

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

**Item 1 - Cover Page**

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**This brochure provides information about the qualifications and business practices of Trexquant Investment LP. If you have any questions about the contents of this brochure, please contact Brian Chung, Trexquant Investment LP's Chief Compliance Officer, at (203) 817-0551. 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 Trexquant Investment LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Trexquant Investment LP as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.**

**Item 2 - Material Changes**

*Not applicable.*

**Item 3 - Table of Contents**

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**Item 4 - Advisory Business**

Trexquant Investment LP (“Advisor,” “we” or “us”) is a Delaware limited partnership that was formed in January 2014. We are controlled and principally owned by Taesoon (Tyger) Park.

We provide discretionary investment advice to the following private investment funds: (a) Trexquant Onshore Fund LP (the “Onshore Fund”); (b) Trexquant Offshore Fund Ltd. (the “Offshore Fund” and, together with the Onshore Fund, the “Feeder Funds”); and (c) Trexquant Master Fund LP (the “Master Fund”) and, together with the Feeder Funds, the “Funds”). Notwithstanding the foregoing, we are required to invest all of the capital of the Feeder Funds in limited partnership interests of the Master Fund, other than cash and cash equivalents held for investment into the Master Fund, distributions to investors and/or payment of operating expenses.

Trexquant Management LLC (the “General Partner”), our affiliate, serves as our general partner and the general partner of the Onshore Fund and the Master Fund. The General Partner is a “relying adviser” as that term is described in the SEC Staff No-Action Letter, dated January 18, 2012, to the American Bar Association, Business Law Section. The General Partner is also controlled and principally owned by Taesoon (Tyger) Park.

We generally employ a quantitatively-driven statistical arbitrage strategy across U.S. and non-U.S. equities. This statistical arbitrage program relies upon a series of models that use market data to anticipate short term price movements in securities. The universe of securities for the Master Fund’s portfolio primarily consists of, but is not limited to, U.S. stocks, non-U.S. stocks, and derivatives that capture the returns of a portfolio of stocks. Generally, trades are made in liquid, exchange-traded securities. However, our trading mandate is broad and encompasses virtually every type of asset, investment interest, security or property (real or personal) which can be traded or purchased.

We generally do not permit investors in the Feeder Funds to impose limitations on the trading activities described in the offering documents for the Feeder Funds. (*See Item 16 “Investment Discretion”* below.)

As of March 31, 2014, we had managed approximately US\$105,000,000 of regulatory assets under management, including capital commitments from third parties which we began to manage subsequent to such date. We only manage capital on a discretionary basis.

**Item 5 - Fees and Compensation**

Our fees and compensation are described in each Feeder Fund’s confidential private placement memorandum (each, an “Offering Memorandum”), the advisory contract with the Funds, and the limited partnership agreement of the Master Fund. Investors in the Feeder Funds generally must be “qualified purchasers” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “1940 Act”).

We deduct our management fees from the Master Fund monthly in advance. Once paid, management fees are not refundable.

We receive performance-based fees from the Master Fund on an annual basis in arrears and upon redemptions by investors in the Feeder Funds. In our discretion, our management and/or performance-based fees may be paid by the Feeder Funds instead of by the Master Fund for any period of time.

Each Feeder Fund will pay, or reimburse us and/or the General Partner for advancing, such Feeder Fund's operating expenses, including brokerage commissions, bank service fees, interest on loans and debit balances, borrowing charges on securities sold short, custodial fees, fees for research, analytics and market data (including on-line news and quotation services, Bloomberg service, etc.), expenses related to the offering of such Feeder Fund's interests (including our fees and expenses incurred in connection with the European Alternative Investment Fund Managers Directive), administration, audit and tax preparation expenses, blue sky filing fees, investor reporting costs, legal, accounting and professional fees (including related to compliance with the Foreign Account Tax Compliance Act provisions of the United States Hiring Incentives to Restore Employment Act of 2010), consulting fees, fees of the independent directors (in the case of the Offshore Fund), insurance costs, trustees fees, our fees and expenses incurred in connection with preparing and filing reports relating to such Feeder Fund's trading activities (including under investment advisory or commodity pool operator laws, such as Form PF), any taxes applicable to such Feeder Fund on account of its operations and/or trades, and any and all expenses related to the management and operation of such Feeder Fund, as well as the purchase, sale or transmittal of assets, as we will determine in our discretion, including costs and expenses incurred in creating and maintaining the technology and data infrastructure needed in order to assimilate, research and back-test large numbers of data sets and execute trades efficiently. Each Feeder Fund will also be responsible for its organizational fees and expenses. In addition, each Feeder Fund will bear its pro rata share of the Master Fund's expenses. We and/or the General Partner may, in our or its discretion (as applicable), waive the right to be reimbursed for any of the foregoing expenses for any period of time. (See Item 12 "Brokerage Practices" below.)

We may also allocate a portion of the Master Fund's capital to products (e.g., money market funds or exchange-traded funds) that bear fees and expenses, including expenses payable to their service providers. To the extent that we allocate capital to these products, investors in the Feeder Funds will indirectly bear these fees and expenses, in addition to the fees and expenses described above.

Investors in the Feeder Funds are subject to a redemption charge for the benefit of the Master Fund for redemptions made prior to the one year anniversary of such investment.

#### **Item 6 - Performance-Based Fees and Side-By-Side Management**

We receive annual performance-based fees from the Master Fund, which are based on a percentage of the capital appreciation of the Master Fund's assets. Performance-based fees may create an incentive for us to cause the Master Fund to make trades that are riskier or more speculative than would be case if performance-based fees were not paid to us. Additionally, as the management fees and performance-based fees are based directly on the net asset value of the Master Fund, we have a conflict of interest in valuing the assets held in the Master Fund. We will follow our documented valuation policies and consult with the third-party administrator to the Master Fund in order to mitigate this risk.

#### **Item 7 - Types of Clients**

We provide investment advice to the Funds. Investors in the Feeder Funds are generally high net worth individuals and institutional investors that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended) and "qualified purchasers" (as defined under the 1940 Act). The minimum investment in each Feeder Fund is generally US\$5,000,000.

**Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss***Objective*

Each Feeder Fund's objective (through its investment in the Master Fund) is to generate an attractive risk-adjusted return on behalf of its investors.

*Trading Program*

In seeking to achieve the above objective, we will generally employ a quantitatively-driven statistical arbitrage strategy across U.S. and non-U.S. equities. This statistical arbitrage program will rely upon a series of models that use market data to anticipate short term price movements in securities. The number of models employed is expected to change over time with the assimilation of new ideas, opportunities, research staff, and data. Models may take advantage of any observable market phenomenon and may generate forecasts over various timeframes.

The program is typically market neutral by dollar and beta, as well as by industry. While the program does not expressly target non-correlation to equity markets, traditional investments, or other hedge fund strategies, non-correlation to these return series tends to be a common result. The universe of securities for the Master Fund's portfolio primarily consists of, but is not limited to, U.S. stocks, non-U.S. stocks, and derivatives that capture the returns of a portfolio of stocks. Generally, trades are made in liquid, exchange-traded securities. The average period for which the Master Fund is expected to hold a security before selling it is approximately five days, meaning that the Master Fund's portfolio will be turned over with a high rate of frequency during a given year. However, such average and such turn-over rate may change over time and, particularly with the addition of new technology and research in the future, such changes may be material.

Further quantitative methods are used to vary the allocation to models in an effort to maximize the efficacy of the library of models. Allocation weights to models are expected to change as the market environment evolves and with the addition or deletion of allocation methods.

These quantitative methods are combined with the intention of producing a resilient and dynamic strategy that has the potential to produce an attractive risk-adjusted return regardless of the overall market environment.

While our initial focus is medium-frequency, high-turnover statistical arbitrage, our core competency is in the assessment of trading strategies and the efficient execution of these strategies. We intend to apply our rigorous methods of testing and analysis of trading strategies over shorter and longer time frames, different geographic regions, market venues, and asset classes in order to expand the opportunity set for the Master Fund.

The Master Fund may invest its excess funds in securities issued or guaranteed by the U.S. government, money market instruments, commercial papers, certificates of deposit and/or bankers' acceptances, as well as other interest-bearing or discount obligations.

We may, from time to time, liquidate positions without regard to the time they have been held by the Master Fund in order to take advantage of short-term fluctuations in market values, in order to take advantage of new trading opportunities, or in an attempt to preserve gains or limit losses. We may also opportunistically increase the Master Fund's gross market exposure, which may result in even higher portfolio turnover.

We will use leverage as part of the Master Fund's trading program and the amount of leverage which the Master Fund may have outstanding at any time may be substantial in relation to its capital.

We have broad authority to conduct the trading activities of the Master Fund. While the trading activities of Tyger Park, our principal, have generally consisted in the past principally of "quantitative" trading, trading for the Master Fund may be expanded in the future to include other investment and trading strategies which we determine to be appropriate and in accordance with the overall objective of the Feeder Funds.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

#### Risk Factors

There are a number of risks associated with each Feeder Fund's objective and the trading strategies we implement on behalf of the Master Fund, including, without limitation, risks associated with our use of quantitative analysis to make trading decisions, our heavy reliance on quantitative models and information and data supplied third parties, programming and modeling errors, equity securities, short-selling, non-U.S. investments, leverage and derivatives investing. Please refer to each Feeder Fund's Offering Memorandum for a more detailed description of such risks.

Our trading approach emphasizes active management of the Master Fund's portfolio. Consequently, the Master Fund's portfolio turnover and brokerage commission expenses may be greater than for other types of investment vehicles.

#### **Item 9 - Disciplinary Information**

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

The General Partner serves as general partner of the Onshore Fund and the Master Fund.

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

We have adopted a Code of Ethics (the "Code of Ethics") which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our clients, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

We make available to qualified prospective investors the opportunity to invest in the Feeder Funds. Our principal has significant personal investments in one or both of the Feeder Funds. In addition, we receive performance-based fees from the Funds.

#### Personal Trading Policy

Our employees may buy and sell securities for their own accounts and the accounts of others with the prior approval of our Chief Compliance Officer. However, investments in the following securities will not require the prior approval of our Chief Compliance Officer: (i) direct obligations of the government of the United States; (ii) bankers acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; (iii) shares issues by money market funds; (iv) shares issued by open-end mutual funds; and (v) shares issued by unit investment trusts that are exclusively invested in one or more open-end mutual funds.

Thus, it is possible that our employees may be trading securities for their own accounts or the accounts of others that we are trading on behalf of the Master Fund. The pre-clearance requirement described above is intended to mitigate the conflicts that may arise from such personal trading.

### **Item 12 – Brokerage Practices**

#### Selection of Brokers

In selecting brokers to effect portfolio transactions for the Master Fund, we considers factors such as price, the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility and the provision or payment (or the rebate to the Master Fund for payment) of the costs of property or services (e.g., short-term custodial services, research services, news and quotation services, publications, and other services). Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, the Master Fund may pay commissions to such broker in an amount greater than the amount another broker might charge.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

Our trading review committee (which includes Tyger Park, our principal, and other senior personnel) periodically evaluates the execution performance of the broker-dealers we use to execute client transactions. Our trading review committee also evaluates, and seeks to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.

#### Research and Other Soft Dollar Benefits

It is currently our policy not to engage in any formal soft dollar arrangements with respect to securities transactions for the Master Fund, although we may choose to do so at any time in the future. If we choose to engage in such arrangements, we will do so in accordance with the safe harbor for soft dollars created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as

amended.

The prime brokers for the Master Fund provide us with front and back office services, including trading, securities lending, clearing, reporting, and settlement for swaps, foreign currency and options, among others. Such prime brokers may also provide us with capital introduction and talent recruitment services.

We execute securities transactions on behalf of the Master Fund with broker-dealers that provide us with access to proprietary research reports (such as standard investment research). To the best of our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by client accounts or the volume of business that we direct to such broker-dealers.

#### Brokerage for Client Referrals

We may also direct brokerage commissions on purchases or sales of securities to broker-dealers who advance the sale of Feeder Fund interests, consistent with best execution.

#### Trade Error Policy

Subject to applicable law, we will reimburse the Funds for net losses that occur as a result of trade errors resulting from our willful misconduct or gross negligence.

### **Item 13 – Review of Accounts**

The Master Fund's portfolio is reviewed regularly, and its performance analyzed, by Tyger Park, our principal, and other senior personnel. The Master Fund's positions are evaluated using quantitative analysis, as well as based on such other considerations as we deem appropriate.

The Feeder Funds currently provide their investors with the following types of written communications: (i) monthly performance estimates; (ii) monthly capital account statements; (iii) monthly risk reports; (iv) annual audited financial statements; and (v) in the case of the Onshore Fund, annual statements of taxable income (i.e., Form K-1s).

We may provide certain investors access to more frequent and/or more detailed information regarding the Master Fund's portfolio positions, performance, finances, and management and/or other information about the Funds or us (including, notification of the commencement of certain disciplinary actions, legal proceedings, investigations or similar matters against a Fund, us and/or our personnel, or of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

### **Item 14 - Client Referrals and Other Compensation**

Other than the circumstances described in Item 12 above, we do not receive any economic benefit from any person that is not a client in exchange for providing investment advice or other advisory services to our clients. Neither we nor any of our related persons directly or indirectly compensates any person who is not a supervised person of ours for client referrals.



**Item 15 - Custody**

Although we are technically deemed to have custody of the Funds' assets, investors in the Feeder Funds receive annual audited financial statements in lieu of account statements from the Funds' qualified custodian(s).

**Item 16 – Investment Discretion**

We have discretionary authority to manage the Master Fund's portfolio. The investors in the Feeder Funds generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of the Funds.

**Item 17 – Voting Client Securities**

We generally have voting discretion over securities held in clients' accounts. Clients are generally not able to direct their votes in a particular situation. We will exercise our discretion in the best interests of our clients. In fulfilling our obligations to our clients, we will act in a prudent and diligent manner intended to enhance the economic value of the securities. Since we are generally trading on a short-term basis based on statistical models, so many matters covered by proxy solicitations will not be material to the Funds. Accordingly, we reserve the right to not vote proxies in such cases.

A client may obtain information about if and how we voted securities for the Master Fund by contacting us at the address set forth on the cover page of this brochure.