



ROW

Asset Management

Index

Overview *Page 2*

Team *Page 3*

The Firm *Page 4*

Organizational Structure *Page 5*

The Edge *Page 6*

Investment Thesis *Page 7*

Investment Process *Pages 8-17*

The Fund *Page 18*

Disclaimer / Contact Info *Page 19*

Appendix

Biographies *Pages 20-21*

Sample Portfolio *Page 22*

Overview

ROWAM is a quantitative global macro manager established by industry veterans with significant asset management experience and a proven track record of working together.

ROWAM's mission is to improve its investors' portfolios by providing superior risk-adjusted performance, which is **consistent** and **uncorrelated**.

The firm's flagship fund, ROW Currency Fund, employs an innovative and diversified systematic approach to trade global currency markets across multiple time-horizons.

ROWAM's research is thorough and ongoing; the Firm's association with the UCLA MFE program keeps it on top of new quantitative methodologies and new talent.



CONFIDENTIAL

ROW || Asset Management

Team

Key employees have over 70 years combined experience in the asset management industry.

<p>Ryan O'Grady ROWAM, 2010 CEO and Founder</p> <p>FX Concepts, 1997 - 2010</p> <ul style="list-style-type: none"> • Head of Investment Research • Member of the Management Committee • Manager of New Model Research <p>SCB, 1996 - Proprietary Trader</p> <p>FX Concepts, 1992 - 1996</p> <ul style="list-style-type: none"> • Manager of New Model Research • Portfolio Manager • Assistant Trader 	<p>Jeffrey Weiser ROWAM, 2010 President and Founder</p> <p>FX Concepts, 1995 - 2009</p> <ul style="list-style-type: none"> • Portfolio Manager, Global Currency Program (GCP) • Vice President, Research Advisory Group • Research Analyst • <i>Retired from FXC in February 2009</i> <p>Pegasus Econometrics, 1993 - 1995</p> <ul style="list-style-type: none"> • Analyst 	<p>Debra A. Oaks ROWAM, 2010 Chief Technology Officer</p> <p>FX Concepts, 1986 - 2007</p> <ul style="list-style-type: none"> • Managing Director • Vice President Information Technology • Technology and Model Development • Trading Assistant • Research Assistant • <i>Retired from FXC in 2007</i> 	<p>Sladja Carton ROWAM, 2011 Executive Managing Director</p> <p>Dawson Capital, 2008 - 2011</p> <ul style="list-style-type: none"> • Executive Managing Director • Director of BD/BOD Member <p>RG Niederhoffer Capital, 2000 - 2008</p> <ul style="list-style-type: none"> • Executive Managing Director <p>Teton Advisors, 1998 - 2000</p> <ul style="list-style-type: none"> • Chief Operating Officer <p>Omega Advisors, 1996 - 1998</p> <ul style="list-style-type: none"> • Analyst <p>US Russia Investment Fund, 1995 - 1996</p> <ul style="list-style-type: none"> • Analyst <p>DLJ, 1993 - 1995</p> <ul style="list-style-type: none"> • Analyst
--	---	---	---

The Firm

- ROW Asset Management was founded in July 2010 by Ryan O'Grady and Jeffrey Weiser.
- ROWAM is owned and fully funded by the founders.
- ROWAM has made an extensive investment in custom computational technology, security, and disaster recovery.
- Members of the Firm's research team come from a variety of scientific fields.
- The Firm outsources most administrative functions to leading firms in order to focus on research and trading.
- The Firm's main office is located in Newport Beach. ROWAM intends to open a New York office in 2011 and to add professionals to its research and execution teams.

The Firm and the ROW Currency Fund represent the bulk of the founders' assets.

Over \$11 million insider capital invested.

Founders have provided all start-up capital and the Firm is funded for a minimum of 3 years.

Organizational Structure

ROW Asset Management's operational structure combines internal functions and oversight with best-in-class third party relationships.

ROW Asset Management



ROWAM's Edge

ROWAM employs an innovative systematic approach to trade global currency markets. The key differentiating characteristics of ROWAM's investment approach are:

Investment Universe



- We create a superset of assets relative to the limited universe of simple pairs.
- Our models are designed to find a greater number of different, diversifying assets to trade.

Portfolio Construction



- We exploit multi-dimensional relationships in the currency space without subjecting ourselves to the adverse side-effects of global optimization.

Risk Management



- We tailor our risk management to a particular strategy instead of applying the same methodology to the entire portfolio.
- Trade selection and sizing is handled locally so that the global VaR calculation is not biased.

Investment Thesis

Foreign exchange rates can be forecasted with quantitative models, due to the presence of persistent factors.

Foreign Exchange rates are driven by: **ROWAM's strategic response:**

Interest rate differentials ➡ **Carry** model

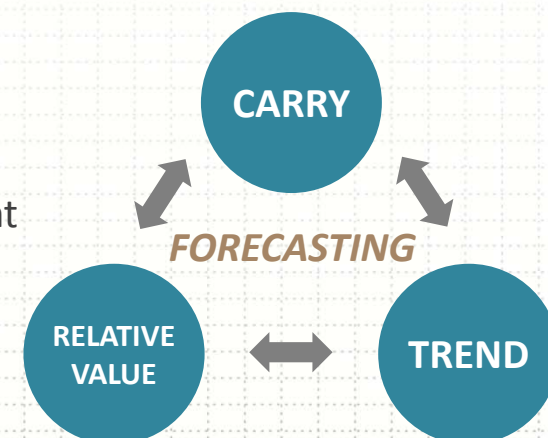
Long-term cyclical economic factors ➡ Long-term **Trend** model

Short-term event driven factors ➡ Short-term **Trend** model

Inflation rate differentials ➡ **Relative Value** model

Other ("noise", etc.)

- ROWAM employs a combination of carry, trend and relative value models. Each style has a highly efficient set of trading rules.
- ROWAM's models are not "steady state" – they adjust their weight according to the presence and importance of underlying factors.



Currency Universe Split

- ROWAM splits the currency universe based on quantitative and qualitative analysis. Each subset is traded using a different investment approach.



Inter-related markets have consistent relationships with other members of the set. Correlation data is useful in building a dynamic portfolio.
Typically 85% of total portfolio risk.



Autonomous markets are generally government-managed. Estimated correlations are likely to be spurious. Less complexity is preferred.
Typically 15% of total portfolio risk.

Inter-Related Currency Markets: Clusters

- Inter-related markets possess multivariate relationships that go beyond the simple pair. The solution is building **clusters**.

To further explain:

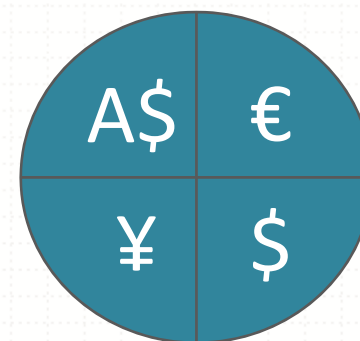
A pair can be thought of as a cluster with two components:

AUD/JPY = {+100% AUD, -100% JPY}

We build more complex clusters of currencies, e.g.:

{+51% AUD, +49% JPY; -79% EUR, -21% USD}

The resulting cluster has time-series history and can be visualized just like a currency pair, as shown by the example on the next slide.



We design clusters specifically to increase our investment universe and improve the forecast accuracy of our models

Investment Process

Inter-Related Currency Markets - Carry

- Properly designed clusters enhance the profitability of the Carry strategy. The algorithm identifies clusters with relatively low and stable volatility.

Good

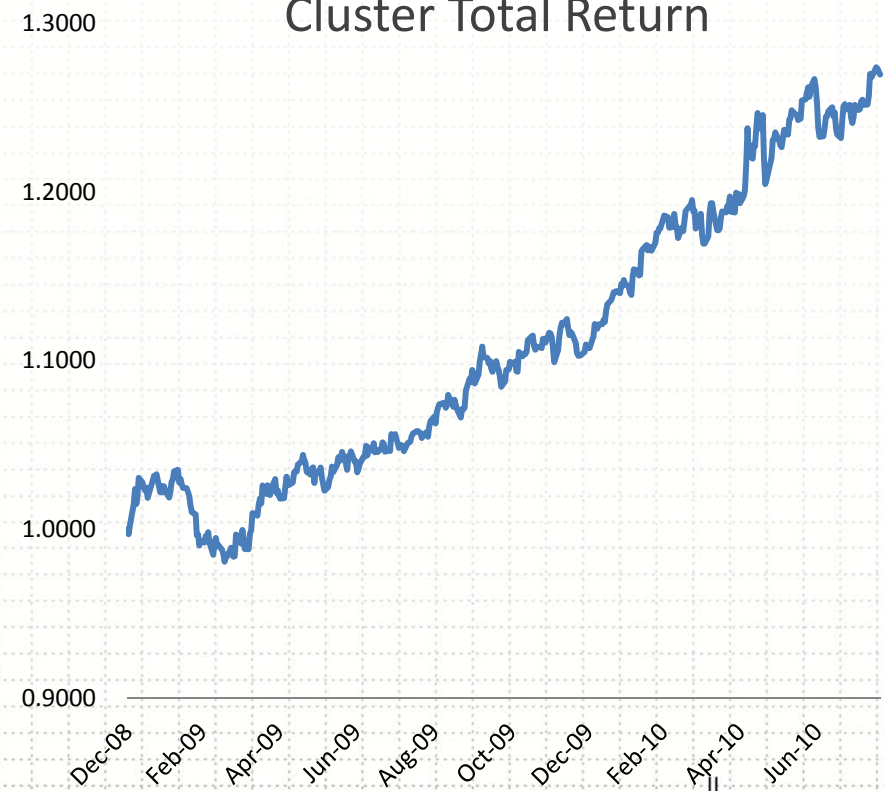
AUD/JPY Total Return



Better

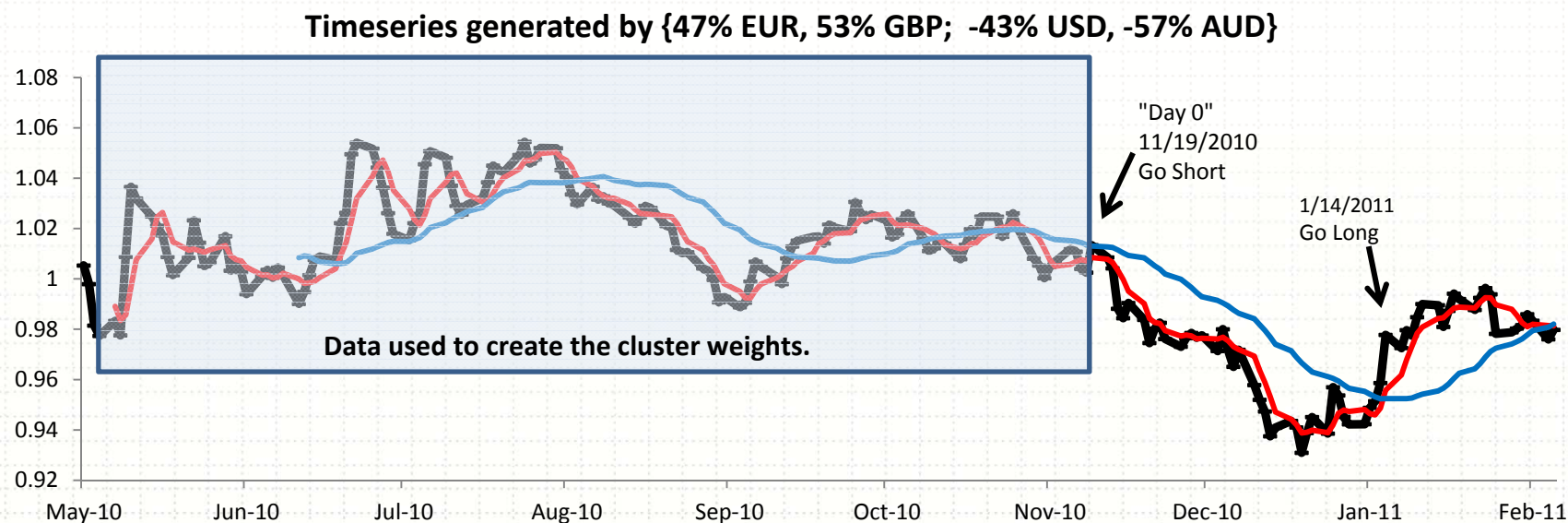
{+51% AUD, +49% JPY}
{-79% EUR, -21% USD}

Cluster Total Return



Inter-Related Currency Markets - Trend

- We exploit both long-term and short-term trends using currency clusters. Trend clusters are designed using different criteria than carry clusters.
- For trend clusters we identify timeseries with low volatility in the recent past, but high volatility in the more distant past.



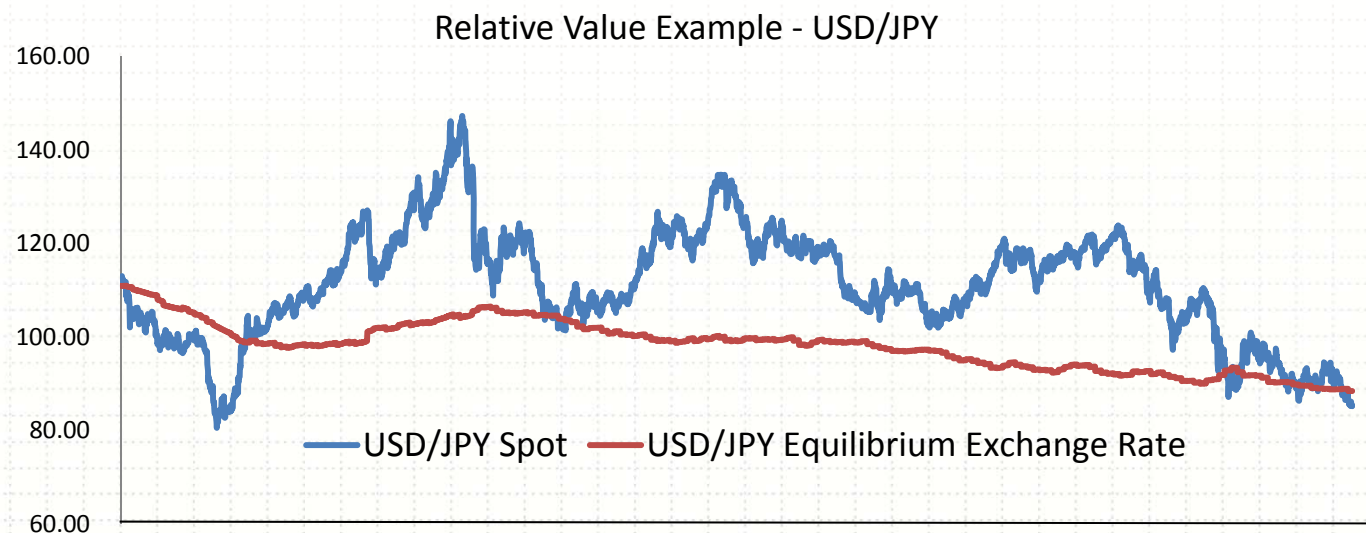
- Our trend model uses signal processing techniques to prevent excessive whipsawing and spreads its exposure over a wide variety of lookback tenors.

Inter-Related Currency Markets – Relative Value

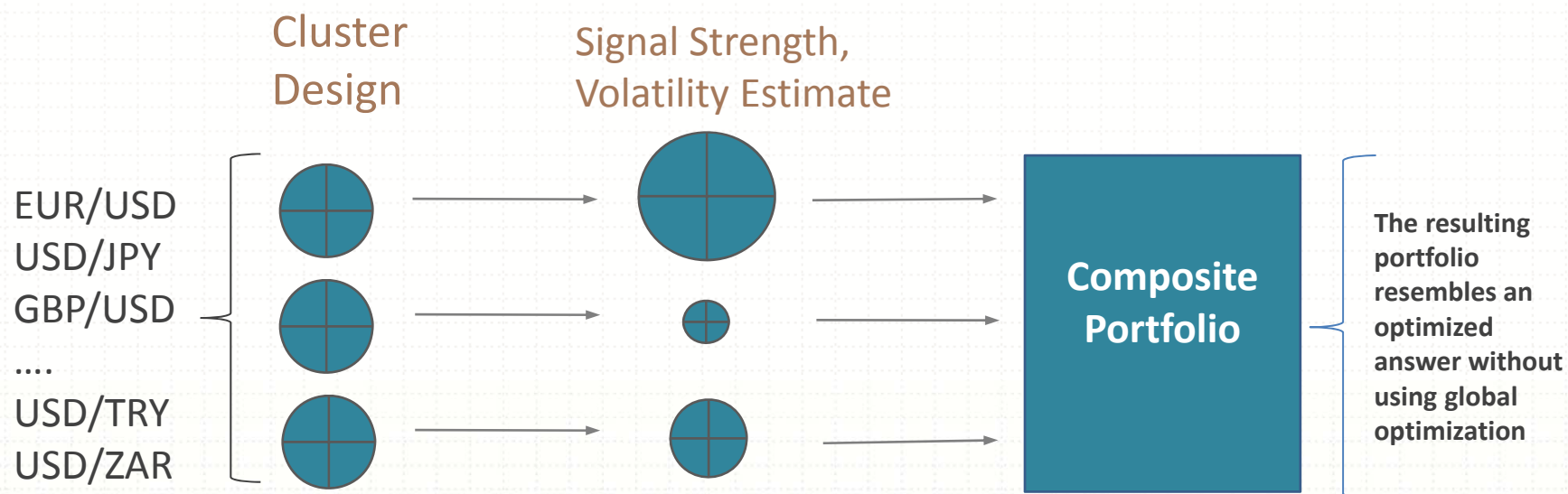
- The value of a currency is in its purchasing power, which is impacted by inflation.
- Our Relative Value model employs a unique combination of economic factors and a novel way of combining them to estimate equilibrium exchange rates, and acts as an overlay to our trend and carry strategies.

Our model considers both the **size** and the **duration** of disequilibrium.

The most common application is to reduce profitable long-term Carry and Trend positions.



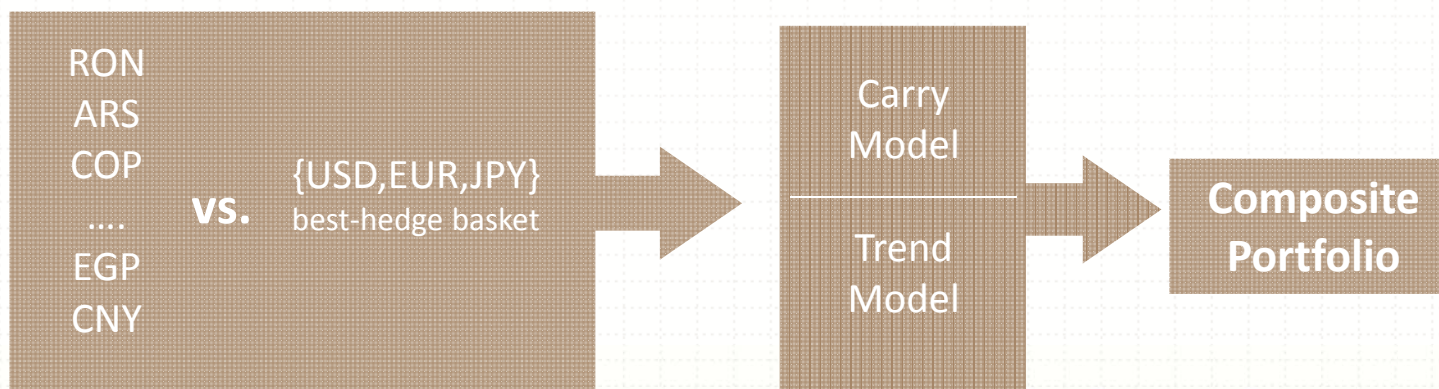
Inter-Related Currency Markets - Portfolio Construction



- **The clusters are essentially thousands of mini-optimized portfolios.** Their construction is customized for each forecast method, yielding additional diversification.
- Currency weights within clusters are derived from a proprietary methodology that involves Principal Component Analysis (PCA).
- The clusters are regenerated daily. We create a cascading series for each cluster set, which results in older clusters being phased out of the portfolio over time and replaced by new clusters.

Autonomous Currency Markets

- Our investment process for Autonomous Markets is simplified relative to Inter-Related Markets.



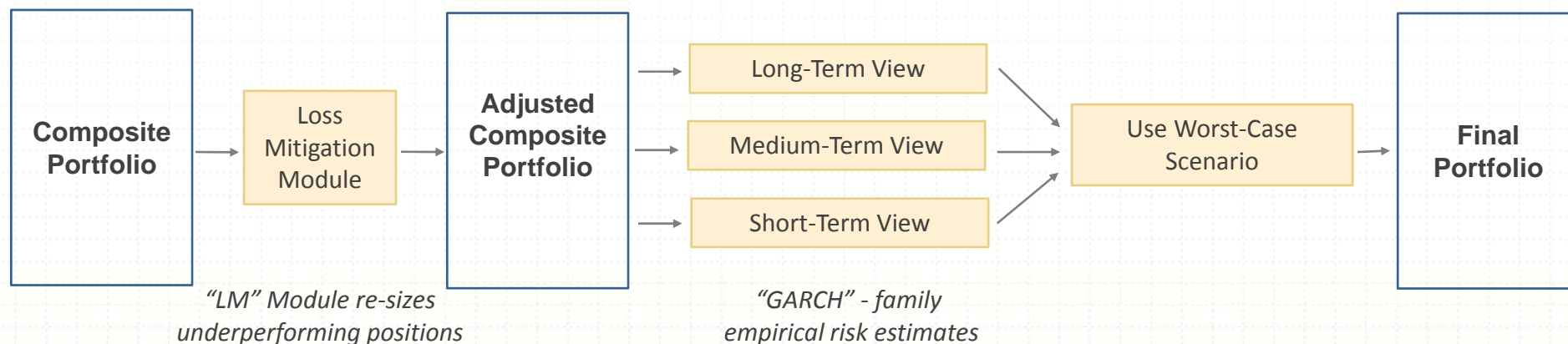
- The core strategies – Carry and Trend – tend to be more effective in less liquid markets, due to a relative lack of profit-seeking market participants. Portfolio construction is kept simple to cleanly transmit the enhanced opportunities into our final portfolio.
- Autonomous markets typically account for 15% of the overall risk of the portfolio.

Risk Management – “Build Local”

- The composite portfolio to this point is a sum of individually risk-managed positions.
- Risk Management begins at the trade level - trade size is adjusted in inverse proportion to empirically estimated volatility.
- Our volatility estimation algorithm is specific to the strategy that generated the trade:
 - Carry: Highly adaptive to changes in volatility.
 - Trend: Lagged adaptation to changes in volatility.
- Strategy-defined volatility estimation helps the composite portfolio work as a whole. During a crisis, Carry trades are reduced more quickly, tilting the relative importance of Trend upwards.

Investment Process

Risk Management – “Evaluate Global”



- ROWAM’s Loss Mitigation Module (“LM”) decomposes the portfolio into pairs, examines and re-sizes problematic pairs when necessary.
- ROWAM uses worst-case scenario risk modeling to govern overall market exposure.
- The portfolio is adjusted in aggregate – our global risk model maintains the relative importance of our strategies, and the relative weights of our trades.

Risk Management – Qualitative Overlay

Qualitative Risk Management

- Concentration limits on currencies are determined by a qualitative approach
- Fixed overall leverage limit

Qualitative Portfolio Management

- All trading is overseen by a Portfolio Manager
- Human element is designed to enhance liquidity and optimal execution
- Our team has decades of experience trading in all types of market conditions
- The Fund's portfolio can be adjusted by the investment committee to account for unforeseen or exogenous events

ROW Currency Fund, LLC

Fund Summary

- **Launch Date:** November 2010
- **Strategy:** Quantitative currency-only strategy
- **Style:** Diversified (carry, trend and relative value strategies)
- **Fund Objective:** Generate highly attractive risk-adjusted returns with low correlation to traditional and alternative assets
- **Current Assets:** \$22 million
- **Liquidity:** Monthly liquidity with 10 business days notice
- **Fees:** 1%/20%
- **Gate:** None
- **Lock up:** None
- **Redemption penalty:** None
- **Managed accounts:** Available over \$5 million
- **Prime Brokers:** UBS, BNP
- **Administrator:** FundAdministration, Inc.
- **Auditor:** Rothstein, Kass & Company
- **Legal:** Baker Botts L.L.P.

AMERICAS	EUROPE	ASIA
USD	EUR	JPY
CAD	CHF	KRW
ARS	NOK	AUD
BRL	SEK	TWD
CLP	HUF	CNY
COP	PLN	INR
MXN	RON	THB
PEN	RUB	IDR
	CZK	PHP
	TRY	SGD
	ILS	
	ZAR	
	EGP	

Disclaimer / Contact Info

Disclaimer Statement

These materials are being provided on a confidential basis by ROW Asset Management, LLC ("ROW") to a limited number of sophisticated investors for the purpose of providing preliminary information about ROW Currency Fund, LLC ("the Fund"). These materials are not an advertisement, are being made available for informational purposes only and are not intended for public use or distribution beyond our private meeting. The information contained herein remains subject to further updating, revision and amendment without notice.

These materials are neither an offer to sell (nor a solicitation of an offer to buy) membership interests in the Fund, nor shall these materials or any portion thereof form the basis of, or be relied on in connection with, any decision relating to an investment in the Fund. Offers of membership interests in the Fund can only be made pursuant to the Fund's Confidential Private Placement Memorandum, Limited Liability Company Agreement and Subscription Documents, all of which should be read in their entirety and which will supersede these materials in all respects. No offer to purchase such interests will be accepted prior to receipt by the investor of these documents and completion of all appropriate documentation in a manner satisfactory to ROW.

These materials may only be delivered to an "accredited investor" as such term is defined in the U.S. Securities Act of 1933, as amended.

The membership interests described herein have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of such interests. Such interests have not and will not be registered for sale, and there will be no public offering of such interests. No offer to sell (or solicitation of an offer to buy) will be made in any jurisdiction in which such offer or solicitation would be unlawful.

These materials make no representations or warranties and no person has been authorized to make any representations on behalf of the Fund other than pursuant to the Fund's Confidential Private Placement Memorandum, Limited Liability Company Agreements and Subscription Documents, if and when these documents are delivered to prospective investors. Although ROW believes the information in this presentation is correct as of its date, nothing contained in this presentation is, or shall be relied upon as, a promise or representation, whether as to the past or the future. Certain of the economic, market, and other information contained herein has been obtained from published sources and/or prepared by other parties. While such sources are believed to be reliable, none of the Fund, ROW or any of their partners, officers, affiliates, employees, agents or advisors nor any other person assumes any responsibility for the accuracy, reliability or completeness of any information in this presentation.

Certain information, including, without limitation, projections, forecasts and estimates, contained in this presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "endeavor," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements and, as such, you should not place undue reliance on any such statements.

This presentation has been prepared for the exclusive use of the person or entity to whom it has been delivered and may not be reproduced or otherwise distributed or disseminated, in whole or part, without the prior written consent of ROW, which consent may be withheld in its sole and absolute discretion.

450 Newport Center Drive
Suite 420
Newport Beach, CA 92660

T 949.478.8300
F 949.478.7491

info@rowam.com
www.rowam.com

Biographies

Ryan O'Grady

ROW Asset Management

CEO and Founder, July 2010 – Present

FX Concepts

Head of Investment Research, 1999 – 2009

Member of the Management Committee, 2007 – 2009

Manager of New Model Research, 1997 – 1999

Standard Chartered Bank

Proprietary Trader, 1996

FX Concepts

Manager of New Model Research, 1995 – 1996

Portfolio Manager, 1994 – 1995

Assistant Trader, 1992 – 1993

Education

The Johns Hopkins University, B.A. in Economics

New York University, Stern School of Business, M.S. in Statistics and Operations Research

University of California, Irvine, Coursework towards a PhD in Economics

Ryan is a founding and active member of the Industry Advisory Board for the UCLA Anderson School of Management – Masters of Financial Engineering.

Jeffrey Weiser

ROW Asset Management

President and Founder, July 2010 – Present

FX Concepts

Portfolio Manager, Global Currency Program (GCP),

2001 – February 2009

Vice President, Research Advisory Group, 1998 – 2006

Research Analyst, 1995 – 1998

Pegasus Econometrics Group, Thompson Financial

Analyst, 1993 – 1995

Education

Case Western Reserve University, B.A. in Economics and English

Biographies

Debra Oaks

ROW Asset Management

Chief Technology Officer, July 2010 – Present

FX Concepts

Managing Director, 2004 – 2007

Vice President Information Technology, 1993 – 2004

Technology and Model Development, 1991 – 1993

Trading Assistant, 1989 – 1991

Research Assistant, 1986 – 1989

Education

Fordham University, Computer Science

Sladja Carton

ROW Asset Management

Executive Managing Director, January 2011 – Present

Dawson Capital Management

Executive Managing Director, 2009 – 2011

BOD Member, 2009 – 2011

Member of the Risk Committee, 2008 – 2011

Director of Business Development, 2008 – 2011

RG Niederhoffer Capital

Executive Managing Director, 2000 – 2008

Member of the Management Committee, 2000 – 2008

Member of the Risk Committee, 2000 – 2008

Teton Advisors

Chief Operating Officer, 1998 – 2000

Omega Advisors

Analyst, 1996 – 1998

US Russia Investment Fund

Analyst, 1995 – 1996

Donaldson, Lufkin, Jenrette

Analyst, 1993 – 1995

Education

Middlebury College, BA in Classical Studies

Sample Portfolio

Inter-Related

	<u>% NAV</u>	<u>% NOP</u>		<u>% NAV</u>	<u>% NOP</u>
Euro	-32.2%	-13.4%	Brazilian Real	27.5%	11.5%
Swiss Franc	-9.0%	-3.8%	Chilean Peso	11.2%	4.7%
British Pound	-16.7%	-7.0%	Mexican Peso	3.6%	1.5%
Japanese Yen	7.5%	3.1%			
Canadian Dollar	-24.9%	-10.4%	Turkish Lira	20.2%	8.4%
Australian Dollar	30.8%	12.8%	Israeli Shekel	-11.5%	-4.8%
New Zealand Dollar	-3.1%	-1.3%	South African Rand	27.5%	11.5%
Czech Koruna	-26.7%	-11.1%	Indian Rupee	22.9%	9.5%
Norwegian Krone	-1.6%	-0.7%	Indonesian Rupiah	22.9%	9.5%
Swedish Krona	-5.1%	-2.1%	Philippine Peso	-3.5%	-1.5%
Hungarian Forint	17.2%	7.2%	Singapore Dollar	-27.5%	-11.5%
Polish Zloty	-8.8%	-3.7%	Korean Won	-13.8%	-5.8%
Russian Ruble	22.9%	9.5%	Taiwan Dollar	-27.5%	-11.5%

Autonomous

	<u>% NAV</u>	<u>% NOP</u>
Euro	-12.7%	-5.3%
Romanian Leu	13.8%	5.7%
Colombian Peso	-10.2%	-4.3%
Peruvian Sol	8.4%	3.5%
Thai Baht	-5.5%	-2.3%

Net Open Position (Leverage): 2.4x NAV