders are generated in compliance with the parameters agreed with each Client and documented in the relevant Investment Guidelines. The majority of orders are systematically generated and the nature of the systematic investment process and the instruments that are traded means few conflict issues arise.

Timing of order execution

Client programs are set up within Record's systems to spread the daily trading activity across the trading day so that no individual client is always traded at the same time, but that clients participate in trading at different times of the day.

Disaggregation of orders

Client orders may be disaggregated prior to execution. This may be done to the extent required to achieve normal market size transactions that will be likely to result in the best price. Trades are generally executed in total and the client will receive their full allocation at point of execution.

Where trades for a number of clients are disaggregated and executed in tranches, the system ensures that each client participates in each tranche in proportion to their initial order, and hence achieves the same average price.



Aggregation of orders

Client orders may be aggregated during the execution process; aggregating buy orders, aggregating sell orders or aggregating buys with sells. In all cases, each client will receive the same price.

In the example where the net trade is a purchase, the client(s) on the sale side of the trade will benefit by receiving the purchase side of the price, and will have thus crossed the spread. The client(s) on the purchase side of the trade will also receive the purchase price. The client(s) on the purchase side is therefore not disadvantaged by the process of netting the trades; however, the client(s) may benefit from receiving an improved price due to the net size of the trade being smaller.

Discretionary decisions

Where discretionary decisions are made (either within the parameters of systematic strategy manuals or for bespoke discretionary currency management services), each decision takes account of any potential conflict. Discretionary decisions are made by members of staff who are not involved in the processing of orders and if any conflict is identified the order would not be processed.

Where discretionary override is permitted, the decision-making processes involve more than one individual and record-keeping rules require full documentation of reasons for the decision, taking account of individual client objectives (where the decision is specific to an account rather than across all accounts), base currency, exposure and market conditions at the time.

Record Inc. client dealing

Any Record Inc. client dealing is purely discretionary and is carried out in isolation. Individual(s) making such decisions may have access to Record client information, creating a potential conflict between Record clients and Record Inc. clients. Any decision to trade, or not to trade, is made independently and without taking account of any other group activity. To monitor and mitigate any potential misuse of this information, Record Compliance receives same-day reporting of the trades undertaken by Record Inc. on behalf of its clients.



2) RCML Non-execution services vs orders for clients

Hedging signals

Record may provide hedging signals to clients who subsequently execute trades themselves (or through a third party) over a period of time. Before or after providing these signals, Record may execute orders for other clients generated by similar (or different) signals. The independent and predominantly systematic nature of all signal- and trade-generating processes, and the controls set out above under “Discretionary decisions”, mean that no orders are executed for clients on the basis of any other client activity or orders.

Back office services

Record may provide trade booking, confirmation or other back office services to clients. In providing such services, Record will have access to detailed trade information from the Client which Record would not ordinarily have access to. This information is not taken into account in any way in relation to the ongoing discretionary management of any other client account.

3) Revenue / Income

Management Fees vs Performance Fees

Record fees are derived solely from fees paid by clients and this can be on a fixed management fee or a management fee plus performance fee basis. It is standard practice to set management fee plus performance fee scales for clients at a modest premium to a management-only fee structure when viewed over a full cycle, such that Record is compensated for the additional volatility in revenues from performance fees. In other words, Record is indifferent to a management fee only or a management fee plus performance fee because in a full cycle of investment performance, both fee options would, broadly speaking, contribute similarly to shareholder value. This is a deliberate design characteristic to avoid any conflict between different fee structures.

Benchmarks Record calculates for clients

Record will on occasion agree a bespoke benchmark with clients in order to measure performance of specific additional services. In these instances, the benchmark is agreed and calculation methodology agreed in principle. Record has in place robust procedures to ensure these agreed methodologies are adhered to and if any deviation occurs, these are raised with the relevant client in an open and transparent way.



Cash and collateral management

In certain circumstances, cash may be provided by clients to service margin requirements and / or service cash settlement arising from activity in one of Record's currency strategies. It may also be the case that any cash under management may be hedged by Record.

The appropriate amount of cash required to service margin and settlement is not absolute, and any cash provided by the client will increase and decrease as a result of positive and negative settlements respectively. Record will review cash under management for each client on a regular basis to ensure it remains appropriate for the purposes of margin and settlement. The amount of cash may be adjusted up or down as required to avoid any conflict with fees charged on cash management assignments, and / or fee income on hedging cash balances.

Directed brokerage

Neither Record nor Record Inc. pay or receive commissions for any orders executed. Futures orders have a fixed cost per transaction. Orders via prime brokers will be charged a fixed cost per transaction, subject to the total cost per month exceeding an agreed minimum fee. Clients may elect to trade via a smaller number or via named counterparties. This is the client's choice and Record and Record Inc. will execute orders within such parameters agreed with any client.

Discretionary decisions linked to increased fees

On some discretionary accounts, Record has the discretion to amend hedge ratios or add currencies to be hedged which would result in Record receiving additional fees. This conflict is managed by discretionary decisions requiring multiple approvals together with Record's fiduciary obligation to only do what is in the client's best interest.

4) Employee considerations

Incident management

Record has in place an Incident Management Policy to ensure all incidents are reported and all incidents are assessed by the Risk Management Committee against Record's Error Policy. If any incident is deemed an error, then an assessment of any compensation amount that may be due would be carried out.



Personal Account Dealing

In order to ensure clients' interests are put before those of any staff at Record there is a Code of Ethics in place which requires that staff provide duplicate contract notes within five days for all reportable transactions which are then reviewed by the Compliance Department. Certain instruments with an inherent conflict with the services we offer clients require prior approval which must also be obtained from Compliance.

It is possible for Record staff to invest alongside external clients in the Record Umbrella Fund. If this occurs then (1) staff will be treated *pari passu* with external clients and (2) dealing in these investments will be covered by the Code of Ethics policy, such dealing also includes strict rules governing when staff can invest in, or divest from, the funds.

Inducements

There is a Gifts and Entertainment policy in place to ensure that all gifts received or offered are appropriate and do not constitute an inducement of any sort. Compliance is involved in these processes from pre-approval in some instances to ongoing monitoring and record keeping.

Remuneration

Record and Record Inc. have never received any soft commission.

Record has third-party introducer arrangements in place for clients introduced through specific firms and the nature of the arrangement would be disclosed to any prospective client.

Total staff remuneration is not linked to specific department or client activity and the profit share is directly related to the total profitability of the company over a given period of time, currently six months. Record's Remuneration Policy is approved by the Remuneration Committee, which is made up solely of Independent Directors and any change to policy must also be approved by Compliance.

B) Record Group considerations

Record plc (RPLC) is listed on the London Stock Exchange and is the parent company of the Record group of companies. Clients contract directly with Record or Record Inc. being the two trading subsidiaries of RPLC and the regulated entities within the Record group which carry out all client trading.



Record Group Dealing

Record Group Services Limited (RGSL), a subsidiary of RPLC and a service company to the other entities within the Record group, seeks from time to time to convert non-Sterling receivables into Sterling. The direction of the trade is always the same. The order is placed by the Finance department, who are independent of the trading and portfolio management teams, and is passed to the traders for execution. Any such order is executed by the traders and strictly only after all trading for clients is completed.

Record cash reserves are managed in accordance with prudent and efficient treasury management principles. If a decision to use a foreign exchange forward for these purposes is made, this trade will always be executed after client trading has been completed.

Transactions where RPLC is involved

New strategies may be seeded by RPLC, and / or its Directors and staff from time to time and at the discretion of the Board of RPLC.

Seeded strategies are by their nature small in size relative to client mandates. Any transactions executed in respect of seeded strategies are likely therefore to have minimal market impact. To avoid possible conflicts, seeded strategies will, whenever possible, trade only after all client orders have been completed. However, on occasion a seeded strategy with specific investment objectives will be traded sequentially along with client orders. Any such strategy is only ever to establish a track record as part of new strategy procedures and will be specifically documented and available to any client on request.¹

In the event that such seeded strategies attract external investment, then RPLC, Directors and staff are treated *pari passu* with external clients, and any staff dealing is covered by the Code of Ethics.

Conditions for divestment of seed investments are such that no detriment is caused to any clients who have since invested in the strategy. Conditions for divestment are for the funds to have reached a certain size and for there to be a notice period of not less than one week between the decision to divest and the execution of that decision. Any subscription or redemption by staff is covered by the Code of Ethics and requires pre-approval by Compliance.

¹ At the discretion of the Record plc Board, other new strategies may be seeded.



Record plc, Record Currency Management Limited and Record Currency Management (US) Inc.

Should any situation occur when a conflict of interest arose between the interests of the client of Record or Record Inc. against the interests of the Shareholders of RPLC then such matters must be escalated to, and any decisions ratified by, the Audit and Risk Committee.

The income of RPLC is based on dividends supported by Record and Record Inc. fees, both management and performance based. The financial success of RPLC is therefore directly correlated with investor returns and AuME. In addition, the success of RPLC depends on maintaining strong long-term relationships with clients and a strong reputation in the market to attract new clients. Given the alignment of interests and the long term nature of the business model, a conflict between RPLC, Record and Record Inc. would be considered to be a rare occurrence.

Certain Executive Directors are also significant shareholders of RPLC and their financial interests are therefore significantly aligned to the development of the share price. A conflict could arise if management decisions were taken that favoured the short-term share price performance (prior to a large sale of shares) over long-term share price considerations. Given the predominantly systematic implementation of the strategies and the long term nature of the underlying client relationships there is little opportunity for such a conflict to arise. Where a management action is likely to affect the short-term share price performance the Board has the obligation and the power to manage that process, and where necessary, may limit the ability of the individuals, particularly those PDMRs or Investment Committee members recommending the measures, to trade for a period of time.

Client Referrals

Record and KPG Capital Partners, LLC have entered into an agreement pursuant to which KPG has agreed to introduce certain investors for whom KPG believes the services offered by Record are suitable. Except for the contractual relationship, Record and KPG are not affiliated with each other.

Record has agreed to pay KPG a percentage of the investment advisory fees and the performance allocations it receives as compensation for its services. Any client who decides to have their investments managed by Record will not be charged a higher fee than would otherwise be required because of the referral agreement in place.



Item 7. Types of Clients

In addition to investment funds, corporations, charitable organizations and pension plans, Record also works for quasi-governmental organizations, bank, insurance companies and a very small number of individuals who must be deemed elective professional clients under the FCA rules.

Record imposes a minimum account size because of the necessity of dealing in the interbank foreign exchange market. The minimum account size varies by strategy and is typically \$25 million for passive and dynamic hedging and segregated currency for return mandates. Minimum investment amounts for any pooled funds are typically €100,000 or equivalent.

Pooled funds are not currently publicly marketed in the US.



Item 8. Methods of analysis, investment strategies and risk of loss

Record typically uses statistical approaches to the measurement of currency risk, which is incorporated in its proprietary trading models.

The principal information sources used by Record in managing the currency exposures are live data feeds such as Reuters and Bloomberg. For historical analysis Record uses its own database of currency information built up from public sources, as well as data from an independent 3rd part currency TCA provider. The information is fed into our proprietary system to provide buy/sell instructions, for spot transaction and forward exchange contracts.

Record's core strategies are passive hedging, active hedging (encompassing both dynamic hedging and signal hedging) and currency for return mandates.

Passive Hedging

The passive hedging strategy is non-discretionary hedging of a proportion of the client's international assets. Passive hedging involves the symmetrical elimination of currency volatility, whether beneficial or adverse.

Record's passive hedging programs are designed to minimize transaction costs, to make the resultant cash flows easier to manage and to add opportunistic value through active tenor management.

Signal Hedging

The signal hedging strategy uses rule-based methods (based on interest rate differentials, momentum and value) that seek greater exposure to hedges that are expected to be profitable, and reduced exposure to hedges that are expected to be loss-making.

The quantitative signals are used to determine the hedge ratios on each exposure currency on a periodic basis.

Dynamic Hedging

The dynamic hedging strategy allows discretion around the extent of hedging in place and is systematically applied to remove foreign currency exposure during periods where those currencies are observed to be weakening against the base currency.

Dynamic Hedging imposes a systematic process seeking to protect clients from adverse currency movements, whilst allowing clients to benefit from positive movements. This is therefore an asymmetric process, which is designed to provide downside protection.



Currency for Return

The currency for return strategies use largely systematically applied proprietary investment approaches to seek to add excess return over an agreed benchmark.

Record has a range of return-seeking strategies. These take advantage of key return opportunities in the currency markets, in particular currency carry and emerging markets.

Carry

Carry is the observation that higher interest rate currencies tend to outperform lower interest rate currencies. At Record we regard carry as a fundamental and independent risk premium.

Returns vary according to the risk budget applied. Programs can be structured to meet a wide variety of risk/return objectives.

Emerging Markets

We have a range of strategies that are intended to exploit the long-term appreciation potential of emerging market currencies and Record offers both passive and active strategies through either pooled fund structures (pooled funds are not currently publicly marketed in the US) or segregated accounts. Opportunities also exist for optimizing existing emerging market currency exposure in underlying equity and bond portfolios.

Momentum

Momentum in currency is the tendency of the spot rate to appreciate after a prior appreciation, and to depreciate after a prior depreciation. This market inefficiency persists across different currency pairs. Currency is commonly thought of as trending and momentum strategies seek to make a return from this phenomenon.

Value

Record's research suggests that purchasing power parity (PPP) valuation models are relatively good predictors of the long-term direction of spot movements. For example, if a currency deviates too much from its equilibrium value (as indicated by PPP), then this deviation will correct. The more significant the deviation, the more pressure on the exchange rate to revert to fair value and, consequently, the more rapid the reversion. Currency value strategies exploit this insight, buying currencies that are undervalued relative to PPP and selling currencies that appear overvalued.



Range-Trading

Range-Trading in currency is the observation that short-term FX volatility overpredicts the drift of currencies over the longer term, on average. In markets where there is short-term excess supply versus demand, the price must move to incite the entry of liquidity providers to clear the mismatch. Once the imbalance is cleared, prices will likely revert towards their previous level. Range-Trading seeks to profit by selling (buying) currencies as they appreciate (depreciate) and buying (selling) them back as they revert. Positions are taken based on the delta of a hypothetical option position.

Multi-Strategy

Record's Multi-Strategy combines some or all of the five strands of Carry, Emerging Markets (EM), Range-Trading, Momentum and Value to create a balanced, well-diversified portfolio. Allocations to these strands can be varied on a judgmental basis, taking into account a number of forward-looking risk metrics. Carry and EM tend to perform well in risk-on environments, whilst the Momentum and Value strands exploit inefficiencies which exhibit low or negative correlation with the former two. Range-Trading is designed to profit when currencies have high daily volatility but do not trend over time. It exhibits low levels of correlation with risk.

Counterparty exposure

Due to the primary use of over-the-counter (OTC) instruments, clients have exposure to different counterparties. Record is conscious of this exposure and has in place a Credit Risk Policy designed to mitigate this risk (amongst others). This policy is overseen by the Risk Management Committee and counterparties credit ratings are reviewed daily. Additionally, variation margin may also be used or in some cases prescribed by regulation to mitigate and reduce counterparty exposure.

A copy of Record's Credit Risk Policy is available on request.

Record also promotes the investment strategy provided by its affiliate Record Inc. and other selected partners.

For completeness:

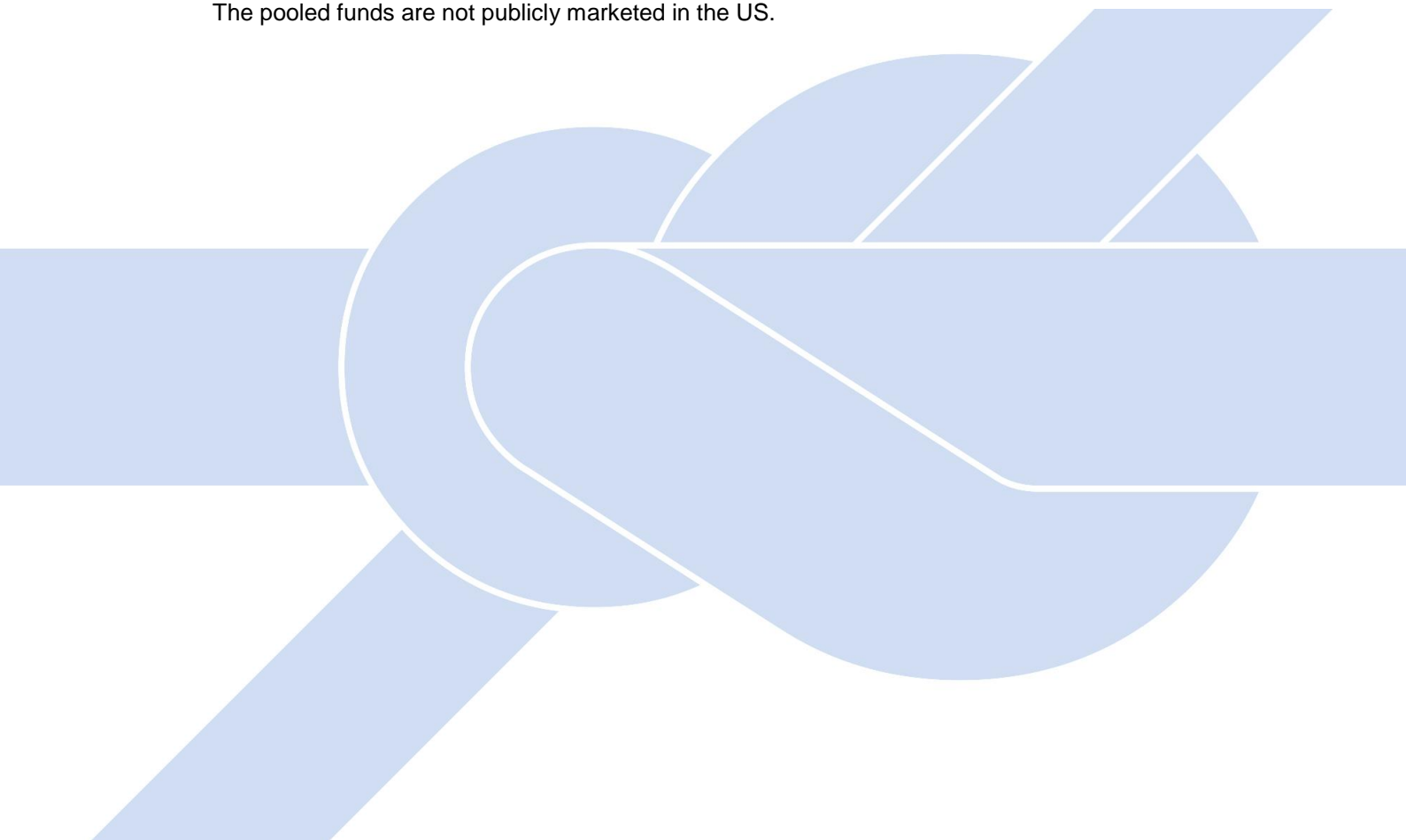
Record's affiliate, Record Inc.'s discretionary currency for return service seeks to generate alpha by combining various market pillars into a multi-dimensional investment approach. Through the amalgamation of various proprietary methods including discretionary, quantitative and qualitative inputs in macroeconomic and geopolitical insight, positioning and market



sentiment, price metrics and a multi-faceted approach to risk-management, the strategy develops a variant perception of future market direction and pricing. The strategy employs a dynamic and discretionary approach to portfolio positioning and adjustments in order to take advantage of changing and prevailing market conditions.

Record's selected partner, Teres International, provides bespoke return-seeking strategies designed for individual clients or within pooled funds. Each bespoke strategy would be agreed between the relevant Teres International Company and the Client.

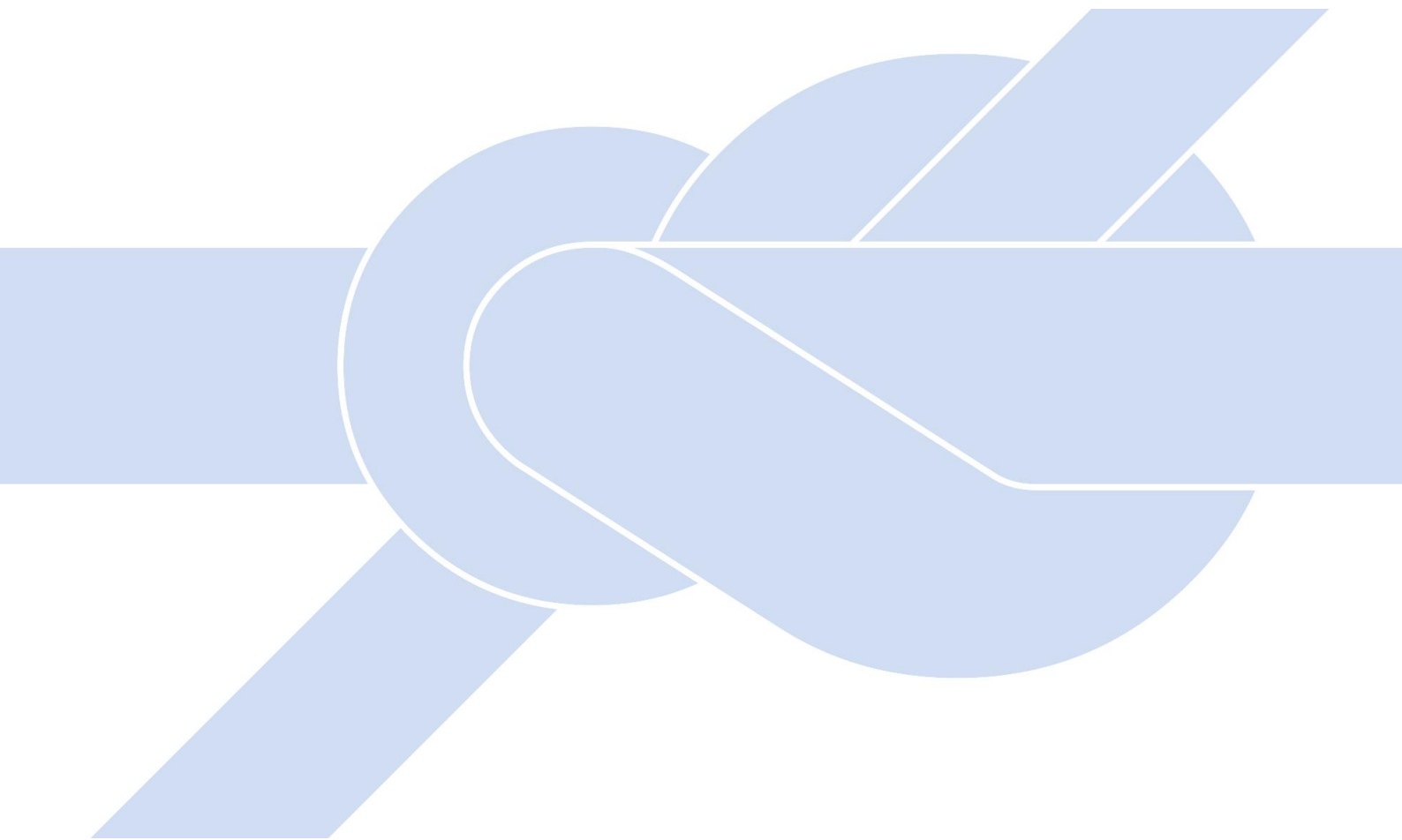
The pooled funds are not publicly marketed in the US.





Item 9. Disciplinary Information

Record has no legal or disciplinary events to report.





Item 10. Other financial industry activities and affiliations

Record has entered into a Client Referral agreement with KPG Capital Partners, LLC.

Record is Investment Manager to the Record Umbrella Fund, a Dublin based Qualifying Investor Alternative Investment Fund.

Pooled funds are not currently publicly marketed in the US.

Record Currency Management (US) Inc. (Record Inc.) is a 100% owned subsidiary of Record plc. The company was established as a service company to employ US staff and is registered as an Investment Adviser with the SEC and as a Commodity Trading Adviser with the CFTC. Record Inc. provides discretionary portfolio management services to clients, services to Record in the form of marketing, promoting Record's strategies & services, and advises a sub-set of Record's US clients.

Record has partnered to provide investment services and marketing for a selection of Teres International Group entities or clients, based in multiple jurisdictions for example Luxembourg.

Teres International is an investment firm that specializes in identifying investment opportunities at the juncture of technological advancement and the financial world. They work with their clients and partners to deliver bespoke structured financial and fintech solutions.



Item 11. Code of ethics, participation or interest in client transactions and personal trading

Record has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"). Record is required by Rule 204A-1 to adopt a code of ethics which, among other things, sets forth the standards of business conduct required of its Supervised Persons (as such term is defined in the Code of Ethics) and requires those Supervised Persons to comply with U.S. federal securities laws.

A strict dealing policy is in place and employee compliance is reviewed regularly. Shares in Record plc or any derivative or currency for profit transaction must be pre-cleared. Employees must obtain pre-clearance before directly or indirectly acquiring Beneficial Interest in any security in an Initial Public Offering or a Limited Offering. Other transactions must be declared on a quarterly basis.

For itself, the only financial market transactions that Record undertakes are spot and forward foreign exchange contracts as well as cash management activities. The sole reason for this is to ensure the foreign exchange receivables are fixed in Sterling terms i.e. a transaction hedge and efficient cash management.

A copy of Record's Code of Ethics is available on request.



Item 12. Brokerage practices

As a currency manager, Record as the client's agent undertakes currency spot and forward transactions with major banks. A panel of banks is agreed with each client or the client agrees to use Record's internally approved bank panel. It is Record policy that:

- All counterparties on the Approved Counterparty List must have long-term ratings from at least two of the following rating agencies: Moody's; Standard & Poor's; and Fitch;
- Where ratings differ between agencies, the lower rating will apply; where ratings are placed on watch for a downgrade, the lower rating (i.e. after the potential downgrade) will apply;
- A counterparty with a long-term rating at or above the minimum threshold set out below is included on the Approved Counterparty List;
- The minimum threshold for a counterparty to be included on the Approved Counterparty List is a long-term rating of A+/A1 for uncollateralised trading and a long-term rating of BBB/Baa2 for collateralised trading;
- Notwithstanding a long-term credit rating at or above the minimum threshold set out above, the Risk Management Committee may still decide not to include a counterparty on the Approved Counterparty List. A variety of factors will be taken into account including, but not limited to credit rating history, both long and short term, credit default swap daily price movement, and the regulatory regime covering the counterparty;
- Counterparties with a long-term credit rating of BBB/Baa2 and above may be included on the Approved Counterparty List, at the discretion of the Risk Management Committee, after careful consideration of factors including, but not limited to credit rating, credit default swap levels, the regulatory regime covering the counterparty and their capital adequacy rules, size and standing of the counterparty in the particular region and the status of any government backing;
- Any downgrades require the Risk Management Committee to re-affirm the inclusion of the counterparty on the Approved Counterparty List;
- The removal of a counterparty from the Approved Counterparty List will result in: (i) no new transactions, except to reduce risk; and (ii) run-off of existing transactions. In some circumstances, the Risk Management Committee may instruct outstanding positions to be closed and realized in a prudent, but timely manner, as approved under Section 5 Discretionary Decisions.



Collateralization

In order to mitigate credit risk, Record will look at various options that may include collateralization. In some jurisdictions, this may be driven by regulatory obligations. As there are various types of collateralized arrangements on offer, which may include an external party providing the collateralization services, each solution will be assessed on its merits. It is acknowledged that collateralization does not remove all credit risk. There is a risk that the collateral received from a counterparty does not cover the valuation of the position, for example where there is a minimum transfer amount, while any haircuts have an element of credit risk by their nature.

Best Execution Policy

This Policy describes how Record achieves best execution for its clients. At the outset the following factors should be borne in mind when reading this policy:

1. The Foreign Exchange Market (where the vast majority of Record trading takes place) is one of the most liquid and sizeable markets in the world with many competing market makers and with prices moving within milliseconds. As soon as a trade is struck the price will have moved. Transactions in the wholesale Foreign Exchange Market attract no direct fees; the bid/ask spread determines the price for participation.
2. Record does not earn commission on its trades and there are no conflicting entities within the Record Group.

1. Overview

1.1 Overview of Record's approach

Record operates under discretionary management agreements with each of its clients, which describe the Investment Guidelines within which Record can act. Record acts as agent for all orders that are executed. Record is not the counterparty to any of the orders executed; counterparties to the order are the client and the counterparty bank with which the order is executed. Record has no ties to any counterparty banks, does not earn commission on the orders it executes and there are no conflicting execution venues or counterparties within the Record Group. Record has a Conflicts of Interest Policy which is provided to all clients.



1.2 Scope of instruments covered

Record executes orders across multiple asset classes and, as at the date of this policy, the following are covered:

- Foreign Exchange (spot, deliverable forwards, non-deliverable forwards, options)
- Exchange Traded Derivatives (index futures, rate futures, bond futures)
- Fixed Income (Treasury Bills, Treasury Inflation Protected Securities (TIPS))

Record may occasionally deal in a variety of other instruments. Traders will make an assessment on a case by case basis, using their experience to select the most appropriate execution methods, and in selecting the most appropriate counterparty with whom to transact, in order that the best overall result for the client is achieved.

2. Foreign Exchange

2.1 Background

The Foreign Exchange Market is one of the most liquid and sizeable markets in the world, with many competing market makers and prices moving within milliseconds. As soon as an order has been executed the price has moved. This section covers the majority of orders executed by Record. Transactions in the wholesale Foreign Exchange Market attract no direct fees; the bid/ask spread determines the price for participation

2.2 FX Global Code of Conduct

The FX Global Code of Conduct is a set of principles of good practice for foreign exchange market participants covering ethics, governance, execution, information sharing, risk management and compliance, and confirmation and settlement processes. Record has signed a Statement of Commitment to the FX Global Code, and Record will conduct all aspects of its business in a manner consistent with the Code, in particular with respect to execution, but equally with respect to the other principles.

2.3 Counterparty Banks Selection

Record maintains trading relationships with a range of counterparty banks, in order to access as much of the market's liquidity as possible. For each individual client, Record will seek to put in place a diverse counterparty list, taking into account certain factors which will determine the makeup of each individual list:



- Counterparties are on the Approved Counterparty List (ACL); the criteria for inclusion on the ACL are documented in Record's Credit Risk Policy
- Counterparties are willing to grant the client an FX line
- Client-specific requirements
- Number of counterparties each client is willing to exchange collateral with (where applicable)
- Suitable netting agreement in place

2.4 Execution Factors and Process

Record takes into account the following execution factors when executing an order for any particular client:

1. Counterparty Limits
2. State of Market
3. Price
4. Speed

When executing an order Record will first take into account any client specific counterparty limits documented in the Investment Guidelines. Record traders will examine the order to be carried out bearing in mind the "state" of the market (volatility, activity, current news, etc.). This will also take into account the timing of key data releases. Traders will also look to execute orders in the most liquid part of the day, taking into account the currencies involved in the order.

The trader will decide whether the order is best carried out aggregated with other orders or disaggregated into several smaller orders to ensure a "market size" order; i.e. an order of a size that can be absorbed by the market under prevailing conditions. The policy for aggregating transactions is detailed in the separate Order Allocation Policy.

Subject to any counterparty limits, and the trader's assessment of the market, the most important execution factor is price. In order to ensure the quotes received are in line with the market, the traders monitor market price feeds showing current market prices/quotes currently available in the market and we take a snapshot of this price/quote automatically at the point of execution. Where appropriate we will ask for quotes from multiple counterparty banks. The winning and losing quotes are stored for analysis referenced in Section 6.

Speed will only be taken into account when a counterparty is deemed to have taken an excessive amount of time to quote for an order, such that the market is likely to have moved significantly from the point at which it was observed originally.



The trader may execute any order either by telephone, or electronically via a multibank system.

In some cases, order execution may target an agreed benchmark rate. Record will monitor the benchmark rate price offerings from the available counterparties and choose the counterparty which offers the best all in price.

3. Exchange Traded Derivatives

3.1 Background

All exchange traded derivative (ETD) orders are executed on a Recognised Market/Investment Exchange. The relevant exchange is consistent with the contract being transacted.

3.2 Counterparty Broker Selection

Record's clients do not have direct membership to any exchange. Record passes orders to futures brokers who execute the orders on Record's clients' behalf with the exchange. Futures brokers do not take market risk from the orders received by Record and thus are financially remunerated by clearing and execution fees. These fees are pre-agreed with each futures broker on a contract by contract basis.

Record will engage with various brokers in order to ensure fees are reasonable and fair. In many circumstances a client will only have access to one futures broker; this is primarily due to the relatively low volume of exchange traded derivative orders executed and minimum fee clauses.

3.3 Execution Factors and Execution Process

Record takes into account the following execution factors when executing an ETD order:

1. Costs
2. Price

Record has trading relationships with various futures brokers for the purpose of executing futures orders on behalf of our clients. However, in most situations the client will only have access to one futures broker, as described in Section 3.2. Record instructs the broker to undertake the transactions by telephone or electronically. The futures broker is obliged to complete the order in accordance with their own policies and procedures relating to best execution. Alternatively Record may execute orders via Direct Market Access; in this case the role of the broker is to give Record direct access to the exchange via their membership.



In order to achieve the best result for the client with respect to the investment objectives, Record may instruct the broker to carry out the order at a particular time of day. This may be either the cash close or the futures close depending on the contract being traded and the liquidity conditions. This practice seeks to maintain a low tracking error vs the client's benchmark. Record may also execute orders at other times, subject to investment objectives and any specific instructions from Record's Investment Management Group, individual client or Portfolio Manager.

Futures orders may be aggregated, and the policy for aggregating transactions is detailed in the separate Order Allocation Policy.

4. Fixed Income

4.1 Background

All fixed income orders are executed via a counterparty bank. The instruments which are bought and sold are debt instruments issued by national governments.

4.2 Counterparty Broker Selection

Record maintains trading relationships with a range of counterparty banks. For each individual client, Record will seek to put in place a list of eligible counterparties, taking into account the fixed income instruments the client wants to execute.

4.3 Execution Factors and Process

Record takes into account the following execution factors when executing any order:

1. Exposure limits
2. Liquidity
3. Cost
4. Price

Record may purchase fixed income securities on behalf of its clients as an alternative to other money market instruments which have direct credit exposure to the counterparty bank. The primary objective is to diversify and reduce credit risk for the client. Record may purchase fixed income securities on behalf of its clients on the primary market or on the secondary market.

When executing an order, Record will first take into account any client specific limits documented in the Investment Guidelines. Given that fixed income instruments are bought as



an alternative to other cash instruments, it is also important to make an assessment of market liquidity to be able to sell the instrument back when the liquidity is required by the client.

Subject to any limits and the liquidity of the instrument, separate considerations are then taken into account for orders executed on the primary or secondary market.

Primary market orders involve Record placing a bid for a specific fixed income instrument with a bank. Record monitors any charge levied by each bank for accepting primary market orders, and seeks to place the orders with the bank which charges the lowest fee. Other than the fee, the achieved price will be identical irrespective of which bank the order was placed with, and consistent with the bid made.

For orders executed on the secondary market, price is the primary execution factor. There can be significant differences in the fixed income inventories held by different fixed income banks, which can lead to different banks quoting different prices. Where possible, Record obtains more than one quote for a desired order. Record will execute at the best price from the available counterparties.

The trader may execute any order either by telephone, or electronically via a multibank system.

Fixed income orders may be aggregated; the policy for aggregating transactions is detailed in the separate Order Allocation Policy.

5. Client Specific Instructions

Individual clients may give Record certain execution parameters which we need to follow. This may limit the full spectrum of execution options available to the traders and they will execute under the specific criteria set for each order.

In some instances, clients may instruct Record to carry out currency transactions on their behalf. The traders will follow standard processes in carrying out any such transaction, bearing in mind any specific instructions from the individual client.

6. Best Execution Monitoring and Reporting

Best Execution monitoring is undertaken by the Traders, and is reported to the Risk Management Committee. The best execution monitoring is reviewed by Compliance on an ongoing basis as part of the Compliance Monitoring Plan. Record utilises a wide array of tools to monitor the Best Execution of all of the instruments traded.

The monitoring is split into two main components:



- Comparison of the achieved traded rate vs an independent “market” rate
- Comparison of the achieved traded rate vs the alternative quotes received at the time of the quote

All quotes, whether traded on or not, are stored and allow Record to assess the quality of the pricing from the counterparties. This analysis is fed back to the counterparties themselves. This encourages a more effective dialogue with the counterparties and illustrates where they need to improve in order to continue quoting for trades.

Reporting on best execution required by regulation shall be made publicly available on Record's corporate website.



Item 13. Review of accounts

Operational risk monitoring is embedded within the firm but can be summarized as follows:

- (i) Program parameters are determined by the coding of Record's proprietary trading system (ROMP). Static data is entered using a "four eyes" principle – i.e. two individuals review the data entered to ensure its accuracy.
- (ii) The Front Office Risk Department monitors client accounts daily to ensure they are running in line with expectations and agreed parameters.
- (iii) The Risk Management Committee has oversight of the day to day operational issues including credit risk monitoring, internal exposure limits as well as client specified exposure limits (where applicable).
- (iv) The Compliance department undertakes a risk based monitoring program.
- (v) Internal Audit undertakes the agreed audit plan.
- (vi) External control testing is carried out in accordance with SSAE18 and ISAE 3402 and the report is available on request.



Item 14. Client referrals and other compensation

Record has never received any soft commission and Record does have third-party introducer arrangements in place with KPG Capital Partners, LLC. Record will pay PKG a percentage of the investment advisory fees and the performance allocations it receives as compensation for its services. Record's policy dictates this is fully disclosed to any impacted client. Record's affiliates and Record Inc. are compensated via a management fee and its employees receive salary and participate in group profit share schemes.

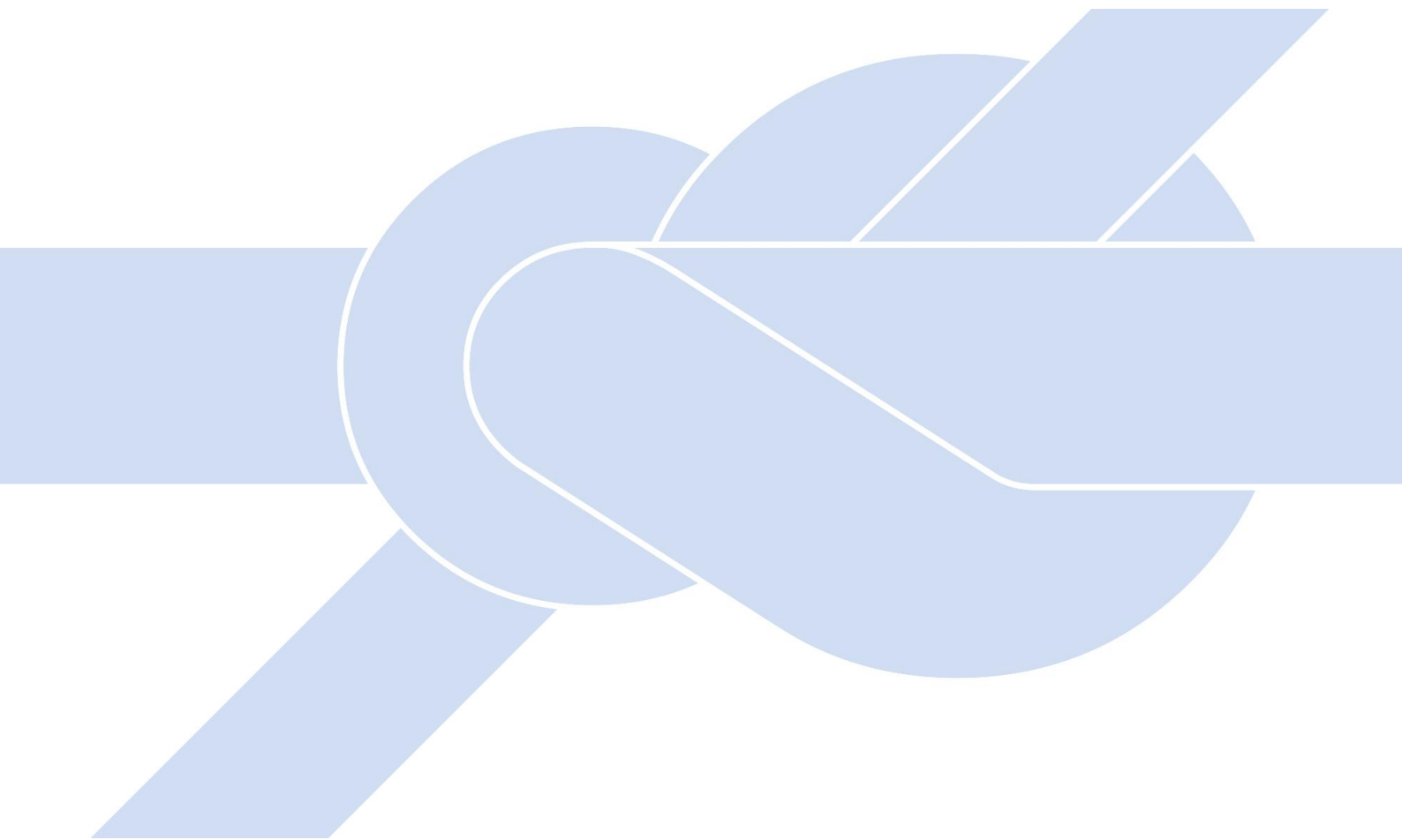
In some cases Record may receive referral fees as an intermediary or facilitator to third-party services. The referral fee is charged as a fixed percentage of assets referred and subsequently transacted by the third-party firm. All clients referred to third-parties are provided with full disclosure and details of this arrangement.



Item 15. Custody

Neither Record nor any Record Group affiliates, including Record Inc. holds client money or assets and therefore neither has custody of client assets for the purposes of custody rules.

Third-party affiliates may hold client assets or money in accordance with local requirements and this would be agreed between the third-party and any client introduced.





Item 16. Investment discretion

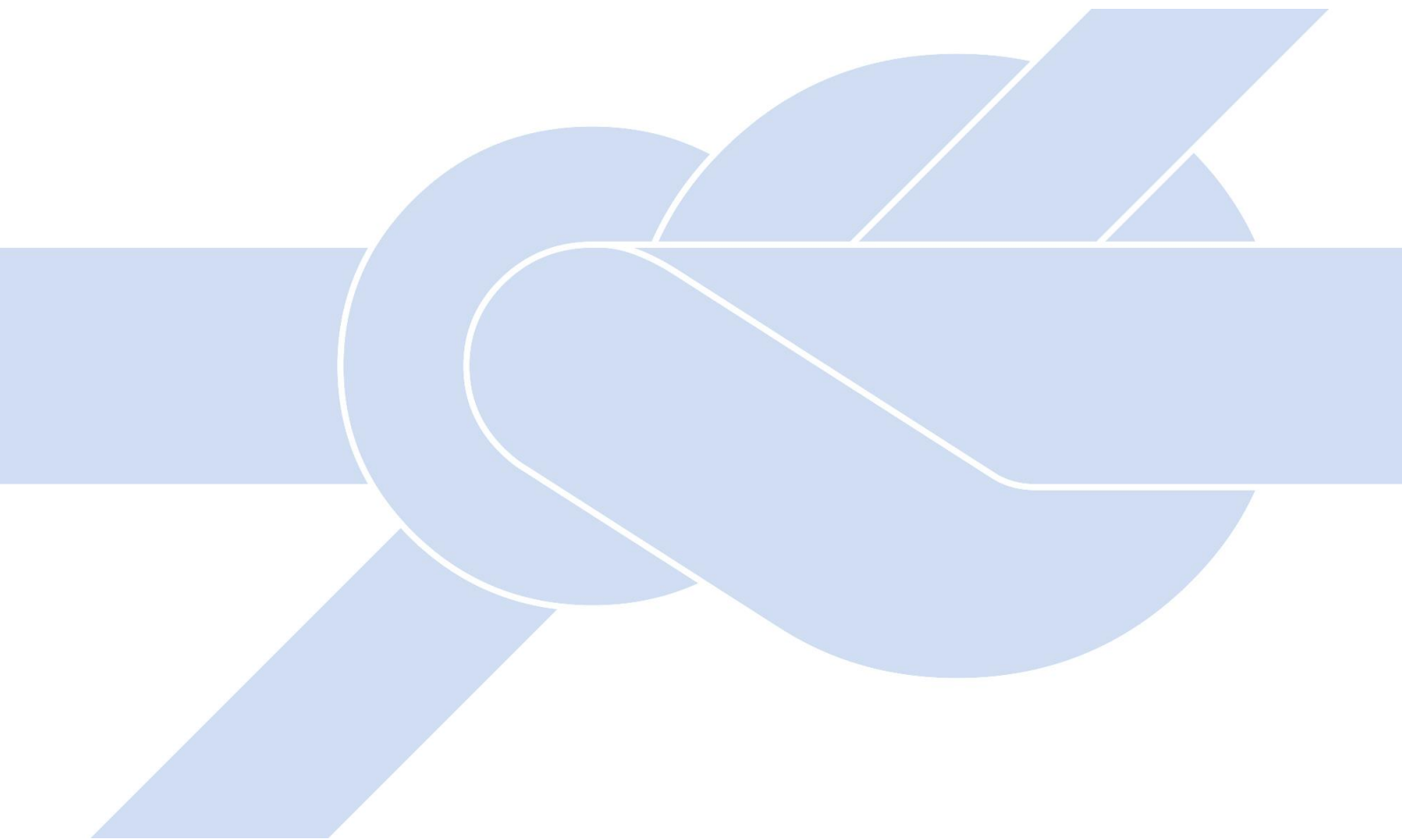
Record typically receives discretionary authority to act as agent for the Client to enter into financial contracts as part of the contracted service(s). Details of this authority are always detailed in the Investment Management Agreement and Investment Guidelines agreed with every Client.

Record is Investment Manager to the pooled funds which are managed in accordance with the investment objectives and restrictions documented in the fund prospectus. Pooled funds are not currently publicly marketed in the US.



Item 17. Voting client securities

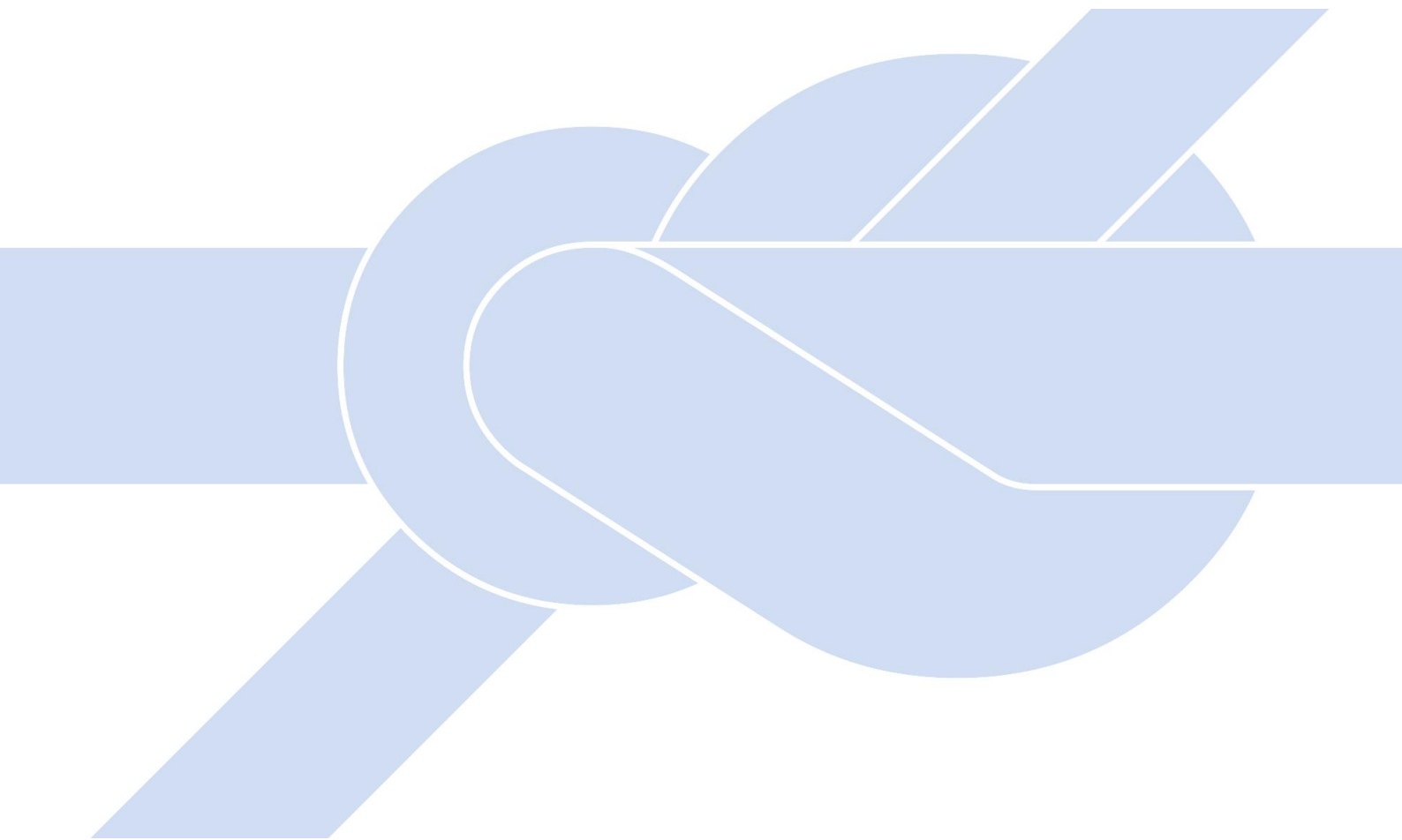
Due to the nature of the services Record provides and the instruments used in providing these services there are no voting rights attached and therefore this is not applicable.





Item 18. Financial information

Not applicable.





Item 19. Requirements for state-registered advisers

Not applicable.

