



Confidential Report Prepared For:

Hatteras Funds



Clarity Diligence Services
201 Evans Road, Suite 102
Harahan, Louisiana 70123



OCTOBER 27, 2014

Kristina Labermeier
Hatteras Funds
8540 Colonnade Center Drive, Suite 401
Raleigh, North Carolina 27615

FILE NAME: ROW Asset Management

REGARDING: Ryan O'Grady; Jeffrey Weiser

Ms. Labermeier:

At your request, we completed due diligence research on the above referenced subjects. Our researchers conducted queries of the applicable public record offices in order to assist in compiling a profile on each subject.

Based on the information provided in your request, and our preliminary review, we completed a ten-year search of public records focused at the official record repositories in Orange County California and New York County, New York. Our office also conducted expanded research of nationwide database sources, along with direct contact at the applicable entities for confirmation purposes.

The following represents an exhaustive review and analysis of information obtained through direct public record retrieval and third-party sources as indicated under your chosen scope of services.

In the event you have any questions regarding the report, please contact us at your earliest convenience.

Sincerely,

Chris Deaton
President

Clarity Diligence Services
File #10297

Executive Summary

After reviewing the information developed during our inquiries, we offer the following summary:

During our investigation, we researched Ryan O'Grady and Jeffrey Weiser via direct public record retrieval within Orange County, California and New York County, New York respectively. Our researchers also utilized numerous database resources to search each subject on a nationwide basis with respect to bankruptcies, tax liens and judgments. Direct contact was established with multiple entities and agencies for confirmation purposes.

Our corporate research found Mr. O'Grady as a registered individual of five entities including ROW Asset Management. Seven entities were found to be identifiable with Mr. Weiser. Including ROW Asset Management, ROW Currency and ROW Diversified.

The litigation portion of our research identified no civil suits involving Ryan O'Grady. We did locate one pending civil action listing Mr. Weiser as Plaintiff in New York County Supreme Court. This case is a contract action and is unrelated to any of the subject's business activities. We identified no federal suits involving either subject. Our research identified no judgments or tax liens listing either subject as a debtor. We found no record of either subject having sought protection within the United States Bankruptcy Courts. No criminal actions or convictions were noted with respect to either subject on either local or federal levels.

The media portion of our investigation identified a small number of published articles referencing each subject. No articles of a derogatory nature were found. The majority listed each subject in conjunction with ROW. Likewise, our expanded research for web-based or social media information identified nothing negative.

Our research identified no fines or sanctions as having been levied against either subject by U.S. or international regulatory bodies. A review of numerous additional foreign and domestic watch lists found no record of either subject as a politically exposed or otherwise monitored party.

We have confirmed both undergraduate and graduate degrees for Mr. O'Grady, along with the undergraduate degree for Mr. Weiser. Previous employment at FX Concepts, for each subject, was confirmed through third party sources, as the entity is no longer in business. We have not received a response to our inquiry at Standard Chartered for Mr. O'Grady. We were unable to confirm previous employment for Mr. Weiser at Pegasus Econometric, as this entity was merged into Thomson Financial and later Thomson Reuters and no records were available.

In closing, our research identified nothing of a substantive derogatory nature involving either of our subjects. Specifics, regarding the results of each individual area of inquiry, are detailed further within our report.

Ryan O'Grady
Orange County, California
&
Nationwide Database Research

RECORDS SEARCHED	RESULT	YEARS SEARCHED
Bankruptcy Petitions	No	10
Corporate Affiliations	Yes	Not Applicable
Civil Litigation	No	10
Judgments	No	10
Tax Liens	No	10
Criminal Records	No	10
Media Search	Yes	Not Applicable
Regulatory Sanctions Search	No	Not Applicable
Watch Lists	No	Not Applicable
Regulatory Licensing Search	Yes	Not Applicable

BANKRUPTCY SEARCH

A nationwide search of the records maintained at the United States Federal Bankruptcy Courts (including direct inquiries with the courts in California) revealed no record of the subject having sought protection under the Federal Bankruptcy Act.

CORPORATE RECORDS SEARCH

We conducted a nationwide search through all available Secretary of State Offices for any corporate filings listing the subject as an officer, owner, registered agent or otherwise affiliated individual. This search revealed the following entities to be identifiable with our subject:

1.

STATE: **California**
ENTITY NAME: **International Foreign Exchange Concepts, L.P.**
CHARTER NUMBER: 200916200008
FILING DATE: June 5, 2009
TYPE: Foreign Limited Partnership (New York)
STATUS: Active

REGISTERED AGENT: Ryan O'Grady
ADDRESS: 51 Golden Eagle
Irvine, California 92603

LIMITED PARTNER:

IFEC Holding Inc.

2.

STATE: **Nevada**
ENTITY NAME: **Invisible Duck LLC**
CHARTER NUMBER: E0665642006-9
FILING DATE: September 7, 2006
TYPE: Domestic Limited Liability Company
STATUS: Revoked

REGISTERED AGENT: Milton Weiser
ADDRESS: 1613 Chaparral Summit Drive
Las Vegas, Nevada 89117

MANAGER:

Ryan O'Grady

3.

STATE: **California**

ENTITY NAME: **ROW Asset Management, LLC**
CHARTER NUMBER: 201019010242
FILING DATE: July 7, 2010
TYPE: Foreign Limited Liability Company (Delaware)
STATUS: Active

REGISTERED AGENT: Ryan O'Grady
ADDRESS: 450 Newport Center Drive #420
Newport Beach, California 92660

MEMBER: Jeffrey Weiser

4.
STATE: **Nevada**
ENTITY NAME: **Wise Ogre Limited Liability Company**
CHARTER NUMBER: E0665252006-2
FILING DATE: September 7, 2006
TYPE: Domestic Limited Liability Company
STATUS: Revoked

REGISTERED AGENT: Milton Weiser
ADDRESS: 1613 Chaparral Summit Drive
Las Vegas, Nevada 89117

MEMBER: Ryan O'Grady
MEMBER: Jeffrey Weiser

5.
STATE: **Nevada**
ENTITY NAME: **WOG Investments, LLC**
CHARTER NUMBER: E0190872009-5
FILING DATE: April 2, 2009
TYPE: Domestic Limited Liability Company
STATUS: Revoked

REGISTERED AGENT: Registered Agent Inc.
ADDRESS: 769 Basque Way, Suite 300
Carson City, Nevada 89706

MEMBER: Ryan O'Grady
MEMBER: Jeffrey Weiser

CIVIL LITIGATION SEARCH

A direct search for suits filed in the court records of Orange County, California revealed no civil court cases involving the subject.

We performed a search of the United States Federal District Court – Central District of California and found no record of Federal civil litigation involving the subject. An expanded nationwide search for Federal litigation also identified no actions involving our subject.

JUDGMENT SEARCH

A nationwide search for judgments (including direct research in Orange County, California) revealed no filings involving the subject.

TAX LIEN SEARCH

A nationwide search for state and federal tax liens (including direct research in Orange County, California) revealed no filings involving the subject.

CRIMINAL RECORD SEARCH

We performed a direct search of the court records in Orange County, California and found no record of any criminal actions or convictions involving the subject.

We performed a search of the United States Federal District Court – Central District of California and found no record of any Federal criminal litigation or convictions involving the subject. An expanded nationwide search for Federal criminal proceedings also identified no actions involving our subject.

MEDIA RESEARCH

We conducted database research to determine if there were any publications containing articles written with respect to our subject. Through this search, we found a small number of articles mentioning the subject, none of which were derogatory in nature. A selection is attached as Exhibit A. Our researchers also conducted extensive internet research for any

web-based publications and social media outlets, which might contain negative information regarding the subject. This also revealed nothing of a derogatory nature.

REGULATORY SANCTIONS

We conducted database inquiries of the Securities & Exchange Commission, the Financial Industry Regulatory Authority, the Department of Housing and Urban Development and numerous additional state, federal and international agencies including the Office of the Comptroller of the Currency, HM Treasury and the Financial Crimes Enforcement Network. We found no derogatory comments or sanctions recorded against the subject.

CLARITY WATCH

Our office conducted research through the Office of Foreign Assets Control and found nothing detrimental on file with respect to the subject. Mr. O'Grady is not on OFAC's list as a watched, blocked or Specially Designated National. Additionally, we checked the subject against numerous other domestic and international watch lists covering Politically Exposed Persons, Ineligible Firms or Individuals, Excluded Parties, Debarred Parties, Denied Persons, Fugitives, Sex Offenders and others. Research was also conducted through multiple criminal database services covering arrest and conviction data across the U.S. We found no information regarding the subject.

EMPLOYMENT

EMPLOYER: ROW Asset Management
ADDRESS: 450 Newport Center Drive
POSITION: Newport Beach, California 92660
CEO

RESIDENCE VERIFICATION

SUBJECT: Ryan O'Grady
ADDRESS: 2655 Basswood Street
Newport Beach, California 92660

COMMENTS:

Based on a review of available data, the above residence is assessed in the name of Ryan O'Grady. The property reflects an approximate assessed value of \$1,475,980.

A review of historical data revealed the following previous residential locations for the subject over the last 10 years:

1. 51 Golden Eagle, Irvine, CA 92603
2. 2312 Aralia Street, Newport Beach, CA 92660

EDUCATION

1.

NAME: Johns Hopkins University
CITY/STATE: Baltimore, Maryland

COMMENTS:

Our research has confirmed that the subject obtained his BA at Johns Hopkins on May 21, 1992. The subject's major was confirmed as Economics.

2.

NAME: New York University – Stern School
CITY/STATE: New York, New York

COMMENTS:

University representatives confirmed the subject obtained his MS degree on May 13, 1999. Majors were reported as Math and Statistics/Operations Research.

3.

NAME: University of California
CITY/STATE: Irvine, California

COMMENTS:

Our research has confirmed that the subject was enrolled on a full-time basis from January 7, 2004 to March 26, 2004 and again from September 22, 2003 to December 12, 2003.

EMPLOYMENT HISTORY

1.

NAME: FX Concepts
CITY/STATE: New York, New York
TELEPHONE: {(123)456-7890}

COMMENTS:

FX Concepts is no longer in business. Its last published phone number, (212) 554-6800 is no longer in service. Direct confirmation of the subject's former employment was not possible; however, we did note various media publications mentioning the subject as Director of Research at FX. Additionally, our corporate research identified the subject as registered agent of the affiliated entity International Foreign Exchange Concepts, L.P. in California.

2.

NAME: Standard Chartered Bank
CITY/STATE: New York, New York

COMMENTS:

We have submitted a request for employment verification; however, we have not received a response as of the filing of this report.

REGULATORY LICENSING

1.

NAME: The Financial Industry Regulatory Authority
CITY/STATE: Rockville, Maryland
TELEPHONE: (800) 289-9999

We contacted this agency and found no current broker registration for the subject. We identified no derogatory information involving the subject.

2.

NAME: Securities & Exchange Commission
CITY/STATE: Washington, DC
TELEPHONE: (202) 942-8088

COMMENTS:

We contacted this agency and found the subject listed under CRD # 2868104 as CEO, Chief Compliance Officer and Managing Member of ROW Asset Management. The subject is listed as holding a 75% or greater direct ownership interest in ROW.

3.

NAME: National Futures Association
CITY/STATE: Chicago, Illinois
TELEPHONE: (800) 621-3570

COMMENTS:

We contacted this agency and found the subject listed under NFA ID #0441972. The subject is listed as an Approved Principal, Registered Associated Person, Approved NFA Associate Member and Approved Forex Associated Member through ROW Asset Management LLC. We identified no derogatory information involving the subject.

4.

NAME: CFA Institute
CITY/STATE: Charlottesville, Virginia
TELEPHONE: (434) 951-5499

COMMENTS:

We verified that the subject was not bestowed the designation of Chartered Financial Analyst.

5.

NAME: California Department of Business Oversight
CITY/STATE: Sacramento, California
TELEPHONE: (866) 275-2677

COMMENTS:

We contacted this agency and confirmed the information as reported by the SEC. No derogatory information was reported.

Jeffrey J. Weiser
New York County, New York
&
Nationwide Database Research

RECORDS SEARCHED	RESULT	YEARS SEARCHED
Bankruptcy Petitions	No	10
Corporate Affiliations	Yes	Not Applicable
Civil Litigation	Yes	10
Judgments	No	10
Tax Liens	No	10
Criminal Records	No	10
Media Search	Yes	Not Applicable
Regulatory Sanctions Search	No	Not Applicable
Watch Lists	No	Not Applicable
Regulatory Licensing Search	Yes	Not Applicable

BANKRUPTCY SEARCH

A nationwide search of the records maintained at the United States Federal Bankruptcy Courts (including direct inquiries with the courts in New York) revealed no record of the subject having sought protection under the Federal Bankruptcy Act.

CORPORATE RECORDS SEARCH

We conducted a nationwide search through all available Secretary of State Offices for any corporate filings listing the subject as an officer, owner, registered agent or otherwise affiliated individual. This search revealed the following entities to be identifiable with Mr. Weiser:

1.

STATE: **California**
ENTITY NAME: **ROW Asset Management, LLC**
CHARTER NUMBER: 201019010242
FILING DATE: July 7, 2010
TYPE: Foreign Limited Liability Company (Delaware)
STATUS: Active

REGISTERED AGENT: Ryan O'Grady
ADDRESS: 450 Newport Center Drive #420
Newport Beach, California 92660

MEMBER: Jeffrey Weiser

2.

STATE: **Nevada**
ENTITY NAME: **Wise Ogre Limited Liability Company**
CHARTER NUMBER: E0665252006-2
FILING DATE: September 7, 2006
TYPE: Domestic Limited Liability Company
STATUS: Revoked

REGISTERED AGENT: Milton Weiser
ADDRESS: 1613 Chaparral Summit Drive
Las Vegas, Nevada 89117

MEMBER: Ryan O'Grady
MEMBER: Jeffrey Weiser

3.

STATE: **Nevada**
ENTITY NAME: **WOG Investments, LLC**
CHARTER NUMBER: E0190872009-5
FILING DATE: April 2, 2009
TYPE: Domestic Limited Liability Company
STATUS: Revoked

REGISTERED AGENT: Registered Agent Inc.
ADDRESS: 769 Basque Way, Suite 300
Carson City, Nevada 89706

MEMBER: Ryan O'Grady
MEMBER: Jeffrey Weiser

4.

STATE: **California**
ENTITY NAME: **Geier Investment Group, LLC**
CHARTER NUMBER: 200928110053
FILING DATE: October 7, 2009
TYPE: Foreign Limited Liability Company (Nevada)
STATUS: Active

REGISTERED AGENT: Jeffrey J. Weiser
ADDRESS: 450 Newport Center Drive, Suite 420
Newport Beach, California 92660

PRINCIPAL: Jeffrey J. Weiser

5.

STATE: **Nevada**
ENTITY NAME: **Geier Investment Group, LLC**
CHARTER NUMBER: E0162322009-6
FILING DATE: March 30, 2009
TYPE: Domestic Limited Liability Company
STATUS: Dissolved

REGISTERED AGENT: None Reported (Agent Resigned 9/27/13)

MANAGER: Jeffrey J. Weiser

6.

STATE: **California**
ENTITY NAME: **ROW Currency Fund, LLC**
CHARTER NUMBER: 201322510192
FILING DATE: August 8, 2013

TYPE: Foreign Limited Liability Company (Delaware)
STATUS: Active

REGISTERED AGENT: Jeffrey Weiser
ADDRESS: 450 Newport Center Drive, Suite 420
Newport Beach, California 92660

7.

STATE: **California**
ENTITY NAME: **ROW Diversified Fund, L.P.**
CHARTER NUMBER: 201322400009
FILING DATE: August 8, 2013
TYPE: Foreign Limited Partnership (Delaware)
STATUS: Active

REGISTERED AGENT: Jeffrey Weiser
ADDRESS: 450 Newport Center Drive, Suite 420
Newport Beach, California 92660

LIMITED PARTNER ROW Asset Management, LLC

CIVIL LITIGATION SEARCH

A direct search for suits filed in the court records of New York County, New York revealed the following civil litigation involving the subject:

STATE: New York
COUNTY: New York
DATE FILED: February 21, 2014
COURT: Supreme
DOCKET NUMBER: 650582-2014
DEFENDANT: John Parker; Vintage Performance Developments
PLAINTIFF: Jeffrey Weiser
CASE TYPE: Breach of Contract; Misrepresentation
CLAIM AMOUNT: In Excess of \$100,000
CASE STATUS: Pending

COMMENTS: The subject filed the above action against John Parker and Vintage Performance for failure to complete restoration work on a 1965 Volvo. Copies of the complaint, defendant's response and counter claim, and plaintiff's answer to counter claim are attached as Exhibit B.

We performed a search of the United States Federal District Court – Southern District of New York and found no record of Federal civil litigation involving the subject. An

expanded nationwide search for Federal litigation also identified no actions involving our subject.

JUDGMENT SEARCH

A nationwide search for judgments (including direct research in New York County, New York) revealed no filings involving the subject.

TAX LIEN SEARCH

A nationwide search for state and federal tax liens (including direct research in New York County, New York) revealed no filings involving the subject.

CRIMINAL RECORD SEARCH

We performed a direct search of the court records in New York County, New York and found no record of any criminal actions or convictions involving the subject.

We performed a search of the United States Federal District Court – Southern District of New York and found no record of any Federal criminal litigation or convictions involving the subject. An expanded nationwide search for Federal criminal proceedings also identified no actions involving our subject.

MEDIA RESEARCH

We conducted database research to determine if there were any publications containing articles written with respect to our subject. Through this search, we found a small number of articles referencing the subject. None of the articles were derogatory. Copies are attached as Exhibit C. Our researchers also conducted extensive internet research for any web-based publications and social media outlets, which might contain negative information regarding the subject. This also revealed nothing of a derogatory nature.

REGULATORY SANCTIONS

We conducted database inquiries of the Securities & Exchange Commission, the Financial Industry Regulatory Authority, the Department of Housing and Urban Development and numerous additional state, federal and international agencies including the Office of the Comptroller of the Currency, HM Treasury and the Financial Crimes Enforcement Network. We found no derogatory comments or sanctions recorded against the subject.

CLARITY WATCH

Our office conducted research through the Office of Foreign Assets Control and found nothing detrimental on file with respect to the subject. Mr. Weiser is not on OFAC's list as a watched, blocked or Specially Designated National. Additionally, we checked the subject against numerous other domestic and international watch lists covering Politically Exposed Persons, Ineligible Firms or Individuals, Excluded Parties, Debarred Parties, Denied Persons, Fugitives, Sex Offenders and others. Research was also conducted through multiple criminal database services covering arrest and conviction data across the U.S. We found no information regarding the subject.

EMPLOYMENT

EMPLOYER: ROW Asset Management
ADDRESS: 450 Newport Center Drive
Newport Beach, California 92660
POSITION: President

New York Address: 1180 6th Avenue, Suite 848, New York, NY 10036

RESIDENCE VERIFICATION

SUBJECT: Jeffrey Weiser
ADDRESS: 29 Prince Street, #5
New York, New York 10012

COMMENTS:

Assessment information for the subject's residence was not readily available for review.

A review of historical data revealed the following previous residential locations for the subject:

1. 835 Broadway, New York, NY 10003
2. 60 E 13th St. 4W, New York, NY 10003
3. 77 5th Ave. #5A, New York, NY 10003

EDUCATION

NAME: Case Western Reserve University
CITY/STATE: Cleveland, Ohio

COMMENTS: Our research has confirmed that the subject obtained a BA degree through Case Western on August 13, 1993. Dates of attendance were reported as August 1, 1998 to August 1, 1993. The subject's majors were reported as Economics and English.

EMPLOYMENT HISTORY

1.

NAME: FX Concepts
CITY/STATE: New York, New York

COMMENTS:

FX Concepts is no longer in business. Its last published phone number, (212) 554-6800 is no longer in service. Direct confirmation of the subject's former employment was not possible. We did note a listing of FX employees, through a third party, during our media research. This listing referenced the subject as Vice President and Portfolio Manager.

2.

NAME: Pegasus Econometric Group
CITY/STATE: Hoboken, New Jersey

COMMENTS:

Thomson Financial purchased Pegasus in 1993. Thomson merged with Reuters in 2008. Thomson Reuters uses a third party for all employment verification requests; however, this third party had no information on file regarding the subject, as records for Pegasus employees were not maintained. Confirmation was not possible.

REGULATORY LICENSING

1.

NAME: The Financial Industry Regulatory Authority
CITY/STATE: Rockville, Maryland
TELEPHONE: (800) 289-9999

We contacted this agency and found no current registration for the subject. We identified no derogatory information involving the subject.

2.

NAME: Securities & Exchange Commission
CITY/STATE: Washington, DC
TELEPHONE: (202) 942-8088

COMMENTS: We contacted this agency and found the subject listed as President and Co-Founder of ROW Asset Management, LLC under CRD# 3168347. Mr. Weiser is listed as holding a 25% to less than 50% direct ownership interest in ROW. We identified no derogatory information involving the subject.

3.

NAME: National Futures Association
CITY/STATE: Chicago, Illinois
TELEPHONE: (800) 621-3570

COMMENTS: We contacted this agency and found the subject listed under NFA ID 0441977. The subject is listed as Approved Principal, Registered Associated Person, Approved NFA Associate Member, Approved Forex Associated Person, and Approved Branch Manager through ROW Asset Management LLC. We identified no derogatory information involving the subject.

4.

NAME: CFA Institute
CITY/STATE: Charlottesville, Virginia
TELEPHONE: (434) 951-5499

COMMENTS: We verified that the subject was not bestowed the designation of Chartered Financial Analyst.

5.

NAME: New York Securities Board
CITY/STATE: New York, New York

TELEPHONE: (212) 416-8222

COMMENTS: We contacted this agency and were informed that no state registration information was maintained. The information reported by the SEC was confirmed. We identified no derogatory information involving the subject.

We hope the information presented within this report will be of assistance in your decision making process.

THIS REPORT DOES NOT REPRESENT A LEGAL OPINION. THIS REPORT SHOULD BE USED TO ASSIST IN YOUR OVERALL EVALUATION OF THE TRANSACTION IN QUESTION. THE RESEARCH OF PUBLIC RECORD, FINANCIAL AND CREDIT DATA IS COMPLEX AND REQUIRES THE REVIEW OF MANY INDEPENDENT SOURCES OF INFORMATION CREATED BY FALLIBLE MEANS. AS SUCH, WE CANNOT GUARANTEE THE ACCURACY OF THE INFORMATION CONTAINED IN THIS REPORT.

EXHIBIT A

6/10/11 DW Online (Pg. Unavail. Online)

2011 WLNR 12771072

Loaded Date: 06/27/2011

DW Online

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June 10, 2011

Ryan O'Grady, ROW Asset Management

Mike Kentz

Ryan O'Grady

DW: What have been some notable trades that your fund has put on since its launch?

RO: Our system is meant to be very diversifying, so it analyzes a lot of different relationships and puts on a lot of different inter-regional trades. Carry is an important input to our process. A consistent trade we've had on has been short U.S. dollar and long a basket of Latin American currencies. The reason that's interesting is because it has good yield differential, the trend is in favor of that trade and it's sort of isolated from the euro/USD back and forth that's been going on. What is interesting is that carry and trend favor Brazil far and away, but we have relative value models that favor some of the other countries, like Mexico, and that helps to shift some of the focus away from Brazil, which is pretty unique.

DW: What's the benefit of systematic as opposed to discretionary?

RO: Systematic is able to analyze more relationships. If you talk to a discretionary manager they'll usually tell you three or four dominant themes or trades that they have on. Whereas we analyze thousands of different relationships, trading 32 different currencies, so we're not married to any specific trade or cross. On top of that, systematic is testable. So if you have an idea, you can look at how it has outperformed, with also a lot of our ideas coming from intuition. Jeff and I were both traders and are familiar with discretionary trading. Having that background is really useful for putting models together and understanding interactions.

My guess is if you called 100 systematic managers and you ask, with hindsight, do they wish they had intervened more or less with their model, their answer is almost always less. So from our POV, we do use some discretion as a point of disaster

avoidance but we're really a systematic shop.

DW: How often do you update your models?

RO: We probably roll a new model out every three to six months and update existing ones every two to three months. We're pretty much always generating new ideas, though. We've got a laundry list of new ideas about a mile long, and it's not that models stop working; it's that once the market catches onto it, the efficacy will drop. So it's more about keeping your models and process ahead of everyone else as much as it is staying ahead of changing market conditions. And that's a big part of our process is maintaining a credible pipeline. Investors come to evaluate your research process and you need to be able to explain how you come up with new ideas and where those ideas are currently.

DW: What kind of trends are your models identifying right now?

RO: Our approach is a balance of carry, trend and relative value. Right now we're pretty balanced among all of them with a slight bias towards carry. If there were a dominant theme in our current portfolio it would be that the models are positioned for a flow of funds out of near zero interest rate countries and into countries that are commodities exporters or high interest rate countries. Plenty of people are probably long Australian dollar or South African rand against U.S. dollar on the back of this type of view, but what's unique about us is the variety of different positions we keep on in Asia, Latin America and even Europe that I think most others probably don't.

DW: Is your strategy an outright directional view or a hedge against something else?

RO: Ours is an absolute return strategy. We're standalone.

DW: Why don't you use options at this point? Could you see yourself using them in the future?

RO: We don't use options because they are heavily dependent on expectations. If you look at fx, current spot is a fairly good predictor of future spot, so if you have an accurate forecasting model that says EUR/USD is going to go up, then you are able to make money on those kinds of views if the pair does appreciate. But if you think volatility of EUR/USD is going up, and the market agrees with you, then vol's are already priced to take that into account. There's sort of a second level when you're talking about a systematic approach to options in that you have to predict not only what vol is going to do but also what the market thinks vol is going to do. Quite often you find yourself "short the tape", so if your short options it means you're model thinks they are overvalued and they are overvalued because the market is anticipating something your model can't see. For example a systematic model can't take into account that the G7 is meeting over the weekend, which would be one reason why an option would appear to a model be overvalued. So that's the downside to trading options systematically.

Options will be more useful for us in structuring better returns. For example, the distribution of our trades tends to be the bell curve; we're long/short the plain vanillas, linear payoffs, with symmetric payoff structures. So we'd use options to change that structure. For example a carry trade you'd make small amounts, so we'd look to give away a little bit of upside to get more of an advantage if the cross trades in a range. Outright bets using options are probably unlikely but in structuring payoffs as an overlay we'll likely use them.

DW: Are your models based on fundamentals or technicals? What kind of size do you trade?

RO: Almost all technicals. The only fundamental input we use is in relative value by using inflation data. Trading size tends to be between 2-10% of assets under management, and we turn our portfolio over about 60 times a year, so about USD1 billion in turnover a year.

DW: What are the average maturities?

RO: Two to three months, six months at the most. It's a tradeoff between how often do you need to roll a portfolio versus synchronizing your trades. Our hold time is anywhere from two weeks to two months depending on the strategy, so for that anywhere from two to six months is a good maturity.

DW: Why was May such a difficult month for most currency managers? How did your fund perform in May?

RO: May was a good month for us to demonstrate what we do. It was a difficult month because EUR/USD had a nasty whipsaw experience where it shot up to 1.49, collapsed to 1.40, and then recovered to 1.44. So if you were doing a trend following or carry strategy on major currencies it would have been difficult for you to have a good month. We outperformed many other FX managers, though, because we're not dollar-centric. On top of that, people talk about carry and trend being uniform factors, but they're not. Carry and trend trades can be working in some regions of the world and not others, so you've got to identify the successful models and pairs under either strategy. In May if people were limited in the selection universe with respect to carry and trend strategies they would have had a tough time having a good month.

DW: What major trends are your models identifying now, outside of the USD/LatAm one?

RO: Another one outside of USD/LatAm is going long Indonesia and India and short Philippines and Taiwan. It hasn't worked great yet but it's pretty interesting. It's driven primarily by carry and trend at this point.

DW: What are some opportunities in FX markets going forward?

RO: We don't really take long-term views, but over the short-term there are two things creating opportunities: central bank activism in both developed and emerging currencies; and this overall growth in moderation seems to be over, where countries are decoupling and there's strong growth in some regions and weak growth in others, which contributes to sustained cross-border flows and allows people like us to identify opportunities and make money.

DW: What about regulatory challenges to FX?

RO: The greatest regulatory challenge is that the Dodd-Frank Act proposed to require currency swaps to be subject to exchange margin and clearing unless the Secretary of the Treasury determines otherwise. Recently, the Secretary of the Treasury announced that it would act to exempt currency forwards from the Dodd-Act's margining and clearing requirements although it has not, to date, taken any formal action. This change, if it moves forward, would without question add complexity to our

industry.

One other regulatory initiative is the Commodity Futures Trading Commission proposal to require certain pool operators to look through to their underlying investors (who must be eligible contract participants in order for the commodity pool to be considered an eligible contract participant). Most commodity pools do not have this information about the underlying investors. Therefore, if this moves forward, there is going to be a lot of work that will need to be done by managers.

" My guess is if you called 100 systematic managers and you ask, with hindsight, do they wish they had intervened more or less with their model, their answer is almost always less. "

---- INDEX REFERENCES ---

COMPANY: FIXINOX SA

NEWS SUBJECT: (Sales & Marketing (1MA51); Baby Boomer Market (1BA46); Business Management (1BU42); Target Markets (1TA03))

INDUSTRY: (Advanced I.T. (1AD38); Semiconductor Applications (1SE81); Semiconductor (1SE88); Semiconductors in PCs & Peripherals (1SE95); Electronics (1EL16); I.T. (1IT96); Central Processing Unit Applications (1CE84); Electronic Components (1EL91); Emerging Internet Business Applications (1EM61); Internet (1IN27); I.T. Standards (1IT94))

REGION: (Latin America (1LA15); Americas (1AM92))

Language: EN

Word Count: 1547

6/10/11 DWONLINE (No Page)

END OF DOCUMENT



Taylor Rules Currencies, Not to Be Confused With the Other Guy

By Bo Nielsen - Aug 22, 2008

Aug. 22 (Bloomberg) -- Watching the fallout the U.S. subprime crisis has had on currency markets, [John Taylor](#) is thrilled. ``If you look at the best years we've ever had, it's when the market was completely haywire," he says.

Taylor's [International Foreign Exchange Concepts Inc.](#), the biggest currency hedge fund company in the world, is navigating through some of the wildest fluctuations the currency market has seen since the dot-com crash in 2002.

The average size of the dollar's swings against developed-market currencies in the past year has increased [46 percent](#) compared with the prior year, and its moves against emerging-market currencies have increased by [23 percent](#), as measured by [JPMorgan Chase & Co.](#)'s indexes of implied option volatility.

Taylor has profited from the turmoil by using software that tracks trends. Three of FX Concepts' four biggest trading programs rose as much as 11.2 percent after fees this year through July 31, about eight times the returns of the Barclay Currency Trader Index of 145 programs tracked by Fairfield, Iowa-based [Barclay Hedge Ltd.](#) A program is a pool of money invested in one or more investment strategies.

The exception is the company's Developed Markets Currency program, which has returned an average of more than 10 percent since its inception in 1989. It declined 5 percent in the first seven months of this year as increasingly erratic price swings made it more difficult for the program's trend-spotting software to find profitable trades.

Randomness

That was especially the case in the so-called majors -- the currencies of the Group of Ten countries, which include the U.S., Japan, Germany and the U.K. ``It's become much harder to make money on the majors," Taylor says. ``They are not totally random, but it's damn near."

Overall, assets under management at FX Concepts have almost tripled to \$14.6 billion from \$5 billion in 2002 and may swell to \$25 billion in the next five years, Taylor says.

In offices seven stories above Manhattan's bustling 34th Street, analysts hunch over their computer screens or meet with customers in conference rooms dubbed Dollar, Euro, Yen and Cable, which is jargon for the British pound. They use software that tracks more than 500 exchange rates against their historical patterns to spot trading opportunities.

Every morning, Taylor's software crunches data going back to the 1970s -- everything from currency and commodity prices to real estate investments -- in order to forecast exchange rates. The predictions help Taylor's team select trades, most of which are made in the option, futures or forward markets.

``Rock 'n' Roll'

The traders are looking for imbalances, particularly among the major currencies, which account for about 90 percent of the world's foreign exchange trading.

``When you have some economies growing strongly and some economies encountering problems, that's when the currency markets rock 'n' roll," says [Jonathan Clark](#), 52, vice chairman at FX Concepts.

Taylor's approach to the currency market is different from that of [George Soros](#), who made an infamous wager in 1992 that the British government would withdraw its currency from the European Exchange Rate Mechanism.

Taylor bets only a fraction of his assets each time. His trades usually last a couple of weeks. His models flash when a currency's movements suggest it will continue on the same path and again when the move looks likely to reverse. (Taylor isn't to be confused with [John B. Taylor](#) of [Stanford University](#), who invented the Taylor Rule, which central banks use to gauge interest rates vis-a-vis inflation and growth.)

Betting on the Euro

In the year ended in July, one of Taylor's most frequent bets has been on the euro against the dollar. Adjusting to the zigzagging market, he shifted from owning the euro to selling it, to owning it again, up to 15 times in his various funds as the European currency advanced 15.7 percent against the dollar, Taylor says. In trading Aug. 21, the euro stood at \$1.4894, up 2 percent against the dollar this year.

Taylor says his models are telling him to continue to bet against the dollar. He predicts the dollar might lose about 40 percent of its value in the next three years against the Federal Reserve's trade-weighted currency [index](#), which measures trade with 38 countries including Canada, China, Mexico and members of the European Union.

The prediction is partly based on his charts of the U.S. real estate cycle, which he says has a major impact on the dollar and will continue to point south for the next couple of years, dragging down the currency with it. He also says the price of a barrel of crude oil might reach \$250 in 2011, further eroding the strength of the U.S. economy and the dollar.

Lever for Government

``When markets look ugly, currencies are the one lever that the government has that it can use to jerk its economy around without pissing off its own citizens," Taylor says. ``And the U.S. needs to do a lot of maneuvering." The government will try to keep the dollar weak, he says, to fuel growth in exports and deflate the value of its debt.

The dollar's fluctuations are especially welcome, Taylor says, because they create more opportunities for trades among the majors, a market that's been slowing in the past few years. Annual returns of Taylor's \$4.1 billion Developed Markets Currency program, which was confined to the majors until June, averaged 5.1 percent annually since 2000 net of fees, down from an average of 14.8 percent a year in the 1990s. In July, Taylor added emerging market currencies like the Polish zloty and the Mexican peso to the mix.

Volatility Falls

Even including the turmoil in the past year, the average volatility among the major currencies has fallen [11 percent](#) since the decade began compared with the prior eight years, according to JPMorgan.

That's partly because of the introduction of the euro in January 1999, which reduced the number of trades possible among the majors. Five of the Group of Ten countries -- Belgium, France, Germany, Italy and the Netherlands -- adopted the single currency.

Competition in the foreign exchange markets has also increased. The number of currency programs that are tracked in the Barclay Hedge index has tripled to 145 in the past decade. ``The competition is eroding profits," says [Stephen Lewis](#), chief economist at brokerage [Monument Securities Ltd.](#) in London. He also says price swings have become more erratic. ``It has become easier to confuse noise with trends," he says.

At the same time, daily volume in international currency markets has tripled since 1992 to \$3.2 trillion, according to the [Bank for International Settlements](#) in Basel, Switzerland.

That's about 11 times the value of the stocks changing hands in the world's equity markets and three times the trading volume of government bonds, according to the New York-based Securities [Industry and Financial Markets Association](#).

George Soros

``It's a very, very liquid, very, very competitive market," says [Kenneth Rogoff](#), a former chief economist at the [International Monetary Fund](#) in Washington and now professor of economics at [Harvard University](#) in Cambridge, Massachusetts.

``Taylor is up there with [George Soros](#)," says [Maxime Tessier](#), head of foreign exchange at [Caisse de Depot et Placement du Quebec](#), a pension fund that manages about \$258 billion from Montreal and is not Taylor's client. ``He's a beautiful example of how someone can be a successful investor in the foreign exchange market."

Taylor has made his mark without the benefit of a college degree in business or economics. A native of Locust Valley, on Long Island in New York, he attended the private [Hill School](#) in Pottstown, Pennsylvania, whose alumni include former Secretary of State [James Baker III](#) and Academy Award-winning film director [Oliver Stone](#).

While Taylor graduated from high school at 16 with a perfect 800 score on the math section of the SAT college admissions test, he followed his father's advice not to rush into college. His father entered [Massachusetts Institute of Technology](#) at age 15, dropped out during World War II and then ran a small shipyard in Oyster Bay, Long Island, Taylor says.

Studied in Switzerland

The younger Taylor spent a year studying history and Italian at the American School in Switzerland in the village of Montagnola above Lake Lugano. In 1961, he returned to the U.S. and enrolled at [Princeton University](#) in Princeton, New Jersey. Between his junior and senior years, Taylor spent a year in Montagnola teaching modern European history at the American School.

He graduated from Princeton in 1966 with a bachelor's degree in romance languages and then began work on a Ph.D. in political science at the [University of North Carolina](#) in Chapel Hill.

Taylor's views of the currency markets are still influenced by his studies.

``Game of the World'

``One of the great things about foreign exchange, if you really try to understand what's going on, it's like the game of the world," Taylor says in his office, which is lined with books, including Bruce Chadwick's ``George Washington's War," a biography of Benjamin Franklin and treatises

on the declining role of the U.S. in the world.

Taylor says he sees similarities between the current predicament of the U.S. economy and the French court in 1720, which was nearly bankrupted by John Law, a Scottish economist and notorious gambler who issued too much debt on its behalf.

``All through history, the world has borrowed and borrowed until it realized that it couldn't repay it," he says. ``There's nothing different from what we are doing now."

Taylor got married in graduate school and abandoned his Ph.D. studies in 1969 to take a job at New York-based Chemical Bank, a predecessor to JPMorgan Chase, starting as a European political analyst. His knowledge of the region landed him a job in the foreign exchange department.

Learning About Currencies

He didn't know about currencies or economics when he started, but he was eager to learn, says [Roderick Porter](#), who hired Taylor.

``John is an extremely intelligent, very intense guy," says Porter, 63, who served as president of FX Concepts from 1994 to '98. He now helps manage [Southern National Bancorp of Virginia](#) Inc. in Charlottesville.

Taylor started his career in currencies at a propitious time. The international foreign exchange market was just about to take off.

In 1971, when the Vietnam War was stretching U.S. finances, President [Richard Nixon](#) took the dollar off the gold standard. That led to the collapse of the Bretton Woods system of exchange rates that had tied currencies to the dollar and the price of gold since 1944. As currencies began to float freely against the dollar, demand for foreign exchange services from international companies exploded.

In 1973, Taylor joined First National Bank of Chicago, now part of JPMorgan Chase, then moved to Citibank, now part of [Citigroup Inc.](#), a year later. There he led the 100-person foreign exchange consulting group, helping companies protect overseas revenue from changes in exchange rates by creating so-called hedges.

Deutsche Mark Bet

He left in 1978 for [GFTA Analytics](#), a Duesseldorf-based research company that used computer models of historic prices of currencies and commodities to forecast exchange rates. Taylor says he was impressed when the system predicted the dollar's 12 percent surge against the

German mark that November.

A year later, Taylor struck out on his own. He hired Frank Mickey, now 56, a Princeton-educated programmer, to help him create a trading model. Taylor didn't know the first thing about computers, and Mickey, who was building satellite communication systems, had never worked with currencies.

Taylor did have experience with creative applications for software, though. While in graduate school, he had taken a [University of Utah](#) program designed to monitor patterns of heart rhythms and used it to analyze the ebb and flow of voter sentiment in Italy, he says.

Finding the 'Rhythms'

Applying the same software to the Canadian dollar and four European currencies including the deutsche mark, Taylor and Mickey were able to emulate the historical movements of the exchange rates.

``It was like a blind man feeling his way along the wall," Taylor says. ``But you can find the rhythms, the waves in a string of data."

Taylor also drew on ideas from the 18th-century physicist Jean Fourier, who had invented the mathematics to describe the frequency of heat waves. Taylor used Fourier's formulas to calculate the distance between peaks and troughs of the currency prices, allowing him to forecast exchange rates. The first system they created ran on a computer in Mickey's garage in Bethesda, Maryland.

In 1980, Mickey left to become an independent software consultant and is now working for the [National Institutes of Health](#) in Bethesda.

In 1981, Taylor founded FX Concepts in New York to sell his currency forecasts to banks and pension funds. He rented a 300-square-foot (28-square-meter) office behind a marbled glass door in the old Standard Oil Building at 26 Broadway near Wall Street. A couple of desks, a refrigerator and a stool borrowed from Morgan Stanley packed the two small rooms.

Wooing Clark

In 1984, Taylor tried to woo Clark, then head of foreign exchange sales at what is today London-based [HSBC Holdings Plc](#). Clark says he decided to accept an offer from [Morgan Stanley](#) instead. He met Taylor in the bar atop the World Trade Center to give him the news. After a couple of drinks, Taylor convinced Clark to join FX Concepts.

Clark, who's worked with Taylor for 24 years now, says he was impressed that Taylor seemed more interested in creating a group of equals at

FX Concepts than in making money for himself.

``A lot of guys in our business are totally consumed with the next corporate jet or the next yacht, but that's not what John is about," says Clark, who's the second-biggest shareholder in FX Concepts today. ``He has developed an organization that will live beyond him."

Later, Taylor lent Clark money to buy equity in the company, though Clark declines to say how much. Two-thirds of the company's 62 employees own a 54 percent stake, while Taylor's share has fallen to 31 percent. Taylor earned roughly \$15 million last year.

Ship of Fools

When Taylor splurges, he takes five roommates from Princeton sailing on Chesapeake Bay in a chartered 50-foot (15-meter) sailboat they dub Ship of Fools, after a medieval story about a group of deranged passengers clueless of their own direction.

The group includes [Charles Gibson](#), anchor of ABC's World News, and Karl D. Jackson, a professor of Southeast Asia studies at [Johns Hopkins University](#) in Washington.

Taylor's fund gained notoriety in 1985, when his models started to flash red on the dollar's five-year rally against the deutsche mark.

On Friday, Feb. 22, he recalls, he sent out a letter alerting his roughly 40 clients that the U.S. currency would peak the following week.

On Tuesday, the dollar started to fall. By April 19, it had dropped 14 percent against the mark.

Plaza Accord

The dollar's decline picked up steam after September 1985, when representatives from the U.S., U.K., Japan, Germany and France met at the [Plaza Hotel](#) overlooking New York's Central Park.

In what would be known as the Plaza Accord, they agreed to coordinated dollar selling to push the U.S. currency down. The dollar slid for the next three years, losing almost half of its value against the mark and the yen.

Taylor's correct prediction about the dollar helped attract more clients, so that by the start of 1987, he had 300 customers buying his research. The call also persuaded him that he could use his models to do more than hedge, he says.

He founded the Developed Markets Currency program in 1989 to invest in currency markets. His first big investor was Eastman Kodak Co.'s pension fund, which still has about \$1 billion in his funds, he says.

Institutional investors now make up about 65 percent of FX Concepts' assets under management. Hedge funds account for about 25 percent. Taylor charges a management fee of about 1.5 percent and takes 20 percent of profits.

Hemophilia Research

While Taylor was seeking institutional investors, a blood test found that the baby his second wife, Joyce, was expecting would be born with hemophilia. Joyce's father had died from the genetic disorder, which prevents blood from clotting properly.

In 1990, Taylor founded the [Coalition for Hemophilia B](#) to provide information about the ailment and to pressure the [U.S. Food and Drug Administration](#) to allow new types of medicine into the market.

Frustrated with the lack of progress in Washington, Taylor also co-founded [Inspiration Biopharmaceuticals Inc.](#) in 2004 with Scott Martin, an oil executive and father of a hemophilia patient. The Laguna Niguel, California-based company has two drugs for hemophilia B in the pipeline and signed a \$35 million agreement in January with [Celtic Pharmaceuticals Holdings LP](#), a Hamilton, Bermuda-based private equity company, to market the drugs.

Taylor holds two patents for drug delivery methods in the company.

Taylor's son is now a 19-year-old sophomore at Princeton. Taylor also has a daughter from his first marriage, Louise, 30, who is a lobbyist in Washington.

Taylor's Best Year

Taylor's most successful year was 1992, when the maneuverings by George Soros rocked the markets by attacking the pound. The resulting turbulence played right into Taylor's models, pushing returns to 43 percent that year, he says.

In 1994, when coordinated central bank intervention almost cut currency fluctuations in half, the Developed Markets Currency program had its worst year ever, losing 19 percent. The program's annual returns averaged 14.5 percent until 1999, when the euro was introduced. Annual returns fell to 0.2 percent that year and in 2001.

Taylor responded to the declining returns by hiring more researchers, doubling the size of the company to 42 employees in 2000 from 20 in 1990. He also decided to change his strategy so that it didn't rely on trends alone.

The research department had been slow to adjust, arguing that returns would come back eventually, Clark says. At a meeting with researchers in December 2001, Taylor snapped. He banged his fist on the table, shouting that he wanted new models immediately, Clark remembers.

Brazilian Real

A couple of months later, researchers finished software to bet on the carry trade, so that FX Concepts could borrow low-interest-rate currencies such as the yen and use the money to buy high-interest-rate currencies like the Brazilian real.

The aim is to benefit from the difference in yields as well as potential currency gains. Taylor also began to trade options, which give the buyer the right to sell or buy a specific quantity of currency by a specific date at a specific price, taking advantage of inefficiencies in their pricing. The new strategies now account for up to 40 percent of trades on any given day, he says.

He also launched new funds in 2001 and '02, increasing his universe to more than 30 currencies -- including those in emerging markets like Brazil and Turkey that tend to fluctuate more than the majors -- and ventured into commodities, stocks and fixed-income securities.

The new funds are among his best performers. The \$3.5 billion Multi-Strategy Program was up 10.7 percent in the first seven months and 13.1 percent annually since its inception in 2002.

'Shown in the Results'

The \$3 billion Global Currency Program was up 11.3 percent through July and 15.3 percent annually since inception. The annual returns are ranked first and second since January 2002 among the programs holding more than \$100 million, according to Barclay Hedge.

``The improvements they've made -- it has shown in the results," says Annette St. Urbain, chief executive officer of the \$2.2 billion [San Joaquin County Employees' Retirement Association](#) in Stockton, California, which has invested \$187.5 million with FX Concepts.

When it comes to trading the major currencies, making profits has been tougher. ``We're frustrated," says [Ryan O'Grady](#), director of investment research and a 15-year veteran at FX Concepts. ``We're still struggling." If Taylor's bearish prediction about the dollar proves true, there may be enough turmoil to change that in the years ahead.

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Moving up a notch

September 2002 (Magazine) **By Philip Simotas and, Ryan O'Grady**

As a result, there has been pressure on currency overlay managers to conduct research to stay abreast of the innovation sought by clients. Some clients have tried to push the envelope by investigating alpha options (volatility) strategies to complement the mainstay of the industry – fundamental and technical strategies. However, most managers are still tied to the basic strategies as clients gain familiarity with plain vanilla programs.

In this note, we highlight a number of innovative ideas that an alpha-oriented client requested in a recent search to highlight the direction of the industry and to help other clients who are grappling with similar issues. The four critical areas of innovation in this mandate included: (a) budgeting risk rather specifying currency ranges; (b) restrictions, if any, on specific currencies can be done in the context of their role in overall risk and liquidity rather than on underlying allocations of equity managers; (c) expanding the scope of currencies to include emerging markets; and (d) insisting that risk be allocated to various trades based on an optimisation procedure.

Here, we evaluate each of these issues and demonstrate that the currency programme created for such a client greatly improves the performance for clients. The diversification benefits of one additional area of innovation, namely including alpha oriented currency options strategy is covered under separate cover (Muralidhar and Neelakandan, IPE March 2002).

Risk budgeting

While clients have known for some time that budgeting risk (eg, budget tracking error¹) to a currency overlay manager for off-benchmark positions is the most appropriate way to establish risk controlled currency overlay programmes, there has been a tendency for clients to establish ranges around individual currency allocations. This has probably been driven by the fact that clients feel that it is easier to monitor physical limits on positions than risk levels. However, with greater availability of risk models and increased focus on risk budgeting, the trend is now towards allocating a tracking error budget to a currency manager rather than ranges around a specific benchmark currency allocation. In such a framework, the client gives the manager a target tracking error (eg, 200 bps/year) and a range within which the manager is expected to operate².

At the simplest level, ranges suffer from one critical problem – they actually permit the manager to take varying degrees of risk depending on market volatility and may permit risk taking beyond a threshold desired by a client. Suppose a client permits a ±20% off benchmark range around the allocation to yen exposures because it translates into a 200 basis points of maximum tracking error. However, if the volatility of the exchange were to double during market crises, then the same positions permit the manager to effectively take 400bps of risk, double the level desired by the client. Tracking error is important to investors, especially institutional investors, because it provides a measure of the variability of a manager's returns around the benchmark. Hence budgeting risk explicitly is clearly the way to go as it controls the variation in performance around a benchmark that a client can tolerate.

Liquidity tiering

As simple as this may sound, clients will obviously feel uncomfortable with mandates that have a broad tracking error budget, with ranges and with no further guidelines. Issues that concern clients are a potentially large allocation to illiquid currencies. Possible add-ons to the risk budget could be (a) liquidity tiering of currencies; and/or (b) restrictions on the marginal contribution to risk of particular currencies. Liquidity tiering essentially provides guidance to the manager as to how much of the total positions can be taken in specific currency pairs. The client creates groups of currencies that exhibit similar liquidity and then the overall allocation to these currencies is capped.

For example, euros, US dollars and Japanese yen are extremely liquid and require little or no cap on total positions. Other currencies such as New Zealand dollars and Mexican pesos may be capped as they are less liquid. This may be particularly important for clients in illiquid base currencies, where historically there has been a tendency to extract alpha from currency pairs where the base currency is one leg of the transaction (eg, Swiss franc mandates). This may be an inefficient use of risk and hence liquidity tiering can be used to overcome this situation. An alternative way is to restrict the marginal contribution of risk of the currency pairs that fall into lower liquidity tiers. The only difficulty with marginal contribution strategies is that they are more effective in monitoring risk than in budgeting risk.

Adding emerging market currencies

Traditionally, currency mandates have focused only on developed market currencies as managers have not provided systematic products to manage emerging market currency portfolios. Emerging market currencies have declined dramatically and have been prone to crises, making standard currency models using moving average technical rules or simple fundamental rules useless. As a result, there has been a tendency to think of emerging market currencies as currencies that need to be removed from portfolios, but this is difficult to do on a systematic basis because of the high cost of hedging. The high cost of hedging emanates from the generally high interest rates in the emerging market countries. However, instead of seeing this as a problem, high interest rates in emerging markets offer a unique opportunity to enhance returns, especially if the manager can also create exposures. When managers create exposures, the access the high interest rates (ie, are long the high interest rates). Furthermore, permitting cross hedging (eg, buying Mexican peso and selling Brazilian real) allows a manager to offset the high cost of hedging by financing the trade in another emerging market currency which is reasonably highly correlated and with attractive interest rates. Such a mandate puts the onus on currency managers as such trades are non-obvious and most managers are not in a position to examine all possible relationships among the approximately 24 tradable currencies globally.

Dynamic optimisation of risk allocation

This takes us to the next innovation: requiring managers to optimise the risk to currency strategies. Typically, in what we refer to as the 'classical' approach, managers have built good currency models for specific currency pairs (eg, US\$/yen, US\$/E, E/yen). The typical techniques used under the classical approach such as moving average cross over rules or fundamental analysis make it easy to build such models.

Thereafter, currency managers either statically optimise the weights to each of the currency models or naively equally weight them because optimisation techniques do not give stable results. A typical portfolio under this approach could have the following recommendations:

- o US\$/EUR: +5%
- o US\$/¥: -3%
- o E/£: +3%

This then gives us a residual portfolio as follows:

- o US\$: +2% (+5%-3%)
- o E: -2% (-5%+3%)
- o ¥: +3%

- o £: -3%

Two problems afflict the classical approach: (a) by assigning a static weight to a currency model, risk may be taken inefficiently in the portfolio as there are times when certain currency pairs move sideways and risk will be allocated to them; and (b) inconsistencies can creep up into currency views (eg, the US\$/E can be bullish on the dollar, the E/Swiss franc model can be bullish on the euro, yet the US\$/Swiss franc model may be bullish on the Swiss franc). As a result, rather than modeling individual currency pairs, the newer approach to currency management allows for a dynamic optimisation of return subject to the risk allocated to a portfolio of all possible currency pairs. In such an environment, it is possible to ensure that inconsistencies are precluded; moreover, the optimiser can select which currencies to be bullish on and simultaneously determine the funding currencies (not necessarily a one-to-one currency trade). A typical portfolio in this framework could look like, which can (and will) be markedly different from the classical approach:

- o US\$: +5% o E: -2%
- o ¥: -10% o MXN: +9%
- o BRL: -2%

A hypothetical mandate and some simulations

We briefly describe the mandate and demonstrate some interesting results from the simulations for this mandate. This mandate was to be run against a 50% hedged benchmark and the client was going to maintain a passive benchmark separately. Hence, the active currency program was to be viewed as a purely alpha strategy.

The first issue was to preclude any leverage and hence a conservative approach was taken in the definition of leverage. Essentially, the notional values of both legs to the transaction were added for each currency position (eg, for a US\$10 E/¥ position, this trade counted at US\$20). Many currency managers and clients consider a more relaxed version of leverage, which converts both legs into base currency equivalent and only counts the larger leg.

The second major constraint was to manage the portfolio to a risk budget. For simplicity, we will assume that the client was willing to budget 4% annualised tracking error to this programme. In addition, rather than precluding any currency pairs from trading, the following liquidity tiers were adopted:

- o US\$, euros and Japanese yen
No more than 30% of the notional principal;
- o Developed Europe and Commodity Currencies
No more than 15%;
- o Liquid Emerging Markets (eg, Mexican peso, Czech koruna)
No more than 10%;
- o Illiquid Emerging Markets (eg, Korean won, Indonesian rupiah) No more than 5%.

The simulation was performed from January 1995–November 2001 with live transactions cost data included. The model underlying the simulation was the model used to generate trades for our more aggressive global currency programme. The optimiser attempts to take advantage of fundamental and technical currency strategies to add value in these currencies, with certain risk management enhancements to protect against emerging market crises and fat tails in currency returns. In addition, attribution by currency pair is difficult under an optimized scenario, so we decomposed the risk into two independent sources: G-10 currencies and emerging markets. The results are presented in Table 1 and we provide the entire period data as well as data segmented over two sub-periods (1995–97 and 1998–2001). The key critical results are:

- o Adding emerging markets raises information ratios dramatically from 0.77 to 1.31 over the full period and also over the sub-periods. These ratios are quite impressive considering those achieved by developed market only strategies3. Moreover, the risk allocated to G-10 currencies

exceeds that allocated to emerging markets⁴.

- o In the years in which the developed markets have offered good opportunities (1995–97), the optimiser chooses to take the risk in these currencies and is adequately rewarded for doing so, with over 70% of the returns emanating from G-10 currencies. In three key years (1998, 1999 and 2001), emerging markets provide a hedge against weak G-10 performance.
- o Adding emerging currencies, reduces maximum drawdowns from 3.07% (G-10 only) to 2.62% (total product).
- o The final product is still very highly correlated to the G-10 return stream indicating that developed markets largely drive the returns.
- o The risk is maintained under the 4% cap over the entire horizon and over the sub-periods.

Conclusions

In this note, we set out to demonstrate that certain innovative approaches suggested by a client provide enormous value-added to the client. First, adding emerging market currencies to the pool of eligible currencies provides a good source of alpha and diversifies currency risk. Second, creating a dynamic allocation to risk framework allows for an efficient allocation of risk to best opportunities. This was demonstrated by the fact that the 1995–97 period was good for developed market currencies and later years are less favourable and the optimiser recognises the same. These may not be captured by the classical approach to currency management. Moreover, budgeting risk is easily accomplished in currency markets and clients can add liquidity tiers to concentrate risks in the most liquid areas. These constraints are more efficient in managing risks than ranges around a particular currency allocation.

As more clients consider currency overlay or as existing clients get more comfortable with currency overlay programs, they have to search for alternative sources of alpha or better ways to manage their existing portfolio. Previous research demonstrated the advantages of adding options to standard programmes. This paper elevates the discussion to a different level by incorporating innovative notions of risk budgeting, dynamic allocation of risk to currency opportunities and enhancing the performance through greater leeway in trading emerging markets to demonstrate how clients can implement innovative currency programmes.

Ryan O'Grady is director of investment research, Philip Simotas is president and Arun Muralidhar is managing director at FX Concepts, based in New York

1 Tracking error is defined as the ex-ante standard deviation of excess returns

2 See Litterman, R, J Longerstaey, J Rosengarten and K Winkelmann (2001), 'The Green Zone... assessing the Quality of Returns', *The Journal of Performance Measurement*, Spring, 5(3)

3 See Baldridge, J, B Meath and H Myers (2000), 'Capturing Alpha through Active Currency Overlay', Frank Russell Research Commentary, May 2000

4 Notice also that emerging market returns are uncorrelated with G-10 currencies

Macro Offering Making the Rounds

Row Asset Management is marketing a series of global-macro vehicles that focus on futures and currencies.

Row Asset Management launched its capital-raising campaign this week in New York, including an appearance at Global Capital Acquisition's "Battle of the Quants" conference on March 27-28. It's making the offering available via separate accounts and a commingled fund, each operating under the name Row Diversified Program.

Along with typical hedge fund backers, the Newport Beach, Calif., firm is open to discussions with suppliers of acceleration or seed capital that can help extend its marketing reach.

To lead its capital-raising efforts, Row hired marketing and product-development specialist Timothy O'Grady two weeks ago. O'Grady most recently worked as a managing director at FX Concepts, the previous employer of Row's three other leading executives. They include founder Ryan O'Grady — Timothy O'Grady's son.

In part, Row Diversified mimics the portfolio of Row's only other vehicle, an entity known as Row Currency Fund that bets on currencies from 32 developed and emerging-market nations. It also trades futures and options tied to a range of instruments, including agricultural commodities, energy and interest rates. While both programs employ a quantitative approach, they don't engage in high-frequency trades and instead hold positions from one week to one month.

Row began developing the strategy for Row Diversified in July 2010, but only started trading the program on Nov. 1 with \$3 million from its partners. It's up 11% since then, with no down months.

Meanwhile, Row has re-launched marketing efforts for Row Currency Fund after a six-month hiatus. That vehicle's performance has been essentially flat since its November 2010 launch, with a 12% gain so far this year partly making up for a 15% drop it suffered in 2011 — a tough year for many currency traders.

At FX, Ryan O'Grady headed research. Row co-founder Jeffrey Weiser, meanwhile, was a portfolio manager. And Debra Oaks was a top technology specialist at the New York firm. □

Pine River on a Roll With MBS Funds

Two Pine River Capital hedge funds, among the biggest targeting mortgage-backed securities, were strong performers in the first month of this year.

River Fund (up 5.3%) and five smaller vehicles with gains of 1.0-6.2%. Pine River Tail Hedge Fund — a so-called tail-risk offering designed to profit most when markets are cratering — was down 14.7%. Performance figures were first reported by sister publication Asset-Backed Alert.

In a March 8 letter to investors, Pine River attributed the strong performance of its fixed-income fund to a book of private-label mortgage securities that represents the fund's single-largest batch of positions. "The non-agency MBS market rallied in February and we continue to see potential further upside, especially relative to corporate credit," the firm wrote. "That said, due to the strong performance . . . we have gradually reduced our exposure to lock in gains."

The letter pointed to several recent developments that combined to fuel the market rally — most importantly, an orderly sell-off of mortgage securities held by the Federal Reserve's Maiden Lane 2 vehicle.

Pine River Fixed Income Fund has been a stand-out performer from the get-go. Launched in September 2008 — as financial markets were imploding — Kuhn's vehicle delivered a 20.9% return for the final four months of that year, followed by gains of 92.7% in 2009, 31.8% in 2010 and 3.8% in 2011. It is by far the largest of the nine hedge funds managed by Pine River, which has \$7.1 billion overall.

The firm was founded in 2002 by Brian Taylor, who previously worked as a trader at EBF & Associates of Minnetonka. □



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EXHIBIT B

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

JEFFREY J. WEISER,**Index No. _____****Plaintiff,****Date Index No.
Purchased: 2/21/14****-against-****JOHN PARKER and VINTAGE PERFORMANCE
DEVELOPMENTS,****Venue is based on
CPLR 503(a)****Defendants.****Plaintiff designates
New York County
as the Place of Trial**

SUMMONS**TO THE ABOVE NAMED DEFENDANTS:**

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with the summons, to serve a notice of appearance, on Plaintiffs' undersigned attorney within 20 days after service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York
February 20, 2014

NORTON & ASSOCIATES, LLC

By: 

Michael E. Norton
8 West 40th Street, 12th Floor
New York, NY 10018
Telephone: (212) - 297-0100
Facsimile: (212) - 376-6080

Attorneys for Plaintiff Jeffrey J. Weiser

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

-----x

JEFFREY J. WEISER,

Index No. _____

Plaintiff,

-against-

JOHN PARKER and VINTAGE PERFORMANCE
DEVELOPMENTS,

COMPLAINT

Defendants.

-----x

Plaintiff, Jeffrey J. Weiser, by and through his undersigned attorneys, for his complaint in this action against Defendants John Parker and Vintage Performance Developments hereby alleges and avers as follows:

NATURE OF THIS ACTION

1. This is an action for defendants' unlawful acts of conversion, misrepresentation, breach of contract, and breach of a bailment, seeking compensatory monetary damages and replevin of an automobile and punitive damages against defendants. The action seeks redress for the unlawful actions of defendant John Parker, an individual who represented himself to plaintiff as a skilled and legitimate business engaged in expert mechanical repair and restoration of old and vintage Volvo automobiles. In 2009 plaintiff Jeffrey Weiser entered into an agreement with Parker and, pursuant to the agreement, turned over possession and entrusted a vintage 1965 Volvo automobile to Parker and Vintage for agreed mechanical repairs and upgrades and body work restorations and painting. Defendants took possession of the automobile in September 2009. At that time Plaintiff paid Parker an agreed amount as deposit for the work which Parker

agreed would be completed in or about six months. Based on Parker's representations that he was completing the agreed upon work on plaintiff's automobile, plaintiff has paid Parker a total of \$12,500. Nevertheless, despite repeated promises and representations that Defendants were completing the agreed upon work and would soon return the automobile to plaintiff, defendants have failed and refused to complete the agreed upon work, failed and refused to return the automobile to plaintiff, and have failed and refused to refund plaintiff's deposit, pay plaintiff's damages or account for the current location of the automobile. Plaintiff has been greatly harmed and damaged by defendants' actions and misconduct.

PARTIES

2. Plaintiff Jeffrey J. Weiser ("Weiser" or "Plaintiff") is an individual who resides at 25 Prince Street, New York, NY 10012.

3. Defendant John Parker ("Parker" or "Defendant") is an individual who, upon information and belief, resides in Syracuse, New York and conducts a regular course of business at 527 Buckingham Avenue, Syracuse, New York 13210 under the name "Vintage Performance Developments".

4. Defendant Vintage Performance Developments ("Vintage") is, upon information and belief, an unincorporated entity and/or a doing business name or trademark regularly used and employed by Parker in the course of his business dealings at the location of 527 Buckingham Avenue, Syracuse, New York 13210. Upon information and belief, Vintage is an alter ego of Parker and Parker is an alter ego of Vintage.

JURISDICTION AND VENUE

5. Jurisdiction over this action and the Defendants exists in this Court pursuant to CPLR §301.

6. Venue is properly laid in this Court and county pursuant to CPLR §503(a).

FACTS COMMON TO ALL CAUSES OF ACTION

7. At all times relevant to this action Plaintiff was the owner of a 1965 Volvo P1800 automobile, Vehicle Identification Number (“VIN”) 18345VD (the “Automobile”). Plaintiff purchased the Automobile in or about 2009. Plaintiff paid \$13,500 for the Automobile which was the fair market value for the Automobile at the time of purchase. At the time Weiser purchased the Automobile, it was Weiser’s intention to have an expert mechanic and restorer of Volvo P1800 vintage cars undertake certain repairs and restoration on the Automobile.

8. In or about August 2009, Plaintiff had discussions with Parker concerning the mechanical repairs and restoration work which Plaintiff wanted completed on the Automobile.

9. Parker represented to Weiser in August 2009 and at all relevant times that Parker and Vintage were expert mechanics, restorers and customizers of old and vintage Volvo automobiles, specializing in the Volvo P1800 model.

10. Parker further represented to Weiser in August 2009 and at all relevant times that Parker and Vintage specialized in restoring, repairing and customizing vintage Volvo P1800 cars such as the Automobile.

11. Parker further represented to Weiser in August 2009 and at all relevant times that Parker and Vintage had the necessary facilities, tools, parts and skills and capability to properly, expertly and fully perform and complete all of the work requested by Weiser to be done on the Automobile and to do so in a timely and reasonable period of time not to exceed approximately six months from the date on which Defendants obtained possession for the Automobile.

12. The proposed work, repairs and restoration on the Automobile discussed between Weiser and Parker in August 2009 included the following: replacing the engine,

replacing/upgrading the suspension and brakes systems, performing body work repairs and restoration and painting the Automobile (the "Work").

13. Parker told and represented to Weiser in August 2009 and at all relevant times that Parker and Vintage could expertly, skillfully and in a timely fashion not to exceed approximately six months perform and complete the Work on the Automobile.

14. Parker told and represented to Weiser that it would be necessary for Parker and Vintage to take possession of the Automobile in order to perform and complete the Work and Defendants agreed and promised to maintain and protect the Automobile at all times that it was in their possession, custody and control.

15. Parker told and represented to Weiser that if Weiser wanted Parker to perform the Work, Parker would take possession of the Automobile and safely deliver the Automobile to Parker's shop and facilities in Syracuse New York, located at 527 Buckingham Avenue, Syracuse, New York 13210, which Parker operated under the name Vintage Performance Developments.

16. Parker represented to Weiser that the Defendants would take care and be responsible that Automobile would be safely and securely stored and maintained by them or their agents while the Work was being completed.

17. Parker told and represented to Weiser that the Automobile would be delivered and returned to Weiser in New York City promptly upon the completion of the Work.

18. Parker told Weiser that Parker and Vintage would require an initial cash deposit and subsequent deposits and payments from Plaintiff as advances against the Work to be completed.

19. In or about August, 2009, Weiser entered into an agreement with Parker and Vintage for the performance and completion of the Work by Parker and Vintage and the care and custody of the Automobile by Defendants during the period of time the Work was being performed (the Agreement").

20. Pursuant to the Agreement, Defendants took possession, custody and control over the Automobile on or about September 16, 2009.

21. In or about September 2009, Weiser paid to Parker the requested deposit amount of \$3000.00. Following Plaintiff's payment of the initial deposit and at the further request and based upon the representations of Defendants that work was being performed and completed pursuant to the Agreement, Plaintiff made additional payments to Defendants totaling \$12,500.00.

Defendants Fail to Perform the Work and Refuse to Return the Automobile

22. Despite the terms of the Agreement, and despite the repeated promises and representations made by Parker to Weiser, as of the date of this Complaint, Parker and Vintage have failed and refused to complete the Work on the Automobile; have failed and refused to return the Automobile to Weiser; have failed and refused to refund Plaintiff's \$12,500.00 deposits and payments; and have failed and refused to compensate Weiser for the harm and damages he has suffered due to Defendants' unlawful conduct.

23. Plaintiff has demanded on numerous occasions since 2011 that Defendants complete the Work and/or return the Automobile and his deposit. Defendants have unlawfully refused to do either.

24. Upon information and belief, Parker has unlawfully transferred possession and control of the Automobile to a third party or parties.

25. Upon information and belief, Parker and the Defendants do not intend to, or are unable to, return the Automobile to Plaintiff due to unlawful actions or decisions taken by Parker.

AS AND FOR A FIRST CAUSE OF ACTION
(Breach of Contract)

26. Plaintiff repeats and realleges in this paragraph 26 of the Complaint the allegations set forth in paragraphs 1 to 25 of the Complaint as though said allegations were fully set forth herein.

27. The Agreement is and at all times was a valid and binding contract and agreement between Plaintiff and Defendants, enforceable in accordance with its terms.

28. Plaintiff has fully and timely performed all of his obligations and duties owing to Defendants under the Agreement and is entitled to full performance from Defendants under the Agreement.

29. Defendants have materially breached, and remain in material breach of the Agreement as a result of their unlawful failure and refusal to perform the work contracted for under the Agreement.

30. Defendants have materially breached, and remain in material breach of the Agreement as a result of their unlawful failure and refusal to perform the work contracted for under the Agreement within the agreed time and pursuant to the agreed schedule with Plaintiff.

31. Defendants have materially breached, and remain in material breach of the Agreement as a result of their unlawful failure and refusal to return the Automobile to Plaintiff.

32. Defendants have materially breached, and remain in material breach of the Agreement as a result of their unlawful failure and refusal to return Plaintiff's payments of \$12,500 to Plaintiff.

33. Plaintiff has been harmed and suffered damages as a direct result of Defendants unlawful and material breaches of the Agreement and Plaintiff is accordingly entitled to recover compensatory monetary damages against Defendants, and against each of them, in an amount to be determined at trial but in the minimum amount of \$100,000.00.

AS AND FOR A SECOND CAUSE OF ACTION
(Bailment—Breach and Loss)

34. Plaintiff repeats and realleges in this paragraph 34 of the Complaint the allegations set forth in paragraphs 1 to 33 of the Complaint as though said allegations were fully set forth herein.

35. The Agreement and the delivery of possession of the Automobile to Parker and Vintage by Weiser under the circumstances alleged in this Complaint created a legal bailment of the Automobile under which Parker and Vintage undertook to act as bailees of the Automobile.

36. Parker and Vintage owed at all times an absolute duty of care to Weiser for the safe and secure storage, possession and safekeeping of the Automobile.

37. Parker and Vintage owed a duty to Weiser to promptly return the Automobile to Weiser upon demand by Weiser.

38. Plaintiff has made repeated demands to Parker and Vantage for the return of the Automobile. Despite such lawful demands, Parker and Vintage have failed and refused to return possession of the Automobile to Weiser.

39. Defendants Parker and Vintage have willfully and unlawfully breached the bailment agreement with Plaintiff and have breached their duty of care under the bailment with respect to the Automobile.

40. Plaintiff has been harmed and suffered damages as a direct result of Defendants unlawful and material breaches of the bailment agreement and Plaintiff is accordingly entitled to

recover compensatory monetary damages against Defendants, and against each of them, in an amount to be determined at trial but in the minimum amount of \$100,000.00.

AS AND FOR A THIRD CAUSE OF ACTION
(Misrepresentation and Fraud)

41. Plaintiff repeats and realleges in this paragraph 41 of the Complaint the allegations set forth in paragraphs 1 to 40 of the Complaint as though said allegations were fully set forth herein.

42. Parker represented to Weiser in August 2009 and at all relevant times that Parker and Vintage had the necessary facilities, tools, parts and skills and capability to properly, expertly and fully perform and complete all of the work requested by Weiser to be done on the Automobile and to do so in a timely and reasonable time period of time not to exceed approximately six months from the date on which Defendants obtained possession for the Automobile.

43. Plaintiff in good faith believed and relied upon Parker's representations.

44. On information and belief, in actual fact Parker knew at the time he made such representations that such representations were false and that Parker and Vintage did not in fact have the necessary capability, skill, know-how or resources to complete all of the work requested by Weiser to be done on the Automobile, or to perform and complete the Work in a timely and reasonable time period of time not to exceed approximately six months from the date on which Defendants obtained possession for the Automobile.

45. On information and belief, despite Parker's knowledge that he and Vintage did not in fact have the necessary capability, skill, know-how or resources to complete all of the work requested by Weiser to be done on the Automobile or to do so in a timely and reasonable time period of time not to exceed six months from the date on which Defendants obtained

possession for the Automobile, Parker nevertheless made such representations for the purpose of inducing Weiser into delivering possession of the Automobile to Parker and giving Parker \$12,500.00.

46. Plaintiff has been harmed and has suffered damages as a direct and proximate result of Parker's material misrepresentations upon which Plaintiff justifiably relied and was entitled to rely, and Plaintiff is accordingly entitled to recover compensatory monetary damages against Defendants, and against each of them, in an amount to be determined at trial but in the minimum amount of \$100,000.00.

AS AND FOR A FOURTH CAUSE OF ACTION

(Conversion)

47. Plaintiff repeats and realleges in this paragraph 47 of the Complaint the allegations set forth in paragraphs 1 to 46 of the Complaint as though said allegations were fully set forth herein.

48. Plaintiff is and at all relevant times was the lawful owner of the Automobile.

49. Plaintiff gave possession of the Automobile to Defendants for the agreed and limited purpose of allowing the Defendants to perform and complete the Work and to then return the Automobile to Plaintiff promptly upon completion of the Work.

50. Plaintiff never at any time transferred permanent possession or ownership of the Automobile to Defendants.

51. Upon information and belief Defendants have unlawfully and wilfully converted and taken permanent possession of the Automobile and do not intend to return same to Plaintiff.

52. Plaintiff has been harmed and has suffered damages as a direct and proximate result of Defendants wilful and unlawful conversion of the Automobile, and Plaintiff is

accordingly entitled to recover compensatory monetary damages against Defendants, and against each of them, in an amount to be determined at trial but in the minimum amount of \$100,000.00.

AS AND FOR A FIFTH CAUSE OF ACTION
(Loss of Use)

53. Plaintiff repeats and realleges in this paragraph 53 of the Complaint the allegations set forth in paragraphs 1 to 52 of the Complaint as though said allegations were fully set forth herein.

54. Pursuant to the Agreement Defendants promised and agreed to complete the Work and return the Automobile to Plaintiff in New York City.

55. Defendants were under a contractual duty to return the Automobile to Plaintiff no later than on or about May, 2011.

56. Timely completion of the Work and return of the Automobile was a material terms of the Agreement.

57. Due to Defendants breach of the Agreement, Plaintiff has irrevocably lost the use and enjoyment of the Automobile for the period commencing on May 2011 through the date of this Complaint and such loss of use continues.

58. Plaintiff has been harmed and suffered damages as a direct result of Defendants unlawful and material breaches of the Agreement and the consequent loss of use and enjoyment of the Automobile and Plaintiff is accordingly entitled to recover compensatory monetary damages against Defendants, and against each of them, for such loss of use and any continuing loss of use in an amount to be determined at trial but in the minimum amount of \$40,000.00.

AS AND FOR A SIXTH CAUSE OF ACTION
(Replevin)

59. Plaintiff repeats and realleges in this paragraph 59 of the Complaint the allegations set forth in paragraphs 1 to 58 of the Complaint as though said allegations were fully set forth herein.

60. Plaintiff is the lawful owner of the Automobile, a chattel under the laws of New York State.

61. Upon information and belief, Defendants are currently in unlawful possession of the Automobile and refuse to voluntarily return the Automobile to Plaintiff.

62. Plaintiff is being harmed and damaged by Defendants' unlawful refusal to return the Automobile.

63. Plaintiff is entitled to an order of replevin directed to each of the Defendants directing and ordering the immediate and unconditional return of the automobile to Plaintiff.

RELIEF REQUESTED

WHEREFORE, Plaintiff demands entry of judgment against Parker and against each of the Defendants as follows:

A. Judgment in his favor and against Parker and each of the Defendants on the First Cause of Action in an amount to be determined at trial but in no event less than \$100,000.00.;

B. Judgment in his favor and against Parker and each of the Defendants on the Second Cause of Action in an amount to be determined at trial but in no event less than \$100,000.00.;

C. Judgment in his favor and against Parker and each of the Defendants on the Third Cause of Action in an amount to be determined at trial but in no event less than \$100,000.00.;

D. Judgment in his favor and against Parker and each of the Defendants on the Fourth Cause of Action in an amount to be determined at trial but in no event less than \$100,000.00.;

E. Judgment in his favor and against Parker and each of the Defendants on the Fifth Cause of Action in an amount to be determined at trial but in no event less than \$40,000.00.;

F. Replevin of the Automobile and delivery and return of the Automobile to Plaintiff at his residence in New York, New York at Defendants' expense, plus return of Plaintiff's payment to Parker, plus interest and costs, and an amount for loss of use of the Automobile equal to at least \$40,000.00;

G. Interest and costs of this action, including reimbursement of Plaintiff's reasonable attorneys' fees;

H. an award of exemplary and punitive damages in an amount as determined by the Court; and

I. Such other and further relief as this Court may deem just and proper.

Dated: New York, New York
February 20, 2012

NORTON & ASSOCIATES, LLC

By: 
Michael E. Norton

8 West 40th Street, 12th Floor
New York, NY 10018
Telephone: (212) 297-0100

*ATTORNEYS FOR PLAINTIFF
JEFFREY J. WEISER*

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NY

-----x

JEFFREY J. WEISER

Index No. 650582/2014

Plaintiff,
-against-

ANSWER AND
COUNTERCLAIMS

JOHN PARKER and VINTAGE PERFORMANCE
DEVELOPMENTS

Defendants,

-----x

Defendants, John Parker and Vintage Performance Developments, by and through the undersigned attorney, as and for the Answer to the Complaint in the above entitled action hereby allege and submit the following:

Defendants deny each and every allegation and statement contained in the complaint herein, including each and every cause of action and paragraph listed in the above stated complaint.

AFFIRMATIVE DEFENSES

As and for affirmative defenses to the above stated claims and causes of action the Defendants herein assert and allege, reserving the right to assert additional affirmative defenses:

1. That prior to any work being done on said vehicle, Defendants informed the Plaintiff that any and all estimates were based on Plaintiffs representations as to the condition of said vehicle and that the actual cost of repairs and restoration could be markedly different if the actual condition of the vehicle was materially different from that stated by the Plaintiff.
2. That Plaintiff materially misrepresented the condition of the vehicle for which work was requested, failed to inform the Defendants of the actual condition of the vehicle, including previous accident damage and defective prior repairs, making it impossible for Defendants to accurately estimate the cost of repairs and restoration requested by the Plaintiff until work had begun and the actual condition of the vehicle was revealed.
3. That Plaintiff materially misrepresented the condition of the vehicle for which work was requested, failed to inform the Defendants of the actual condition of the vehicle, including previous accident damage and defective prior repairs, conditions which materially and significantly changed the amount and extent of work which would be required on the part of Defendants and/or their agents to complete the tasks requested by the Plaintiff.

4. That when, in the course of work being done by the Defendants, and/or on Defendants' behalf on said vehicle, the actual condition of the vehicle was revealed and a modified estimate of repair and restoration costs was given to the Plaintiff based on the vehicle's actual condition, the Plaintiff stated that he would not pay the amount estimated, which was based on the reasonable value of work necessary considering the then evident actual condition of the vehicle.

5. That on numerous occasions the Defendants have offered to return said vehicle to the Plaintiff with an amount of work done and value of parts installed that would be equal to any and all amounts paid by Plaintiff and Plaintiff has refused, and continues to refuse to agree to this offer.

6. That Plaintiff has refused, and continues to refuse, to pay to Defendants any additional amounts that would be reasonably required to compensate Defendants for the time, effort, and cost of all work performed on said vehicle to date and any additional work required or requested to be performed on said vehicle.

7. That due to Plaintiff's misrepresentation of the condition of said vehicle, and Plaintiff's requests that work be performed, Defendant has expended funds and effort the reasonable value of which far exceeds the amount of any payments made by the Plaintiff to the Defendants.

COUNTERCLAIMS

Defendants, as and for their counterclaims against Plaintiff Jeffrey J Weiser allege as follows:

8. That the Plaintiff herein requested at various times from 2009 through 2012 that the Defendants perform certain work on a Volvo P1800 alleged to be owned by Plaintiff, including but not limited to replacement and upgrade of various mechanical components, and, in an additional and separate request, that certain body restoration and paint work be performed or arranged to be performed on said vehicle and agreed to pay for said work requested.

9. That Plaintiff materially misrepresented the condition of the vehicle for which work was requested, failing to inform the Defendants of the actual condition of the vehicle, including previous accident damage and defective prior repairs, which materially and significantly changed the amount and extent of work which would be required to complete the work requested by the Plaintiff.

10. That when, in the course of work being done by the Defendants, and/or on Defendants' behalf on said vehicle, the actual condition of the vehicle was revealed and a modified estimate of repair and restoration costs was given to the Plaintiff based on the vehicle's actual condition, the Plaintiff stated that he would not pay the amount estimated which was based on the reasonable value of work necessary considering the then evident actual condition of the vehicle.

11. That Plaintiff has failed and refused to make payments for the reasonable value of work completed and/or requested by the Plaintiff on Plaintiffs vehicle and for parts built by or provided by Defendants for Plaintiffs vehicle at Plaintiff's request.

12. That due to Plaintiff's misrepresentation of the condition of said vehicle, and Plaintiff's requests that work be performed, Defendant has expended funds and effort the reasonable value of which far exceeds the amount of any payments made by the Plaintiff to the Defendants in an amount exceeding \$25,000.

13. That due to Plaintiff's misrepresentation of the condition of said vehicle, failure to pay the reasonable value of work performed and or arranged to be performed by the Defendants and requested to be performed by the Plaintiff, and Plaintiff's refusal to pay the amount necessary for the completion of said vehicle, Defendants have had to store said vehicle for considerable lengths of time, the reasonable value of which at commercial rates exceeds \$14,000.

14. By reason of the foregoing, Defendants have been damaged in an amount exceeding \$39,000 and in such further amounts as may be proven at trial.

WHEREFORE, Defendants demand judgment against Plaintiff; 1) dismissing the Complaint in its entirety; 2) awarding to Defendants the costs and disbursements of this action; 3) awarding the Defendants the relief requested in their Counterclaim; 4) granting such other relief as this Court deems just and proper.

Dated: March 18, 2014
Syracuse, New York

John W Parker
Attorney at Law
By: /s/ John W Parker

527 Buckingham Ave.
Syracuse, NY 13210
Tel: 315 478 1229
Email: jparker3@twcny.rr.com

Attorney for Defendants
John Parker and Vintage Performance
Developments

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

-----x

JEFFREY J. WEISER,

Index No. 650582/2014

Plaintiff,

-against-

JOHN PARKER and VINTAGE PERFORMANCE
DEVELOPMENTS,

**REPLY TO
COUNTERCLAIMS**

Defendants.

-----x

Plaintiff, Jeffrey J. Weiser, by and through his undersigned attorneys, for his Reply and Answer to the counterclaims ("Counterclaims") in this action filed by Defendants John Parker and Vintage Performance Developments hereby states, alleges and avers as follows:

1. Denies the allegations of paragraph 8 of the Counterclaims and refers to the allegations set out in the Complaint in this action against Defendants for a true and accurate account of Plaintiff's dealings with Defendants.
2. Denies the allegations of paragraph 9 of the Counterclaims.
3. Denies the allegations of paragraph 10 of the Counterclaims.
4. Denies the allegations of paragraph 11 of the Counterclaims.
5. Denies the allegations of paragraph 12 of the Counterclaims.
6. Denies the allegations of paragraph 13 of the Counterclaims.
7. Denies the allegations of paragraph 14 of the Counterclaims.

8. Denies each and every other allegation contained in the Counterclaims, whether denominated as an Affirmative Defense or Counterclaims or otherwise and whether contained in a numbered paragraph, heading or prayer for relief.

AFFIRMATIVE DEFENSES TO COUNTERCLAIMS

9. The Counterclaims fail to state a cognizable claim for which relief could be granted.

10. The Counterclaims are barred by Defendants' own misconduct, unclean hands and inequitable and unlawful conduct.

11. The Counterclaims are barred by the doctrines of waiver, release and estoppel.

12. The Counterclaims are barred by applicable statutes of limitations.

RELIEF REQUESTED

WHEREFORE, Plaintiff demands entry of judgment against each of the Defendants as follows:

- A. Judgment dismissing the Counterclaims in their entirety and with prejudice.
- B. Judgment in Plaintiff's favor and against each of the Defendants as requested in the Complaint; and

C. Such other and further relief as this Court may deem just and proper.

Dated: New York, New York
April 7, 2014

NORTON & ASSOCIATES, LLC

By: 
Michael E. Norton

8 West 40th Street, 12th Floor
New York, NY 10018
Telephone: (212) 297-0100

*ATTORNEYS FOR PLAINTIFF
JEFFREY J. WEISER*

EXHIBIT C

6/10/11 DW Online (Pg. Unavail. Online)

2011 WLNR 12771124

Loaded Date: 06/27/2011

DW Online

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June 10, 2011

Interdealer Brokers In The Post Dodd-Frank World

Mike Kentz

NEW YORK - There's no shortage of market issues surrounding the implementation of Dodd-Frank Act. Among them is operational changes expected of interdealer brokers looking to register as swap execution facilities. Brokers have raised several red flags with American regulators, but have yet to find the clarity they desire. Perhaps the biggest issue yet to be resolved pertains to permissible methods of execution for cleared, non-block transactions.

The Commodity Futures Trading Commission has proposed to direct the pricing of all cleared and non-block transactions onto a market-wide accessible screen, thus satisfying one of Dodd-Frank's primary goals of establishing pre-trade transparency. Some brokers are saying that pre-trade transparency was not the issue that caused the crisis. It was post-trade transparency, so why are brokers being asked to put every price they're given on a screen that can be seen by all market participants, thus significantly altering the status quo and possibly jeopardizing liquidity?

The debate being fueled by these same brokers has been an uphill battle, and it's one that may just turn into a dead end. While they highlight and underline the phrase in Dodd-Frank that details which methods of execution market participants are allowed to utilize, "by any means of interstate commerce," to show that they should still be able to fix, match, and work-up prices off-screen as they've done for years, the statute itself provides a 'Rule of Construction' which goes a long way in nullifying the argument. In the section pertaining to SEFs, it states: "The goal of this section is to promote the trading of swaps on swap execution facilities and to promote pre-trade price transparency in the swaps market." Meaning? Execute any way you like, as long as your prices are transparent before the trade.

Notwithstanding the simplicity of that interpretation, the regulators are finding it difficult to satisfy market participants in putting theory into practice, least of all the aforementioned IDB's. "[The proposed] system will not work for less liquid contracts, and will harm the liquidity of the more liquid markets," Chris Giancarlo, e.v.p. at GFI Group told Derivatives Week. "Dealers are not going to post prices on a market-wide screen and risk the chance that the market moves against their position."

Some end users agree that pricing will suffer, but don't view it as the next Armageddon; "From our experience in the less liquid currency markets, it seems certain that the banks will initially show less attractive pricing than we currently get [if prices are forced on-screen]," **Jeffrey Weiser**, founder of **ROW** Asset Management in California told DW. "Who knows for sure how long that lasts, but in theory it should dissipate as more market participants enter the market."

Others, including planned SEFs, aren't biting. A hybrid system combining voice and electronic matching would satisfy both the broker's desire for some off-screen relationship-dependent mode of pricing and execution as well as regulatory pre-trade price transparency requirements, said Jamie Cawley, ceo of Javelin Capital Markets. "There is a solution to this problem, and its name is hybrid," added Cawley. "Brokers should have no trouble assisting dealers in putting together fair prices for both liquid and illiquid contracts if they can use voice execution systems along with the prices that will be posted on-screen, thus satisfying one of Dodd-Frank's primary goals."

Regardless of who is right and wrong, it seems at this point that resistance to pre-trade transparency is futile. Market participants have made the point that off-screen pricing is essential to the health of the OTC derivatives market for months now, yet the CFTC has not budged. Further, a pull back by the CFTC appears to be even more unlikely if for no reason other than the potential for a political backlash with an election year looming.

---- INDEX REFERENCES ---

COMPANY: GFI GROUP INC

NEWS SUBJECT: (Economics & Trade (1EC26); Consumer Protection (1CO43))

INDUSTRY: (Financial Services Products (1FI16); Financial Services (1FI37); Insurance (1IN97); Insurance Brokerage (1IN33); Financial Services Convergence (1FI45))

Language: EN

OTHER INDEXING: (JAVELIN CAPITAL MARKETS) (Jeffrey Weiser; Jamie Cawley; J. Christopher Giancarlo)

Word Count: 647

6/10/11 DWONLINE (No Page)

END OF DOCUMENT

Macro Offering Making the Rounds

Row Asset Management is marketing a series of global-macro vehicles that focus on futures and currencies.

Row Asset Management launched its capital-raising campaign this week in New York, including an appearance at Global Capital Acquisition's "Battle of the Quants" conference on March 27-28. It's making the offering available via separate accounts and a commingled fund, each operating under the name Row Diversified Program.

Along with typical hedge fund backers, the Newport Beach, Calif., firm is open to discussions with suppliers of acceleration or seed capital that can help extend its marketing reach.

To lead its capital-raising efforts, Row hired marketing and product-development specialist Timothy O'Grady two weeks ago. O'Grady most recently worked as a managing director at FX Concepts, the previous employer of Row's three other leading executives. They include founder Ryan O'Grady — Timothy O'Grady's son.

In part, Row Diversified mimics the portfolio of Row's only other vehicle, an entity known as Row Currency Fund that bets on currencies from 32 developed and emerging-market nations. It also trades futures and options tied to a range of instruments, including agricultural commodities, energy and interest rates. While both programs employ a quantitative approach, they don't engage in high-frequency trades and instead hold positions from one week to one month.

Row began developing the strategy for Row Diversified in July 2010, but only started trading the program on Nov. 1 with \$3 million from its partners. It's up 11% since then, with no down months.

Meanwhile, Row has re-launched marketing efforts for Row Currency Fund after a six-month hiatus. That vehicle's performance has been essentially flat since its November 2010 launch, with a 12% gain so far this year partly making up for a 15% drop it suffered in 2011 — a tough year for many currency traders.

At FX, Ryan O'Grady headed research. Row co-founder Jeffrey Weiser, meanwhile, was a portfolio manager. And Debra Oaks was a top technology specialist at the New York firm. □

Pine River on a Roll With MBS Funds

Two Pine River Capital hedge funds, among the biggest targeting mortgage-backed securities, were strong performers in the first quarter of this year.

River Fund (up 5.3%) and five smaller vehicles with gains of 1.0-6.2%. Pine River Tail Hedge Fund — a so-called tail-risk offering designed to profit most when markets are cratering — was down 14.7%. Performance figures were first reported by sister publication Asset-Backed Alert.

In a March 8 letter to investors, Pine River attributed the strong performance of its fixed-income fund to a book of private-label mortgage securities that represents the fund's single-largest batch of positions. "The non-agency MBS market rallied in February and we continue to see potential further upside, especially relative to corporate credit," the firm wrote. "That said, due to the strong performance . . . we have gradually reduced our exposure to lock in gains."

The letter pointed to several recent developments that combined to fuel the market rally — most importantly, an orderly sell-off of mortgage securities held by the Federal Reserve's Maiden Lane 2 vehicle.

Pine River Fixed Income Fund has been a stand-out performer from the get-go. Launched in September 2008 — as financial markets were imploding — Kuhn's vehicle delivered a 20.9% return for the final four months of that year, followed by gains of 92.7% in 2009, 31.8% in 2010 and 3.8% in 2011. It is by far the largest of the nine hedge funds managed by Pine River, which has \$7.1 billion overall.

The firm was founded in 2002 by Brian Taylor, who previously worked as a trader at EBF & Associates of Minnetonka. □



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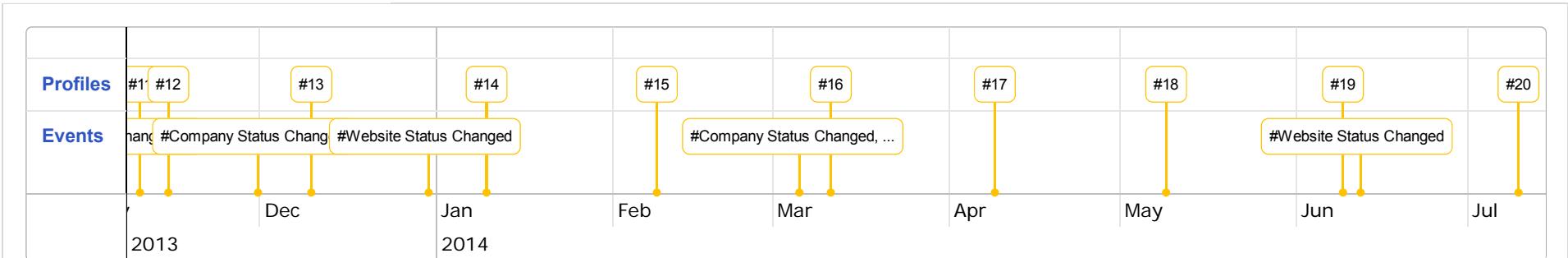
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FX Concepts

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Persons (59)

Name: [Adriano Duarte](#)
Titles: Staff Accountant

Roles:
Past titles:
Other titles:
Organization: FX Concepts

Description:
Sources: WEB

Name: [Alex Steingart](#)
Titles:

Business Analyst
Developer

Roles:**Past titles:****Other titles:**

Organization: FX Concepts

Description:

Alex joined FX Concepts in April of 2010 as a business analyst and application developer. He is an experienced java developer with prior experience at premiere software product companies where he managed client accounts beginning from the sales cycle through on-site deployments. In addition to his java expertise, Alex is familiar with many other coding languages and platforms, including MatLab , C++, and databases. Alex holds a BS degree in Computer Science from Duke University with a concentration in Computational Biology.

Sources: WEB

Name: [Anthony Sacco](#)

Titles:**Roles:****Past titles:**

Other titles: Chief Financial Officer / Management Committee

Organization: FX Concepts

Description:

Anthony Sacco joined FX Concepts in June 2000. He is responsible for the establishment and monitoring of our internal controls, as well as the management of all aspects of the firm's accounting department. Tony oversees such functions as fund accounting, billing, cash management, financial statement preparation, preparation and filing of the all corporate and partnership tax returns for the firm and our funds, as well as overseeing the company's various external audits. Tony has spent the last twelve years in senior financial positions with organizations in the financial and/or international arenas. He graduated from St. Joseph University in 1993 with a major in Accounting and has been a Certified Public Accountant since 1997. Tony is also a member of the New York State Society of Certified Public Accountants, the Pennsylvania Institute of Certified Public Accountants, and the American Institute of Certified Public Accountants.

Sources: WEB

Name: [Anu Chhabra](#)

Titles:**Roles:****Past titles:**

Other titles: Investment Management Associate

Organization: FX Concepts

Description:

Anu Chhabra joined FX Concepts in 2008. She is part of Marketing and Sales for the European Investment Management Team working in conjunction with Daniel Szor. Previously, she worked for Collingham Capital Management - a fund of fund based in London as an Investor Relations analyst and fund administrator. Prior to that Anu has also worked at Northern Trust and HSBC doing a wide range of roles including derivative valuations, mortgages and sales. She graduated with a Bsc in Economics from City University in London and is currently a CFA level 2 candidate.

Sources: WEB

Name:	<u>Benjamin S. Adler</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Head of IT Infrastructure</i>
Organization:	FX Concepts
Description:	<p>Ben joined FX Concepts in March 2009 as Senior Network Engineer. Previously, he was Senior IT Specialist at BlueMountain Capital Management for four years where his numerous accomplishments include relocating the company's data center to New York City and the development and implementation of a new IT infrastructure and Disaster Recovery Strategy. Prior to that, Ben worked for four years at EZE Castle Integration as Senior Engineer where he serviced a wide variety of clients including hedge funds on all aspects of IT. Ben also worked at Dynax Solutions as Network Administrator, and at SAP America Headquarters on the Communications and Technology Team. Ben holds a BS degree in Business Administration from Villanova University where he played for the ice hockey team.</p>
Sources:	WEB

Name:	<u>Bernard Lock</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Regional Manager / Asia Pacific (Singapore) Pte Ltd</i>
Organization:	FX Concepts
Description:	<p>Bernard Lock joined FX Concepts in 2002. He is the Head of our Singapore office and is responsible for sales as well as for providing strategies to the clients in Asia Pacific Region, including research, currency overlay and absolute return programs. Bernard had traded for banks in the foreign exchange and derivative markets for 20 years. He was the chief foreign exchange dealer at Bank of Tokyo Mitsubishi from 1990 to 1994, and at Banque Paribas from 1994 to 1997. Prior to FX Concepts, Mr. Lock worked for HSBC at the Emerging Markets & Derivatives Team, and was specialized in currency options. Bernard graduated at the Chinese University of Hong Kong and obtained his Master Degree at the Business School of University of Birmingham, UK. Mr. Lock is a Chartered Financial Analyst with the CFA Institute and also, a registered Financial Risk Manager with GARP.</p>
Sources:	WEB

Name:	<u>Cornelius Luca</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Vice President / Head of Client Advisory for the Americas</i>
Organization:	FX Concepts
Description:	<p>Cornelius Luca is an internationally renowned foreign exchange and technical analysis expert who joined FX Concepts in 2002. He has more than 20 years of experience in the currency markets; he has previously traded spot, forwards, futures and currency options at Sanwa Bank (BOTM), Creditanstalt Bankverein (Bank Austria), and Prudential Securities. He is the author of "Trading in the Global Currency Markets" (Second edition 2000, First edition 1995), "Technical Analysis Applications in the Global Currency Markets" (Third edition 2007, Second edition 2000, First edition 1997), both published by Prentice Hall, "Technical Analysis Applications", 2004, published by McGraw-Hill and "Practical Introduction to Technical Analysis", 1997, published by Euromoney. He published numerous articles in "Stocks and Commodities" and "Futures"</p>

magazines. Cornelius holds an MBA from the New York University Stern School of Business with a double major in Finance and International Business.

Sources: WEB

Name: [Courtney Wessling](#)

Titles: *Compliance Officer*

Roles: *OtherExecutives*

Past titles:

Other titles: *Member of the Investment Management Group*

Organization: FX Concepts

Description:

Courtney Wessling is a member of the Investment Management group where she helps administer the company's Compliance Program and supports the marketing and client service team. Courtney joined FX concepts in August 2006 as a Research and Consulting Operations Associate. Her responsibilities included gathering foreign exchange, fixed income, options, commodities, and equities data and executing financial models. She also helped edit and produce the daily and weekly research letters. She graduated with a B.S. in Finance from Saint Joseph's University in Philadelphia, Pennsylvania.

Sources: WEB

Name: [Cristina Scherer](#)

Titles:

Roles:

Past titles:

Other titles: *Marketing Assistant to the FX Concepts Sales Department*
Investment Management Marketing
Office Administration

Organization: FX Concepts

Description:

Cristina Scherer joined FX Concepts in 1991 as Marketing Assistant to the FX Concepts Sales Department. Her multilingual skills - German, Swiss German, French, Italian, and conversational Spanish - enhance communication with overseas clients who prefer to speak or write in their native language. She presently works as an Investment Associate, providing clients, prospects and consultants with company and performance information on the various investment products that FX Concepts offers. Cristina began her career at Deutsche Bank, and subsequently worked at Generale Bank in New York City. Prior to this she worked as a language instructor and translator in New York, Hong Kong and Japan. Originally a Swiss native, she majored in Art History at the University of Zurich.

Sources: WEB

Name: [DANIEL SZOR](#)

Titles: *BUSINESS EXECUTIVE*

Director

Member of the Senior Management Team

Roles: *OtherExecutives*

Appointments: *Current director (15/02/2006)*

Past titles:

Other titles:	<i>Managing Director / Management Committee</i>
Nationality:	AMERICAN FRENCH
Date of birth:	1962
Organization:	FX Concepts
Director's service address:	This information is on record
Description:	<p>Daniel Szor has been with FX Concepts since 1987. Through 1992 he worked as a member of the company's research and advisory group with daily responsibility for foreign exchange and interest rate forecasting and advising clients on short-term market movement. Since then his focus has been on European business development. In 1993, Daniel opened the company's first European office based in Paris, France. Through 2001, he was in charge of global sales for the firm's currency and interest rate advisory services. Since 2001, his focus has been on further developing the firm's European institutional investment client base. Daniel opened a new European office for the firm in London (August 2006) and he is responsible for marketing the firm's absolute return strategies and overlay programs to clients across Europe. Daniel is also a member of the firm's management committee. Prior to joining FX Concepts, Daniel worked in both spot and corporate foreign exchange trading at Credit Lyonnais in NY. He was also a corporate foreign exchange advisor for the First National Bank of Boston in Boston MA. Daniel is a graduate of Tufts University.</p>
Sources:	WEB, COMPANIES_HOUSE_DIRECTORS

Name:	<u>Daphne Bloore</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Vice President / Investment Management Marketing / New York City</i>
Organization:	FX Concepts
Description:	<p>Daphne Bloore joined FX Concepts in July 2005. She has extensive experience in marketing and communications in the financial services industry. Her most recent position was at Stratton Capital Management, a placement company that specializes in alternative investments. Prior to that, Daphne worked 13 years at the World Gold Council, where she promoted gold investment products to institutional and high-net-worth investors. She has also held marketing positions at Platinum Guild International and Citibank International Private Banking. Daphne received an MSc degree in Government from the London School of Economics in 1984, and a BA in Economics and Russian studies from the University of Pennsylvania in 1983.</p>
Sources:	WEB

Name:	<u>Douglas Taylor</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Cash Management Manager</i>
Organization:	FX Concepts
Description:	<p>Doug Taylor joined FX Concepts in 2004 to oversee our Cash Management Department and now also is responsible for trading in energy and equities. His major accomplishments include having co-founded, managed, and marketed two successful businesses. One business was an \$8 billion dollar institutional global fixed income investment management firm, and the other was a cutting edge smart card technology business, where he invented and patented the proprietary technology. Just prior to joining FX Concepts, he was responsible for completely restructuring of the investment portfolio of a life insurance company. He has over twenty years of fixed income investment experience in all major sectors across the entire yield curve. He is a graduate from George Washington University, Washington, D.C. with a BA in International</p>

Political Science.

Sources: WEB

Name: [Dyuti Lad](#)

Titles:

Roles:

Past titles:

Other titles: *Investment Research*

Organization: FX Concepts

Description:

Dyuti joined FX Concepts in March 2011. Previously, she was a developer at Vitech Systems Group Inc., where she worked on software for fund and investment administration. Earlier, she worked at Siemens Information Systems Ltd. as a Systems Engineer.

Sources: WEB

Name: [Edward Boyle](#)

Titles:

Roles:

Past titles:

Other titles: *Investment Research*

Organization: FX Concepts

Description:

Ed Boyle develops statistically driven quantitative models with an emphasis on highly diversified Global Futures and FX markets. His current research incorporates applying Statistical Arbitrage and Volatility Prediction techniques to a globally diverse set of asset classes. Prior to joining FX Concepts in July 2007, Ed developed and traded models for the Quantitative Group at Brevan Howard, a \$12 billion UK fund. Previously, Ed managed Escher Capital Management, a quantitative advisory firm in Westport, CT and Magnum Design, Inc, a technology firm in San Francisco. Ed has a Masters Degree from Stanford University where he did PhD candidate work on Automation and Artificial Intelligence systems. He holds an MSBA from the Boston University, International Business Program. Ed is a graduate of United States Military Academy, West Point and served active duty overseas for 5 years as a Captain in the US Army Corps of Engineers.

Sources: WEB

Name: [Funmi Adesanya](#)

Titles: *Accounting Supervisor*

Roles:

Past titles:

Other titles:

Organization: FX Concepts

Description:

Sources: WEB

Name: [George Fujioka](#)

Titles:	<i>Business Analyst Developer</i>
Roles:	
Past titles:	
Other titles:	
Organization: FX Concepts	
Description:	
<p>George joined FX Concepts in November of 2004 as a business analyst and application developer. He specializes in gathering the required business specifications and develops the necessary tools/applications to be delivered, which enables FX Concepts to be at the cutting edge of technology. George holds over 6000 hours of experience working with projects and is a PMI certified project management professional (PMP). Prior to working at FX Concepts, George worked over three years in information technology for the Prime Services Client Reporting and Consulting Group at Deutsche Bank. His contributions spanned from developing internal business applications to fully integrated, external client interfacing web portals. Furthermore, he graduated with distinction from the 2 year Deutsche Bank graduate training program. George is a cum laude graduate of Rutgers University with a BS in Computer Science and Economics.</p>	
Sources:	WEB
Name: <u>Gianluca Lippiello</u>	
Titles:	
Roles:	
Past titles:	
Other titles: <i>Assistant Trader</i>	
Organization: FX Concepts	
Description:	
<p>Gianluca Lippiello joined FX Concepts in August of 2006 as a Portfolio Administrator in the Investment Administration group. His responsibilities included reconciliations, back-office administration and client servicing. In January of 2011 Gianluca began working as an assistant trader. His duties include trade execution and portfolio management supporting the options strategies. Gianluca is an alumni of Fordham University where he graduated in 2004 with a B.S. in Finance and Economics.</p>	
Sources:	WEB
Name: <u>Hugh Tilney</u>	
Titles: <i>Member of the Senior Management Team</i>	
Roles:	
Past titles:	
Other titles: <i>Member of the Board of Directors and Chairman of the Management Committee Chief Operating Officer, Chief Compliance Officer / Management Committee</i>	
Organization: FX Concepts	
Description:	
<p>Hugh Tilney is a member of the Board of Directors and Chairman of the Management Committee at FX Concepts. As Chief Operating Officer all financial, legal, and regulatory functions of the Company report to him. In addition the firm's overseas offices fall within his responsibility. Hugh joined FX Concepts in 1993 following a 28-year career in the insurance industry, both in the United States and the UK. Mr. Tilney is a graduate of University of Grenoble in France.</p>	
Sources:	WEB

Name:	<u>Jean Huie</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Senior Tax Accountant</i>
Organization:	FX Concepts
Description:	<p>Jean joined FX Concepts in April 2010 as Senior Tax Accountant. She is an experienced tax accountant with prior experience at an international public accounting firm where she managed client tax compliance accounts. Prior to that, she worked at a premiere marketing research firm where she oversaw the accounting functions of the company's subsidiary. Jean holds a M.S. in Taxation and a B.B.A. in Accounting from Bernard M. Baruch College in New York City.</p>
Sources:	WEB
Name:	<u>Jeffrey Weiser</u>
Titles:	<i>Vice President Portfolio Manager</i>
Roles:	VP
Past titles:	
Other titles:	<i>Portfolio Manager for the Global Currency Program</i>
Organization:	FX Concepts
Description:	<p>Jeffrey Weiser is the portfolio manager for the Global Currency Program (GCP). He has been with FX Concepts since 1996 when he joined the firm as a technical analyst. Previously, he worked for two years at Pegasus Econometrics, a division of Thomson Research, as an analyst covering the Far East markets. Jeffrey is a graduate of Case Western Reserve University where he holds a degree in Economics.</p>
Sources:	WEB
Name:	<u>JoAnne Svendsgaard</u>
Titles:	<i>Vice President</i>
Roles:	VP
Past titles:	
Other titles:	
Organization:	FX Concepts
Description:	<p>JoAnne Svendsgaard joined FX concepts in March 2011. JoAnne came to FX Concepts from Mountain Pacific Group where she was Director of Client Services. Her responsibilities included client service, newsletters, database management, researching current investment trends, and organizing MPG's educational client seminars. JoAnne founded Institutional Financial Forum, LLC (IFF), served as the director of Special Events for Financial Research Associates where she developed, designed, produced and executed their "Platinum Series" forums. In 1991, JoAnne co-founded, and headed up all aspects of World Pension Forum, LLC (aka Pensions 2000) designing and producing domestic and international educational forums for large institutional investment funds. Prior to that, she worked in the marketing department of Bear Stearns and Company. JoAnne began her career in 1982 working in Anchorage, Alaska at Merrill Lynch, Pierce, Fenner and Smith.</p>
Sources:	WEB

Name:	JOHN REED TAYLOR JR
Titles:	<p><i>BUSINESS EXECUTIVE</i></p> <p><i>Director</i></p> <p><i>Member of the Senior Management Team</i></p> <p><i>Chairman</i></p> <p><i>CEO</i></p> <p><i>Founder</i></p>
Roles:	<p><i>Other Executives</i></p> <p><i>Chairman</i></p> <p><i>CEO</i></p> <p><i>Founder</i></p>
Appointments:	<i>Current director (15/02/2006)</i>
Past titles:	
Other titles:	<p><i>Senior Management</i></p> <p><i>Chairman, CEO, CIO / Management Committee / Product Development Committee</i></p>
Nationality:	<i>AMERICAN</i>
Date of birth:	<i>1943</i>
Organization:	<i>FX Concepts</i>
Director's service address:	This information is on record
Description:	<p>John Taylor is the Chairman, CEO and founder of FX Concepts. He has over 40 years of experience in the foreign exchange and related fixed income markets. He is recognized as an expert in the management of foreign exchange and a pioneer in the analysis of cyclicalities of foreign exchange and interest rate markets. Prior to founding FX Concepts, John was a Vice President at Citibank, where he headed the bank's marketing and advisory services in foreign exchange. John began his career at Chemical Bank, where he founded that bank's Foreign Exchange Advisory Service in 1972. In this capacity he was the author of <i>Foreign Exchange Exposure Management</i>, which was published by Chemical Bank. In addition, John developed the first computer models designed to assist multinational corporations in the management of foreign exchange risk. John's executive responsibilities at FX Concepts include serving as Chief Investment Officer. He also continues to provide analytical input daily and is available for client contact.</p>
Sources:	<i>WEB, COMPANIES_HOUSE_DIRECTORS</i>
Name:	Jonathan H. Clark
Titles:	<i>Member of the Senior Management Team</i>
Roles:	
Past titles:	
Other titles:	<i>Vice - Chairman, Head of Research Advisory / Management Committee / Product Development Committee</i>
Organization:	<i>FX Concepts</i>
Description:	<p>Jonathan Clark is a graduate of Colgate University and obtained an MBA from New York University. His graduate thesis was on the topic of long-term currency swaps. Jonathan joined FX Concepts in 1984. His responsibilities include managing the firm's foreign exchange and interest rate research that is sold to 240 institutional clients in forty countries. Jonathan's duties include writing and editing the firm's research products, product development, and overseeing research sales. He is a member of the FX Concepts's Management and Product Development Committees, and the Deputy Chief Investment Officer.</p>

Sources:	WEB
Name:	<u>Joseph Palmisano</u>
Titles:	Senior Research Analyst
Roles:	
Past titles:	
Other titles:	
Organization:	FX Concepts
Description:	<p>Joe has 19 years of experience in the financial markets. He began his financial career in 1992 as a foreign exchange trader with Prominence International, Inc., a NJ-based hedge fund with \$300 million in AUM. He moved to Dow Jones & Co in 1994 as a financial journalist covering the foreign exchange and U.S. fixed income markets and was responsible for the daily FX column in the Wall Street Journal. In 1997, he joined the financial research consulting firm IDEAglobal as a senior technical analyst, where he covered the global foreign exchange markets as well as the U.S., Canadian and European fixed income and equities markets, commodities markets, and Emerging and Latin American markets. Throughout his career, Joe has been a frequent speaker at financial market symposiums and a contributing writer for the trade magazine Stocks, Futures and Options (SFO). He has also appeared on financial news programs and has been widely quoted in financial newswires and publications. Joe holds a B.S.B.A. in Finance from the Kogod School of Business at The American University. He has been an active member of the Market Technicians Association since 1997 and received his Chartered Market Technician (CMT) designation in 2000.</p>
Sources:	WEB
Name:	<u>Kelly Adams</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Chief Technology Officer / Management Committee Head of Technology and Development</i>
Organization:	FX Concepts
Description:	<p>Kelly Adams joined FX Concepts in September 2004 as head of technology and development. Throughout his career, he has been involved in the design and development of several large scale data integration and collaboration systems for major investment banks and brokerage firms. Prior to joining the firm, Kelly was Managing Director and Partner at Indus Valley Partners, a boutique IT hedge fund consulting firm. His previous experience includes seven years as Global Head of Client Technology, Equity Prime Brokerage at Deutsche Bank where he was responsible for building Deutsche Bank's hedge fund equity prime brokerage support infrastructure. Before Deutsche Bank he was a Director and Partner at ZAI*NET Software, Inc. (now part of SunGard) for eight years where he helped design and build their FX trading system. Kelly holds an M.A. degree in Spanish from Middlebury College and a B.S degree in Anthropology from Western Carolina University. He is a frequent speaker and author in the field of IT.</p>
Sources:	WEB
Name:	<u>Kim Reardon</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Investment Management Marketing Associate</i>
Organization:	FX Concepts

Description:**Sources:** WEB**Name:** [Kristian Kerr](#)**Titles:** Senior Research Analyst**Roles:****Past titles:****Other titles:****Organization:** FX Concepts**Description:**

Kristian Kerr joined FX Concepts as a Senior research analyst in 2006. Since 2008 he has also been a proprietary trader specializing in the equity delta one space. Before joining FX Concepts, Kristian was a senior currency analyst at Informa Global Markets covering both the G-10 and emerging markets. He has also worked at RefcoFX and Bank of America. Kristian is a graduate of Schiller University in Madrid, Spain where he holds a degree in International Business.

Sources: WEB**Name:** [Laura Adams](#)**Titles:** Analyst**Roles:****Past titles:****Other titles:****Organization:** FX Concepts**Description:**

Laura Adams began her career at FX Concepts in August 2009 as a member of the Information Technology group. Her responsibilities include development and maintenance of the firm's back office systems, model implementation, and trading and portfolio management support in fixed income. Laura graduated cum laude with a B.A. from Princeton University.

Sources: WEB**Name:** [Leonard Weedman](#)**Titles:** Controller*Member of the Senior Management Team***Roles:****Past titles:****Other titles:****Organization:** FX Concepts**Description:**

In January 2012, Leonard was appointed Controller and relocated to the New York office from the UK office. Leonard joined FX Concepts in 2006 as a staff accountant. From 2006 until 2011, his role had expanded from his initial accounting role, to include office management, fund accounting/reporting, and FSA reporting. Prior to joining FX Concepts, Leonard worked at Miller Davies Chartered Accountants in the UK where he began his studies to become a Chartered Accountant. In June 2006, he became qualified with AAT (Association of Accounting Technicians). He is also a member of ACCA (Association of Chartered Certified Accountants).

Sources:	WEB
Name:	Liang Shi
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Business Analyst and Senior Application Developer</i>
Organization:	FX Concepts
Description:	<p>Liang joined FX Concepts in January 2008 as a Senior Application Developer and Business Analyst. Prior to joining the firm, he worked at Deutsche Bank and Credit Suisse as a leading developer and architect. There he designed and implemented several large enterprise applications in the area of prime services, including client web portals, reporting systems, and entitlement engines. He has extensive experience in the development of complex, high performance, multi-tiered systems. Before joining the financial industry, he worked in various telecommunications, Enterprise Resource Planning (ERP), and media software companies. He also worked as a government contractor. His roles included programming, system integration, and software development management. Liang holds a Ph.D. in Nuclear Engineering and an MS in Computer Science from North Carolina State University, and a BS in Nuclear Physics from Beijing University, China.</p>
Sources:	WEB
Name:	Lincoln Weekes
Titles:	<i>Vice President Portfolio Manager</i>
Roles:	<i>VP</i>
Past titles:	
Other titles:	
Organization:	FX Concepts
Description:	<p>Lincoln Weekes has been in the FX markets ever since he graduated from the Wharton School, University of Pennsylvania in 1985. He held positions as Chief Dealer and Director of AIG Trading both in the USA and the UK before he founded the AIG Strategic Fund. Most recently he managed a foreign exchange portfolio for the Citibank affiliated hedge fund, Tribeca Global Management, and prior to that Lincoln was Managing Director at Bear Stearns.</p>
Sources:	WEB
Name:	Marie Currim
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Executive Assistant to the Chairman</i>
Organization:	FX Concepts
Description:	
Sources:	WEB

Name:	<u>Melissa Salcedo</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Senior Portfolio Administrator</i>
Organization:	FX Concepts
Description:	<p>Melissa Salcedo is the Senior Portfolio Administrator in the Portfolio Administration group. Her responsibilities include reconciliations, back-office administration and client servicing. Melissa has been with FX Concepts since 2000.</p>
Sources:	WEB
Name:	<u>Michael Chang</u>
Titles:	<i>Portfolio Manager</i>
Roles:	
Past titles:	
Other titles:	
Organization:	FX Concepts
Description:	<p>Michael Chang joined FX Concepts in August 2010 as an options trader. Prior to joining FX Concepts, he traded equity exotics with BNP Paribas in Asia. He began his career trading currency options in 1999 with Lehman Brothers in New York and Tokyo. Michael graduated from Cornell University with a BS in Economics and a MS in Operations Research.</p>
Sources:	WEB
Name:	<u>Michael Zentz</u>
Titles:	<i>Vice President Analyst Portfolio Manager</i>
Roles:	VP
Past titles:	
Other titles:	<i>in 1996 As a Market Analyst</i>
Organization:	FX Concepts
Description:	<p>Michael Zentz joined FX Concepts in 1996 as a market analyst and has served as Portfolio Manager for the firm's Fixed Income Fund since 1999. Prior to this he was the Head of Treasury Market Research at Pegasus Econometric Group, a research and analysis boutique based in New York City. Michael graduated from New York University with a B.S. in Finance.</p>
Sources:	WEB
Name:	<u>Morten Hoyer</u>
Titles:	

Senior Research Analyst**Roles:****Past titles:****Other titles:** *Investment Research***Organization:** FX Concepts**Description:**

Morten Hoyer joined FX-Concepts in December of 2007 as a Senior Research Analyst. Prior to joining FX-Concepts, Morten was a Senior Software Engineer at Truviso. Prior to Truviso, Morten was a senior consultant at Randomwalk Computing, a consulting company for the financial services sector. Morten holds a Masters degree in Business and Economics from the Norwegian School of Management, and a dual degree in MBA and Master of Science in MIS from the Weatherhead School of Management, Case Western Reserve University.

Sources: WEB**Name:** [Ms. Timberly Davis](#)**Titles:** *Assistant Office Manager***Roles:****Past titles:****Other titles:****Organization:** FX Concepts**Description:**

Ms. Timberly Davis joined FX Concepts as an Assistant Office Manager on January 2, 2011. She is responsible for the management of all vendor relationships, office supplies and equipment maintenance, keeping track of contracts and agreements. Her responsibilities also include Benefits Administration and assistance to the Controller and Assistant Treasurer. Timberly Davis has a BA from Berkeley College, New York in Marketing.

Sources: WEB**Name:** [Nancy Wu](#)**Titles:** *Vice President***Roles:** VP**Past titles:****Other titles:****Organization:** FX Concepts**Description:**

Nancy Wu joined FX Concepts in April 2004. She is responsible for the performance system and various proprietary model implementations. Prior to joining FX Concepts, Nancy worked for two years at Deutsche Bank as a technology analyst in derivatives. Before that, she was a principal consultant at Keane Inc. where she had more than four years of experience building large scale application systems. Nancy holds an MS degree in Engineering from Rutgers University. In addition, she holds a Finance Certificate in Computational Finance from Carnegie Mellon University, and the CFA Institute's Certificate in Investment Performance Measurement (CIPM).

Sources: WEB**Name:** [PHILIP EMANUEL SIMOTAS](#)**Titles:** *BUSINESS EXECUTIVE*

Director	
<i>Member of the Senior Management Team</i>	
Roles:	<i>OtherExecutives</i>
Appointments:	<i>Current director (15/02/2006)</i>
Past titles:	
Other titles:	<i>President and Director of Investment Management / Management Committee / Product Development Committee</i>
Nationality:	<i>AMERICAN</i>
Date of birth:	<i>1964</i>
Organization:	<i>FX Concepts</i>
Director's service address:	This information is on record
Description:	<p>Philip Simotas, President and Director of Investment Management, joined FX Concepts in 1994. He heads up all aspects of the firm's investment management activities, which include trading, portfolio administration, client servicing, investment research, and marketing. In addition, he is chairman of the Product Development Committee which directs the firm's research and model development efforts. Philip began his career in derivatives at Dean Witter in 1986, where he was Foreign Exchange Strategist. From 1987 to 1993, he was Assistant Vice President and Senior Trader on Dean Witter's foreign exchange desk. He also served as Deputy Chief of the foreign exchange department. Philip is a cum laude graduate of Yale University.</p>
Sources:	<i>WEB, COMPANIES_HOUSE_DIRECTORS</i>
Name:	<u>Ravi Iyer</u>
Titles:	<i>Senior Database Administrator</i>
Roles:	
Past titles:	
Other titles:	
Organization:	<i>FX Concepts</i>
Description:	<p>Ravi joined FX Concepts in March 2009 as Senior Database Administrator. He has extensive database management, performance monitoring and business continuity planning experience. Prior to working at FX Concepts, Ravi worked at various financial services firms, most recently at Deutsche Bank and JPMorgan Chase. He was a member of the Swat Team, a cross platform performance improvement initiative, and led migration efforts to the latest releases of OS and DBMS software. Ravi is a graduate of the New Jersey Institute of Technology with a BS in Computer Engineering and a member of Tau Beta Pi, the Engineering Honor Society.</p>
Sources:	<i>WEB</i>
Name:	<u>Raymond J. Sweeney</u>
Titles:	<i>Member of the Senior Management Team</i>
Roles:	
Past titles:	
Other titles:	<i>Senior Vice President / Management Committee</i>
Organization:	<i>FX Concepts</i>
Description:	<i>Ray Sweeney joined FX Concepts in 1998 as Vice President - Investment Management Sales & Marketing.</i>

Sources:	WEB
Name:	<u>Robert Mammolito</u>
Titles:	<i>Vice President Analyst Portfolio Manager</i>
Roles:	VP
Past titles:	
Other titles:	
Organization:	FX Concepts
Description:	<p>Bob Mammolito began his career at Bank of America in the late 70's trading FX spot and forwards. In 1983, he joined Renault Finance, New York where his activities involved both the currency and the U.S. Treasury Markets. The bulk of his experience came when he joined Commerzbank A.G. New York in 1985 where he was an Assistant Chief Dealer and Deputy Manager of Foreign Exchange. In the early 1990's, he was asked to work on Commerzbank's money desk. He returned to their FX desk in 1997 to work with the branches and manage the bank's global order book. Bob joined FX Concepts in 2006 as a trader of our short-term models. He graduated with a B.B.A. in Finance and Investments from the Bernard M. Baruch College in New York City.</p>
Sources:	WEB
Name:	<u>Robert Savage</u>
Titles:	<i>Member of the Senior Management Team</i>
Roles:	
Past titles:	
Other titles:	<i>Chief Strategist / Management Committee</i>
Organization:	FX Concepts
Description:	<p>Robert Savage is the Chief Strategist at FX Concepts, one of the world's oldest and best-known currency hedge funds. He also serves as the Editor-in-Chief of Track.com, a wholly-owned subsidiary of FX Concepts providing of-the-moment research and commentary on macro markets. Currently, he also sits on the advisory board of Market News International. Savage is a 23-year veteran of Goldman Sachs, where he served as managing director of FX Macro Sales, publishing widely-read and insightful research focused on the foreign exchange markets and the macroeconomic environment. Savage also served as the head of New York FX trading for Lehman Brothers and as a director of proprietary trading at Bank of America Securities. He started his career as a lobbyist working in Washington and Nashville, TN as director of communications for the US Business and Industrial Council, where he focused on national industrial policy and the need for strategic production capabilities in the US. Savage earned a BA in Political Philosophy from Yale University.</p>
Sources:	WEB
Name:	<u>Ron DiRusso</u>
Titles:	<i>Member of the Senior Management Team</i>
Roles:	
Past titles:	
Other titles:	<i>Co - CIO and Director of Research / Management Committee / Chairman of Product Development Committee</i>
Organization:	FX Concepts

Description:

Ron has been Head of Investment Research since August 2011. He joined FX Concepts in February 2009 as a Portfolio Manager in options trading. Prior to joining FX Concepts, he was a principal of Hyman, Beck & Co., responsible for all options trading and research. From 2001 to 2005, Ron was president of North Bridge Capital Management, and was responsible for all of trading and research. Northbridge had over \$400 million in assets, primarily allocated to quantitative strategies in foreign exchange options. Although Ron came to us with significant experience in managing portfolios, he has also spent time in research and trading at major investment banks. From 1996 to 2001, he was a Managing Director at Lehman Brothers, where he ran the global foreign exchange options desk. From 1985 to 1996, he worked at Goldman Sachs in the J. Aron Division where he held several positions in trading and research. Prior to his position at Goldman Sachs, he worked at AT&T Bell Laboratories, where he performed research in local area networks. Ron received a BS in Electrical Engineering from the Cooper Union in 1980 and a MS in Electrical Engineering from Carnegie Mellon University in 1982.

Sources: WEB

Name: [Rosemarie Giannola-Asaro](#)

Titles:

Roles:

Past titles:

Other titles: Fund Accountant

Organization: FX Concepts

Description:

Sources: WEB

Name: [Ross Bowser](#)

Titles: Chief Technology Officer

Roles: CTO

Past titles:

Other titles: Investment Research

Organization: FX Concepts

Description:

Ross Bowser joined FX Concepts in May 2007 as a senior application developer and business analyst. Prior to working at FX Concepts, Ross was a Vice President at Deutsche Bank where he was responsible for Equities Prime Brokerage cross-product margin and risk systems. His experience includes application development and project management in the areas of market and credit risk management, portfolio accounting, derivatives systems, and trade processing. Ross has also been a consultant for BankBoston, Citibank, and the Toronto Stock Exchange. He began his career developing computational fluid dynamics and flow visualization applications for the Canadian Navy. Ross holds a Master's degree in Aerospace Engineering and a Bachelor's degree in Engineering Science from the University of Toronto.

Sources: WEB

Name: [Ross Thalheimer](#)

Titles: Senior Vice President

Analyst

Portfolio Manager

Roles: SVP

Past titles:

Other titles:	<i>in 1992 As a Technical Analyst Senior Vice President / Portfolio Manager / Emerging Market Currencies</i>
Organization:	FX Concepts
Description:	Ross Thalheimer joined FX Concepts in 1992 as a technical analyst and currently works as a portfolio manager for the Diversified Currency Overlay Fund. He began his career in the foreign exchange market in 1987 at Fuji Bank in New York City, where he worked as a currency manager specializing in developed market currencies. Ross holds a B.A. in Economics from the Whittemore School of Business and Economics at the University of New Hampshire. He also holds an MBA in Finance from New York University.
Sources:	WEB

Name:	<u>Sankalp Singh</u>
Titles:	
Roles:	
Past titles:	
Other titles:	<i>Portfolio Manager & Investment Research / Product Development Committee</i>
Organization:	FX Concepts
Description:	Sankalp Singh manages the portfolio for FX Concepts' options programs. In addition, Sankalp develops and implements quantitative trading models for the Investment Research group. Sankalp began his career as an analyst at FX Concepts in 2004. He graduated from the University of Pennsylvania in 2002, completing a dual-degree program in Finance from the Wharton School of Business and Electrical Engineering from the School of Engineering & Applied Sciences.
Sources:	WEB

Name:	<u>Scott Ainsbury</u>
Titles:	<i>Senior Portfolio Manager Portfolio Manager</i>
Roles:	
Past titles:	
Other titles:	
Organization:	FX Concepts
Description:	Scott Ainsbury is a Senior Portfolio Manager who specializes in trading developed and emerging market currencies. He has 20 years of currency and financial market trading experience and has spread his experience through several international centers including Sydney, Singapore and New York. After starting his career at the Bank of America in 1986 he became Chief Trader at the Commonwealth Bank of Australia from 1991-1995 before moving to Natwest Markets in New York from 1995-1999. In 1999, Scott joined FX Concepts working initially out of our Sydney office before moving back over to the US and our headquarters in New York. He is a graduate of the University of Queensland, Brisbane, Australia with a Bachelor of Economics.
Sources:	WEB

Name:	<u>Shao Chieh Lim</u>
Titles:	<i>Associate Director</i>
Roles:	<i>Other Executives</i>

Past titles:**Other titles:****Organization:** FX Concepts**Description:**

Shao Chieh Lim joined the Investment Management Team of FX Concepts in 2011 and works out of the Singapore Office. He is responsible for marketing investment programs to institutional clients as well as creating both strategic and tactical currency solutions to government-linked companies in the Asia Pacific region. Prior to FX Concepts, Shao was a Portfolio Manager in the Reserve Management Department at the Monetary Authority of Singapore. During his four year tenure, he worked in multi-asset classes, managing external fund managers and legal and compliance issues. He was also involved in the formulation of investment policy and operating frameworks. Before MAS, Shao worked for Goldman Sachs as an Accounts Analyst. Shao holds a bachelor degree with honors in Finance from the National University of Singapore. Between 2008 and 2011, he was actively involved in the Executives' Meeting of East Asia Pacific Central Banks, a cooperative organization of central banks and monetary authorities in the East Asia and Pacific region.

Sources: WEB**Name:** [Sharlene Bisram](#)**Titles:****Roles:****Past titles:****Other titles:** Portfolio Administrator**Organization:** FX Concepts**Description:****Sources:** WEB**Name:** [Simon Kerr](#)**Titles:** Finance Assistant**Roles:****Past titles:****Other titles:****Organization:** FX Concepts**Description:**

Simon joined FX Concepts (UK) Ltd in March 2011 as a finance assistant working in a varied role. He will be assisting the UK team with ongoing office administration, monthly accounting and compliance duties as well as assisting the marketing team with client reporting and performance updates. Simon graduated from the Nottingham Business School at Nottingham Trent University in July 2010 with a B.A. (Hons) in Accounting and Finance. While studying for his degree, he spent his junior year in Los Angeles, California working full-time as a financial analyst at Morgan Stanley in their global wealth management division. Since his recent graduation, Simon has been gaining experience with an accounting and administrative role within the family construction business.

Sources: WEB**Name:** [Steve Macari](#)**Titles:** Risk Manager**Roles:****Past titles:**

Other titles:	Risk Management
Organization:	FX Concepts
Description:	
Steve Macari is the firm's Risk Manager and chairs the Risk Management Committee. He joined the firm in June of 2004 as a network administrator and since 2006 has been supporting the investment management team. Steve is also responsible for running the firms passive currency overlay strategies, along with all quantitative work as it pertains to client services and marketing. Lastly, Steve is responsible for ensuring the firms compliance with GIPS (Global Investment Performance Standards). Prior to joining FX Concepts, Steve worked for 2 years at Shire Pharmaceuticals Group plc. Steve obtained a BBA in Information Systems and an MBA in Finance from Loyola University Maryland. He is also a Microsoft Certified Systems Engineer.	

Sources:	WEB
Name: Susan Kim	
Titles:	
Roles:	
Past titles:	
Other titles:	Vice President / Management Committee / Legal Counsel and Compliance Officer
Organization:	FX Concepts
Description:	
Susan joined FX Concepts in February 2007. Prior to joining FX Concepts, she was a Vice President in Regulatory Compliance at JPMorgan Asset Management from 2002 - 2007 and worked in the Legal and Compliance Department of Credit Suisse Asset Management, LLC from 2001 - 2002. Prior to that, Susan was an Examiner in the Pacific Regional Office of the Securities and Exchange Commission in the Investment Adviser/Investment Company Examination program from 1998 - 2000. Susan is a graduate of The Ohio State University with a B.S. in Psychology and received her J.D. from the Fordham University School of Law. She is admitted to the Bar in New York and New Jersey.	

Sources:	WEB
Name: Thomas Snider	
Titles:	Senior Network Engineer
Roles:	
Past titles:	
Other titles:	
Organization:	FX Concepts
Description:	
Tom Snider joined FX Concepts in September 2003 as Network Engineer for the IT Infrastructure. Prior to joining FX Concepts, Tom managed all IT operations for a regional Internet and E-Commerce Provider. Tom holds a bachelors degree in Music from the University of Michigan and holds IT certification from Cisco.	

Sources:	WEB
Name: Trey Fitzpatrick	
Titles:	Vice President
Roles:	VP
Past titles:	

Other titles:**Organization:** FX Concepts**Description:**

Trey joined FX Concepts in March 2009. He is active in the development of quantitative strategies and as a member of the Research Advisory team. Trey was previously employed by Fortress Investment Group and Weiss Multi-Strategy Advisers. His experience includes portfolio management, fundamental and quantitative research, and trading. Trey holds a BS from the Wharton School at the University of Pennsylvania, where he was a Joseph Wharton Scholar.

Sources: WEB**Name:** [Veronica Zurita](#)**Titles:****Roles:****Past titles:****Other titles:** *Portfolio Administrator***Organization:** FX Concepts**Description:****Sources:** WEB**Name:** [Xavier Porterfield](#)**Titles:****Roles:****Past titles:****Other titles:** *Vice President / Global Head of Research Sales***Organization:** FX Concepts**Description:**

Xavier Porterfield joined FX Concepts in March 1998 to help promote the firm's research business, initially in Central Europe. This role has since expanded and now includes responsibility for research advisory sales globally. Prior to joining FX Concepts Xavier worked for IDEA Global in London on their Emerging Markets research sales team after spending a couple years baking bread in Paris. He holds a history degree from the University of Kent at Canterbury.

Sources: WEB**Name:** [Yeu-Fann Stafford](#)**Titles:****Roles:****Past titles:****Other titles:** *Investment Research***Organization:** FX Concepts**Description:**

Yeu-Fann Stafford joined FX Concepts in 2008 to work on quantitative model development. Yeu-Fann graduated in 2008 from the University of North Carolina with a B.S. in Mathematics, a B.A. in Economics, and a minor in Chemistry. In addition to financial models, he has experience analyzing scientific models and has done extensive laboratory work in both biochemistry and genetics.

Sources:

WEB