

ROW CURRENCY FUND, LLC

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE PERIOD NOVEMBER 1, 2010
(COMMENCEMENT OF OPERATIONS)
THROUGH DECEMBER 31, 2011

ROW CURRENCY FUND, LLC

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Rothstein Kass

INDEPENDENT AUDITORS' REPORT

To the Members of ROW Currency Fund, LLC

We have audited the accompanying statement of financial condition of ROW Currency Fund, LLC (the "Fund"), including the condensed schedule of investments, as of December 31, 2011, and the related statements of operations, changes in members' equity and cash flows for the period November 1, 2010 (commencement of operations) through December 31, 2011. These financial statements are the responsibility of the management of the Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, management has elected to capitalize the costs of organizing the Fund. The financial statements include net capitalized organization costs of \$110,503 as of December 31, 2011. Accounting principles generally accepted in the United States of America require that organization costs be expensed as incurred. If the financial statements were adjusted for this departure from accounting principles generally accepted in the United States of America, total assets and members' equity would be decreased by \$110,503 as of December 31, 2011, and net loss for the period November 1, 2010 (commencement of operations) to December 31, 2011 would be increased by \$110,503.

In our opinion, except for the capitalization of organization costs, the financial statements referred to above present fairly, in all material respects, the financial position of ROW Currency Fund, LLC as of December 31, 2011, and the results of its operations, changes in its members' equity and its cash flows for the period November 1, 2010 (commencement of operations) to December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.



Beverly Hills, California
November 15, 2012

ROW CURRENCY FUND, LLC

STATEMENT OF FINANCIAL CONDITION

December 31, 2011

Assets

Derivative contracts, at fair value	\$	15,216
Cash		7,669,238
Due from broker		2,417,545
Organization costs (net of accumulated amortization of \$32,896)		110,503
	\$	<u>10,212,502</u>

Liabilities and Members' equity

Liabilities

Derivative contracts, at fair value	\$	58,615
Equity withdrawals payable		617,527
Management fee payable		2,364
Accrued expenses and other liabilities		<u>153,969</u>
Total liabilities		832,475

Members' equity		<u>9,380,027</u>
	\$	<u>10,212,502</u>

ROW CURRENCY FUND, LLC

STATEMENT OF OPERATIONS

For the period November 1, 2010 (commencement of operations) through December 31, 2011

Investment income, interest	\$ 22,472
Expenses	
Amortization of organization costs	32,896
Administrative fee	19,678
Management fee	13,903
Professional fees and other	35,240
Total expenses	101,717
Net investment gain (loss)	(79,245)
Net loss from derivative contracts and foreign currency transactions	(1,428,330)
Net loss	\$ (1,507,575)

ROW CURRENCY FUND, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the period November 1, 2010 (commencement of operations) through December 31, 2011

	Managing Member	Members	Total
Equity contributions	\$ 1,100,000	\$ 12,449,985	\$ 13,549,985
Equity withdrawals	(450,000)	(2,212,383)	(2,662,383)
Allocation of net loss			
Pro rata allocation	(81,088)	(1,426,487)	(1,507,575)
Reallocation to Managing Member	3,302	(3,302)	-
	<u>(77,786)</u>	<u>(1,429,789)</u>	<u>(1,507,575)</u>
Members' equity, end of period	<u>\$ 572,214</u>	<u>\$ 8,807,813</u>	<u>\$ 9,380,027</u>

ROW CURRENCY FUND, LLC

STATEMENT OF CASH FLOWS

For the period November 1, 2010 (commencement of operations) through December 31, 2011

Cash flows from operating activities

Net loss	\$ (1,507,575)
Adjustments to reconcile net loss to net cash used in operating activities:	
Net loss from derivative contracts and foreign currency transactions	1,428,330
Amortization of organization costs	32,896
Changes in operating assets and liabilities:	
Purchases of investments in derivative contracts	(1,379,174,908)
Proceeds from sales of investments in derivative contracts	1,377,789,977
Due from broker	(2,417,545)
Organization costs	(143,399)
Management fee payable	2,364
Accrued expenses and other liabilities	153,969

Net cash used in operating activities

(3,835,891)

Cash flows from financing activities

Equity contributions	13,549,985
Equity withdrawals, net of change in equity withdrawals payable	<u>(2,044,856)</u>

Net cash provided by financing activities

11,505,129

Net change in cash

7,669,238

Cash, beginning of period

-

Cash, end of period

\$ 7,669,238

ROW CURRENCY FUND, LLC

CONDENSED SCHEDULE OF INVESTMENTS

December 31, 2011

	Expiration Dates	Number of Contracts	Percentage of Members' Equity	Fair Value
Derivative contracts - assets, at fair value				
Forward contracts				
Currency contracts	March 2012	47	<u>0.2 %</u>	<u>\$ 15,216</u>
Derivative contracts - liabilities, at fair value				
Forward contracts				
Currency contracts	March 2012	78	<u>0.6 %</u>	<u>\$ 58,615</u>

ROW CURRENCY FUND, LLC

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies

Nature of Operations

ROW Currency Fund, LLC (the "Fund"), a Delaware investment limited liability company was formed on July 19, 2010, and commenced operations on November 1, 2010. The Fund was organized for the purpose of trading and investing in derivative contracts. The Fund is managed by ROW Asset Management, LLC (the "Managing Member" and the "Investment Manager"). Refer to the Fund's offering memorandum for more information.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification.

These financial statements were approved by management and available for issuance on November 15, 2012. Subsequent events have been evaluated through this date.

Fair Value - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 - Valuations based on inputs, other than quoted prices included in Level 1, which are observable either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

ROW CURRENCY FUND, LLC

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value - Definition and Hierarchy (continued)

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

Fair Value – Valuation Techniques and Inputs

Derivative Contracts

The Fund records its derivative activities at fair value. Gains and losses from derivative contracts are included in net loss from derivative contracts in the statement of operations.

Forward contracts

Forward contracts are traded on the OTC market. The fair value of forward contracts are valued using observable inputs, such as currency exchange rates or commodity prices, applied to notional amounts stated in the applicable contracts. Forward contracts are generally categorized in Level 2 of the fair value hierarchy.

Translation of Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the year-end exchange rates. Transactions denominated in foreign currencies, including purchases and sales of investments, are translated into United States dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the statement of operations.

The Fund does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Such fluctuations are included in net loss on derivative contracts and foreign currency transactions in the statement of operations.

Offsetting of Amounts Related to Certain Contracts

The Fund has elected not to offset fair value amounts recognized for cash collateral receivables and payables against fair value amounts recognized for derivative positions executed with the same counterparty under the same master netting arrangement. At December 31, 2011, the Fund had cash collateral receivables of \$2,417,545 with derivative counterparties under the same master netting arrangement.

ROW CURRENCY FUND, LLC

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Income Taxes

The Fund does not record a provision for U.S. federal, state, or local income taxes because the members report their share of the Fund's income or loss on their income tax returns. However, certain U.S. dividend income and interest income may be subject to a maximum 30% withholding tax for those members that are foreign entities or foreign individuals. Further, certain non-United States dividend income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction. The Fund files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states and foreign jurisdictions. Generally, the Fund is subject to income tax examinations by major taxing authorities since inception.

In accordance with GAAP, the Fund is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Fund has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2011. The Fund does not expect that its assessment regarding unrecognized tax benefits will materially change over the next twelve months. However, the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. federal, U.S. state and foreign tax laws, and changes in the administrative practices and precedents of the relevant taxing authorities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Fund's management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

Organization Costs

Organization costs are stated net of accumulated amortization. Management has elected to capitalize organization costs of approximately \$143,000 and amortize them on a straight-line method over 60 months. Management believes this method to be more equitable to the members than the method prescribed under GAAP, which requires organization costs to be expensed as incurred, resulting in the original members bearing all such costs.

ROW CURRENCY FUND, LLC

NOTES TO FINANCIAL STATEMENTS

2. Fair value measurements

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Fund's significant accounting policies in Note 1. The following table presents information about the Fund's assets measured at fair value as of December 31, 2011 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets (at fair value)				
Derivative contracts				
Forward contracts	\$ -	\$ 15	\$ -	\$ 15

The following table presents information about the Fund's liabilities measured at fair value as of December 31, 2011 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities (at fair value)				
Derivative contracts				
Forward contracts	\$ -	\$ 59	\$ -	\$ 59

For the period November 1, 2010 (commencement of operations) through December 31, 2011, the Fund did not have any significant transfers between any of the levels of the fair value hierarchy.

3. Due from broker

Amounts due from broker may be restricted to the extent that they serve as deposits for securities sold short.

In the normal course of business, substantially all of the Fund's securities transactions, money balances, and security positions are transacted with the Fund's broker, UBS AG. The Fund is subject to credit risk to the extent any broker with whom it conducts business is unable to fulfill contractual obligations on its behalf. The Fund's management monitors the financial condition of such brokers and does not anticipate any losses from these counterparties.

4. Derivative contracts

In the normal course of business, the Fund utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund's derivative activities and exposure to derivative contracts are classified by the primary underlying risks: foreign currency exchange rate. In addition to its primary underlying risks, the Fund is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

ROW CURRENCY FUND, LLC

NOTES TO FINANCIAL STATEMENTS

4. Derivative contracts (contunued)

Forward Contracts

The Fund enters into forward contracts to hedge itself against foreign currency exchange rate risk for its foreign currency denominated assets and liabilities due to adverse foreign currency fluctuations against the U.S. dollar, and to manage the price risk associated with its commodity portfolio positions.

Forward currency and commodity transactions are contracts or agreements for delayed delivery of specific currencies and commodities in which the seller agrees to make delivery at a specified future date of specified currencies and commodities. Risks associated with forward currency and commodity contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates.

Volume of Derivative Activities

At December 31, 2011, the volume of the Fund's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

(notional amounts in thousands)

Primary underlying risk	Long exposure		Short exposure	
	Notional amounts	Number of contracts	Notional amounts	Number of contracts
Foreign currency exchange rate				
Forward contracts	\$ 42,382	67	\$ 43,448	58

Impact of Derivatives on the Statement of Financial Condition and Statement of Operations

The following table identifies the fair value amounts of derivative instruments included in the statement of financial condition as derivative contracts, categorized by primary underlying risk, at December 31, 2011. Balances are presented on a gross basis, prior to the application of the impact of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of master netting arrangements. The following table also identifies the net gain and loss amounts included in the statement of operations as net loss from derivative contracts, categorized by primary underlying risk, for the period November 1, 2010 (commencement of operations) through December 31, 2011:

(in thousands)

Primary underlying risk	Derivative assets	Derivative liabilities	Amount of gain (loss)
Foreign currency exchange rate			
Forward contracts	\$ 15	\$ 59	\$ (1,428)

ROW CURRENCY FUND, LLC

NOTES TO FINANCIAL STATEMENTS

5. Members' equity

In accordance with the limited liability company agreement (the "Agreement"), profits and losses of the Fund are allocated to members according to their respective interests in the Fund. Subject to certain limitations, generally 20% of the net profits allocated to the members are reallocated to the Managing Member.

Members have redemption rights which contain certain restrictions with respect to rights of withdrawal from the Fund as specified in the Agreement.

Equity withdrawals payable represent amounts due to members based on withdrawals effective through December 31, 2011.

6. Related party transactions

The Fund pays the Managing Member a management fee, calculated and payable monthly in advance, equal to 1.0% per annum of the Fund's net asset value determined as of the beginning of each month.

Certain members are affiliated with the Managing Member. The aggregate value of the affiliated members' equity at December 31, 2011 is approximately \$8,507,000.

Certain members have special management fee arrangements, performance arrangements, or redemption rights as provided for in the Agreement.

7. Administrative fee

Fund Administration, Inc. (the "Administrator") serves as the Fund's administrator and performs certain administrative and clerical services on behalf of the Fund.

8. Financial highlights

Financial highlights for the period November 1, 2010 (commencement of operation) through December 31, 2011 are as follows:

Total return	
Total return before reallocation to Managing Member	(15.00) %
Reallocation to Managing Member	0.03
Total return after reallocation to Managing Member	<u>(14.97) %</u>
Ratio to average members' equity	
Expenses (including interest and dividends)	0.80 %
Reallocation to Managing Member	0.28
Expenses and reallocation to Managing Member	<u>1.08 %</u>
Net investment income (loss)	<u>(0.40) %</u>

ROW CURRENCY FUND, LLC

NOTES TO FINANCIAL STATEMENTS

8. Financial highlights (continued)

Financial highlights are calculated for the members' class taken as a whole. An individual member's return and ratios may vary based on participation in different performance and/or management fee arrangements, and the timing of equity transactions. The net investment income (loss) ratio does not reflect the effects of the reallocation to the Managing Member.

The ratios, excluding nonrecurring expenses and the reallocation to the Managing Member, have been annualized.

9. Subsequent events

From January 1, 2012 through November 15, 2012 the Fund accepted additional equity contributions of approximately \$2,551,000 and had additional equity withdrawals of approximately \$2,951,000.