
Additional Disclosures

June 2023



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1. Reporting and valuation

Client reports are produced in agreement with each client and published on a monthly basis.

Client reports are produced on the basis of the reporting guidelines outlined below. The reports are produced for the sole use of the client for the purpose of providing up-to-date portfolio information. The information provided in this report shall be kept confidential to the client, its employees and agents and used only for its intended purpose.

The reports are designed to provide detailed information regarding a client's mandate to assist with the interpretation of performance. The reports should be read in conjunction with any other regular reporting received from the custodian, consultant or other third party. No decision relating to the selection or remuneration of an asset manager should be made solely in reliance of this report.

The monthly report, published in PDF format, serves as Record's official valuation. This report and additional information can be provided in other formats on request; however, any such supplemental information is not intended to be relied on directly and is provided solely to allow further analysis of the figures included therein. It is the client's responsibility to ensure any such supplemental information is in agreement with the monthly report and to immediately inform Record of any discrepancies.

Basis of valuation

FX forward contracts

Foreign exchange contracts are valued using the WM 4pm London spot and forward rates, where available. The spot and forward rates are captured vs. USD, GBP and EUR. Record captures forward rates to the following tenors: 1m, 2m, 3m, 6m, 9m, 12m, 24m and 60m, where published by WM. Where WM publish NDF rates, either within the WM 4pm closing rates or WMNDF closing rates, Record captures and uses these to value non-deliverable forward contracts. NDF rates are captured vs. USD, GBP and EUR. The list of currencies where WM publish NDF rates currently comprises of; ARS, BRL, CLP, COP, EGP, PEN, CNY, IDR, NGN, MYR, INR, PHP, RUB, KRW, KZT, UAH and TWD. Where WM rates are unavailable, spot and forward rates are obtained from alternative third party providers.

Valuation rates are derived directly from the captured rates where possible; any cross rates required are calculated via USD. Record uses straight line interpolation between standard tenors to derive valuation rates. This approach is in line with standard market practice, and as such is classified as a "mark-to-market" methodology of valuation.

It is Record's policy to value portfolios on a "bid basis". Portfolios may be valued on a "mid basis" on request.

Outstanding forward foreign exchange contracts are grouped by currency pair and value date within portfolios. The market value of the net open position in one currency within each currency pair is calculated in the corresponding currency of the pair. Market values are then grouped by currency and value date within each portfolio and valued in the base currency of the client.

FX Options

Record uses the Black-Scholes model to value FX Options. This approach is in line with standard market practice.

Exchange-Traded Derivatives

Outstanding Exchange-Traded Derivatives are valued with reference to the closing price published by the relevant exchange. Any fees or commissions are disclosed separately.

Fixed Income and other debt

Outstanding Fixed Income instruments are valued with reference to the closing prices published by the respective issuer. Short-term cash loans are valued on a simple straight line accrual basis.

Other Over-the-Counter Derivatives

All other Over-the-Counter Derivatives traded by Record will be valued in accordance with standard industry practices.

Basis of cash reporting

Cash is reported on the basis of cleared balances on the report date.

Basis of reporting performance

It is Record's policy to report performance gross of management fees. Net of fees performance can be provided on request. Details of benchmark performance are documented in the Investment Guidelines, agreed with each client. Details of benchmark performance calculations may be provided on request.

Derivatives

Full details of all derivative contracts, whether Over-the-Counter or Exchange Traded, are disclosed in the client reports.

2. Important notices

All material provided is for information purposes only and is not intended to reflect a current or past recommendation, investment advice of any kind, or a solicitation of an offer to buy or sell any securities, Record products or investment services.

All information is published in the UK for Professional Clients and data contained within all reports is correct at the date of publication and may have changed since that time. Changes in rates of exchange between currencies will cause the value of investments to decrease or increase.

Whilst all reasonable care is taken in ensuring the accuracy of reports, if any report does contain an error, please contact Record as soon as possible to enable the error to be rectified.

Performance warnings

Past performance is not a guarantee of future results. The value of a portfolio will fluctuate, and where derivatives are used to implement the investment strategy, the value of the portfolio can be close to zero, or negative. Portfolios using derivatives may introduce leverage. Investors must be aware that significant levels of leverage introduce the risk of losses exceeding those of an unleveraged position. For a funded portfolio, there is the potential to lose the entire sum invested.

The value of a portfolio will vary subject to changes in the rate of exchange between currencies.

Developing Markets

Developing market currencies, including "emerging" or "frontier" currencies, are typically subject to greater country-specific risks than developed market currencies. As a result of this and other factors, developing market currency pairs are typically more volatile than developed market currency pairs. In addition, many (although not all) developing market currencies are invested in through non-deliverable forwards ("NDF"), which are cash settled, and the pricing of which is less deterministic than for deliverable forwards. Investment in developing markets tends to be more volatile than more mature markets and the value of investments could in some circumstances move sharply either up or down. In some circumstances currencies may become illiquid which may constrain Record's ability to realise the investment. Political risks and adverse economic circumstances are more likely to arise, putting the value of the investment at risk.

FTSE FRB10 Index

The FTSE Currency FRB10 Index is calculated by FTSE International Limited ("FTSE") or its affiliate, agent or partner. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

All rights in the FTSE Currency FRB10 Index vest in FTSE and Record.

FTSE Russell® is a trading name of FTSE.

For more information refer to <https://www.ftserussell.com/products/indices/FRB>

Neither FTSE, Record nor their licensors shall be liable (including in negligence) for any loss arising out of use of the FTSE Currency FRB10 Index by any person.

3. Regulation

Regulated status

Record is authorised and regulated by the Financial Conduct Authority.

Record is a registered Investment Adviser with the Securities and Exchange Commission in the US.

Record is a registered Commodity Trading Adviser with the US Commodity Futures Trading Commission.

Record is an Exempt International Adviser with the Ontario and Alberta Securities Commissions in Canada.

Record is registered as exempt with the Australian Securities and Investment Commission.

Data Protection

Record acts as Data Controller in relation to investment services provided and Record's Privacy Statement can be found at <https://recordfg.com/privacy-and-cookies-policy/>. Please contact Record's Compliance Officer at the following address: GDPRqueries@recordfg.com in relation to any data protection queries.

Complaints procedure

All formal complaints should be made in the first instance to Record's Compliance Officer (compliance@recordfg.com). A copy of Record's complaints handling procedure is available on request and will be dealt with in line with FCA rules.



Listen
Understand
Deliver

recordfg.com