



December 31, 2017

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*STATEMENT OF FINANCIAL CONDITION*

Rand Financial Services, Inc.

(A Wholly Owned Subsidiary of Tewksbury Investment Fund Ltd.)

With Report of Independent Registered Public Accounting Firm and  
Supplementary Information

(Confidential Pursuant to Regulation 1.10(g) of the Commodity Exchange Act)

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CFTC FORM 1-FR-FCM 0005

<b>Name of Company:</b> Rand Financial Services, Inc. <span style="float: right;"><span style="border: 1px solid black; padding: 0 5px;">0010</span></span>	<b>Employer ID No:</b> 36-3849442 <span style="float: right;"><span style="border: 1px solid black; padding: 0 5px;">0020</span></span>	<b>NFA ID No:</b> 0244931 <span style="float: right;"><span style="border: 1px solid black; padding: 0 5px;">0030</span></span>
<b>Address of Principal Place of Business:</b> 111 W. Jackson, Suite 1250, Chicago, IL 60604	<b>Person to Contact Concerning This Report:</b> Mary Ellen Heim <span style="float: right;"><span style="border: 1px solid black; padding: 0 5px;">0040</span></span>	
<span style="float: right;"><span style="border: 1px solid black; padding: 0 5px;">0050</span></span>	<b>Telephone No:</b> (312) 559-8803 <span style="float: right;"><span style="border: 1px solid black; padding: 0 5px;">0060</span></span>	

1. Report for the period beginning January 1, 2017 0070 and ending December 31, 2017 0080

2. Type of report 0090 :  Certified  Regular quarterly/semiannual  Monthly 1.12(b)  
 Special call by: \_\_\_\_\_  Other - Identify: \_\_\_\_\_

3. Check whether 0095 :  Initial filing

4. Name of FCM's Designated Self-Regulatory Organization: Chicago Mercantile Exchange 0100

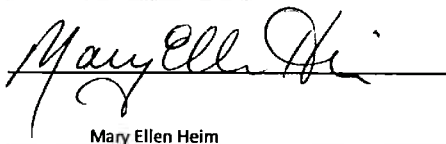
5. Names(s) of consolidated subsidiaries and affiliated companies:

Name	Percentage Ownership	Line of Business
_____ <span style="border: 1px solid black; padding: 0 5px;">0110</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0120</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0130</span>
_____ <span style="border: 1px solid black; padding: 0 5px;">0140</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0150</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0160</span>
_____ <span style="border: 1px solid black; padding: 0 5px;">0170</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0180</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0190</span>
_____ <span style="border: 1px solid black; padding: 0 5px;">0200</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0210</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0220</span>
_____ <span style="border: 1px solid black; padding: 0 5px;">0230</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0240</span>	_____ <span style="border: 1px solid black; padding: 0 5px;">0250</span>

The futures commission merchant, or applicant for registration therefor, submitting this Form and its attachments and the person whose signature appears below represent that, to the best of their knowledge, all information contained therein is true, correct and complete. It is understood that all required items, statements and schedules are integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted. It is further understood that any intentional misstatements or omissions of facts constitute Federal Criminal Violation (see 18 U.S.C. 1001).

Signed this 28th day of February, 2018

Manual signature

  
\_\_\_\_\_

Type or print name

Mary Ellen Heim  
\_\_\_\_\_

Chief Executive Officer  Chief Financial Officer Corporate Title \_\_\_\_\_  
 General Partner  Sole Proprietor

Authority: Section 4c, 4d, 4f, 4g, 5a, 8a and 17 of the Commodity Exchange Act (7 U.S.C. 6c, 6d, 6f, 6g, 7a, 12a, and 21)

**RAND FINANCIAL SERVICES, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF TEWKSBURY INVESTMENT FUND LTD.)**

**STATEMENT OF FINANCIAL CONDITION**  
**AT DECEMBER 31, 2017**

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## Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors of Rand Financial Services, Inc.

### Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Rand Financial Services, Inc., a wholly owned subsidiary of Tewksbury Investment Fund Ltd., (the Company) as of December 31, 2017 and the related notes (the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company at December 31, 2017, in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and 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 statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating 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.

### Supplemental Information

The accompanying information contained in Schedules I, II, III IV, V and VI has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statement. Such information is the responsibility of the Company's management. Our audit procedures included determining whether the information reconciles to the financial statement or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information. In forming our opinion on the information, we evaluated whether such information, including its form and content, is presented in conformity with Regulation 1.10 under the Commodity Exchange Act. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

*Ernst & Young LLP*

We have served as the entity's auditor since 2002.

February 28, 2018

Rand Financial Services, Inc.  
(A Wholly Owned Subsidiary of Tewksbury Investment Fund Ltd.)

Statement of Financial Condition  
December 31, 2017

**Assets**

Cash and cash equivalents:	
Cash deposited with banks	\$ 23,014,900
Cash segregated or secured under CFTC regulations, deposited with banks	123,461,700
Cash segregated or secured under CFTC regulations, deposited with exchanges and clearing associations	10,417,200
Cash deposited with exchanges and clearing associations non-segregated	<u>47,173,600</u>
	204,067,400
Investment securities deposited with exchanges and clearing associations segregated or secured, at fair value	77,478,100
Stock of exchange non-segregated, at fair value	6,572,300
Receivable from other brokers	25,887,100
Receivable from clearing associations	9,516,200
Fixed assets, at cost (net of accumulated depreciation and amortization of \$773,300)	148,100
Exchange memberships and stock of exchange, at cost (fair value of \$4,655,900)	757,900
Guaranty fund deposits with exchanges	10,844,100
Prepays and other assets	<u>1,441,600</u>
Total assets	<u>\$ 336,712,800</u>

**Liabilities and shareholder's equity**

Payable to customers	\$ 168,537,200
Payable to noncustomers	2,582,000
Payable to Parent	71,038,900
Payable to clearing associations	4,900
Accounts payable and other liabilities	<u>4,103,400</u>
Total liabilities	246,266,400
Shareholder's equity:	
Common stock, \$.01 par value; 10,000 shares authorized; 100 shares issued and outstanding	1
Additional paid-in capital	18,139,999
Retained earnings	<u>72,306,400</u>
Total shareholder's equity	<u>90,446,400</u>
Total liabilities and shareholder's equity	<u>\$ 336,712,800</u>

See accompanying notes.

**RAND FINANCIAL SERVICES, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF TEWKSBURY INVESTMENT FUND LTD.)**  
**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION**

**1. Nature of Business and Operations**

Rand Financial Services, Inc. (the Company) is a wholly owned subsidiary of Tewksbury Investment Fund Ltd. (the Parent – a Bermuda corporation). The Company is registered with the Commodity Futures Trading Commission (CFTC) as a Futures Commission Merchant. The Company is a member of the National Futures Association (NFA) and is a clearing member of all major United States (U.S.) commodity exchanges.

**2. Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of the statement of financial condition in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts in the statement of financial condition and accompanying notes. Management believes that estimates utilized in preparing its statement of financial condition are reasonable and prudent. Actual results may differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid instruments with original maturities of less than 90 days.

**Investment Securities**

Investment securities consist primarily of U.S. Treasury obligations and overnight cash deposits with financial institutions and are recorded on a trade-date basis. All such securities are carried at fair value based on quoted market prices or observable market inputs, at the date of the statement of financial condition. Interest on investment securities is accrued as income when earned. Customer and noncustomer-owned securities held by the Company and the related liabilities are excluded from the statement of financial condition.

**Fixed Assets**

Fixed assets are recorded at cost less accumulated depreciation and amortization. Furniture and computer equipment and software are depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of their respective lease term or useful life using the straight-line method.

**RAND FINANCIAL SERVICES, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF TEWKSBURY INVESTMENT FUND LTD.)**  
**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**2. Summary of Significant Accounting Policies (continued)**

**Exchange Memberships and Stock of Exchanges**

Exchange memberships and stock of exchange held for operating purposes are carried at cost or at a lesser amount where there is other-than-temporary impairment in value. The disclosed fair value of exchange memberships is generally determined using the lower of bid or last sale as reported by the exchange for the date of determination. Stock of exchange not held for operating purposes is carried at fair value based on quoted prices and is included in stock of exchange non-segregated in the statement of financial condition.

**Foreign Currency Transactions**

The Company's functional currency is the U.S. dollar. However, it transacts business in currencies other than the U.S. dollar. Assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollars at the rates in effect at the date of the statement of financial condition.

**Income Taxes**

The Company records its income taxes using the asset and liability method specified by Accounting Standards Codification (ASC) 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are recognized for future tax consequences of existing differences between financial reporting and tax reporting bases of assets and liabilities, as well as for net operating losses and tax credit carryforwards, using enacted tax laws and rates.

The Company accounts for uncertainty in income taxes recognized in its statement of financial condition by using a more-likely-than-not recognition threshold based on the technical merits of the tax position taken or expected to be taken.

**Fair Value of Financial Instruments**

The Company follows ASC 820-10, *Fair Value Measurement*, for financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the statement of financial condition on a recurring basis. ASC 820-10 clarifies the definition of fair value, the methods used to measure fair value and expands disclosures about fair value measurements and methodologies.

**RAND FINANCIAL SERVICES, INC.**  
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**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**2. Summary of Significant Accounting Policies (continued)**

**Fair Value of Financial Instruments (continued)**

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date.

**Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, Leases. This ASU will supersede the guidance in ASC Topic 840, Leases. Under ASU 2016-02, for lease arrangements exceeding a 12 month term, a lessee will be required to recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 will retain a distinction between finance and operating leases; however, the principal difference from the previous guidance is that lease assets and liabilities arising from operating leases will be recognized in the statement of financial position. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee will not significantly change from current GAAP. The accounting applied by a lessor will be largely unchanged from that applied under current GAAP.

ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and will require an entity to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Therefore, ASU 2016-02 will be effective for the Company's fiscal year beginning January 1, 2019. Early adoption is permitted. The Company is currently assessing the impact this ASU will have on the Company's statement of financial condition.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326), that changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, entities will be required to use a new forward-looking “expected loss” model that generally will result in earlier measurement of credit losses than under today's incurred loss model. ASU 2016-13 is effective for fiscal years beginning after December 15, 2020. The Company is evaluating the impact this will have on its statement of financial condition.



**RAND FINANCIAL SERVICES, INC.**  
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**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**3. Segregation of Funds**

The Company is required under the Commodity Exchange Act (CEA) to segregate all balances due to customers that trade futures and options on futures listed on U.S. futures exchanges and customers that trade futures and options on futures listed on foreign boards of trade. At December 31, 2017, segregated assets exceeded segregation requirements by \$40,236,100, and assets in separate CFTC Regulation 30.7 accounts exceeded foreign secured requirements by \$24,092,200.

At December 31, 2017, the statement of financial condition excludes securities deposited by customers in lieu of cash margins and customer-owned long and short options on futures contracts. The approximate market value of customer-owned securities and the net value of customer open options on futures contracts was \$3,053,300 at December 31, 2017.

**4. Fixed Assets**

Fixed assets at December 31, 2017, consisted of the following:

	Estimated Useful Lives	Value
Computer equipment and software	1-5 Years	\$ 698,300
Leasehold improvements	1-5 Years	94,600
Furniture	1-5 Years	128,500
Less accumulated depreciation and amortization		<u>(773,300)</u>
		<u>\$ 148,100</u>

**5. Employment Benefit Plan**

The Company offers an employee savings plan under Section 401(k) of the Internal Revenue Code (the Plan). The Plan covers substantially all employees and was last amended in December 2017. The Company may match a percentage of each employee's contributions annually. In addition, the Company may make a contribution to the Plan based on profitability of the Company and other factors. The amount of profit-sharing contributions, if any, is determined by the Board of Directors of the Company.

**RAND FINANCIAL SERVICES, INC.**  
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**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**6. Counterparty Credit Risk and Concentrations**

The Company is engaged in various brokerage and clearing activities with custodial banks, exchanges, clearing associations and other brokers. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts.

In the normal course of business, the Company executes and clears futures contracts and options on futures contracts for its customers. In doing so, the Company guarantees to the respective clearing association, futures commission merchant or foreign broker its customers' performance under these contracts. The Company may have credit exposure if its customers are unable to meet commitments which could occur in the event of volatile trading markets. The Company requires its customers to meet, at a minimum, the margin requirements established by each of the exchanges at which the contracts are traded. These margin deposits represent good faith deposits by the customers, which reduce the risk to the Company of a failure on the part of the customers to fulfill any obligation under these contracts. The Company seeks to control such credit risks by monitoring its exposure to the risk of loss daily, on an account-by-account basis, and by adjusting margin requirements as needed. Under certain circumstances, customers may be required to deposit additional funds, securities, or other collateral. The Company may liquidate certain open commodity positions to reduce the risk of loss. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business.

**7. Commitments and Clearing Guarantees**

**Commitments**

The Company has entered into certain noncancelable leases for the rental of office space and equipment, which expire through the year 2022. At December 31, 2017, aggregate future minimum lease payments under noncancelable leases are as follows:

**Noncancelable Leases**

2018	\$ 397,700
2019	338,500
2020	269,000
2021	273,300
2022	<u>230,700</u>
	<u>\$ 1,509,200</u>

**RAND FINANCIAL SERVICES, INC.**  
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**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**7. Commitments and Clearing Guarantees (continued)**

**Other Matters**

In the normal course of business, the Company is subject to litigation and arbitration matters. Management of the Company believes that there are no outstanding matters that will result in a material adverse effect on the Company's statement of financial condition.

**Guarantees**

The Company is a member of various exchanges that clear futures and options on futures contracts. Associated with its memberships, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchange. While the rules governing different exchange memberships vary, in general, the Company's guarantee obligations would arise only if the exchange had previously exhausted its resources. In addition, any obligation arising from such a default would be apportioned among the non-defaulting members of the exchange. Any potential contingent liability under these membership agreements cannot be estimated. The Company has not recorded any contingent liability in its statement of financial condition for these agreements and management believes that any potential requirement to make payments under these agreements is remote.

**8. Income Taxes**

The net deferred tax payable at December 31, 2017, is \$1,587,000. The net amount includes deferred tax liabilities of \$1,825,800 that are comprised mainly of depreciation expense and unrealized gain on securities and deferred tax assets of \$238,800 that are comprised mainly of unrealized loss on securities. The net deferred tax liability and a current income tax payable of \$62,300 are included in accounts payable and other liabilities in the statement of financial condition.

The Company has evaluated tax positions taken or expected to be taken in the course of normal operations and determined the tax positions are more-likely-than-not to be sustained by the applicable tax authority. Based on this analysis of all significant tax jurisdictions and open tax years subject to examination, there were no material tax positions not deemed to meet a more-likely-than-not threshold. The Company does not anticipate that the unrecognized tax benefits will change in the next 12 months. Tax years that remain open and subject to audit include the federal 2014-2017 years and the Illinois 2014-2017 years.

**RAND FINANCIAL SERVICES, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF TEWKSBURY INVESTMENT FUND LTD.)**  
**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**8. Income Taxes (continued)**

Federal income tax reform was enacted on December 22, 2017. Among other things, the new law establishes a new, flat corporate federal statutory income tax rate of 21% and eliminates the corporate alternative minimum tax and allows the use of any such carryforwards to offset regular tax liability for any taxable year. Federal income tax reform also significantly changes U.S. tax law related to foreign operations, however, such changes do not currently impact the Company.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 (SAB 118) to address the application of U.S. GAAP in situations when an entity does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of The Tax Cuts and Jobs Act (the Act or U.S. tax reform). SAB 118 provides guidance on accounting for the effects of the U.S. tax reform where the Company's determinations are incomplete but the Company is able to determine a reasonable estimate. A final determination is required to be made within a measurement period not to extend beyond one year from the enactment date of the U.S. tax reform. The FASB staff has expressed views on implementation issues related to the accounting for the effects of the Act and finalized Staff question and answer (Q&A) documents on these matters. In one of the Q&As, the FASB staff said that if a private company or not-for-profit entity applies SAB 118, it would be in compliance with U.S. GAAP.

As of December 31, 2017, the Company has completed the majority of the accounting for the tax effects of the Act. The Company has recognized provisional adjustments for the revaluation of deferred tax accounts to reflect the reduced rate that will apply in future periods when these deferred taxes are settled and realized. The Company has not fully completed the analysis of the effect of the Act on the underlying deferred taxes and, as such, the amounts recorded as of December 31, 2017, are provisional. Any subsequent adjustment to these amounts, if any, will be recorded to income tax expense or income tax benefit during 2018.

**9. Fair Value Measurements**

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under which financial assets and liabilities will be classified are as follows:

**RAND FINANCIAL SERVICES, INC.**  
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**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**9. Fair Value Measurements (continued)**

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2: Quoted prices for identical or similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Prices or valuation techniques that require inputs (including the Company's own assumptions) that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

In certain cases, the inputs used to measure the fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within 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 in its entirety. In general, the Company uses quoted prices in active markets for identical assets to determine the fair value of investment securities.

The following table sets forth, by level within the fair value hierarchy, the Company's financial instruments owned, at fair value as of December 31, 2017:

Assets	Level 1	Level 2	Level 3	Total
Investment securities deposited with exchanges and clearing associations segregated or secured:				
U.S. Treasuries	\$ 77,478,100	-	-	\$ 77,478,100
Non-segregated:				
Stock of exchange	6,572,300	-	-	6,572,300
Guaranty fund deposits with exchanges: (1)				
U.S. Treasuries	7,359,600	-	-	7,359,600
Totals	<u>\$ 91,410,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,410,000</u>

(1) Excludes cash classified as guaranty fund deposits with exchanges of \$3,484,500.

**RAND FINANCIAL SERVICES, INC.**  
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**YEAR ENDED DECEMBER 31, 2017**

**NOTES TO STATEMENT OF FINANCIAL CONDITION (CONTINUED)**

**9. Fair Value Measurements (continued)**

There have been no transfers of assets or liabilities between Levels 1, 2, or 3 of the fair value hierarchy and no Level 2 or 3 securities during the year ended December 31, 2017.

**10. Related-Party Transactions**

Assets in trading accounts of the Parent are not customer funds subject to CFTC segregation requirements. The Company's liability to the Parent at December 31, 2017, and pertaining to its trading accounts of \$71,038,900, is shown in the statement of financial condition as payable to Parent. At December 31, 2017, the statement of financial condition excludes securities deposited by the Parent in lieu of cash margins and any long and short options on futures contracts as well as noncustomer securities and long and short options on futures contracts. The aggregate net value of such amounts was approximately \$87,360,300 at December 31, 2017.

**11. Net Capital Requirements**

The Company is subject to the net capital requirements of the CFTC and the exchanges on which it is a clearing member. The Company is required by the CFTC to maintain adjusted net capital equivalent to 8% of customer risk maintenance margin plus 8% of noncustomer risk maintenance margin, as those terms are defined. Adjusted net capital and funds required to be segregated and secured change daily. At December 31, 2017, the Company had adjusted net capital of \$87,557,500, which was \$69,964,600 in excess of the CFTC requirement. The Company is also subject to equity withdrawal restrictions imposed by certain exchange organizations, which are greater than the net capital requirements stated above. These equity withdrawal rules restrict withdrawals of capital and the issuance of unsecured loans to the Parent company.

**12. Subsequent Events**

The Company has evaluated subsequent events through February 28, 2018, the date the financial statements were available to be issued and none required disclosure.

**RAND FINANCIAL SERVICES, INC.**  
**(A WHOLLY OWNED SUBSIDIARY OF TEWKSBURY INVESTMENT FUND LTD.)**  
**YEAR ENDED DECEMBER 31, 2017**

## Supplementary Information

**SCHEDULE 1**

Name of Company: Rand Financial Services, Inc. Employer ID No. 363849442 NFA ID No: 0244931

**CFTC FORM 1-FR-FCM  
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS IN SEGREGATION  
FOR CUSTOMERS TRADING ON U.S. COMMODITY EXCHANGES  
AS OF 12/31/17**

**SEGREGATION REQUIREMENTS (Section 4d(2) of the CEAct)**

1. Net ledger balance:			
A. Cash		\$ 125,610,000	<b>5000</b>
B. Securities (at market)		4,474,300	<b>5010</b>
2. Net unrealized profit (loss) in open futures contracts traded on a contract market		17,870,500	<b>5020</b>
3. Exchange traded options:			
A. Market value of open option contracts purchased on a contract market		2,530,700	<b>5030</b>
B. Market value of open option contracts granted (sold) on a contract market		(3,951,700)	<b>5040</b>
4. Net equity (deficit) (add lines 1, 2 and 3)		146,533,800	<b>5050</b>
5. Accounts liquidating to a deficit and accounts with debit balances - gross amount	\$ 0	<b>5060</b>	
Less: amount offset by customer owned securities	0	<b>5070</b>	
		0	<b>5080</b>
6. Amount required to be segregated (add lines 4 and 5)		\$ 146,533,800	<b>5090</b>

**FUNDS IN SEGREGATION ACCOUNTS**

7. Deposited in segregated funds bank accounts:			
A. Cash		\$ 96,401,600	<b>5100</b>
B. Securities representing investments of customers' funds (at market)		0	<b>5110</b>
C. Securities held for particular customers or options customers in lieu of cash (at market)		995,600	<b>5120</b>
8. Margins on deposit with clearing associations of contract markets:			
A. Cash		5,623,400	<b>5130</b>
B. Securities representing investments of customers' funds (at market)		77,478,100	<b>5140</b>
C. Securities held for particular customers or options customers in lieu of cash (at market)		0	<b>5150</b>
9. Net settlement due from (to) clearing organizations of contract markets		(1,193,200)	<b>5160</b>
10. Exchange traded options:			
A. Value of open long option contracts		2,530,700	<b>5170</b>
B. Value of open short option contracts		(3,951,700)	<b>5180</b>
11. Net equities with other FCMs:			
A. Net liquidating equity		5,406,700	<b>5190</b>
B. Securities representing investments of customers' funds (at market)		0	<b>5200</b>
C. Securities held for particular customers or option customers in lieu of cash (at market)		0	<b>5210</b>
12. Segregated funds on hand (describe: securities held in lieu of cash)		3,478,700	<b>5215</b>
13. Total amount in segregation (add lines 7 through 12)		\$ 186,769,900	<b>5220</b>
14. Excess (deficiency) funds in segregation (subtract line 6 from line 13)		\$ 40,236,100	<b>5230</b>
15. Management Target Amount Excess funds in segregation (unaudited)		\$ 4,396,000	<b>5240</b>
16. Excess (deficiency) funds in segregation over (under) Management Target Amount Excess (unaudited)		\$ 35,840,100	<b>5250</b>

There is no material difference between the audited computation of segregation requirements above and that reported by the Company in the unaudited Form 1-FR-FCM as of December 31, 2017.



SCHEDULE 2

Name of Company: Rand Financial Services, Inc.

Employer ID No. 363849442

NFA ID No: 0244931

**CFTC FORM 1-FR-FCM  
STATEMENT OF SEGREGATION REQUIREMENTS AND FUNDS  
IN SEGREGATION FOR CUSTOMERS' DEALER OPTIONS ACCOUNTS  
AS OF 12/31/17**

1. Amount required to be segregated in accordance with Commission regulation 32.6			\$	0	5400
2. Funds in segregated accounts:					
A. Cash	\$	0		5410	
B. Securities (at market)		0		5420	
C. Total				0	5430
3. Excess (deficiency) funds in segregation (subtract line 1 from line 2.C.)			\$	0	5440

There is no material difference between the audited computation of segregation requirements above and that reported by the Company in the unaudited Form 1-FR-FCM as of December 31, 2017.

SCHEDULE 3

Name of Company: Rand Financial Services, Inc.

Employer ID No. 363849442

NFA ID No: 0244931

CFTC FORM 1-FR-FCM  
 STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS  
 FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS  
 PURSUANT TO COMMISSION REGULATION 30.7  
 AS OF 12/31/17

**FOREIGN FUTURES AND FOREIGN OPTIONS SECURED AMOUNTS**

Amount required to be set aside pursuant to law, rule or regulation of a foreign government or a rule of a self-regulatory organization authorized thereunder	\$	0	5605
1. Net ledger balance - Foreign Futures and Foreign Option Trading - All Customers:	\$	26,867,700	5615
A. Cash		0	5617
B. Securities (at market)		0	5625
2. Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade		(1,811,000)	5625
3. Exchange traded options:			
A. Market value of open option contracts purchased on a foreign board of trade		0	5635
B. Market value of open option contracts granted (sold) on a foreign board of trade		0	5627
4. Net equity (deficit) (add lines 1,2, and 3)		25,056,700	5625
5. Accounts liquidating to a deficit and accounts with debit balances - gross amount	\$	0	5651
Less: amount offset by customer owned securities		0	5652
		0	5654
6. Amount required to be set aside as the secured amount - Net Liquidating Equity Method (add lines 4 and 5)	\$	25,056,700	5655
7. Greater of amount required to be set aside to a foreign jurisdiction (above) or line 6.	\$	25,056,700	5660

SCHEDULE 3 (continued)

Name of Company: Rand Financial Services, Inc.

Employer ID No. 363849442

NFA ID No: 0244931

**CFTC FORM 1-FR-FCM  
STATEMENT OF SECURED AMOUNTS AND FUNDS HELD IN SEPARATE ACCOUNTS  
FOR FOREIGN FUTURES AND FOREIGN OPTIONS CUSTOMERS  
PURSUANT TO COMMISSION REGULATION 30.7  
AS OF 12/31/17**

**FUNDS DEPOSITED IN SEPARATE REGULATION 30.7 ACCOUNTS**

1. Cash in banks:			
A. Banks located in the United States		\$ 23,941,500	5700
B. Other banks qualified under Regulation 30.7			
Names(s):	5710	3,118,600	5720
			\$ 27,060,100 5730
2. Securities:			
A. In safekeeping with banks located in the United States		0	5740
B. In safekeeping with other banks qualified under Regulation 30.7			
Names(s):	5750	0	5760
			0 5770
3. Equities with registered futures commission merchants:			
A. Cash		10,277,900	5780
B. Securities		0	5790
C. Unrealized gain (loss) on open future contracts		(220,500)	5800
D. Value of long option contracts		0	5810
E. Value of short option contracts		0	5815
			10,057,400 5820
4. Amounts held by clearing organizations for foreign boards of trade:			
Names(s):	5830		
A. Cash		4,793,800	5840
B. Securities		0	5850
C. Amount due to(from) clearing organization - daily variation		486,600	5860
D. Value of long option contracts		0	5870
E. Value of short option contracts		0	5875
			5,280,400 5880
5. Amounts held by members of foreign boards of trade:			
Names(s):	5890		
A. Cash		9,392,600	5900
B. Securities		0	5910
C. Unrealized gain (loss) on open futures contracts		(2,641,600)	5920
D. Value of long option contracts		0	5930
E. Value of short option contracts		0	5935
			6,751,000 5940
6. Accounts with other depositories designated by a foreign board of trade			
Names(s):	5950		0 5960
7. Segregated funds on hand (describe: _____)			0 5965
8. Total funds in separate section 30.7 accounts			49,148,900 5970
9. Excess (deficiency) Set Aside Funds for Secured Amount (Subtract line 7 Secured Statement Page 1 from line 8)		\$ 24,092,200	5680
10. Management Target Amount for Excess funds in separate 30.7 accounts (unaudited)		\$ 751,700	5980
11. Excess (deficiency) funds in separate 30.7 accounts over (under) Management Target Excess (unaudited)		\$ 23,340,500	5985

There is no material difference between the audited computation of secured requirements above and that reported by the Company in the unaudited Form 1-FR-FCM as of December 31, 2017.

**SCHEDULE 4**

Name of Company: Rand Financial Services, Inc. Employer ID No. 363849442

NFA ID No: 0244931

**CFTC FORM 1-FR-FCM  
STATEMENT OF CLEARED SWAPS CUSTOMER SEGREGATION REQUIREMENTS AND  
FUNDS IN CLEARED SWAPS CUSTOMER ACCOUNTS UNDER 4D(F) OF CEA  
AS OF 12/31/17**

**CLEARED SWAPS CUSTOMER REQUIREMENTS**

1. Net ledger balance:			
A. Cash		\$	0 8500
B. Securities (at market)			0 8510
2. Net unrealized profit (loss) in open cleared swaps derivatives			0 8520
3. Cleared swaps options:			
A. Market value of open cleared swaps option contracts purchased			0 8530
B. Market value of open cleared swaps option contracts granted (sold)			0 8540
4. Net equity (deficit) (add lines 1, 2 and 3)			0 8550
5. Accounts liquidating to a deficit and accounts with debit balances - gross amount	\$	0	8560
Less: amount offset by customer owned securities		0	8570
6. Amount required to be segregated for cleared swaps customers (add lines 4 and 5)	\$	0	8590

**FUNDS IN CLEARED SWAPS CUSTOMER SEGREGATED ACCOUNTS**

7. Deposited in cleared swaps customer segregated accounts at banks:			
A. Cash	\$	0	8600
B. Securities representing investments of cleared swaps customers' funds (at market)		0	8610
C. Securities held for particular cleared swaps customers in lieu of cash (at market)		0	8620
8. Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts:			
A. Cash		0	8630
B. Securities representing investments of cleared swaps customers' funds (at market)		0	8640
C. Securities held for particular cleared swaps customers in lieu of cash (at market)		0	8650
9. Net settlement from (to) derivatives clearing organizations			0 8660
10. Cleared swaps options:			
A. Value of open cleared swaps long option contracts			0 8670
B. Value of open cleared swaps short option contracts			0 8680
11. Net equities with other FCMs:			
A. Net liquidating equity		0	8690
B. Securities representing investments of cleared swaps customers' funds (at market)		0	8700
C. Securities held for particular cleared swaps customers in lieu of cash (at market)		0	8710
12. Cleared swaps funds on hand (describe:)			0 8715
13. Total amount in cleared swaps customer segregation (add lines 7 through 12)	\$	0	8720
14. Excess (deficiency) funds in cleared swaps customer segregation (subtract line 6 from line 13)	\$	0	8730
15. Management Target Amount for Excess funds in cleared swaps segregation accounts (unaudited)	\$	0	8760
16. Excess (deficiency) funds in cleared swaps customer segregated accounts over (under) Management Target Excess (unaudited)	\$	0	8770

There is no material difference between the audited computation of swaps requirements above and that reported by the Company in the unaudited Form 1-FR-FCM as of December 31, 2017.



**Rand Financial Services, Inc.**

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