

Adrian Lee & Partners is an independent, employee-owned asset manager that specialises in research-led **currency** and **global fixed income management** for institutional investors.

## WHO WE ARE

### ARCHITECTS OF ACTIVE CURRENCY MANAGEMENT FOR INSTITUTIONAL INVESTORS



Adrian Lee & Partners is an independent, employee-owned asset manager that specializes in research-led currency and international fixed income management.

- » Founding partners pioneered active currency management in 1989 at J. P. Morgan Investment Management

- » Adrian Lee & Partners was founded in 1999 to focus exclusively on active currency management
- » Team of 27 with an average of 14 years of experience in currency management
- » Manage over \$15 billion at an average 2.5% active risk, with offices in London and Dublin for clients in the US, Europe and Australia
- » All clients have separate accounts with a range of guidelines and risk management objectives. One process, one team
- » Over 27 years of positive performance

## OUR DEFINING CHARACTERISTICS

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Dedicated active currency and international fixed income specialist for institutional investors, free from conflict issues

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Long-term institutional global client relationships (on average 7 years+)

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Quantitative fundamental research with a disciplined methodology

## LEADERSHIP TEAM

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# PHILOSOPHY AND APPROACH

OUR INVESTMENT PHILOSOPHY RELIES ON 3  
PREMISES

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Fundamental economic factors determine currency equilibrium over  
time

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Research-driven valuation analysis identifies departures from this  
equilibrium

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Experienced investment management can exploit these deviations to  
add return over time

# OUR APPROACH

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## THE OPPORTUNITY

Currency markets are different from asset markets in many important ways. They exist for different reasons, have a heterogeneous set of players with different information sets and objectives. This lack of homogeneity, coupled with a natural tendency towards globalisation, creates an opportunity for active management seen in no other asset class.

## RESEARCH-DRIVEN PROCESS

Quantitative research with a disciplined methodology is the key to capturing opportunities in the currency market:

- » Our process uses only proven, repeatable signals
- » Our investment research has been ongoing and successfully applied in practice since 1989
- » The research has identified specific fundamental factors that add value in a similar way across the major currencies
- » Each factor is theoretically logical and separate and when applied in a linear framework generates a high and stable information ratio
- » Significantly, each factor works in a similar way across developed and emerging market currencies

## OUR DIFFERENTIATOR

While a quantitative research driven model defines our approach and captures alpha in a disciplined and unemotional way, what differentiates us

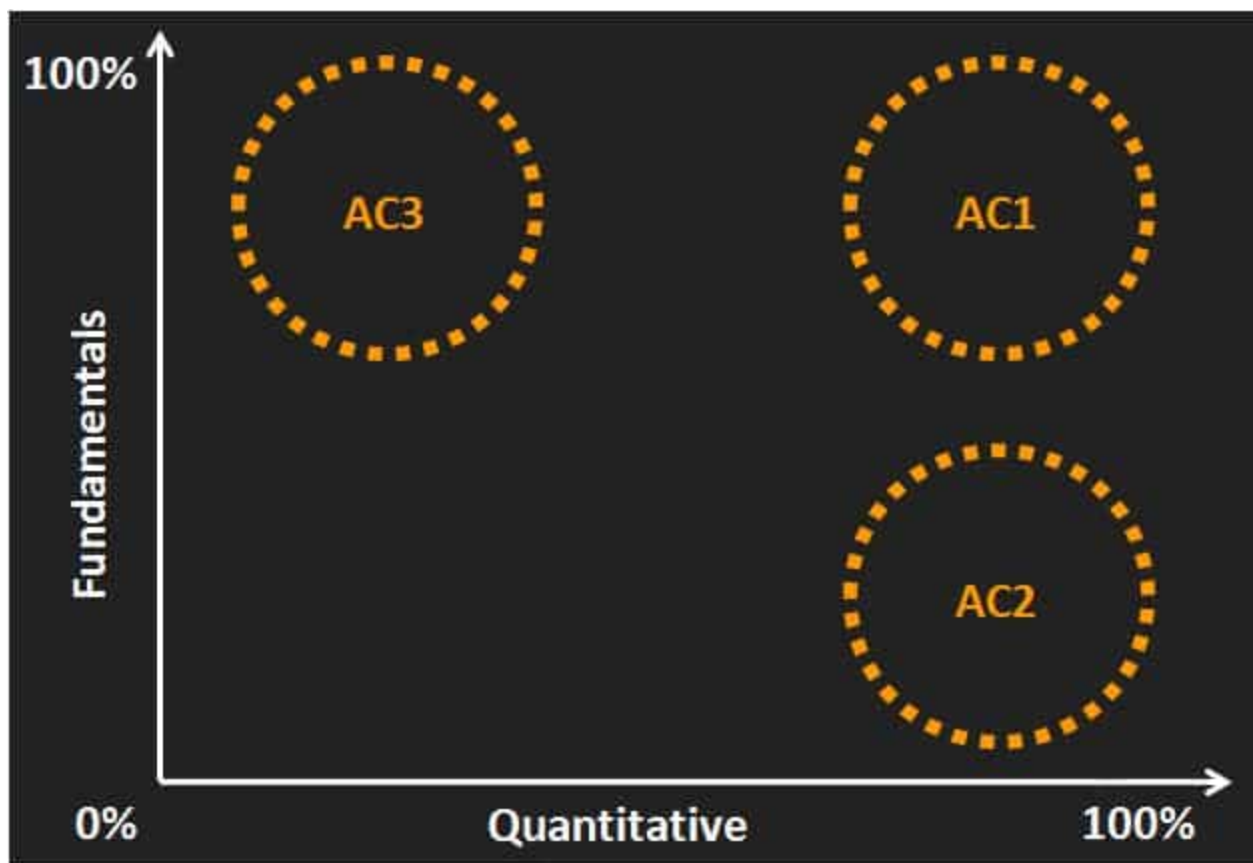
from other approaches is our 3rd Alpha Centre. We look forward into the future by actively forecasting fundamentals daily. This forecasting activity is NOT an override of the model or a supervisor of the model; it is a truly separate and independent source of return.

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## OUR PROCESS

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Our active investment process is implemented through the three separate and diversified “Alpha Centres”.



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ALPHA CENTRE 1

Observed differences in today's fundamentals (e.g. favour higher yielding currencies)

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**ALPHA CENTRE 2**

Observed recent trends in currency (e.g. favour a currency that has appreciated)

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**ALPHA CENTRE 3**

Active future forecasting of fundamentals

## WHAT WE DO

### CURRENCY PRODUCTS

We offer a range of currency management solutions that reduce currency risk and enhance portfolio returns.

# INTERNATIONAL FIXED INCOME PRODUCTS

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- » Foreign exchange rate fluctuations **account for 60-70% of the volatility** in a global fixed income portfolio.
- » We offer **global and emerging fixed income** products that explicitly separate the asset and currency investments, using our current active currency process in parallel with our own research-proven quantitative international fixed income process.
- » Our investment process **focuses separately on the two asset classes** in order to maximize the expected hedged return and currency surprise to give investors the best combination of overall return from both sources of alpha.

## CAREERS

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### JOIN OUR TEAM

- Quantitative Research
- Portfolio Management
- Economics
- Trading
- Software Development
- Compliance and Risk
- Corporate



## WHY ADRIAN LEE & PARTNERS?

As a leading active currency management firm with a growing institutional client base, Adrian Lee & Partners is always seeking remarkable people to join our team.

We attract the best talent in the investment management industry by offering an opportunity to join a:

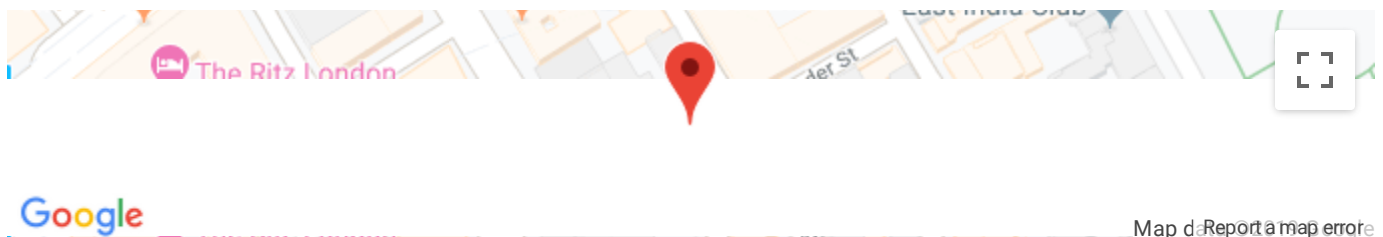
- 100% employee-owned specialized active currency management firm
- Investment specialist culture
- Career growth opportunity
- Collegial environment

## CONTACT

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