



Item 1 - COVER PAGE

Part 2A of Form ADV – Firm Brochure

LEE OVERLAY PARTNERS LIMITED TRADING AS ADRIAN LEE & PARTNERS

24th September 2022

This brochure provides information about the qualifications and business practices of Lee Overlay Partners Limited, trading as Adrian Lee & Partners (the “Firm”). If you have any questions about the contents of this brochure, please contact us at +353 1 6318500 or enquiries@aleepartners.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 Lee Overlay Partners Limited, trading as Adrian Lee & Partners, is available on the SEC’s website at www.adviserinfo.sec.gov.

While Lee Overlay Partners Limited, trading as Adrian Lee & Partners, is registered with the SEC, this registration does not imply a specific level of skill or training.

ADRIAN LEE & PARTNERS

West Pier Business Campus, Dun Laoghaire, Co. Dublin, Ireland

Tel: +353 1 6318500

www.aleepartners.com

Item 2 - MATERIAL CHANGES

The Firm is required to identify and discuss any material changes made to its Brochure since the last annual update.

The Firm does not believe that any material changes have been made since the last annual update in September 2021.

Item 3 – TABLE OF CONTENTS

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents.....	iii
Item 4 - Advisory Business	1
Item 5 - Fees and Compensation	2
Item 6 - Performance based fees.....	4
Item 7 - Types of clients	5
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 - Disciplinary Information	10
Item 10 - Other Financial Industry Activities and Affiliation.....	11
Item 11 - Code of Ethics, Participation on Interest in Client Transactions and Personal Trading	12
Item 12 - Brokerage Practices	13
Item 13 - Review of Accounts	14
Item 14 - Client Referrals and Other Compensation	15
Item 15 – Custody	16
Item 16 - Investment Discretion	17
Item 17 - Voting Client Securities.....	18
Item 18 - Financial Information	19
Item 19- Requirements for State Registered Advisors	20

Item 4 - Advisory Business

- A. The Firm is an independent employee-owned asset manager specialising in research-led currency and asset management.

The Firm, established in 1999, was incorporated in Ireland and currently has offices in Dun Laoghaire, Co. Dublin, Ireland and St James's Street in London, England.

Lee Overlay Partners Limited is a wholly owned subsidiary of Lee Overlay Partners Holding Company Limited of which the principal owner is Adrian Lee.

The Firm is regulated by the Central Bank of Ireland. It is registered in the United Kingdom with the Financial Conduct Authority (FCA) and is registered in the United States with the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC)

- B. The Firm is a fundamental, research-driven, quantitative active manager and primarily provides discretionary currency management services to separately managed accounts. In addition to active currency management, the Firm is a fixed income specialist. The Firm's investment process focuses separately on maximising expected hedged return and currency surprise to give investors the best combination of overall return.
- C. The Firm may tailor the services provided to clients to match the individual needs of the client. Each client may impose restrictions on the investment in certain securities or types of securities. These are set out in the client guidelines that form part of the investment management agreement entered into between the Firm and the client.
- D. The Firm does not participate in wrap fee programs.
- E. The Firm manages assets in excess of \$15 billion as of 30 June 2022.

Item 5 - Fees and Compensation

The Firm provides investment management services to clients for a fee. The fee is typically expressed as an annual percentage of the clients' assets.

Fees may be negotiated or modified. Because the Firm's fees are negotiable, the actual fee paid by any client may be different from the fees reflected in our basic fee schedules set forth below.

A. *Fee Schedules*

Managed Accounts

Currency

First US\$200 million	– 50 Basis Points
Next US\$200 million	– 40 Basis Points
Next US\$200 million	– 35 Basis Points
Thereafter	– 25 Basis Points

Fixed Income

First US\$25 million	– 50 Basis Points
Next US\$25 million	– 45 Basis Points
Next US\$50 million	– 40 Basis Points
Next US\$100 million	– 35 Basis Points
Thereafter	– 30 Basis Points

Fund

The fee for providing investment management services to the fund is currently 1% per annum of the Net Asset Value of the fund. The firm is entitled to a performance or incentive fee equal to 10% of the amount, if any, of the increase in the NAV subject to a high watermark and adjustments as outlined in the fund's private placement memorandum.

- B. Typically, fee invoices will be charged to managed accounts quarterly in arrears. Fees paid to the firm by the fund are typically deducted from the assets of the fund on a monthly or quarterly basis.

- C. There are no other types of fees or expenses charged to the managed accounts. The fund pays all administration, management and operating expenses out of the assets of the fund as outlined in the private placement memorandum.
- D. The Firm generally generates fees by billing the managed accounts quarterly in arrears. Fees are not paid in advance by clients or the fund.
- E. The Firm does not accept compensation for the sale of securities or other investment products.

Item 6 - Performance based fees

The Firm may enter into performance based-fee arrangements based on mutually agreed upon terms contained in the investment management agreement.

Performance-based fee arrangements may create a potential conflict of interest by incentivising the Firm to favour accounts for which the Firm receive a performance-based fee.

In order to address this potential conflict of interest and to ensure that client accounts are treated equitably at all times, investment strategy is identical for all clients subject to individual account guidelines and target tracking error. Portfolio managers do not have discretion to deviate from the recommended investment positions. To ensure fair dealing for all clients the trades are aggregated and traded in bulk to ensure that all clients receive the same executed price.

Item 7 - Types of Clients

The Firm generally provides services to professional clients including investment companies, corporations, foundations, endowments, pension plans and trusts.

The minimum currency portfolio that the Firm would generally consider managing would be \$100 million. However, this is negotiable and can be waived or altered by the Firm.

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

A. Methods of Analysis, Investment Strategies and Risk of Loss

The Firm is a fundamental, research-driven, quantitative active currency and asset manager. The Firm's investment strategy is based on the idea that fundamental economic factors determine equilibrium over time. Research-driven valuation analysis identifies departures from this equilibrium, and experienced investment management can exploit these deviations to add return over time.

The overall investment strategy for each discrete portfolio managed by the Firm is disclosed in the client's investment management agreement.

Investing in derivatives involves risk of loss that clients should be prepared to bear.

B. Risks involved with Investment Strategies

The risk exposures of the investment strategy are assessed by using standard deviation and tracking error. Tracking error is defined as the standard deviation of the monthly relative performances. Tracking error is used as a measure of the consistency of relative performance. The Firm's proprietary system incorporates its risk management process.

At the inception of each account, an appropriate "aggressiveness" parameter is identified for the account based on extensive simulations of the performance of the Firm's process based on the client's target tracking error and investment guidelines.

C. Risks associated with particular types of securities

Given the characteristics of foreign exchange forwards and swaps, the risks involved are not as significant as the risks associated with other derivatives. Risks associated with foreign exchange forwards and swaps and fixed income securities are covered below.

Foreign Exchange Forwards and Swaps

Legal & Pre-Settlement Risk

Widespread use of standard trading documentation (ISDAs) mitigates this risk.

All parties to foreign exchange contracts are bound by the terms of International Swaps and Derivatives Association Master Agreements (ISDAs).

These documents are specifically designed to address the needs of the counterparties in such transactions and set out procedures for dealing with default as well as containing netting agreements to reduce settlement risk.

Value at Risk

Value at risk can be defined as the unrealised gain in a forward contract which could be lost if a counterparty defaults before the maturity of the contract. Close out netting arrangements between the counterparty and client minimizes any such value at risk. This means that in the event of default, gains can be offset by losses thus eliminating “cherry-picking” by the defaulting party.

Settlement Risk

Settlement risk covers situations such as where the face value of the forward contract is delivered to the counterparty on the day of settlement but, on that day, the counterparty defaults and doesn't send the counter amount. Settlement risk is managed by putting in place cash flow netting arrangements between the counterparty and custodian. This ensures that only the net amount of currency is transferred on the settlement day, thus reducing this risk significantly.

In addition, the use of payment-versus-payment (“PVP”) settlement arrangements permits the final transfer of one currency to take place only if the final transfer of the other currency also takes place which virtually eliminates settlement risk.

70 per cent to 90 per cent of global foreign exchange transactions are settled via Continuous Linked Settlement (“CLS”), the predominant global PVP settlement system, which currently provides settlement services for 18 currencies that represent over 93 per cent of the total daily value of foreign exchange swaps and forwards traded globally. CLS is a specialized system that operates a multilateral PVP settlement system specifically designed to reduce foreign exchange settlement risk.

Counterparty credit risk

Counterparties are selected from an approved counterparty list which is reviewed regularly by the Firm's credit committee.

Diversification Risk

The Firm monitors and controls diversification across counterparties on a pre-execution basis.

Diversification rules of any type can be implemented on a net or gross basis at the direction of the client, gross or net limits applying depending on the legal documentation put in place by the client.

Absent any alternative direction from the client, the Firm will put in place close out and cash flow netting arrangements and monitor and control credit exposures pre-execution on a net basis. Netting applies when two trades with the same settlement date, currency and counterparty offset.

Normally the diversification rule that the Firm applies is that no more than 20% or 25% of the total net exposures of the client is to any single counterparty - 20% applying to Tier 2 credit quality and 25% applying to Tier 1.

As the Firm normally trades to one date, the Firm does not distinguish separate limits by date.

The Firm doubles these limits at the period of rollover.

If the diversification rules are to be applied as absolute limits e.g. \$500mil or 30% of fund value, then the Firm undertakes Monte Carlo simulations to identify rules that give diversification as well as allowing a range of counterparties at all times that ensures ability to get best execution. Inputs to this analysis are aggressiveness, number of counterparties, benchmark and market value.

Market Risk

Market risk represents the risk of adverse movements in markets for the derivatives traded by the Investment Manager.

Market risk in foreign exchange forward contracts arises from movements in the prices of the currency spot rates.

Market risk in a currency overlay program is made up of benchmark risk, which is inherently the responsibility of the client and documented in the investment guidelines and the active overlay strategy risk position.

The Investment Manager generates its active overlay strategy within the constraints stipulated by the client typically in the Investment Guidelines including the relevant aggressiveness parameter and target tracking error.

Tracking error studies are generated by the Investment Manager for the client to provide them with a better understanding of the potential risks associated with the account.

Fixed Income Securities

Fixed income securities carry a variety of risks that investors need to be aware of. The most material risks associated with fixed income investments are interest rate, liquidity and credit risk.

Interest Rate Risk

Movement in interest rates will affect the market value of fixed income securities. If interest rates rise, bond prices usually decline because new bonds are likely to be issued with higher yields as interest rates increase making old bonds less attractive.

Liquidity Risk

Clients are also subject to liquidity risk. A lack of demand from potential buyers may result in substantial losses, particularly in an economic downturn or for bonds that have lower credit ratings or were recently downgraded.

Credit Risk

Bonds carry a risk of default i.e. the inability to meet coupon payments and principal on maturity. They also carry the risk of being downgraded by credit rating agencies. A change in the issuer's credit rating will affect the value of the outstanding securities.

Item 9 - Disciplinary Information

- A. The Firm is not currently involved in any criminal or civil actions in a domestic, foreign or military court of competent jurisdiction. The Firm has not been convicted of (a) any felony, (b) misdemeanour that involved investments or investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting or extortion or (c) a conspiracy to commit any of these offences.

Neither is the Firm a subject of a pending criminal proceeding involving an investment related business.

The Firm has never been found to have been involved in a violation of an investment related statute or regulation.

The Firm is not the subject of any order, judgment, or decree permanently or temporarily enjoining or otherwise limiting a management person from engaging in any investment related activity or from violating any investment related statute, rule or order.

- B. The Firm has not been involved in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

The Firm has never been found to have been involved in a violation of an investment related statute or regulation and has never been the subject of an order by the agency or authority.

- C. The Firm has never been involved in a self-regulatory organisation (SRO) proceeding where it was found to have caused an investment related business to lose its authorisation to do business or have been involved in a violation of the SRO rules where it was (i) barred or suspended from membership or from association with other members or was expelled from membership, (ii) otherwise significantly limited from investment related activities or (iii) fined more than \$2,500.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Firm is not registered and has not applied to be registered as a broker-dealer or a representative of a broker-dealer.

The Firm is registered with the US Commodity Futures Trading Commission ("CFTC") as a commodity pool operator. The Firm is also a member of the National Futures Association ("NFA").

- B. The Firm does not have any relationship or arrangement that is material to its advisory business or to its clients with any of the related persons listed below:

1. Broker-dealer, municipal securities dealer or government securities dealer or broker.
2. Investment company or other pooled investment vehicle.
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.

- C. The Firm does not recommend or select other investment advisers for its clients.

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

- A. The Firm has adopted a Code of Ethics & Conduct to promote the highest standards of behaviour and to ensure compliance with applicable regulations.

All employees are required to sign the Code of Conduct on joining the Firm and annually thereafter.

The following rules apply to all employees of the Firm:

As an employee of the Firm, every employee is expected to-

1. Conduct the Firm's business in full compliance with both the letter and the spirit of the law and these rules.
2. Use confidential information properly.
3. Recognise and avoid conflicts of interest.
4. Protect the Firm's ownership of property, including information, products and services.
5. Conduct outside activities in a way that does not compromise them or the Firm.
6. Manage their personal finances properly.
7. Treat employees, customers, and others with whom they have dealings fairly and with respect.
8. Carry out personal securities and other financial transactions within the bounds set by the Firm, reporting these transactions as required.
9. Ensure that all anti-money laundering procedures are complied with.

A copy of the Firm's Code of Ethics and Conduct may be provided upon request to any client or potential client.

- B. The Firm does not recommend to clients securities in which they have a material financial interest.
- C. The Firm does not invest in the same securities that they recommend to clients.
- D. The Firm does not recommend securities to clients neither does it buy or sell securities for client accounts at or about the same time that it buys or sells the same securities for itself.

Item 12 - Brokerage Practices

- A. Brokers are selected by the Firm's credit committee based on their credit ratings, global market pricing, and operational services.

The firm achieves best execution by trading with a range of brokers. Each trade is monitored to ensure best execution is achieved. An indication rate sourced by external providers is recorded and compared to the rate at which the traders execute the trade. A compliance officer checks these differences every day to ensure that best execution has been achieved.

The credit committee is composed of the Head of Compliance, Head of Portfolio, Head of Trading and the Firm's International Economist. Its function is to monitor the Firm's existing counterparties and assess the credit rating of any new counterparties presented to the committee. The firm's Economist provides analysis to the Credit Committee of Moody's and S&P's credit ratings for all counterparties on a quarterly basis and as requested by the Credit Committee. The trading department is responsible for monitoring any credit rating changes on a real-time basis with notification given to the committee and an interim meeting of the Credit Committee being convened if the situation requires.

Trading is ceased with any counterparties falling below the Firm's minimum ratings. A decision will be taken to cease trading with a particular counterparty if they fall to a level near the Firm's minimum rating and the committee feels there is a risk their outlook may deteriorate further.

Reviews of all counterparties are conducted quarterly although credit ratings are monitored on an on-going basis.

Research and other soft dollar arrangements

Since the coming into effect of the Markets in Financial Instruments Directive (MiFID II) in January 2018, the firm is not permitted to receive research from brokers in relation to the provision of services to clients. Research must be paid for directly from the firm's own resources or by the client. The firm has arrangements in place to pay for research directly from its own resources and does not accept any unpaid for research. The cost of research is not passed on to the firm's clients.

The firm does not utilize any soft dollar arrangements.

- B. All orders for the same securities are aggregated and traded in bulk to ensure that all clients receive the same executed price and no client will be treated less favourably than another.

Item 13 - Review of Accounts

- A. The accounts are reviewed daily by the assigned portfolio manager and alternate who are members of the Investment Management Committee (IMC). The IMC includes the Chief Investment Officer, Mr Adrian Lee, Head of Portfolio Management, Mr Philip Lawson and the Head of Trading, Mr Nigel Rogers. All the reviews are similar in nature, as they involve comparison of the positions of the portfolio versus an agreed benchmark which will have been agreed by the client in advance. In addition, monthly and quarterly reviews of each client's portfolio and performance are reviewed by all members of the IMC.
- B. All reviews are periodically undertaken.
- C. Clients are sent reports on the investments, positions and performance of their portfolios on a monthly basis. These reports include a summary of main events that happened during the month coupled with performance data on the portfolio. The performance data covers the current period, either one month or three months and also incorporates performance data on a year to date basis and since inception.

Item 14 - Client Referrals and Other Compensation

- A. The Firm does not obtain any economic benefits from any party other than clients for the provision of investment services.
- B. The Firm does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15 – Custody

The Firm does not have custody of client funds.

Item 16 - Investment Discretion

The Firm provides discretionary investment management services to clients. Before assuming this authority, the Firm enters into and signs a discretionary investment management agreement which authorises the Firm to manage client accounts in compliance with client objectives and investment guidelines contained therein.

Item 17 - Voting Client Securities

The Firm does not accept authority to vote client securities.

Item 18 - Financial Information

- A. Given the Firm does not solicit prepayment of fees six months or more in advance it is not required to include a balance sheet for its most recent fiscal year.
- B. There is no financial condition existing that is reasonably likely to impair the Firm's ability to meet contractual conditions to clients.
- C. The Firm has not been the subject of a bankruptcy petition at any time during the last ten years.

Item 19 – Requirements for State Registered Advisors

The Firm is registered with the United States Securities and Exchange Commission and therefore this section is not applicable.