



FOR IMMEDIATE RELEASE

6 November 2018

RECORD CURRENCY MANAGEMENT DEVELOPS ESG DATABASE AND CURRENCY STRATEGY

Record Currency Management (“Record”) today announces it has developed a method of improving the environmental, social and governance (“ESG”) credentials of its Multi-Strategy currency product whilst preserving the return profile, enabled by one of the largest sets of country-specific ESG data built to date. As part of its drive to incorporate ESG factors into active currency products, Record has worked in collaboration with Oxford-based researchers to extend the boundaries of ESG to encompass the currency markets, from its existing base in bonds and equities.

The process applies insights on the relationship between productivity and exchange rates, gained from over 30 years of data from Record’s existing products, to the information contained in the database. The result is a range of currency-relevant ESG factors related to the United Nations Sustainable Development Goals. These factors (for example education, child mortality, improved water sources and enforcement of legal contracts) are used to construct an ESG metric which tilts the Multi-Strategy currency portfolio in a pro-ESG manner. Record is seeding this strategy with its own money and will offer it to clients in due course.

At present, the database includes approximately 200 countries, with more than 1,600 separate series, dating in some cases as far back as 1960, and has been derived from multiple sources. This builds on Record’s initiatives in incorporating ESG issues into its business and currency management, including its June 2018 announcement that it is one of the first currency managers to have been accepted as a signatory to the Principles for Responsible Investment.

Record intends to collaborate with selected clients who might wish to apply the methodology to reflect their own specific ESG views, and also with research institutes. Record will continue to develop the database as more material becomes available, in particular from developing countries.

“From our existing investment strategies, we know that there are links between currency returns and productivity gains”, said James Wood-Collins, Chief Executive at Record. “Therefore we have focused on those ESG factors most clearly related to economic productivity and, as there is more ESG variability between the emerging markets (EM) economies than the developed ones, designed an ESG process which tilts the EM currency strand of the Multi-Strategy product towards ESG currencies. We believe that well-managed countries can take advantage of currency inflows, via lower cost of capital, to make investments that increase their productivity.”

“We see this not only as part of our in-house research effort, but also as part of a contribution we can make to furthering ESG investment around the globe. We hope we can open doors to new ways of thinking about ESG and incorporating these into currency thinking and investment alongside equity and bond strategies”.

For further information, please contact:

Record Currency Management
James Wood-Collins, Chief Executive Officer

Tel: +44 (0) 1753 852 222

MHP
Nick Denton
Ollie Hoare
Calum MacDougall
Robert Collett-Creedy

Tel: +44 (0) 20 3128 8100
record@mhpc.com

Notes to Editors

Record is a specialist currency manager and provider of currency hedging services for institutional clients. Founded in 1983, Record has established a market leading position as a currency manager. Specifically, the Group has a leading position in managing Currency Hedging and Currency for Return for institutional clients.

The Group has four principal reporting lines:

- Passive Hedging, where Record seeks to eliminate fully or partially the economic impact of currency movements on elements of clients’ investment portfolios that are denominated in foreign currencies;
- Dynamic Hedging, where Record seeks to eliminate the impact of currency movements on elements of clients’ investment portfolios that are denominated in foreign currencies when these movements are expected to result in an economic loss to the client, but not to do so when they are expected to result in an economic gain;
- Currency for Return, in which Record enters into currency contracts for clients with the objective of generating positive returns; and
- Multi-Product, where the client mandate includes combined hedging and return-seeking objectives.

Record is authorised and regulated by the Financial Conduct Authority. Record is a registered Investment Adviser with the Securities and Exchange Commission in the US, a registered

Commodity Trading Adviser with the US Commodity Futures Trading Commission, an Exempt International Adviser with the Ontario and Alberta Securities Commissions in Canada, and is registered as exempt with the Australian Securities & Investment Commission. Record plc (LSE: REC) was admitted to trading on the London Stock Exchange on 3 December 2007.