

Record

Strong AUM growth driven by fx

Record reported steady progress in its Q126 trading update. Assets under management (AUM) grew by \$7bn in the quarter to \$107.9bn, primarily driven by fx movements of \$7.6bn, offset by a modest asset loss of \$0.6bn. Crystallised Q1 performance fees of £0.4m were down year-on-year but in line with our end-FY26 estimate of £3m. The bulk of the AUM fx growth was caused by the weakness of the dollar versus the swiss franc over the quarter. Given that Record's revenues are primarily in pounds sterling, this movement will not have had a material impact on numbers. Therefore, we are not changing our estimates at this stage.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
3/24	45.4	12.9	4.78	4.60	13.3	7.3
3/25	41.6	10.9	4.93	4.65	12.9	7.3
3/26e	43.1	12.5	4.88	4.65	13.0	7.3
3/27e	46.6	13.8	5.12	4.65	12.4	7.3

Note: EPS is on an underlying fully-diluted basis. DPS excludes a special dividend of 0.60p per share in FY24.

Risk management remained supportive for Record in Q126 (ending 30 June 2025), with \$2.4bn of inflows and offsetting net business outflows of \$2.4bn from absolute return. Most of the outflow (c \$1.9bn) was from a single client in the FX Alpha product and should not be a recurring drag on the business. Passive Hedging added \$1.3bn in new money, while Hedging for Asset Managers added \$1.1bn, highlighting Record's positive progress in this part of the business.

Record's management believes that the current year's outlook is highly dependent on the timing of large, complex deals in the pipeline. Record maintains the expectation of revenue growth in the low single digits and EPS remaining flat for FY26. Hence, this quarter's performance should be viewed in this context. Finally, overall average fee rates were stable, according to management.

Performance fees were decent at £0.4m for the quarter. Record generated strong performance fees in both FY24 and FY25 and our forecasts assume a more conservative £3m 'normalised' rate in FY26 and FY27. The environment for generating performance fees has been much more supportive in the last couple of years as central banks reversed extremely accommodative monetary policy, and as geopolitics and supply chain management have become more prominent themes. Modest policy rate cuts expected by the market in the second half of CY25 should not completely reverse this better environment.

Record trades at 13.0x and 12.4x for our FY26 and FY27 EPS estimates, respectively, while paying an attractive dividend due to its strong balance sheet and cash-generative business. The company will next update the market on Q2 performance on 24 October 2025.

Q126 trading update

Financials

25 July 2025

Price	63.40p
Market cap	£126m
Net cash and money market instruments at FY25	£11.8m
Shares in issue	199.1m
Code	REC
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

Record is a specialist independent asset, currency and derivatives manager. It provides a number of products and services for institutional clients, including passive and dynamic hedging, and a range of currency for return strategies, including funds and customised segregated accounts.

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