

**Form ADV Part 2A: Firm Brochure**

**Item 1. Cover Page**

**Quentec Asset Management LLC  
515 Madison Avenue, Suite 14C  
New York, NY 10022**

**(212) 257-4000**

**Date Prepared: December 2012**

**This brochure provides information about the qualifications and business practices of Quentec Asset Management LLC (“Quentec”, the “Adviser”, or the “Firm”). If you have any questions about the contents of this brochure, please contact Quentec at 212-257-4000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about the Adviser is also available on the SEC’s web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2. Material Changes**

The Firm is newly registered as an investment adviser and this Brochure, dated December 2012, is an initial filing.

In the future, this section will only discuss material changes made to the Brochure and provide investors with a summary of such changes. It will also reference the date of the most recent update of the Brochure.

### Item 3. Table of Contents

Item 1. Cover Page .....	1
Item 2. Material Changes .....	2
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	5
Item 6. Performance-Based Fees and Side-By-Side Management .....	5
Item 7. Types of Clients .....	7
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9. Disciplinary Information .....	8
Item 10. Other Financial Industry Activities and Affiliations .....	13
Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading .....	14
Item 12. Brokerage Practices .....	15
Item 13. Review of Accounts .....	18
Item 14. Client Referrals and Other Compensation .....	18
Item 15. Custody .....	20
Item 16. Investment Discretion .....	21
Item 17. Voting Client Securities .....	21
Item 18. Financial Information .....	23
Item 19. Requirements for State-Registered Advisers .....	24

#### **Item 4. Advisory Business**

Quentec Asset Management LLC is a Delaware Limited Liability Company formed in 2012. Its principal owners are Kenneth Hahn and Val Zlatev.

The Firm provides discretionary investment advisory services to private pooled investment vehicles for which the interests issued by these pooled investment vehicles are exempt from registration under federal securities laws. The Firm has set up a “master-feeder” structure, whereby it advises two underlying “feeder funds” (the “Feeder Funds”) which invest substantially all of its assets into a “master fund” (the “Master Fund”), also advised by the Firm. The Firm also advises individual private pooled investment vehicles that have similar investment strategies to the Master Fund (“Single Funds”) (collectively, the Feeder Funds, the Master Fund and the Single Funds, the “Funds” or “clients”).

In the Funds, the Firm only accepts investors who meet certain standards of net worth and knowledge of investing (“investors” or “limited partners”). Generally, the Funds’ investors will be high net worth individuals or institutions.

The Firm primarily purchases and sells publicly traded securities of technology, media, and telecom companies on behalf of its clients. The Firm will take two primary approaches to identify investment opportunities. First, Quentec will use its proprietary database of industry specific information to identify investment opportunities in cyclical companies. Second, the Firm will rely on the industry specific knowledge of their portfolio managers to identify investment opportunities in product-driven companies. For more information on the Firm’s specific investment strategies and methods of analysis, please see Item 8: “Methods of Analysis, Investment Strategies and Risk of Loss.”

When making recommendations to clients, the Firm carefully considers the risk/return profile of its investments to ensure that the investment is within the Firm’s strategy of preserving capital while offering potentially attractive return characteristics. The Firm does not personalize its advisory services to the individual needs of investors in the Funds.

The Firm does not participate in wrap fee programs.

The Firm managed \$185,719,565 on a discretionary basis as of December 1, 2012.

## **Item 5. Fees and Compensation**

The Firm is compensated for advisory services through a fee based on assets under management. This “management fee” will generally be calculated by the Firm. The Funds will pay the investment adviser the management fee quarterly in advance based on the value of each limited partner’s capital account in the Funds, as of the first business day of each calendar quarter. The management fee will be adjusted for subscriptions and redemptions occurring during the quarter. As described more fully under Item 6, the Firm may also be compensated with performance-based fees.

The Firm will deduct its management fee from the Funds’ assets quarterly in advance. The Firm will bear the cost of overhead expenses such as: office rent, furniture and fixtures, stationary, secretarial/administrative services, employee insurance and payroll taxes. The Funds will pay all other expenses incurred including (but not limited to) legal, compliance, Fund administration expenses, audit and accounting expenses, research fees and expenses, interest on margin accounts and other indebtedness, interest on securities sold short, custodial fees, bank service fees, and insurance costs.

For a full list of expenses that Funds may bear, please refer to each of the Funds’ offering documents.

The Funds pay the Firm’s management fees quarterly in advance based on the value of each limited partner’s capital account in such Fund. Should a limited partner redeem its interests in the Funds at or after the management fee has been paid, the Firm will not reimburse the management fee that the Funds have paid in advance.

Neither the Firm nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

**Item 6. Performance-Based Fees**

Quentec Capital LLC, an affiliate of the investment adviser and a general partner of the Funds (the “General Partner”), will receive a performance-based allocation at the Funds’ fiscal year-end, based on its share of capital appreciation of the assets of its Funds. The performance-based allocation is calculated on the net profits attributable to each limited partner’s capital account. No performance-based allocation will be made from the capital account of a particular limited partner until any net loss previously allocated to the capital of such limited partner has been offset by subsequent profits (“loss carryforward”). Any such loss carryforward will be subject to reduction for withdrawals on a pro-rata basis.

Among Funds, there may be variations in the percentage of profit allocation paid to the Firm. The Firm generally mitigates this potential conflict by allocating investment opportunities among these clients pro rata on the basis of net assets.

Performance-based fees may create an incentive for the Firm to make riskier or more speculative investments than the Firm might consider in the absence of such fees .

**Item 7. Types of Clients**

As described in Item 4 of this Brochure, the Firm provides advisory services to the Funds. The investors in the Funds are exclusively high net worth individuals and institutions.

The minimum investment in each Fund is generally \$1million and the minimum subsequent investment is \$100,000, although the General Partner maintains discretion to individually waive, increase or reduce the minimum investment required.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

The Firm's investment objective is to maximize risk-adjusted return primarily through long and short investments in publicly traded technology, media and telecom companies on a global basis with a focus on the United States. Please also refer to the description of the Firm's advisory business in Item 4 of this Brochure.

The Firm will pursue two primary investment approaches to identify investment opportunities:

For cyclical companies, the Firm will apply a proprietary database of industry specific metrics across hundreds of companies in multiple sectors of the supply chain over many years. Analysis of the database will enable the Firm to create a quantitative framework correlating the data to intermediate term risk/reward of related cyclical companies and industries. This analysis will inform the Firm on the evolution and timing of cycles, which can manifest in levels of bookings, book-to-bills, inventory adjustments, utilizations, pricing and margin patterns. By correlating this analysis to stock performance over multiple cycles, the Firm will identify sets of potential cyclical longs (often near cyclical troughs) and potential cyclical shorts (often near cyclical peaks). Variation of net exposure and risk management will be closely tied to this framework.

For product-driven companies, the Firm will leverage the technology and analytical background of its managing members to identify the inflection point of technology and product adoptions. For longs, the Firm will identify new product cycles and share gains. For shorts, the Firm will identify product commoditization or technology obsolescence.

Some companies will be considered hybrid, where their businesses combine product and technology-driven drivers as well as a strong cyclical component.

Investing in securities involves risk of loss that investors in the Funds should be prepared to bear.

The Funds may be deemed to be highly speculative investments and is not intended as a complete investment program. The Funds are designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in the Funds and who have a limited need for liquidity in their investment. The risks inherent to strategies employed by the Firm, including those listed below and a number of others, are described in further detail in the respective offering memoranda of the Funds.

### **Media / Telecommunications / Technology Companies**

The Firm plans to invest, on behalf of the Funds, in the telecommunications industry, the media industry and the technology industry. Certain telecommunications, media and technology and related companies in which the Firm invests face significant risks, including but not limited to, regulatory, operational, technological, and competitive risks.

Telecommunications services are subject to regulation at the federal level by the Federal Communications Commission (FCC) and at the state level by public utilities commissions. Additionally, a significant portion of the media industry is subject to regulation by the FCC under federal laws and regulations, including the Communications Act of 1934 and The Telecommunications Act of 1996. FCC rules and regulations have been subject to numerous appeals to both the courts and to Congress and it remains difficult to accurately predict the impact of any potential new legislation or court action on any company within the telecommunications, media and technology industries.

The telecommunications and media industries are experiencing significant technological change, including improvements in the capacity and quality of currently deployed technology. This causes uncertainty about future customer demand for products and services and the prices that the companies will be able to charge for these services. The rapid change in technology may lead to the development of alternative products and services that consumers prefer over existing offerings. Certain of the technology and technology-related companies in which the Funds invest may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies could experience above-average price movements associated with the perceived prospects of success of the research and development investments. In addition, companies in which the Firm invests on behalf of the Funds could be adversely affected by lack of commercial acceptance of a new product or services or by technological change and obsolescence.

Further, many companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Firm invests for the Funds. Conversely, other companies may make infringement claims against a company in which the Firm invests for the Funds, which could have a material adverse effect on such company.

The markets in which many telecommunications, media, and technology companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. Current and potential competitors in telecommunications and media include long distance companies, local telephone companies, cable companies, wireless operators, broadcast networks, cable networks, television stations, radio broadcasters, publishers, videogame developers and distributors, advertising

companies, entertainment and leisure companies, Internet service providers, electric utilities and other companies that offer network services and media content and delivery. Current and potential competitors in technology include communications equipment providers, software companies, hardware providers, and semiconductor companies among others. Many of these companies have a strong market presence, brand recognition and existing customer relationships, all of which contribute to intensifying competition and may affect the growth prospects of the telecommunications industry, the media industry and the technology industry.

Some of the companies in which the Firm may invest on behalf of the Funds could have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

### **Small to Medium Capitalization Companies**

The Firm, on behalf of the Funds, may invest in the stocks of companies with small-to medium-sized market capitalizations. While the Firm believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

### **Systems and Operations Risk**

The Firm will employ a number of quantitative models that involve assumptions based upon a limited number of variables abstracted from complex financial markets or instruments that it attempts to replicate. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect. The outputs of such models may differ substantially from the reality of the markets, resulting in major losses. However, the Firm's investment strategies are by no means fully systematic, nor are they exclusively model-driven. The market judgment and discretion of the Firm's investment professionals will be integral to the implementation and success of the Firm's investment strategies for the Funds.

### **Use of Leverage**

The Firm may utilize leverage, which may result in the Funds controlling substantially more assets than they have equity. Leverage increases the Funds' returns if the Funds earn a greater return on investments purchased with borrowed funds than the Funds' cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or interim margin requirements which may

force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds a Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of a Fund's assets, such Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

**Short Sales**

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Funds' portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

There are significant risks and potential conflict of interests inherent in investing in private pooled investment vehicles, such as the Funds. Certain of these risks and potential conflicts of interest have been summarized above, and a complete list of risks is further described in detail in each of the Fund's offering memoranda. Investors and prospective investors should carefully consider all of the risks and potential conflicts of interests related to investing in a Fund.

**Item 9. Disciplinary Information**

The Firm is not aware of any legal or disciplinary events that are material to an investor's or prospective investor's evaluation of its advisory business or the integrity of its management.

**Item 10. Other Financial Industry Activities and Affiliations**

Neither the Firm nor its management persons are registered, nor have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Firm nor its management persons are registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The Firm does not have any related persons that are described in this Item 10. C. instruction.

## **Item 11. Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

The Firm adopted a Code of Ethics (the “Code”) to ensure that it fulfills its role as a fiduciary to its clients. The Code obligates the Firm and its related persons to put the interests of clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. The Firm’s personnel are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by the Firm or its employees.

The Code explains each person’s duty to maintain the confidentiality of the Firm’s proprietary information as well as a policy against insider trading. The Firm also has restrictions with respect to giving or receiving of business gifts and entertainment or making political contributions.

The Code also contains the Firm’s personal trading policy. The Firm adopted a policy that limits the ability of its employees to trade in securities for their personal accounts. The Code requires all Firm personnel to report their personal trading activity to the Chief Compliance Officer. This personal trading policy also applies to certain family members of employees (including the spouse and minor children of a principal or employee, and immediate family members of an employee who live in the same household) (collectively, with employees, “Covered Persons”). Under the Code, Covered Persons must obtain approval from the Chief Compliance Officer prior to executing any transaction in a personal trading account, including transactions in private placements or initial public offerings, with certain limited exceptions for extremely liquid securities, such as Treasuries and open-end mutual funds. The Firm prohibits Covered Persons from executing any transaction that may create the appearance of conflict of interest with clients. In addition, the Firm maintains a restricted list containing the names of securities which Covered Persons and clients of the Firm are generally prohibited from trading.

All transactions made by Covered Persons are closely monitored on an ongoing basis by the Chief Compliance Officer to ensure pre-clearance has been sought and obtained when required, and to ensure the personal trading patterns of Covered Persons fall within the guidelines set forth in the Code. The Firm’s employees may invest directly in one or more of the Funds managed by the Firm.

Investors and prospective investors may obtain a copy of the Code upon request by contacting the Firm at 212-257-4000 or [IR@quentecasset.com](mailto:IR@quentecasset.com).

Neither the Firm nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which the Firm or any related person has a material financial interest.

Neither the Firm nor any of its related persons invests in the same securities or related securities that the Firm recommends to its clients.

Neither the Firm nor any of its related persons recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Firm or any of its related persons buys or sells the same securities for their own respective accounts.

## **Item 12. Brokerage Practices**

The Firm is authorized to determine the broker or dealer to be used for each securities transaction for the Funds. In selecting brokers or dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Firm's practice to negotiate "execution only" commission rates, thus the Firm may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

### *Research and Other Soft Dollar Benefits*

The Firm will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. In some instances, the Firm may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, the Firm will make a good faith effort to determine the relative proportion of the product or service used to assist the Firm in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Firm in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Firm from its own resources. The Firm receives a benefit when it utilizes "soft dollars" because the Firm does not have to produce or pay for products or services covered under a soft dollar agreement with the Firm and a broker-dealer. As such, the Firm may have an incentive to select or recommend a broker-dealer based on the Firm's interest in receiving the products or services, rather than on the Funds' interests in receiving most favorable execution, and may cause the Funds to pay commissions higher than those charged by other broker-dealers in return for the soft dollar benefits.

Brokerage services obtained by the use of commissions arising from the Funds' portfolio transactions may be used by the Firm in its other investment activities and thus, some of the clients may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

In selecting brokers and negotiating commission rates, the Firm will take into account the financial stability and reputation of brokerage firms, and the brokerage or other services provided by such brokers. The Firm has implemented policies and procedures to ensure that it is receiving best execution for its clients, which includes periodic review of the commissions charged by broker-dealers used by the Firm, such broker-dealers' quality of products and services, and its respective soft dollar arrangements.

### *Brokerage for Client Referrals*

From time to time the Firm may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Funds managed by the Adviser or recommend the Funds as an investment to investors or potential investors. The Firm may place Fund transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Firm determines that it is otherwise consistent with seeking best execution. In no event will the Firm select a broker-dealer as a means of remuneration for recommending the Firm or any other product managed by the Firm (or an affiliate) or affording the Firm with the opportunity to participate in capital introduction programs.

*Directed Brokerage*

The Firm does not routinely recommend, request or require that a client or investor direct the Firm to execute transactions through a specified broker-dealer.

**Item 13. Review of Accounts**

The Firm reviews client accounts on a daily basis, which includes monitoring the quantitative financial model developed for the Funds. The Firm will continuously search for evidence counter to the investment thesis, as well as track the business performance of the investment relative to expectations. The Firm will monitor relative risk/reward and valuation as compared to other positions and will reduce or liquidate positions if more attractive investments exist.

The Firm also reviews the Funds' investments through its research process, which will typically include an analysis of a particular company's financials, management discussions, and due diligence with suppliers and customers throughout the supply chain. At the end of the initial research process step, the Firm will have developed a deep understanding of the investment's basic unit economics, revenue and profit drivers, competitive dynamics, business segment characteristics as well as management's ability as both business operators and allocators of capital. Generally, this will allow the Firm to develop a financial model, which will be used as the basis for the Firm's research review.

Audited year-end financial statements are provided annually to investors in Funds. In addition, quarterly letters are generally provided to investors, which may include certain information relating to investment performance and investment themes going forward. The Firm also provides monthly statements to investors regarding their capital accounts.

**Item 14. Client Referrals and Other Compensation**

The Firm does not receive an economic benefit from anyone, other than its clients, for providing investment advice or other advisory services to the Firm's clients.

The Firm, nor any of its related persons, do not currently compensate, either directly or indirectly, any person who is not the Firm's supervised person for client referrals. The Firm and the General Partner may, from time to time, use one or more third party placement agents for referrals of private fund client investors.

**Item 15. Custody**

While the Firm may be deemed to have custody of certain client funds and securities, the Firm does not maintain physical custody of such assets. All client funds and securities are held at accounts maintained in their name with qualified custodians within the meaning of the applicable rules under the Investment Advisers Act of 1940, as amended (“Advisers Act”).

Investors in the Funds receive audited annual account statements of the Funds, prepared by an independent public accountant in accordance with generally accepted accounting principles, within 120 days of the Funds’ fiscal year end, as well as monthly account statements directly from the Funds’ independent administrator.

**Item 16. Investment Discretion**

The Firm has discretionary investment authority to manage securities accounts on behalf of its clients. Generally, this discretionary authority is provided in the client's governing documents, which may include (where applicable) the client's limited partnership agreement, operating agreement and/or investment management agreement. The Firm will buy and sell securities and other instruments for its clients on a discretionary basis in a manner consistent with each client's stated investment objectives and restrictions, as set forth in the applicable client's governing documents.

Generally, the Firm also assumes the authority to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary or advisable or incidental thereto. This includes power of attorney, power to direct clients' business affairs, power to borrow money and power to vote client securities. Investors should familiarize themselves with their applicable governing documents.

**Item 17. Voting Client Securities**

The Firm has adopted a proxy voting policy as required by the Advisers Act. The policy provides that the Firm will act in the best interests of its clients when determining if and how to vote proxies of client securities. Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

The Firm will vote generally in line with company management when voting proxies. The Firm reserves the right, however, to vote against management, or abstain from voting, if, in its discretion, the Firm determines that it would be in the best interest of the clients to do so.

The Chief Compliance Officer will consult with the Firm's investment professionals when determining how to vote each proxy received. The Firm will provide details of how proxies were voted to investors upon request.

The Firm's proxy voting policy and procedures are available for review. In addition, the Firm's proxy voting record is available to investors. Investors should contact Quentec at (212) 257-4000 if they have any questions or if they would like to review these records.

**Item 18. Financial Information**

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore has not included a balance sheet.

The Firm does not believe that there are any conditions that are reasonably likely to impair the Adviser's ability to meet contractual commitments to clients.

The Firm has never been the subject of a bankruptcy petition.

**Item 19. Requirements for State-Registered Advisers**

The Firm is not registered with any state securities authority.