

**PART 2A OF FORM ADV**  
**FIRM BROCHURE**

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**This brochure provides information about the qualifications and business practices of QCM Cayman, Ltd. (“QCMC”) and Quantlab Capital Management, LLC (“QCML”, together with QCMC, referred to herein as “Quantlab”). If you have any questions about the contents of this brochure, please contact James Robertson at 713-333-5456 or by email at [JRobertson@Quantlab.com](mailto:JRobertson@Quantlab.com). 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 Quantlab is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**QCMC and QCML are registered as investment advisers with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”).**

**SEC registration does not imply a certain level of skill or training**

## ITEM 2 – MATERIAL CHANGES

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

Quantlab filed an other-than-annual amendment on September 4, 2018 to reflect a change to its Chief Compliance Officer. Effective August 23, 2018, Mark F. Hansen ceased to be the Chief Compliance Officer, and James S. Robertson was appointed to the post.

There have been no other material changes to the investment advisory business, business practices, conflicts of interest and/or disciplinary history of Quantlab since its most recent annual Form ADV amendment filing made on March 31, 2018.

### ITEM 3 - TABLE OF CONTENTS

	<u>Page</u>
ITEM 2 – MATERIAL CHANGES .....	I
ITEM 3 - TABLE OF CONTENTS.....	II
ITEM 4 – ADVISORY BUSINESS .....	1
ITEM 5 – FEES AND COMPENSATION .....	5
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT ..	7
ITEM 7 – TYPES OF CLIENTS .....	8
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	9
ITEM 9 – DISCIPLINARY INFORMATION .....	15
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.	17
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	19
ITEM 12 – BROKERAGE PRACTICES.....	22
ITEM 13 – REVIEW OF ACCOUNTS.....	25
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....	26
ITEM 15 – CUSTODY .....	27
ITEM 16 – INVESTMENT DISCRETION .....	28
ITEM 17 – VOTING CLIENT SECURITIES.....	29
ITEM 18 – FINANCIAL INFORMATION .....	30

## ITEM 4 – ADVISORY BUSINESS

<b>Item 4.A</b>	<p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p>QCM Cayman, Ltd. (“<b>QCMC</b>”) was formed on November 10, 1998 and became registered with the SEC as an investment adviser on May 24, 2001. Quantlab Capital Management, LLC (“<b>QCML</b>”, together with QCMC, referred to herein as “<b>Quantlab</b>”) was formed in August 2010 and became registered with the SEC as an investment adviser on June 13, 2011 as a related adviser, per rule 203A-2(b). Both entities are under common control and subject to the same compliance program.</p> <p>QCMC provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for private investment partnerships, via a trading-feeder structure, to the following entities:</p> <ul style="list-style-type: none"> <li>• Quantlab Trading Partners US, LP, a Delaware limited partnership (“<b>QTP US</b>”)</li> <li>• Quantlab Group, LP, a Delaware limited partnership (“<b>QLG</b>”)</li> <li>• Quantlab Trading Partners, L.P., a Cayman Islands exempted limited partnership (“<b>QTP</b>”)</li> <li>• QTPM Holdings LP, a Delaware limited partnership (“<b>QTPMH</b>”)</li> <li>• Q1 Partners, LP, a Cayman Islands exempted limited partnership (“<b>Q1</b>”)</li> <li>• Quantlab Trading Partners Delaware, LP, a Delaware limited partnership (“<b>QTPD</b>”)</li> </ul> <p>QTP, QTPMH and QTPD may be referred to collectively herein as the “<b>QTP Trading Partnerships.</b>”</p> <p>QCML provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for private investment partnerships, via a trading-feeder structure, to the following entities:</p> <ul style="list-style-type: none"> <li>• QLG</li> <li>• Q1</li> <li>• QTP</li> <li>• Q1M Holdings LP, a Delaware limited partnership (“<b>Q1MH</b>”)</li> </ul> <p>Q1 and Q1MH may be referred to collectively herein as the “<b>Q1 Trading Partnerships.</b>”</p> <p>The QTP Trading Partnerships and the Q1 Trading Partnerships may be referred to collectively herein as the “<b>Trading Partnerships.</b>”</p> <p>Each of QTP US, QLG, QTP, QTPMH, Q1, QTPD and Q1MH may be referred to individually in this Brochure as a “<b>Partnership</b>” and together as the “<b>Partnerships</b>” or “<b>Advisory Clients.</b>” The terms for each Partnership are disclosed in the Partnership’s Term Sheets, Limited Partnership Agreements</p>
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	<p>and/or other operative documents (as applicable) (the “<b>Governing Documents</b>”) that are provided to prospective investors prior to investment.</p> <p>QLG owns 100% of all of the Trading Partnerships, and also serves as an intermediary vehicle through which QTP US invests its assets into the QTP Trading Partnerships. It should be noted that QTP US does not participate in the investments made by the Q1 Trading Partnerships.</p> <p>It should be noted that in addition to the Partnerships listed above, Quantlab also acts in an investment advisory capacity to certain wholly-owned trading subsidiaries of the Trading Partnerships used to carry out certain investment objectives of the Trading Partnerships, (the “<b>Trading Subsidiaries</b>”). For example, certain entities were set-up for the sole or primary purpose of trading certain foreign securities or commodity interests that are not allowed to be traded in the Trading Partnerships for various tax and legal reasons. Such Trading Subsidiaries are not offered directly to investors and are wholly owned subsidiaries of Quantlab and its entities.</p> <p>The Trading Subsidiaries are as follows for QCMC and QCML:</p> <p><u>QCMC</u></p> <ul style="list-style-type: none"> <li>• QTPM Limited, a limited liability company registered and incorporated under the laws of Malta (“<b>QTPML</b>”) and wholly owned by QTPMH</li> <li>• QE Holdings, LLC, a Delaware limited liability company (“<b>QEH</b>”) wholly owned by QTP</li> <li>• Quantlab Europe, BV, a Netherlands company (“<b>QEB</b>”) wholly owned by QEH</li> <li>• Quantlab Europe Services B.V. (“<b>QES</b>”), a Netherlands company Service Company</li> </ul> <p><u>QCML</u></p> <ul style="list-style-type: none"> <li>• Q1E, LP, a Delaware limited partnership wholly owned by Q1 (“<b>Q1E</b>”)</li> <li>• Q1M Limited, a limited liability company registered and incorporated under the laws of Malta (“<b>Q1M</b>”) and wholly owned by Q1MH</li> <li>• Q1 Offshore Partners, Ltd., a BVI business company (“<b>Q1OP</b>”) wholly owned by a Quantlab affiliate</li> </ul> <p>For purposes of this Brochure, QTPML, QEH, QEB, QES, Q1E, Q1M, and Q1OP are not included in the terms “Advisory Clients” or “Partnerships” but are included in the asset calculation for <b>Item 4.E</b> below.</p> <p>QCMC and QCML each act as the trading manager and investment adviser to each of their respective Partnerships. QCMC, QCML or another Quantlab affiliate also serves as general partner to its respective Partnerships.</p> <p>QCMC invests primarily in equities and other securities on behalf of the QTP Trading Partnerships (and any trading subsidiaries utilized by the QTP Trading Partnerships), although it should be noted that Q1 trades in Japanese futures. QCML invests primarily in futures and other commodity interests on behalf of the Q1 Trading Partnerships (and any trading subsidiaries utilized by the Q1 Trading Partnerships), although it should be noted that QTP will trade in Asian equities.</p>
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	<p>Quantlab Securities, LP (“<b>QLS</b>”), an affiliate of Quantlab, is registered as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority (“<b>FINRA</b>”). QLS provides U.S. equity order routing services to Quantlab’s Advisory Clients. Further, Quantlab Technologies Ltd. (“<b>QLT</b>”), owns directly and indirectly the software intellectual property that was developed by Quantlab Financial, LLC (the 100% owner of Quantlab) (“<b>QLF</b>”) and is used by Quantlab to manage the Partnerships. It should also be noted that QLT pays QLF to maintain the software.</p> <p>QLF is the sole direct owner of Quantlab. Wilbur Edwin Bosarge, Jr. serves as Manager and Chief Executive Officer of QLF. QLG is the sole owner of QLF.</p> <p>Quantlab does not have any direct employees. Quantlab utilizes employees of its parent company, QLF, and subsidiaries of QLF to carry on its services.</p>
<p><b>Item 4.B</b></p>	<p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>Quantlab provides investment advisory services to pooled investment subsidiaries operating as proprietary trading partnerships trading entirely for their own accounts. <b>Quantlab advises such proprietary trading partnerships for QLF employees and the founders of QLT (the “Partnership Investors”). Quantlab is <u>not</u> offering interests/shares of its Partnerships to persons outside of these groups.</b></p> <p>Quantlab’s general investment objective for its clients is to seek to generate short-term capital appreciation with volatility that is substantially lower than that of the equity market and returns that demonstrate little or no correlation with either equity or fixed income markets. In this regard, Quantlab utilizes a number of proprietary investment technologies that are automated and quantitatively based technologies, utilizing state of the science modeling methodologies. The limited capacity and nature of this strategy make it suitable for a very limited, select group of investors.</p> <p>Quantlab generally imposes no limits on the types of securities or other instruments in which it (on behalf of its Advisory Clients) may take positions, the types of positions it may take, the concentration of its investments, or the amount of leverage that may be employed including the extent of margin trading and short positions. Quantlab retains broad discretion to employ any securities or commodity interest trading or investment techniques, including equity derivatives. There can be no assurance that the investment objectives of the Partnerships will be achieved.</p> <p>Notwithstanding the foregoing and to specify, in pursuit of the respective Advisory Clients’ investment objectives, QCMC invests primarily in equities and other securities on behalf of the QTP Trading Partnerships (and any trading subsidiaries utilized by the QTP Trading Partnerships) and QCML invests primarily in futures and other commodity interests on behalf of the Q1 Trading</p>

	Partnerships (and any trading subsidiaries utilized by the Q1 Trading Partnerships).
<b>Item 4.C</b>	<p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>Quantlab utilizes automated technology to effect its trading. As such, Quantlab is unable to tailor its advisory services to the individual needs of Partnership Investors, nor is Quantlab able to accept investor-imposed investment restrictions with respect to the Partnerships.</p>
<b>Item 4.D</b>	<p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>Quantlab does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</p> <p>As of December 31, 2018, QCMC manages \$255,761,753 of Advisory Client regulatory assets under management on a discretionary basis and QCML manages \$27,648,755 of Advisory Client regulatory assets under management on a discretionary basis.</p>

## ITEM 5 – FEES AND COMPENSATION

<b>Item 5.A</b>	<p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>Quantlab does not receive compensation for its advisory services. It does not charge the Partnerships any management fees or performance-based fees. The Partnerships bear expenses related to their operations, as described below.</p>
<b>Item 5.B</b>	<p>Describe whether you deduct fees from <i>clients'</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>Not applicable.</p>
<b>Item 5.C</b>	<p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual Partnership expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</p> <p>The Partnerships will bear their own expenses and their pro rata share of the Trading Partnership's expenses. The Trading Partnerships will generally be responsible for payment of all costs and expenses incurred by or on behalf of the Partnerships including, without limitation, interest on the Partnerships' borrowings (on margin or otherwise), all costs and expenses associated with negotiating and entering into contracts and arrangements in the ordinary course of the Partnerships' business, all trading costs and expenses (such as, for example, expenses relating to short sales, brokerage commissions, clearing and settlement charges, custodial fees and service fees), all costs and expenses associated with the organization of the Partnerships or the offering or sale of interests therein (including, without limitation, filing fees and legal and accounting fees), all costs of communication with investors and potential investors, printing costs, and all third party bookkeeping, recordkeeping, administrative, legal agency, registrar, legal, accounting, tax preparation, professional, expert and consulting fees and expenses (including the fees and expenses of counsel for Quantlab) arising in connection with the Partnerships' business. As noted below, one of the expenses borne by the Partnerships are brokerage commissions paid to an affiliate of Quantlab, QLS. As noted below, the level of brokerage commissions paid to QLS is significant.</p> <p>Quantlab bears all of its other operating, general, administrative, and overhead costs and expenses, and does not charge the Trading Partnership for any thereof. The organizational expenses of the Partnerships were paid and expensed by each respective Partnership.</p> <p><b>The information contained herein is a summary only and is qualified in its entirety by the relevant Term Sheets or other Governing Documents (as applicable) of the Partnerships. Partnership Investors are encouraged to refer to these documents and/or contact Quantlab for additional information.</b></p>



<b>Item 5.D</b>	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>Not applicable.</p>
<b>Item 5.E</b>	<p>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual Partnerships, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable.</p>
<b>Item 5.E.1</b>	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual Partnerships, disclose whether you will recommend “no-load” Partnerships.</p> <p>Not applicable.</p>
<b>Item 5.E.2</b>	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable.</p>
<b>Item 5.E.3</b>	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual Partnerships, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable.</p>
<b>Item 5.E.4</b>	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p><b>Note:</b> If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes</p> <p>Not applicable.</p>

## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

Not applicable. As described in **Item 5.A** above, Quantlab does not charge the Partnerships management fees or performance-based fees. The Partnerships bear expenses related to their operations.

## ITEM 7 – TYPES OF CLIENTS

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Quantlab provides investment advisory services to pooled investment subsidiaries operating as private investment Partnerships. The Partnerships offer interests/shares only to certain qualified investors and admission to the Partnerships is not open to the general public. The limited capacity and nature of this strategy make it suitable for a very limited, select group of investors. **Please note that Quantlab advises proprietary investment subsidiaries for QLF employees and QLT founders. Quantlab is not offering interests in its Partnerships to persons outside of these groups.**

Each investor in the Partnerships must generally be an “accredited investor” within the meaning of Regulation D under the Securities Act of 1933, and, if applicable, a “qualified purchaser” under Section 2(a)(51) of the Investment Company Act of 1940, as amended.

Please note the investment minimum for the accounts of all of the Partnerships are all subject to the discretion of Quantlab.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

<b>Item 8.A</b>	<p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p>As stated above, Quantlab (on behalf of its Advisory Clients) uses a number of proprietary automated investment technologies, utilizing state of the science quantitative modeling methodologies. All investment and research personnel employed by QLF are generally required to have post-graduate scientific or professional degrees, such as Ph.Ds or Masters, although QLF reserves the right to make (and has made) certain exceptions to this requirement on a case-by-case basis, depending on such factors as the individual's professional experience, expertise and other variables that QLF may take into consideration.</p> <p>The Partnerships' investment objective is to seek to generate short-term capital appreciation with volatility that is substantially lower than that of the equity market and returns that demonstrate little or no correlation with either equity or fixed income markets. As the core of its investment program, the Partnerships apply the QLT Technology. The QLT Technology is an automated and quantitatively based technology, utilizing financial modeling methodologies. The QLT Technology is the proprietary investment technology developed by affiliates of Quantlab and owned by Quantlab Technologies, Ltd., a BVI business company ("QLT"). No assurance can be given that these objectives will be achieved.</p> <p>The proprietary QLT Technology employs a market neutral strategy. Quantlab, through the use of the proprietary QLT Technology, takes advantage of its capability for high-frequency electronic trading, and as such uses its quantitative driven investment computer programs to hold short-term positions in equities, ETFs, commodity interests (for applicable Partnerships), cash bonds and other liquid financial instruments that can be traded electronically.</p> <p>The Trading Partnerships also may engage in short selling, margin trading, hedging and other securities investment strategies as determined by Quantlab in its exclusive discretion. Certain of the Partnerships also invest in commodity interests.</p> <p><b>Each of the Trading Partnerships has broad and flexible investment authority. The Partnerships may have other strategies or engage in other activities than those described herein. The information contained herein is a summary only and is qualified in its entirety by the relevant Term Sheets or other Governing Documents (as applicable). Partnership Investors are encouraged to refer to these documents and/or contact Quantlab for additional information.</b></p> <p><b>An investment in the Partnerships may be deemed speculative and is not intended as a complete investment program. The Partnerships are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Partnerships.</b></p>
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<p><b>Item 8.B</b></p>	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p><b>Business Risks</b></p> <p>The Partnerships invest substantially all of their available capital in the Trading Partnerships, which in turn invest in securities, and may engage in short sales of securities. While the QLT Technology is designed to invest in highly liquid securities that are traded in public markets, markets for such instruments in general are subject to fluctuations and the market value of any particular investment may be subject to substantial variation. No assurance can be given that the Partnerships' investment portfolio will generate any income or will appreciate in value.</p> <p><b>Technology Risks</b></p> <p>The Partnerships base the core of their investment program on the QLT Technology. The QLT Technology determines which securities to buy and sell based on the current market price data that is received by Quantlab. The Partnerships may experience price slippage; that is, it is possible that the Partnerships are not able to obtain exactly the prices that Quantlab is acting upon. In addition, transaction costs will also reduce the profit (or increase the loss) on any particular securities trade.</p> <p>Quantlab automates its trading of U.S. equities by implementing a direct link connecting to QLS. QLS is able to seamlessly route the Trading Partnerships' orders directly to various market centers using proprietary technology.</p> <p>It is not uncommon for technology in all industries to suffer setbacks and not work as well as originally planned for some period of time after implementation. In some instances, technological developments never work as well as planned and sometimes fail.</p> <p><b>Limited Liquidity of Investments</b></p> <p>While the QLT Technology is designed to invest in highly liquid securities, securities in which the Trading Partnerships invest may become thinly traded, relatively illiquid, or may cease to be traded after the Trading Partnerships invest. The Trading Partnerships may also acquire significant positions in some securities. In such cases, and in the event of extreme market activity, the Partnerships may not be able promptly to liquidate its investments if the need should arise. In addition, the Partnerships' sales of thinly traded securities could depress the market value of such securities and thereby reduce the Partnerships' profitability or increase its losses. Such circumstances or events could affect materially and adversely the amount of gain or loss the Partnerships may realize.</p> <p><b>Cybersecurity Risk</b></p> <p>Quantlab and its Advisory Clients generally rely on information technology systems for current and planned operations. Information and technology systems of Quantlab may be vulnerable to damage and interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective</p>
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	<p>professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Quantlab or Advisory Client(s) may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect an Advisory Client's investment results and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Quantlab's and/or Advisory Clients' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Quantlab or Advisory Clients' reputation, subject them to legal claims and otherwise affect their business and financial performance.</p> <p><b>The information contained herein is a summary only and is qualified in its entirety by the relevant Term Sheets or other Governing Documents (as applicable). Partnership Investors are encouraged to refer to these documents and/or contact Quantlab for additional information.</b></p>
<b>Item 8.C</b>	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p><b>Short Sales</b></p> <p>A short sale results in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale results in a loss if the price of the securities sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that the Partnerships may be required to pay with respect to the borrowed securities, offset (wholly or partly) by short interest credits. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss. To complete a short sale, the Partnerships must borrow the securities being sold short. Although the Partnerships have established accounts at securities brokerage firms, it may be impossible for the Partnerships to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. In addition, there are rules prohibiting short sales of securities at prices below the last sale price, which may prevent the Partnerships from executing short sales of securities at the most desirable time. If the prices of securities sold short increase, the Partnerships may be required to provide additional Partnerships or collateral to maintain the short positions. This could require the Partnerships to liquidate other investments to provide additional margin, and such liquidations might not be at favorable prices. In other situations, the lender of securities may request return of the borrowed securities and the Partnerships may not be able to borrow those securities from another lender. Consequently, this will cause a "buy-in" of the short position, which may be disadvantageous to the Partnerships.</p> <p><b>Hedging, Leverage and Margin</b></p> <p>The Partnerships also engage from time to time in hedging, leverage (including, but not limited to margin trading) and other strategies. Hedging strategies in</p>

general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. Any of such strategies that the Partnerships employs should be expected to increase the Partnerships' transaction costs, interest expense and other costs and expenses. No assurance can be given that short sales, hedging, leverage and other techniques and strategies will not result in material losses for the Partnerships. The Partnerships may invest on margin and may employ other leveraging strategies, which can increase profit potential, but concomitantly increase risk of loss and volatility. In addition, margin trading requires the pledge of Partnership securities as collateral, and margin calls can result in the Partnership being required to pledge additional collateral or to liquidate the Partnership's holdings, which may necessitate the sale of portfolio securities at substantial losses that would not otherwise be realized

### **Foreign Exchanges**

The Partnerships may engage in trading on non-United States exchanges and contract markets. Trading on such exchanges involves certain risks not applicable to trading on United States exchanges and is frequently less regulated. For example, some exchanges may not provide the same assurances of the integrity of the marketplace and its participants as U.S. exchanges. In addition, some non-U.S. exchanges are "principals' markets" in which performance is the responsibility of the individual with whom the trader has dealt; it is not the responsibility of the exchange or a clearing association. Finally, trading on foreign exchanges is subject to the risk of changes in the exchange rate between the United States dollar and the currencies in which the contracts are settled.

### **Futures Trading**

There is a significant amount of risk involved in trading futures contracts and options thereon. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

Futures Trading is Speculative and Volatile. Futures contract prices are highly volatile. Prices of commodity interests are affected by a wide variety of complex and hard to predict factors such as political and economic events and the prevailing psychological characteristics of the marketplace.

Futures Trading is Highly Leveraged. The low margin deposits normally required in futures trading (typically between 2% and 25% of the value of the contract) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. Like other leveraged investments, any trade may result in losses in excess of the amount invested.

Futures Trading May be Illiquid. It is not always possible to initiate or close a position at the desired price due to market conditions or price fluctuations. For example, when the market price of a futures contract reaches its daily price limit, no trades beyond the limit can be executed. Daily price limits are established by the exchanges and approved by the CFTC. The holder of a futures contract may therefore be locked into an adverse price movement for several days or more and may lose considerably more than the initial margin paid to establish the position. Furthermore, it may be difficult to execute positions in thinly traded markets or markets which lack sufficient liquidity. As a result, no assurances can be made that orders will be executed at or near the desired price. It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading

	<p>in a particular contract be conducted for liquidation only. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that may be held in particular commodities. Trading in commodity futures contracts and options are highly specialized activities that may entail greater than ordinary investment or trading risks.</p> <p><u>Counterparty Creditworthiness.</u> The Q1 Trading Partnerships could be unable to recover assets held at the future commission merchant (“FCM”) in the event of bankruptcy or insolvency or if the FCM fails to properly segregate customer Partnerships as required by the Commodity Exchange Act.</p> <p><u>Options on Futures.</u> The Q1 Trading Partnerships may trade options on futures. Options are speculative in nature and are highly leveraged. The purchaser of an option risks losing the entire purchase price of the option. The seller (writer) of an option risks losing the difference between the premium received for the option and the price of the underlying futures contract that the writer must purchase upon exercise of the option. This could subject the writer to unlimited risk in the event of an increase in the price of the contract to be purchased or delivered.</p> <p><u>Foreign Futures and Options.</u> The Q1 Trading Partnerships may engage in trading on non-United States exchanges and contract markets. Trading on such exchanges involves certain risks not applicable to trading on United States exchanges and is frequently less regulated. For example, some exchanges may not provide the same assurances of the integrity of the marketplace and its participants as U.S. exchanges. In addition, some non-U.S. exchanges are "principals' markets" in which performance is the responsibility of the individual with whom the trader has dealt; it is not the responsibility of the exchange or a clearing association. Finally, trading on foreign exchanges is subject to the risk of changes in the exchange rate between the United States dollar and the currencies in which the contracts are settled.</p> <p><u>Stock Futures Index Contracts.</u> The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Secondly, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause temporary price distortions. Successful use of stock index futures contracts by the Q1 Trading Partnerships also are subject to Quantlab’s ability to correctly predict movements in the direction of the market.</p> <p><b>Possibility of Additional Government or Market Regulation</b></p> <p>In addition, the Dodd-Frank Act, among other things, grants the SEC and the CFTC broad rulemaking authority to implement various provisions of the Dodd-Frank Act including comprehensive regulation of the OTC derivatives market. The implementation of the Dodd-Frank Act could adversely affect the Partnerships by increasing transaction and/or regulatory compliance costs.</p>
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	<p>Investing in securities involves significant risks, including the risk of loss of some or all of an investment.</p> <p><b>The information contained herein is a summary only and is qualified in its entirety by the relevant Term Sheets or other Governing Documents (as applicable). Partnership Investors are encouraged to refer to these documents and/or contact Quantlab for additional information.</b></p>
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## ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Notwithstanding the below responses, it should be noted that certain principals of Quantlab are also principals of QLS, an affiliate of Quantlab which acts as a fully disclosed introducing broker-dealer for Quantlab's Advisory Clients that trade U.S. equities. QLS's disciplinary history includes several OATS and other violations which are disclosed in its Form BD, publicly available on the FINRA website.

<p><b>Item 9.A</b></p>	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</li> <li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li> <li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li> <li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i></li> </ol> <p>Not applicable.</p>
<p><b>Item 9.B</b></p>	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority <ol style="list-style-type: none"> <li>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> </ol> </li> </ol>

	<p>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</p> <p>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</p> <p>Not applicable.</p>
<b>Item 9.C</b>	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</li> </ol> <p>Not applicable.</p>

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

<p><b>Item 10.A</b></p>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>It should be noted that QLS, an affiliate of Quantlab, is a registered broker-dealer and member firm of FINRA, and acts as a fully disclosed introducing broker-dealer for Quantlab’s Advisory Clients in connection with brokerage transactions in U.S. equities. When QLS routes orders for Advisory Clients, it seeks reimbursement from the Trading Partnerships of all transaction costs that it incurs to route such orders. In addition, QLS seeks to earn a nominal profit on this activity.</p> <p>Several QLF employees are also registered representatives of QLS.</p>
<p><b>Item 10.B</b></p>	<p>If you or any of your <i>management persons</i> are registered, or 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, disclose this fact.</p> <p>Not applicable to Quantlab.</p>
<p><b>Item 10.C</b></p>	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p>As noted in <b>Item 5.A</b>, above, an affiliate of Quantlab, QLS, is a registered broker-dealer and member firm of FINRA, and acts as a fully disclosed introducing broker-dealer for Quantlab’s Advisory Clients that trade U.S. equities.</p>

<p><b>Item 10.D</b></p>	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>Not applicable.</p>
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## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

<p><b>Item 11.A</b></p>	<p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</p> <p>Quantlab’s Code of Ethics (the “Code”) is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (“Advisers Act”). The Code applies to Quantlab’s Access Persons (which term includes all employees of QLF) and sets forth a standard of business conduct that takes into account Quantlab’s status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and Investors above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Quantlab’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on an annual basis.</p> <p>As required by Rule 204A-1 of the Advisers Act, the Code also sets forth certain reporting and preclearance requirements with respect to personal trading by access persons. Quantlab’s Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Quantlab’s Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1.</p> <p>Quantlab and its personnel may have conflicts in allocating their time and services among the Advisory Clients. Quantlab will devote as much time to each of the Advisory Clients as it deems appropriate to perform its duties in accordance with its investment management agreements. It should be noted that Quantlab, its affiliates and employees may conduct outside business activities.</p> <p>In addition, the Code of Ethics ensures the protection of nonpublic information about the activities of the Partnerships. Investors or prospective investors may obtain a copy of Quantlab’s Code of Ethics by contacting the Chief Compliance Officer, James Roberson, at 713-333-5456.</p>
<p><b>Item 11.B</b></p>	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>The principals, officers and employees of QLF and its affiliates may buy and sell, for their own account or for the account of other clients, securities and other financial instruments, in each case of the same or a similar type to those bought or sold on behalf of the Partnerships. Quantlab utilizes an automated trading platform that trades at an extremely high frequency with very short portfolio holding periods. Due to the nature of this type of trading it would extremely difficult for any principal, officer or employee of Quantlab to be able to replicate</p>

	<p>Quantlab’s exact trading strategy and overcome the high transaction costs of high-frequency trading.</p> <p>It should be specifically noted that Quantlab or its affiliates may participate in or sponsor other investment subsidiaries, and possibly have additional investment advisory clients, in the future. Quantlab and its affiliates may give advice and take action with respect to any one advisory client that may differ from advice given or the timing or nature of action taken with respect to another advisory client. It is the policy of Quantlab, to the extent practicable, to allocate investment opportunities to an Advisory Client over a period of time on a fair and equitable basis relative to any other Advisory Client. Quantlab and its affiliates are not obligated to acquire for any Advisory Client any security that Quantlab or its managers, officers, employees or affiliates may acquire for its or their own accounts or for any other Advisory Client, if it is not practical or desirable to acquire a position in such security for that Advisory Client. Potential conflicts of interest may arise in connection with the personal trading activities of Quantlab’s employees. In an effort to mitigate such conflicts, Quantlab takes appropriate measures to assure that neither they nor any of their affiliates unfairly profits from any transaction between any of them and an Advisory Client. Quantlab uses its best efforts to apportion or allocate business opportunities among persons or entities to or with which it and its affiliates have fiduciary duties and other relationships on a basis that is fair and equitable to the maximum possible extent to each of such persons or entities.</p> <p>As stated in <b>Item 11</b> herein, in order to address these potential conflicts and in recognition of Quantlab’s fiduciary obligations to its Advisory Clients and Quantlab’s desire to maintain its high ethical standards, Quantlab has adopted a Code of Ethics containing provisions designed to: (i) prevent improper personal trading by Quantlab’s “Access Persons”; (ii) prevent improper use of material, non-public information about securities recommendations made by Quantlab or securities holdings of the Partnerships; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Partnerships.</p> <p>Lastly, it should be noted that Quantlab will not, directly or indirectly, while acting as principal for its own account, knowingly sell any security to, or purchase any security from, a Partnership and generally does not contemplate engaging in agency-cross transactions.</p>
<b>Item 11.C</b>	<p>If you or a <i>related person</i> invests in the same securities (or related securities, <i>e.g.</i>, warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>Quantlab believes that high ethical standards are essential for the success of Quantlab and to maintain the confidence of its Advisory Clients. The Code is designed to ensure that the personal securities transactions of Quantlab and its affiliates, officers and employees (and members of their families) do not conflict with transactions effected on behalf of the Advisory Clients. Employees of QLF must (i) place the interests of Advisory Clients and, in the case of the Partnerships, Partnership Investors, first, (ii) avoid taking inappropriate advantage of their positions within the firm, and (iii) conduct their personal securities transactions</p>

	<p>in full compliance with the Code. As required by Rule 204A-1 of the Advisers Act, Quantlab requires its Access Persons to report their securities transactions on a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. Quantlab also requires its Access Persons to preclear certain security transactions, as detailed in the Code.</p> <p>Quantlab's personnel are required to certify their compliance with the Code of Ethics and Policies and Procedures.</p>
<b>Item 11.D</b>	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Please refer to <b>Items 11.A, 11.B, and 11.C</b>.</p>



## ITEM 12 – BROKERAGE PRACTICES

<b>Item 12.A.1</b>	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p><u>Research and Other Soft Dollar Benefits.</u> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <ol style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</li> <li>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</li> </ol> <p>Quantlab has implemented an automated trading system with an affiliated broker. This affiliated broker routes all orders in U.S. equities on behalf of Quantlab’s Advisory’s Clients.</p> <p>Quantlab, at its exclusive discretion, selects the executing brokers on the basis of best execution for its Advisory Clients. QLS, an affiliate of Quantlab, is a registered broker-dealer and member firm of FINRA, and acts as a fully disclosed introducing broker-dealer for Quantlab’s Advisory Clients in connection with brokerage transactions for US equities and options.</p> <p>In selecting brokers or dealers to execute transactions in European and Asian securities, Quantlab seeks to minimize transaction costs but is not required to solicit competitive bids and does not have an obligation to seek the lowest</p>
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	<p>available commission if it feels an alternative is in the best interest of the Advisory Client. In selecting brokers and negotiating commission rates, Quantlab will take into account the financial stability and reputation of brokerage firms, and the brokerage, and execution services provided by such brokers. Finally, it is noted that since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may result in higher transaction costs than would otherwise be obtainable.</p> <p>It should be noted that the investment programs utilized by Quantlab on behalf of its Advisory Clients are sensitive to short-term market considerations. The turnover of the Advisory Clients' portfolios (and the concomitant brokerage, custodial and other transaction costs and expenses) will likely be considerably greater than the turnover rates (and transaction costs) of other types of investment subsidiaries. In this regard, the high turnover rate typical of Quantlab's Advisory Clients' portfolios together with the fact that an affiliate of Quantlab, QLS, executes securities transactions for Quantlab's Advisory Clients and receives compensation for performing these services, assist in creating a profitable business for QLS. Generally, QLS handles all of the trades for Advisory Clients of Quantlab in US equities and options. It should be noted, however, that Quantlab is of the view that if it did not engage QLS, which utilizes proprietary order routing software, to effect its Advisory Clients' securities transactions, execution costs (including brokerage commissions and market impact slippage) would be higher than present levels.</p> <p>Due to this relationship, Quantlab does not currently utilize "soft dollars."</p> <p>Quantlab has the right, at its discretion, to change the brokerage arrangements described above without further notice to investors.</p>
<b>Item 12.A.2</b>	<p><u>Brokerage for Client Referrals.</u> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> <li>Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</li> <li>Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ol> <p>QLS, an affiliate of Quantlab, acts as fully disclosed introducing broker-dealer for Quantlab's Advisory Clients. Quantlab does not receive client referrals from QLS.</p>
<b>Item 12.A.3</b>	<p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> <li>If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require</li> </ol>

	<p>their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</p> <p>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</p> <p>Quantlab does not have directed brokerage arrangements.</p>
<b>Item 12.B</b>	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>Quantlab may aggregate sale and purchase orders of securities held by an Advisory Client with similar orders being made simultaneously for other Advisory Clients if, in Quantlab's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Advisory Clients in the aggregate based on an evaluation that the Advisory Clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these factors. In many instances, the purchase or sale of securities for an Advisory Client will be affected simultaneously with the purchase or sale of like securities for other Advisory Clients. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, and a particular Advisory Client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to certain Advisory Clients than it would be if similar transactions were not being executed concurrently for other Advisory Clients.</p>

## ITEM 13 – REVIEW OF ACCOUNTS

<b>Item 13.A</b>	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p> <p>The Advisory Client portfolios are regularly reviewed and their performance is analyzed on a daily basis. All investment and research personnel employed by QLF are generally required to have post-graduate scientific or professional degrees, such as Ph.Ds or Masters, although QLF reserves the right to make (and has made) certain exceptions to this requirement on a case-by-case basis, depending on such factors as the individual’s professional experience, expertise and other variables that QLF may take into consideration.</p> <p>In addition, the Chief Compliance Officer will periodically review Quantlab’s trade policies and procedures to ensure that it represents Quantlab’s current practices and (to the best of its reasonable knowledge and belief) is in conformity with applicable law and regulations</p>
<b>Item 13.B</b>	<p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>Please see <b>Item 13.A</b>. The accounts are under continuous review.</p>
<b>Item 13.C</b>	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>Investors will receive annual audited financial statements, and in addition investors in the limited partnerships will receive Schedule K-1s on an annual basis.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

<b>Item 14.A</b>	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p>
<b>Item 14.B</b>	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Not applicable.</p>

## ITEM 15 – CUSTODY

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Quantlab is deemed to have custody of the Partnerships by virtue of each registrant's status as investment adviser and/or general partner. Quantlab maintains the assets of the Partnerships in accounts with "qualified custodians" pursuant to Rule 206(4)-2 under the Advisers Act. Quantlab utilizes a variety of custodians and prime brokers in order to diversify risk. The prime brokers and custodians for each Partnership are disclosed in the Form ADV Part 1 for each of QCMC and QCML.

Investors or prospective investors that have any questions about particular prime brokers and/or custodians for each respective Partnership should contact Quantlab.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Quantlab reasonably believes that all Partnership Investors will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Partnerships' fiscal years. Partnership Investors should carefully review the audited financial statements of the relevant Partnership upon receipt.

## ITEM 16 – INVESTMENT DISCRETION

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Quantlab has discretionary authority to manage the Partnerships. Quantlab is authorized to make purchase and sale decisions for the Partnerships. As explained in **Item 4.C** above, individual Partnership Investors do not have the ability to impose limitations on Quantlab's discretionary authority. Prospective Partnership Investors are provided with a Term Sheet or other Governing Documents (as applicable) prior to their investment and are encouraged to carefully review, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Partnership Investors must execute a subscription agreement or limited partnership agreement, where applicable, which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms.

## ITEM 17 – VOTING CLIENT SECURITIES

<p><b>Item 17.A</b></p>	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Quantlab understands and appreciates the importance of ensuring that its proxy voting procedures are clearly described to Advisory Clients and investors. As Quantlab uses a number of proprietary investment technologies that are automated and quantitatively based, Quantlab has adopted a policy whereby it does not vote proxies. To the extent that Quantlab has discretion to vote the proxies of its Advisory Clients, Quantlab will inform all Advisory Clients and Partnership Investors that it has adopted a firm policy of not voting any such proxies. Quantlab is of the view that any issues related to proxy voting of portfolio issues are irrelevant to the investment strategy employed by Quantlab (on behalf of Advisory Clients). As such, Quantlab is of the view that reallocating resources from the research and portfolio management process to addressing issues related to such proxies is not in the best interests of Advisory Clients (as it is also irrelevant to Quantlab’s trading strategies).</p> <p>Notwithstanding the general procedures outlined above, Quantlab will adhere to the procedures listed below.</p> <p>All proxies sent to Advisory Clients that are actually received by Quantlab (if any) will be provided to the Chief Compliance Officer. A record of each proxy received by Quantlab (on behalf of its Advisory Clients) will be logged in a spreadsheet for tracking purposes. The Chief Compliance Officer (or his designee) will be responsible for maintaining files relating to proxies received by Quantlab when applicable. Records will be maintained and preserved for five years from the end of the fiscal year during which the last entry was made on a record, with records for the first two years kept in the offices of Quantlab.</p> <p>If you have any questions about Quantlab’s proxy policy or its proxy record-keeping procedures, please contact the Chief Compliance Officer, James Robertson, at 713-333-5456 or via email at <a href="mailto:jrobertson@quantlab.com">jrobertson@quantlab.com</a>.</p>
<p><b>Item 17.B</b></p>	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable.</p>



## ITEM 18 – FINANCIAL INFORMATION

<b>Item 18.A</b>	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> <li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li> <li>2. Show parenthetically the market or fair value of securities included at cost.</li> <li>3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.</li> </ol> <p>Not applicable.</p>
<b>Item 18.B</b>	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Quantlab is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.</p>
<b>Item 18.C</b>	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable.</p>