




LEA 02	Objective: Monetary	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company's internal ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on <input checked="" type="checkbox"/> To engage internal ESG decision <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage with internal staff 	
Collaborative engagements	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's internal ESG issues <input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage with collaborative engagements 	
Service provider engagements	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's internal ESG issues <input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage with service providers 	

RI TRANSPARENCY REPORT

2019

Record Currency Management

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2019 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Private							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	🔒	n/a							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		🔒	n/a							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	🔒	n/a		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Hedge Funds				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
HF 01	Rationale for adopting a RI policy	✓	Public							✓
HF 02	Normative codes/initiatives in the Hedge Fund industry	-	n/a				✓	✓		
HF 03	Organisation of RI responsibilities	✓	Public							✓
HF 04	RI training programme	✓	Public							✓
HF 05	Performance/remuneration metrics linked to RI incorporation	✓	Private	✓						
HF 06	ESG data, research and other resources used	✓	Public							✓
HF 07	ESG incorporation into quantitative and fundamental analysis	✓	Public	✓	✓					
HF 08	Changes to the RI incorporation process over the past 12 months	✓	Public	✓						✓
HF 09	Integration of Active Ownership	✓	Public	✓	✓					
HF 10	Examples of ESG risks/opportunities in investment decisions	✓	Public	✓	✓					
HF 11	Derivatives products and ESG impact	✓	Public							✓
HF 12	Long/short exposure and reporting	✓	Public	✓	✓					
HF 13	Metrics/KPI for RI progress	✓	Public	✓	✓					
HF 14	Exposure to climate risk	✓	Private							✓
HF 15	Reports to investors	✓	Public		✓					✓
HF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

Record Currency Management

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Our entire business is focused on providing overlay and currency management services to our clients.

Our services are listed on some of the major investment consultant databases. Some of these databases categorise a proportion of our return-seeking AUM as a type of *hedge fund/absolute return* product.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

83

OO 02.4 Additional information. [Optional]

Staff numbers are as at the 31st December 2018.

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2018

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		3	551	151	245
Currency	USD				
Assets in USD		3	551	151	245

Not applicable as we are in the fund-raising process

OO 04.4

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM		55	869	909	211
Currency	USD				
Assets in USD		55	869	909	211

Not applicable as we do not have any assets under execution and/or advisory approach

OO 04.5

Additional information. [Optional]

Some clients appoint Record to hedge the currency exposure in their underlying asset portfolios. As this involves only forward FX contracts, the physical assets remain with our clients' equity, bond and cash managers. As such, AUM numbers reported in 04.2 to the UNPRI only reflect the assets of clients who appoint Record to implement Currency for Return (CfR) programs that are subject to discretionary interventions. i.e. run investment programs which take on additional currency exposure (or risk) in order to generate a return.

OO 06

Mandatory

Public

Descriptive

General

OO 06.1

Select how you would like to disclose your asset class mix.

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0.5	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0

Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	99.5	0
Other (2), specify	0	0

'Other (1)' specified

Hedge Fund strategies operated as unfunded strategies

as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

Yes

No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

OO 09 **Mandatory** **Public** **Peering** **General**

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets

98.4

Emerging Markets

1.6

Frontier Markets

0

Other Markets

0

	Total 100%
--	------------

100%

OO 09.2	Additional information. [Optional]
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Please note that numbers shown are not indicative of total firm-wide assets as this information has been broken down by product to include individual strategy allocations from our Multi-Product clients (clients running more than one product on the same notional allocation).

Asset class implementation gateway indicators

OO 11	Mandatory	Public	Gateway	General
--------------	------------------	---------------	----------------	----------------

OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).
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	Hedge funds
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- We address ESG incorporation.
- We do not do ESG incorporation.

	Other (1)
--	-----------

- We address ESG incorporation.
- We do not do ESG incorporation.

	'Other (1)' [as defined in OO 05]
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We have developed and seeded a strategy aimed at improving the environmental, social and governance (“ESG”) credentials of our absolute return products.

OO 12	Mandatory	Public	Gateway	General
--------------	------------------	---------------	----------------	----------------

OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
----------------	---

	Core modules
--	--------------

- Organisational Overview
- Strategy and Governance

	RI implementation directly or via service providers
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Direct - Other asset classes with dedicated modules

Hedge Funds and/or Fund of Hedge Funds

RI implementation via external managers

Closing module

Closing module

OO 12.2

Additional information. [Optional]

Record has developed and seeded a strategy aimed at improving the environmental, social and governance ("ESG") credentials of our currency investment product. In our efforts to incorporate ESG factors into currency investment, we have worked in collaboration with Oxford-based researchers to extend the boundaries of ESG to encompass the currency markets.

We have identified a range of currency-relevant ESG factors related to the United Nations Sustainable Development Goals (SDGs), and have used these factors to construct an ESG metric which tilts our currency portfolios in a pro-ESG manner, without affecting their risk-adjusted return profiles.

For more information please refer to our press release using the web-address below:

<https://www.recordcm.com/wp-content/uploads/2018/11/Record-Currency-Management-Develops-ESG-Database-and-Currency-Strategy-Nov-2018-FINAL.pdf>

Record Currency Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Our investment principles define who we are, how we work and the way in which we serve our clients. We take pride in providing a bespoke level of service, aimed at understanding the specific objectives of each client.

Record recognises that the services it provides to pension funds, charities, foundations, endowments and other investors are grounded in their needs to provide stable and worthwhile incomes for their beneficiaries and achieve their objectives. Reflecting the significance of these institutions for the future wellbeing of society, we have made a commitment to the future and have established an ESG policy, and an ESG team to implement it. We are continually monitoring the impact of the work we do for our clients, developing a disciplined, scientific understanding of the opportunities and processes our clients seek to exploit.

We have found a range of currency-relevant ESG factors for our EM universe, related to the United Nations SDGs and used them to construct an investment strategy which tilts our Currency Multi-Strategy portfolio in a pro-ESG manner, whilst not penalising the return profile.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Environmental, social, and governance factors are proven to be important, long-term drivers of productivity. As such, we have identified indicators that capture changes in these factors - energy efficiency, for example. In this way, our ESG-tilt works alongside our existing indicators (and investment approach) to signal those Emerging Market countries with the greatest potential for productivity gains. The tilt delivers an ESG-friendly allocation to EM currencies, which is in line with the UNDP's Sustainable Development Goals, without detracting from returns. As such, it improves the ESG credentials of our Currency Multi-Strategy product.

Better institutions lead to higher growth, paving the way for a more sustainable path for a country. This, in particular, is directly linked to the expected returns from currency as an asset class. Faster productivity growth translates into real currency appreciation via the Balassa-Samuelson effect. To capture this, we have developed a set of ESG factors which can function as advanced indicators of productivity growth in the national economy. It is this productivity growth which contributes to sustainable returns in currency. As a result, in line with the UNDP's Sustainable Development Goals, our ESG-tilt invests in the currencies of countries with more sustainable growth potential hence improving the systemic effects of the investments.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 02**Mandatory****Public****Core Assessed****PRI 6**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Reporting
- We do not publicly disclose any investment policy components

SG 03**Mandatory****Public****Core Assessed****General****SG 03.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Record's Conflicts of Interest policy applies to both Record Currency Management Limited and to Record plc. Senior management culture is fully compliant with Financial Conduct Authority, Securities and Exchange Commission and Commodity Futures Trading Commission rules, as well as the FX Global Code promoted by the Global Foreign Exchange Committee, which aim to ensure that clients are treated fairly and that any conflicts of interest that may arise are both disclosed and dealt with in such a way that the result of such a conflict is not to the detriment of any client.

Record has Best Execution, Order Handling and Order Allocation 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 mean few conflict issues arise.

Record's Conflict of Interest policy is available on request.

- No

Objectives and strategies**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

SG 07.1

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Record's Board of Directors have delegated the responsibility for approving all new products and investment strategies and for authorizing any changes to existing investment processes to the Investment Committee (IC). As such, the IC has final sign-off on any new investment products and strategies and approves any changes to currency universes or investment guidelines.

The IC delegates the day-to-day managing and monitoring of the investment portfolios to the Investment Management Group (IMG) - i.e. a subset of the IC members who oversee specific investment and portfolio management functions at Record. The IMG have ultimate decision-making authority and accountability within the scope of the product parameters, as set by the Investment Committee. Various aspects of market risk, including for

example global macroeconomic developments, as well as other risk factors, which may affect the performance of our products, are reviewed by the IMG on an ongoing basis.

Decisions made by the IMG are communicated to the Portfolio Management Group (PMG) for implementation. The PMG is made up of the heads of the operational teams and ensures that all aspects of portfolio management are considered ahead of any changes to mandate parameters. The PMG also regularly discusses potential improvements to our systems and processes to ensure that we continue to deliver the highest level of service to our clients.

Since 2017, the IMG have been aided by a group of Portfolio Specialists in tactical decision-making and risk management in various investment areas including our Currency Multi-Strategy ESG-tilt - maintaining and updating our ESG database and currency selection models.

The Portfolio Specialists act in an advisory capacity to the IMG, providing additional insight into prevailing market conditions and positioning of our client's currency portfolios. All Portfolio Specialists are members of Record's Economic Research or Investment Strategy teams. Their output may range from research pieces focusing on particular risks or market themes, to specific trade recommendations. These are subject to deliberation between the IMG and Portfolio Specialists, and may subsequently be reflected within the scope of the IMG's discretionary decisions relating to each of these product categories. All recommendations made by the Specialists (whether approved or rejected by the IMG) are tracked and evaluated with a formal review conducted by the IMG once a year.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

Number

0

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

Promoting responsible investment

SG 09 **Mandatory** **Public** **Core Assessed** **PRI 4,5**

SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Malcolm Leigh, Client Team Director at Record is a member of UN PRI's Hedge Fund Working Group.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
Swiss Sustainable Finance

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We are members of this group and have attended its meetings.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

Description

Ran and presented at seminars on ESG considerations for international investing.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment

Description

Published blog post on ESG Currency Investing available through Record's in-house Macro Blog and Savvy Investor.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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SG 16.1 Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Other (1) [as defined in Organisational Overview module]	In much of the business we undertake, we are directed by our clients (through the instructions incorporated in their IMA) on which currencies to trade and in in which amounts. As we have no discretion over these decisions we are not able to apply ESG considerations to them.

Record Currency Management

Reported Information

Public version

Direct - Hedge Funds

PRI disclaimer

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Policy

HF 01	Mandatory	Public	Descriptive	General
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HF 01.1

What is your rationale for adopting a policy to incorporate RI into the investment decision-making process? Please select all options that apply to your organisation.

- To provide a framework and ESG applicability to security selection (the strategy) and decision-making in Hedge Funds (e.g. breaking the strategy into different components and focus on risk/return).
- To provide a framework of the fund governance structure.
- Because ESG incorporation is perceived as a competitive advantage in the industry.
- Growing momentum of sustainable investing in Hedge Funds in the financial community.
- Other
- None of the above (we don't have a policy addressing RI incorporation into Hedge Funds).

HF 01.2

Additional information. [Optional]

Our investment principles define who we are, how we work and the way in which we serve our clients. We take pride in providing a bespoke level of service, aimed at understanding the specific objectives of each client.

Record recognises that the services it provides to pension funds, charities, foundations, endowments and other investors are grounded in their needs to provide stable and worthwhile incomes for their beneficiaries and achieve their objectives. Reflecting the significance of these institutions for the future wellbeing of society, we have made a commitment to the future and have established an ESG policy. We are continually monitoring the impact of the work we do for our clients, developing a disciplined, scientific understanding of the opportunities and processes our clients seek to exploit.

We have found a range of currency-relevant ESG factors for our EM universe, related to the United Nations SDGs. We have used these factors to construct an investment strategy which tilts our Currency Multi-Strategy portfolio in a pro-ESG manner, whilst not penalising the return profile.

Governance

HF 03	Mandatory	Public	Descriptive	General
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HF 03.1

Indicate whether and how your organisation has organised RI implementation and/or oversight responsibilities.

- We have dedicated internal staff with RI oversight responsibility for Hedge Funds (CEO, CIO, PM, etc.)

Specify

We apply ESG only within our Currency Multi-strategy (hedge fund) portfolio - please refer to section SG07.02

- We have dedicated internal staff with RI implementation responsibility for Hedge Funds (CEO, CIO, PM, etc.).

Specify

Our ESG group is charged with assessing the applicability of ESG factors to currency management and the best means of incorporating them into our portfolios.

- We use external consultants that have oversight and/or RI implementation responsibilities.
- Other
- We do not have staff dedicated to RI oversight and implementation.

HF 04	Mandatory	Public	Descriptive	General
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HF 04.1 Please indicate whether you implemented any RI training program regarding hedge funds investments for your staff during the reporting year.

- Yes, we have a formal RI training/educational program covering hedge funds.
- Yes, we have a RI training program to educate staff regarding our hedge funds policies.
- Yes, we regularly train our staff on code of ethics/compliance manuals covering hedge funds investments.
- Other
- No, we don't have a RI training program.

HF 04.2 Explain how the RI training program is conducted?

The leader of the ESG group has presented both internally and externally on the topic of ESG investment in currency. In addition, he has hosted a number of internally-lead initiatives and talks aimed at educating our staff on our ESG investment process framework and research.

Investment process

HF 06	Mandatory	Public	Descriptive	General
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HF 06.1 Please describe the ESG resources and tools used in your investment decision-making process.

Category of ESG	Reason for use
<input checked="" type="checkbox"/> ESG data (proprietary, 3rd party, etc.)	All of our ESG metrics and scoring are produced internally using 3rd party data from sources such as the OECD, Fraser Institute and World Bank.
<input type="checkbox"/> ESG research (broker, etc.)	
<input type="checkbox"/> Consultants	
<input type="checkbox"/> Other resources/tools/practices	

HF 06.2 Select and explain how these resources are incorporated into the investment and risk management process?

Category of ESG	Investment/risk management process	Additional text (optional)
ESG data (proprietary, 3rd party, etc.)	<input checked="" type="checkbox"/> Investment origination <input type="checkbox"/> Investment analysis <input checked="" type="checkbox"/> Portfolio construction <input type="checkbox"/> Trade management <input type="checkbox"/> Risk management	We have identified the ESG factors most pertinent to currency returns and integrated them into our decision making.

HF 07	Mandatory	Public	Descriptive	1,2
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HF 07.1 Does your organisation uses quantitative analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

Quantitative modelling	ESG incorporation	Outcomes and assessment/review
<input checked="" type="checkbox"/> Multi-factors models <input type="checkbox"/> Fractal Market Hypothesis (FMH) modelling <input type="checkbox"/> Models Yield <input type="checkbox"/> Technical analysis (Fibonacci retracements, Bollinger bands, etc.) <input type="checkbox"/> Univariate models (Box-Jenkins) <input checked="" type="checkbox"/> Monte-Carlo simulations <input checked="" type="checkbox"/> Multiple regression analysis <input checked="" type="checkbox"/> Correlation analysis <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pre-defined ESG parameters are added in our quantitative models. <input type="checkbox"/> We conduct scenario analysis to define ESG parameters separately. <input type="checkbox"/> Variance/Value at Risk analysis with embedded ESG-risks. <input type="checkbox"/> Other	The impact of ESG is assessed both in terms of the improvement in the ESG credentials and on the performance of the portfolio.

We don't use quantitative analysis.

HF 07.2 Does your organisation uses fundamental analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

Fundamental approach	ESG incorporation	Outcomes and assessment/review
<input checked="" type="checkbox"/> Top-down <input type="checkbox"/> Bottom-up	<input type="checkbox"/> At a micro level - ESG factors are integrated into financial models (DCF, multiples, etc.) <input type="checkbox"/> Financial ratios with embedded ESG factors. <input checked="" type="checkbox"/> At a macro level - ESG factors are embedded with economic indicators (GDP, inflation, etc.) <input type="checkbox"/> Other	<p>We apply an ESG-tilt to the Emerging Market currencies within our Currency Multi-Strategy portfolio. This tilt skews the portfolio allocation to EM countries with higher ESG scoring and away from countries with low ESG scoring. As a result, the ESG profile of the portfolio is improved without any detriment to the strategies overall risk-adjusted returns.</p>

We don't use fundamental analysis.

HF 08	Mandatory	Public	Descriptive	1,6
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HF 08.1 Could you please indicate whether there have been any changes to your RI incorporation process over the past 12 months (e.g. additional resources, information sources)?

- Yes
 No

HF 08.2 If yes, please describe them.

We have been working on the incorporation of ESG since the beginning of 2018 and went live in December 2018 when we started applying ESG tilts to our proprietary capital invested in our Currency Multi-Strategy portfolio.

HF 09	Mandatory	Public	Descriptive	1,2
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HF 09.1 Please select and explain how active ownership practices are integrated into investment decisions.

- (Proxy) Voting
 Engagement
 Shareholder resolution
 None of the above
 Not applicable (N/A)

HF 10	Mandatory	Public	Descriptive	1,2
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HF 10.1 Please provide examples of where ESG risks and opportunities were incorporated into the investment decisions over the past 12 months.

- Add Example 1

Hedge Funds Strategy	<p>Global macro</p> <p><input checked="" type="checkbox"/> Global macro</p> <p><input type="checkbox"/> Equity Hedge</p> <p><input type="checkbox"/> Event driven</p> <p><input type="checkbox"/> Relative value</p> <p><input type="checkbox"/> Risk parity</p> <p><input type="checkbox"/> Blockchain</p> <p><input type="checkbox"/> Fund of Hedge Funds</p>
ESG factors	<p>Environmental, Social, Governance</p> <p><input checked="" type="checkbox"/> Environmental</p> <p><input checked="" type="checkbox"/> Social</p> <p><input checked="" type="checkbox"/> Governance</p>
ESG risks/opportunities	<p>The strategy takes a number of ESG related data series and uses these to generate signals of improvement or deterioration for each of the Emerging Market currencies in our Currency Multi-Strategy portfolio.</p>
Financial risks	<p>The nature of our ESG factor scoring is such that some act over long horizons (e.g. improvements in education and health only impact the economy after the children who benefit mature and join the workforce). They are slow moving indicators that can be rebalanced on an annual basis leading to low portfolio turnover. Ultimately, our research has shown that incorporating such factors into our Currency Multi-Strategy framework results in improved strategy ESG credentials without detriment to portfolio risk-adjusted returns.</p>
Scope and process	<p>A number of different data series were selected that relate to the UN Sustainable Development Goals. Data series were then tested such that only those that exhibit an association with currency returns were included in our scoring. Using only the factors that are qualitatively linked to productivity and currency returns, we then transformed the data series to ensure compatibility between the selected ESG factors. This enabled us to combine the factors into an ESG metric and, in turn, to over/under-weight those EM currencies that have the highest/lowest ESG metric scores.</p>
Outcomes	<p>ESG signals developed by Record&apos;s proprietary model resulted in re-allocating capital away from countries with poor ESG credentials and towards those with better ones.</p>

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

HF 10.2 Based on your example(s) provided above, please specify whether the incorporation of ESG factors affected the risk-adjusted returns of your hedge funds.

- The incorporation of ESG risks positively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks negatively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks had an overall neutral effect on the risk adjusted returns of the hedge funds
- No impact, or we do not track this information.

HF 11 **Mandatory** **Public** **Descriptive** **General**

HF 11.1 Do you use derivatives instruments as part of your hedge funds strategies and/or Funds of Hedge Funds?

- Yes
- No

HF 11.2 Please select all the applicable categories of derivatives used.

Listed/OTC	Category of derivatives
<input checked="" type="radio"/> Listed derivatives	<input type="checkbox"/> Futures <input type="checkbox"/> Options (Equity, Index, ETF, FX, IR, etc.) <input type="checkbox"/> Other <input checked="" type="checkbox"/> None of the above
<input checked="" type="radio"/> OTC derivatives	<input type="checkbox"/> Swaps <input type="checkbox"/> FRA <input type="checkbox"/> Exotic derivatives <input type="checkbox"/> CDS <input checked="" type="checkbox"/> Other <div style="background-color: #cccccc; padding: 2px; margin-top: 5px;">specify</div> FX Deliverable Forward and Non-deliverable forward contracts <input type="checkbox"/> None of the above

HF 11.3 Could you please explain whether and how these derivatives impacted the risk-adjusted returns of your hedge funds investments?

Impact

- Positive impact
- Negative impact
- Neutral impact

Outcomes

Record’s currency-for-return products are entirely implemented using FX derivative contracts. As such, the impact of the ESG tilts on the risk-adjusted returns of our Currency Multi-Strategy portfolio is also entirely due to these contracts.

No impact or we do not track this information

HF 11.4 Would you indicate whether the use of derivatives triggered ESG risks/opportunities at the fund level?

- Yes
- No, or undetermined

HF 11.5 Additional information [OPTIONAL]

We use FX derivatives to exploit currency opportunities.

Monitoring and reporting

HF 12	Mandatory	Public	Descriptive	1,2
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HF 12.1 Could you indicate whether you report separately on your funds’ long/short/net exposures?

- Yes
- No
- Not Applicable

explain

Our Currency Multi-Strategy product takes positions within the currency market. When taking a long position in one currency, you are naturally short the opposing currency in the pair. As such, Record’s for-return products are both long and short in nature.

HF 13	Mandatory	Public	Descriptive	1,2
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HF 13.1 Please describe what metrics/initiatives (internal and/or external) your organisation uses to measure its progress in incorporating RI into the investment process.

Add Example 1

Hedge Funds Strategy	<p>Global macro</p> <input checked="" type="checkbox"/> Global macro <input type="checkbox"/> Equity Hedge <input type="checkbox"/> Event driven <input type="checkbox"/> Relative value <input type="checkbox"/> Fund of Hedge Funds <input type="checkbox"/> Risk parity <input type="checkbox"/> Blockchain				
Metrics/Initiatives	<table border="1"> <tr> <td style="background-color: #0070C0; color: white; text-align: center;">Metrics</td> <td style="background-color: #0070C0; color: white; text-align: center;">Initiatives</td> </tr> <tr> <td> <input checked="" type="checkbox"/> RI policy implementation <input type="checkbox"/> RI Recommendation changes <input type="checkbox"/> ESG Alpha <input type="checkbox"/> ESG Beta <input type="checkbox"/> GHG Emissions </td> <td> <input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Integration of ESG data <input type="checkbox"/> Education <input type="checkbox"/> Other </td> </tr> </table>	Metrics	Initiatives	<input checked="" type="checkbox"/> RI policy implementation <input type="checkbox"/> RI Recommendation changes <input type="checkbox"/> ESG Alpha <input type="checkbox"/> ESG Beta <input type="checkbox"/> GHG Emissions	<input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Integration of ESG data <input type="checkbox"/> Education <input type="checkbox"/> Other
Metrics	Initiatives				
<input checked="" type="checkbox"/> RI policy implementation <input type="checkbox"/> RI Recommendation changes <input type="checkbox"/> ESG Alpha <input type="checkbox"/> ESG Beta <input type="checkbox"/> GHG Emissions	<input type="checkbox"/> Transparency <input checked="" type="checkbox"/> Integration of ESG data <input type="checkbox"/> Education <input type="checkbox"/> Other				
Internal/external	<input checked="" type="checkbox"/> Internal <input type="checkbox"/> External				
Metrics/Initiatives definition	We have constructed a metric incorporating factors based on the UN SDGs which are also associated with currency returns.				
Assessment/outcomes	Too soon to say as this went live in December 2018.				

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

HF 15	Mandatory	Public	Descriptive	2,6
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HF 15.1	How often and in what format (e.g. meetings, written reports) does your organisation report to its investors on ESG activities risks assessments? Please provide reporting examples.
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- Add Example 1

Frequency of reporting	<input type="radio"/> Annually <input checked="" type="radio"/> More frequently than annually <input type="radio"/> Other
Format	<input type="checkbox"/> Minutes of meetings <input checked="" type="checkbox"/> Written reports <input type="checkbox"/> Side letters/emails <input type="checkbox"/> Other
ESG activities	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Portfolio ESG risks assessment	<input type="checkbox"/> Fund governance <input checked="" type="checkbox"/> Linear constrains <input type="checkbox"/> Quadratic constraints <input type="checkbox"/> Other
Outcomes	We report the impact of our ESG-tilt on the ESG credentials of our Currency Multi-Strategy product.

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

Record Currency Management

Reported Information

Public version

Confidence building measures

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Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report