**Reference call for ROW with Ranjan Bhaduri – 10/24/14 – 1:30pm**

Ranjan is the Chief Research Officer for Sigma Analysis & Management. Ranjan is currently conducting due diligence on ROW and was onsite in mid-October. He plans to access the ROW Diversified program through a managed account if Sigma moves forward. He said he likes ROW, has a very positive opinion of them, and is continuing his due diligence process following the onsite. He sees ROW as very research focused, doesn’t think they need an army of PhD’s to be successful, and likes that they are connected with a local university (UCLA). His biggest reservation going into the research process was the team’s level of expertise outside of FX, but he was reassured to learn that Ryan ran a program at FX Concepts that traded non-FX markets; it was a program funded with partner capital that never grew.

His research did not uncover any showstoppers, but there have been some small issues along the way. The most notable issue being that ROW was not as upfront as possible about trading being run out of New York. ROW provided responses to a Sigma questionnaire that appeared incomplete and 3rd party vendors didn’t match up, however Ranjan said that this seemed to be just an oversight. Ranjan thinks having Ryan’s father on his staff isn’t ideal as favoritism is possible, but it is less of a concern since his father previously worked with the team at FX Concepts. Ranjan said he thought highly of the program that the ROW team ran at FX Concepts, but noted that neither Ryan or Jeff were presented as the guys running the strategy because FX Concepts’ CEO John Taylor has such a big presence.

Regarding ROW’s use of clusters, Ranjan said he has seen it before but it was a long time ago, and that he was initially concerned about overfitting and the overall soundness of the approach. He said that after his research this is a case where he is willing to admit that he was wrong. While he still doesn’t think that the methodology itself is superior, he likes what ROW is extracting from it.

**Reference call for ROW with Sam Diedrich – 10/28/14 – 4pm**

Sam is an Associate Director at Pacific Alternative Asset Management Company (PAAMCO). PAAMCO has been invested with ROW for one year and Sam has been following ROW since their inception. ROW runs a managed account for them that is a mix of the Currency program and the Diversified program, with a higher allocation to the Diversified program. He said he was not concerned by their lack of experience outside of FX, and thought that FX only was too narrow of an opportunity set. PAAMCO found no issues with background checks on ROW and Sam said their references were “spotless.”

Sam sees ROW’s ongoing research process as their edge. He thinks that Ryan’s competitive edge is important as well, and has heard that while at FX Concepts Ryan used to hire PhD’s that he admired, figure out what they were working on, and then out do them. Sam also noted how impressive ROW’s results have been, and while the trend and carry strategies have some correlation with proxies they also have significant alpha. Sam’s goal for ROW’s strategy is to get some trend following characteristics, like positive skew, without investing in a pure trend following strategy. He noted that this was one of the first systematic macro strategies that he has invested in. PAAMCO now has eight different trading strategies and ROW is at the top of their conviction list. He also noted that even though ROW experienced their worst drawdown shortly after PAAMCO’s investment, that his team gained more confidence in Ryan post investment. As a former engineer who used to write code himself, Sam has a great appreciation for the code that Ryan has written.

Sam sees Jeff Weiser as important to the strategy and while he adds some necessary components, they probably aren’t all that unique. Sam thinks the strategy needs to be guided by someone with trading experience rather than being purely theoretical. He added that Jeff’s ability to use discretion gives him piece of mind. He also sees Ryan and Jeff as a good personality fit for one another, as Ryan is a “quiet engineer type” and Jeff “has an edge and can be kind of in your face.”

**Reference call for ROW with Marco Pelizzoli – 10/29/14 – 12:30pm**

Marco is currently the Global Head of FX Trading at Santander GBM and was a colleague of both Ryan and Jeff early in their careers while he was at FX Concepts from 1992 to 1999. Marco joined FX Concepts to reorganize the company’s operations. Marco recalls that even from Ryan’s early days with FX Concepts there were always big plans for him, he started in apprenticeship and back office roles initially to learn the business, and later on moved into the front office at FX Concepts’ Rochester, NY trading desk. Marco thinks Ryan’s time on the trading desk was important as it gave him hands on experience with managing portfolios based on a model’s signals. Eventually Ryan became the chief model builder for the firm and Marco thought he brought a higher level of sophistication and complexity to the systematic process. Of Jeff, Marco said that he initially started out on the research side and grew into portfolio management, and eventually became the primary risk manager for the firm’s emerging markets activities. Marco sees Jeff as astute of markets and liquidity providers, and said he gained experience using discretion over execution at FX Concepts. Marco thinks that Ryan and Jeff are very compatible and are additive to each others’ capabilities. Regarding the FX Concepts Global Currency Program (GCP), Marco recalls that Ryan was the driver of all things on the model side, Jeff was the manager for anything emerging markets related which dominated GCP, and Eric Nelson was the firm’s head trader and oversaw the risk in non-emerging markets. Marco added that Jeff and Eric had limited discretion over the model’s trade execution and were required to maintain a high correlation to the signals.

Marco is also familiar with other members of the ROW team as many of them also came from FX Concepts. He said that it is a strong team, they are certainly not overstaffed, and they were very selective in building the team. He said that Deb Oaks was always very solid, responsible and well respected at FX Concepts. Also, he used to be Laurie Pisano’s boss at FX Concepts and said he is very solid as well.

**Reference call for ROW with Eric Nelson – 10/31/14 – 10am**

Eric joined FX Concepts in 1988 when the company was building out its asset management capabilities. He oversaw all trading activity at the firm and held the title of Senior Portfolio Manager. Similar to the flexibility written into ROW’s documents, Eric was able to use discretion to deviate +/- 20% from the model’s recommended positions, but anything in excess of 20% required executive committee approval. While FX Concepts trades were model driven, Eric described his job as “saving the model from itself.” Unlike the trading and portfolio management role at ROW, his goal was to make 85-95% of the gains from the models recommended trades and limit the losses to 50% of what the model recommended, which he said required significant risk taking. He retired from the firm in 2009, just a few months before Ryan and Jeff left FX Concepts as well.

Eric said that Ryan went to Johns Hopkins as an undergraduate at the age of 16 and graduated at 19. FX Concepts CEO John Taylor was the person that hired Ryan, and found him through his relationship with Ryan’s father who was in the pension fund industry at the time. Eric was Ryan’s boss during his first year and Ryan’s focus was on understanding the trading process, Eric noted that Ryan caught on quickly and towards the end of the first year they gave him a small amount of money to trade on his own. Eric said he preached a philosophy of minimizing maximum regret to Ryan. Over time, Ryan became the firm’s head model writer. Eric noted that Ryan and John Taylor were a good team, with John providing Ryan with some concepts to apply to models early on. Eric also mentioned that Ryan briefly left FX Concepts to join Standard Charter, but quickly learned that the grass was not greener and returned to FX Concepts.

As FX Concepts reached $5B in AUM Eric felt they were reaching their capacity, and around this time Ryan created the Global Currency Program (GCP). GCP looked at all possible currency pairs and analyzed the costs and benefits of carry with the goal of identifying pairs with attractive yield; the strategy also incorporated volatility and liquidity analysis. Eric said the process led the strategy to be emerging markets focused, an area which he admits he didn’t have an expertise in so Jeff Weiser was involved from early on. Eric said that Jeff developed experience trading emerging markets FX at low AUM levels and that his confidence grew along with AUM of the strategy. Eric noted that he was still listed as the portfolio manager for GCP, but his role was really as a backstop for Jeff. Eric said that he and Jeff would regularly discuss the discretionary exceptions Jeff was looking to implement, even though Jeff could go directly to John Taylor for approval. Eric confirmed that he was portrayed as GCP’s portfolio manager in the strategy’s documents, but that Jeff was really the primary decision maker and that Jeff was better at executing emerging markets trades than he was. Eric noted that Ryan and Jeff were good friends almost from the first day they met.

Eric said he was surprised to learn that Jeff left the firm in 2009 just a few months after he retired, and he said it was disappointing for the firm because Jeff was a good emerging markets trader that knew the markets and was extremely good at executing large trades in illiquid markets. Eric did speak with Ryan when he left the firm and said that Ryan told him he wanted to run his own firm.

Eric closed by saying that a client of ROW should expect a great personal effort from an honest, hardworking, diligent team, and that Ryan and Jeff have a lot of integrity.