

ITEM 1 – COVER PAGE

Qsemble Capital Management, LP

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Form ADV Part 2A: Firm Brochure

March 2024

This brochure provides information about the qualifications and business practices of Qsemble Capital Management, LP. If you have any questions about the contents of this brochure (“Brochure”), please contact us at 646-813-3501 or contact@qsemble.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Qsemble Capital Management, LP is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Qsemble Capital Management, LP also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

In this Item 2, we are required to identify and discuss material changes to this Brochure since the last annual update. There have been no Material Changes since the last annual amendment, which was filed on March 31, 2023.

Qsemble Capital Management, LP will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. Qsemble Capital Management, LP may also provide other ongoing disclosure information about material changes as necessary and provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

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ITEM 4 – ADVISORY BUSINESS

- A. Qsemble Capital Management, LP (“Qsemble”, the “Firm”, “our” or “we”) is a Delaware limited partnership formed in 2017 with its principal place of business in New York, New York. The Firm is owned and controlled by Steven Lin, the Firm’s Chief Executive Officer and Managing Partner; Peter Lubans serves as Head of Research and Development and Managing Partner of the Firm; and Zhihong “Hook” Huang serves as the Chief Operating Officer, Chief Compliance Officer and Managing Partner of the Firm.

Our registration on Form ADV also covers Qsemble GP LLC (the “Fund General Partner”), a limited partnership organized under the laws of the state of Delaware. The Fund General Partner is an affiliate of Qsemble and serves as the general partner of the Qsemble Funds (as defined below) that are U.S. partnerships or Cayman Islands exempted limited partnerships.

We serve as the investment adviser, with discretionary trading authority, to private pooled investment vehicles, the securities of which are offered to investors on a private placement basis (each, a “Qsemble Fund” and collectively, the “Qsemble Funds”). The Qsemble Funds currently include:

- Qsemble Domestic LP, a Delaware limited partnership;
- Qsemble Offshore Ltd., a Cayman Islands exempted company; and
- Qsemble Master LP, a Cayman Islands exempted limited partnership (the “Master Fund”), which serves as the master fund in which Qsemble Domestic LP and Qsemble Offshore Ltd. each invest pursuant to a “master feeder” structure.

Additionally, the Firm provides discretionary investment advice to one or more portfolios of an investment fund managed by an independent SEC-registered investment adviser (the “Portfolio”) pursuant to the terms, guidelines and restrictions provided in an Account Management Agreement (“AMA”).

As used herein, the term “Clients” generally refers to both Qsemble Funds and the Portfolio (each individually, a “Client”). Each of Qsemble Domestic LP and Qsemble Offshore Ltd. is referred to herein as a “Feeder Fund” and collectively as the “Feeder Funds.” While much of this Brochure applies to all Clients, certain information included herein applies only to specific Clients or a specific Fund.

- B. We use portfolio optimization techniques to construct a diversified portfolio strategy. The strategy is long-short dollar neutral, which we believe minimizes exposure to common risk factors such as market, sectors/industries, and value/growth.

Qsemble may engage in high frequency trading. Our systematic and quantitative model (“Model”) triggers the frequency of the trading activity. The Model utilizes publicly available data that we extract in order to build predictive models (e.g., predicted returns, volatility, liquidity). Positions will typically represent 1% or less of the Master Fund’s portfolio and will be held between two to twenty days based on data driven through the Firm’s Model.

Qsemble’s quantitative analysis and trading activities are primarily applied to U.S. publicly traded equity securities or non-U.S. publicly traded equity securities listed in liquid markets generally considered mature. Qsemble’s Clients will be advised to take positions either by purchasing such securities, selling them short, or replicating long or short positions through the use of derivatives called swaps. Qsemble will also advise its Clients to take positions in other instruments as disclosed in each respective Client’s Governing Documents (as defined below).

Subject to the Qsemble Funds' subscription documents and/or side letters, some Investors (as defined below) may have certain terms different to other Investors, including but not limited to; liquidity, notice period, transparency, fees and/or leverage. Any such conflicts of interest will be mitigated through Qsemble's risk management in addition to Qsemble's policies and procedures.

- C. We manage and tailor our advisory services to each Client in accordance with the Client's investment objectives, strategies, guidelines, terms and conditions, and any investment restrictions set forth in the Client's confidential private placement memorandum, Account Management Agreement or similar agreement, partnership agreement and/or other organizational documents (collectively, "Governing Documents"), as applicable. We generally do not tailor our advice to the needs of any Client's individual investors ("Investors"). In general, neither Clients nor their Investors may impose limitations on any Client's investment activities beyond any described in the applicable Governing Documents. However, subject to a Client's Governing Documents, we reserve the right to tailor other contractual rights of certain Investors through side letters in our sole discretion.
- D. We do not currently participate in any Wrap Fee Programs.
- E. As of December 31, 2023, the Firm had approximately \$1,260,482,434 of regulatory assets under management, all on a discretionary basis.

ITEM 5 - FEES AND COMPENSATION

- A. The fees applicable to each Client are set forth in detail in each Client's respective Governing Documents. The Qsemble Funds' fee schedules are omitted because this brochure is being delivered only to "qualified purchasers," as defined in 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "Investment Company Act"). For other Clients, such as the Portfolio, the applicable types, frequency, calculation, and manner of our receipt of fees and compensation in connection such Clients are negotiated and set forth in the applicable Governing Documents and may vary from those of other Clients. A brief summary of the fees, expenses, and incentive compensation to which the Qsemble Funds are subject, however, is provided below.

Qsemble (and/or its general partner) generally receives an asset-based management fee from the Qsemble Funds that is calculated and accrued monthly, based on the net asset value of each capital account as of the beginning of such month as adjusted to reflect profits, losses, fees and expenses (excluding the current month's management fee and any performance amount as described below) (the "Management Fee"). The Management Fee is generally payable in advance as of the first calendar day of each month.

In certain circumstances, at the discretion of Qsemble (and/or the Fund General Partner) and upon request of an Investor, the Management Fee may be negotiated as a fixed amount, be based on an "expense pass through" arrangement or be structured to reflect another amount as agreed between Qsemble and an Investor.

The Fund General Partner also receives performance-based compensation determined by the performance of each Qsemble Fund's respective assets under our management, subject to the terms of any applicable Governing Document (any such amount, an "Incentive Allocation"). Incentive Allocations will generally be calculated based upon the annual trading profits of the assets managed by us after subtracting certain expenses, including, with respect to the Qsemble Funds, the Management Fee.

Qsemble (and/or the Fund General Partner) may fully or partially waive, rebate, or calculate differently, the Management Fee and/or Incentive Allocation with respect to any Investor, including Investors who are directors, officers, employees or otherwise affiliated with Qsemble, in our sole discretion and subject to the Governing Documents.

The fees and expenses payable to the Firm by the Portfolio are calculated in accordance with the terms of the Account Management Agreement. The Portfolio is responsible for its pro rata portion of the expenses incurred by the Firm with respect to trading activity conducted in the Portfolio.

- B. Generally, the Master Fund will pay Qsemble a management fee monthly in advance. The Incentive Allocation is calculated monthly, but paid annually.

With respect to the Portfolio, management fees are not deducted from the Portfolio's assets and are paid monthly in advance. Performance fees are calculated monthly, but paid annually.

- C. Generally, all expenses of the Qsemble Funds, Qsemble and the Fund General Partner will be borne as described in the Governing Documents. While the following description of expenses assumes an asset-based fixed Management Fee as described above in Section A, in certain circumstances, at the discretion of Qsemble and upon request of an Investor, the Management Fee may be negotiated as a fixed amount, be based on an "expense pass through" arrangement or be structured to reflect another amount as agreed between Qsemble and an Investor.

The Master Fund will bear or reimburse Qsemble and/or the Fund General Partner for advancing its own expenses and those of the Feeder Funds, in each case relating to the Qsemble Funds' operational and administrative expenses and the Qsemble Funds' trading expenses.

Operational and administrative expenses include, without limitation, the following: (i) organizational fees and expenses and fees and expenses incurred in connection with the offering and sale of the Qsemble Funds; (ii) fees and expenses of third-party professionals; (iii) fees and expenses relating to information technology hardware, software or other technology; and (iv) extraordinary expenses.

Trading expenses include, without limitation, the following: (i) expenses related to brokerage and prime brokerage fees, futures commission merchant fees, commissions and expenses (including the costs of negotiating, documenting and/or amending agreements with prime brokers, ISDAs and other agreements with trading and financing counterparties), expenses relating to borrowing securities to be sold short; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and other borrowing costs; broken deal expenses; and (ii) fees and expenses relating to information technology hardware, software, real time market data (and related fees and costs for trading) or other technology (including, without limitation, costs of software licensing, implementation, data management and recovery services and custom development) used to facilitate and manage the order execution of securities or otherwise manage the Qsemble Funds (such as portfolio management systems and order management systems). Such expenses are generally subject to expense caps as provided for in the Governing Documents.

Qsemble and/or the Fund General Partner may, in their discretion, waive their right to be reimbursed for any of the foregoing expenses for any period of time. Any such waiver shall not require Qsemble or the Fund General Partner to waive their right to be reimbursed for such expenses in the future.

Qsemble and the Fund General Partner will bear their own overhead expenses and the expense relating to the research and monitoring of investments.

As noted above, the fees and expenses payable to the Firm by the Portfolio are calculated in accordance with the terms of the Account Management Agreement. The Portfolio is responsible for its pro rata portion of the expenses incurred by the Firm with respect to trading activity conducted in the Portfolio.

- D.** Clients pay their management fees in advance. In general, we do not refund any fees, pre-paid or otherwise.
- E.** Neither Qsemble nor any of its supervised persons accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

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

As described in Item 5 Fees and Compensation, Qsemble is entitled to be paid performance-based compensation from both the Qsemble Funds as well as the Portfolio. As such, Clients may have higher asset-based fees and/or performance-based compensation arrangements than other Clients. Such performance-based compensation creates a conflict of interest due to varying compensation arrangements among the Clients (e.g. taking excessive risks with respect to one Client, overvaluing assets with respect to one Client, etc.) which could incentivize Qsemble to manage the Clients' accounts differently.

To mitigate such conflicts of interest, Qsemble generally spends such amount of time on each Client's account as it believes in good faith is warranted by the respective strategies of each Client's account, and follows documented policies and procedures in allocating trading opportunities fairly among its Client's accounts, and does not take into account the fees and/or performance-based compensation to which such accounts are subject or the financial interest that Qsemble or its affiliates may have in the Qsemble Funds or any other Client's account.

Additionally, per the AMA, the Portfolio's fund general partner maintains discretion concerning matters of risk and we therefore cannot act independently with respect to decisions on the amount of investment risk taken in the Portfolio. We have no authority to value the Portfolio's assets; it is the Portfolio's fund general partner that is responsible for the final determinations on the valuation of the Portfolio's positions.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to the Qsemble Funds, as described above in Item 4.

Interests in the Qsemble Funds and the Portfolio are not registered under the U.S. Securities Act of 1933, as amended and are excepted from the definition of an “investment company” under Section 3(c)(7) of the Investment Company Act of 1940, as amended. Accordingly, interests in the Feeder Funds and Portfolio are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. Investors in Qsemble Domestic LP and the Portfolio are also Qualified Eligible Persons as defined in the Commodity Exchange Act.

Qsemble does not have a minimum account size for Clients (although the minimum initial investment for Investors in the Feeder Funds is \$1,000,000, subject to the discretion of Qsemble to accept lesser amounts). In general, Investors in Qsemble Domestic LP will be required to be qualified purchasers (as each such term is defined under applicable law) or qualified knowledgeable Qsemble personnel.

Additionally, Qsemble provides investment advice to the Portfolio, as described above in Item 4.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Qsemble uses portfolio optimization techniques to construct a diversified portfolio strategy, which is long-short dollar neutral and that we believe minimizes exposure to common risk factors such as the market, sectors/industries, and value/growth, as described in more detail in Item 4 (Advisory Business) of this Brochure.

The descriptions set forth in this Brochure of specific advisory services that we offer to clients, as well as the investment strategies we pursue and the types of investments we make on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment on behalf of our clients, including some not described in this Brochure, that we consider appropriate and in accordance with the Governing Documents.

Instruments traded may include but are not limited to the following: U.S. publicly traded equity securities or non-U.S. publicly traded equity securities listed in liquid markets generally considered mature and derivatives called swaps. Qsemble will also advise its Clients to take positions in other instruments as disclosed in each respective Client's Governing Documents (as defined below).

Alternative investment strategies are speculative and involve a high degree of risk, including, without limitation, risks associated with leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, operational risks, counterparty risk and other risks inherent in the Client's investment activities and financial instruments traded. The use of leverage can magnify the impact of adverse market moves to which Clients may be subject. Investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally, or in particular countries or markets.

There may be risks that are not monitored or controlled by us and risks that may be greater than forecasted, especially in unusual market conditions. Information used to manage risks may not always be accurate, complete or current, or, could potentially be misinterpreted by us. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

General Trading Risks and Global Macro Risks

Investment and Trading Risks. All securities investments risk the loss of capital. Qsemble believes that the Clients' investment program and Qsemble's research techniques will moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the Client's investment program will be successful or that the Clients will not incur losses. Certain Client's investment programs utilize investment techniques including, but not limited to, the use of leverage, short sales, and creating synthetic long and short positions using swaps which in practice can, in certain circumstances, increase the adverse impact to which a Client may be subject.

In certain transactions, a Client may not be "hedged" against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the subject company or the degree of legal and regulatory risk associated with investments in the securities of companies in such situations. This can result in losses, even if the proposed transaction is consummated.

Qsemble will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant instruments and the price it is willing to pay for such securities. However, such risks cannot be eliminated.

Investment Analysis. When assessing investment opportunities, Qsemble relies on resources that may have limited or incomplete information. In particular, Qsemble relies on publicly available information and data filed with various government regulators or made directly available to Qsemble by the issuers of securities or through sources other than the issuers. Although Qsemble expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, Qsemble will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness or accuracy of the information and data that it evaluates.

As a result, there can be no assurance that the due diligence exercise carried out by Qsemble will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any Client investment. Qsemble's systematic trading strategies are proprietary to Qsemble, and investors will not be furnished with the details of such strategies or how they are being implemented.

Trading Judgment. The success of Qsemble's Clients is subject to the judgment and skills of Qsemble's research and trading personnel. Additionally, Qsemble's trading abilities with regard to execution and discipline are important to the returns of the Clients. There can be no assurance that Qsemble's investment decisions or actions will be correct. Incorrect decisions or poor judgment may result in substantial losses.

Discretion to Employ Techniques. Qsemble has considerable discretion in the types of securities and other instruments which the Clients may trade and has the right to modify the trading or hedging techniques of the Clients. Any of these new trading techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Clients. In addition, any new investment or hedging technique developed by Qsemble may have a different risk profile than earlier techniques and may increase the risk of the Clients investment. In addition, any new investment or hedging technique developed by Qsemble could be more speculative than earlier techniques and may increase the risk of a Client's investment.

Concentration of Investments. Subject to any limitations adopted by Qsemble from time to time and programmed into its quantitative trading systems, the Master Fund and the Portfolio are not restricted in the amount of its capital that they may commit to any issuer, security, industry sector or geographic region, and at times they may hold a relatively large concentration in a limited number of issuers, securities, industry sectors and/or geographic regions. Losses incurred in connection with those investments could have a material adverse effect on the Clients' overall financial condition. This is because the value of the Master Fund's investment portfolio or the Portfolio will be more susceptible to any single occurrence affecting one or more of those issuers, securities, industry sectors or geographic regions than would be the case with a more diversified investment portfolio.

Price Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the financial instruments in Client investments may decline or rise substantially. In particular, purchasing assets at prices that may appear to be "undervalued" is no guarantee that such assets will not be trading at even more "undervalued" levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be "overvalued" is no guarantee that such assets will not be trading at even more "overvalued" levels at the time of valuation or at the time of sale.

Alternative Data. Qsemble may obtain and use alternative data in its investment process. Alternative data generally refers to data that is not the traditional exchange or accounting data that has been widely used by the mainstream investment industry. Qsemble may apply this alternative data to better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes.

Risks associated with alternative data include the possibility of new legal and regulatory frameworks targeting the collection and use of the data or technological changes that may make the data less useful or available. There is also the possibility that the organizations providing alternative data may cease operations, change business models, or suffer temporary outages due to technical issues. Insider trading and “fair practice” laws are generally untested in this area. Investment decisions based on alternative data may be flawed for various reasons, such as incomplete, “dirty” or misunderstood data, or problems with the technology used to collect and analyze it. There has also been increased scrutiny from a variety of regulators regarding the use of alternative data, and its use or misuse under current or future laws and regulations could create liability for Qsemble and the Qsemble Funds or Portfolios in numerous jurisdictions. Qsemble cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to Qsemble, the Portfolio or to the Qsemble Funds.

Risk of Default or Bankruptcy of Third Parties. The Master Fund and Portfolio will engage in transactions in securities and financial instruments that involve counterparties. Under certain conditions, the Master Fund and Portfolio could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. See “Counterparty Risk” below for additional details. In addition, the Master Fund or Portfolio could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Master Fund or Portfolio does business, or to which securities have been entrusted for custodial purposes. For example, if one of the Master Fund’s or Portfolio’s prime brokers or custodians were to become insolvent or file for bankruptcy, the Master Fund or Portfolio could suffer significant losses with respect to any securities held by such firm.

Additionally, the Master Fund or Portfolio may invest in certain derivatives that are listed on exchanges, and are subject to regulation, including futures contracts. Under the U.S. Commodity Futures Trading Commission (the “CFTC”) regulations, “futures commission merchants” (“FCMs”), such as the Master Fund’s or Portfolio’s prime brokers, are required to maintain customers’ assets in a segregated account. If the FCM fails to do so, under certain circumstances, such as the inability of another customer of the FCM or the FCM itself to satisfy substantial deficiencies in the other customer’s account, the Master Fund or Portfolio may be subject to a risk of loss of its assets on deposit with such prime broker. In the case of any bankruptcy or customer loss, the Master Fund or Portfolio might recover, even with respect to property specifically traceable to the Master Fund or Portfolio, only a pro rata share of all property available for distribution to all of the FCM’s customers.

Counterparty Risk. Some of the markets in which the Master Fund or Portfolio effect their transactions, such as for equity swaps, are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes the Master Fund or Portfolio to the risk that a counterparty will default on its obligations pursuant to the bilateral agreement documenting the over-the-counter transaction, not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Master Fund or Portfolio to suffer a loss. In addition, if a counterparty to the Master Fund or Portfolio is unable to trade the securities of a company for which it serves as investment banker, it may restrict the ability of the Master Fund or Portfolio to enter into or exit a derivative agreement referencing such securities with the counterparty, leading to potential losses. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund or Portfolio has concentrated its transactions with a single or small group of counterparties. Qsemble is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of Qsemble to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’

financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Fund or Portfolio.

The Master Fund's investment strategy requires use of other types of transactions that expose the Clients to the credit of their counterparties, and vice versa. For example, the Master Fund or Portfolio will enter into swap agreements or seek to borrow securities intending to sell them short and may enter into other types of long and short derivative positions involving exposure to a counterparty's credit. All of these transactions, and transactions similar to them, are governed by documents, and among other things, industry standards, market customs and practices, the parties' prior course of dealing and by the covenant of good faith and fair dealing. At times, and especially in times of market stress, these credit exposures may be magnified, normal business conduct may be interrupted and normal legal protections may prove inadequate or may fail to provide timely relief. Should it become necessary to remove or reduce exposure to a particular counterparty, there can be no guarantee that a satisfactory alternative will be available, or even if one is available, that the Master Fund or Portfolio will be able to avail itself of that alternative. As a consequence, it is possible that any unwinding of the credit exposure may prove costly and thereby damage the Clients.

Inside Information. From time to time, Qsemble and its affiliates may come into possession of inside information concerning specific companies. Under applicable securities laws, this may limit our Clients ability to buy or sell securities issued by such companies. If a Client holds the securities of a company with respect to which Qsemble is in possession of inside information, a Client may be restricted from trading the securities of such company for an indefinite period of time, which could result in losses to a Client.

Market Disruption Events and Geopolitical Risks. Clients may trade in different markets and different kinds of instrument types. It is possible that as a result of war, terrorist act, natural disaster, outbreak of infectious disease, epidemic, pandemic or other serious public health concern, or geopolitical or other extraordinary or unforeseen circumstance or event (a "**Market Disruption Event**"), one or more of these markets may cease operating for a limited or indeterminable period of time. In that event, it may be difficult for Qsemble to value the positions that trade in the affected markets, and Clients may be exposed to significant movements in the perceived value of instruments without having the ability to trade those instruments.

Additionally, Market Disruption Events may have a substantial effect on economies and securities markets in the U.S. or worldwide, and could materially adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of client investments. Market Disruption Events could also affect the principal prime brokers and custodians that carry and clear the Master Fund's trades and positions. The inability of key marketplace intermediaries to function could have an adverse impact upon liquidity as well as the ability of a Client to trade its positions. Market Disruption Events could also have a direct physical impact upon a Client's and/or Qsemble's operations, including the destruction of their facilities and/or incapacity or loss of life to key personnel.

While Qsemble has taken steps intended to mitigate the adverse consequences that could arise from the occurrence of a Market Disruption Event, the inability to predict the timing, location, source and severity of such event or events make it difficult to provide assurances that the Client would not suffer material adverse consequences should a Market Disruption Event occur.

Global Health Events. Epidemics, pandemics, and other widespread public health problems could adversely affect a Client's performance. For example, in late 2019, a novel virus started causing a disease ("COVID-19") with severe acute respiratory syndromes in humans, at times with serious health complications that sometimes result in death. COVID-19 spread globally over the course of weeks,

stressing healthcare systems in all countries, and resulting in financial disruptions to an extent that remains unclear. On March 11, 2020, the World Health Organization assessed that the COVID-19 outbreak can be characterized as a pandemic. Many countries imposed stringent restrictions on travel and strict measures of social distancing and while some have been lifted over time, as additional COVID-19 variants take hold, may continue to do so.

As the final impact on global markets from COVID-19, or future epidemics, pandemics, or other health crisis, is impossible to predict, the extent to which any such crisis may negatively affect a Client's performance, or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to such pandemics can result in indeterminate periods of decreased economic activity throughout the U.S. and globally, including reduced or ceased business operations, decline in international trade and shortages of supplies, goods and services. An outbreak such as COVID-19, and the reactions to such an outbreak, have caused and may continue to cause uncertainty in the markets and businesses. They have adversely affected and are expected to continue to adversely affect the performance of the U.S. and global economy, including due to market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at off-site locations and extensive medical absences among the workforce. As a reaction to such an outbreak, governmental fiscal and economic measures have led, and could possibly continue to lead, to an increase in governmental spending and other forms of financial stimuli, and it is difficult to predict what effect such measures will have on the U.S. and the global economies.

The impact that pandemics and other public health events have on the Client performance in particular is uncertain, and it will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus or other health crisis, and the actions taken by authorities and other entities to contain such crisis or treat its impact, particularly in the United States, all of which are beyond Qsemble's control.

Russia Disruption Risks. In late February 2022, Russia launched a large scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, and NATO countries generally, including the United States. In response to the military action by Russia, various countries, including the United States, the United Kingdom, and European Union issued broad-ranging economic sanctions against Russia. Such sanctions included, among other things, a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs; a commitment by certain countries and the European Union to remove selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications ("SWIFT"), the electronic banking network that connects banks globally; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. Additional sanctions may be imposed in the future. Such sanctions (and any future sanctions) and other actions against Russia have, and may in the future continue to, adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining, agriculture, engineering and defense and defense-related materials sectors; result in a decline in the value and liquidity of Russian securities; result in boycotts, tariffs, and purchasing and financing restrictions on Russia's government, companies and certain individuals; weaken the value of the ruble; downgrade the country's credit rating; freeze Russian securities and/or funds invested in prohibited assets and impair the ability to trade in Russian securities and/or other assets; and have other adverse consequences on the Russian government, economy, companies and region. Further, several large corporations and U.S. states have announced, and some have executed, plans to divest interests or otherwise curtail business dealings with certain Russian businesses.

The ramifications of the hostilities and sanctions, however, may not be limited to Russia and Russian companies but may spill over to and negatively impact other regional and global markets (including Europe and the United States), companies in other countries (particularly those that have done business

with Russia) and on various sectors, industries and markets for securities and commodities globally, such as oil, agricultural products and natural gas. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility, cause severe negative effects on regional and global markets, industries, and companies and have a negative effect on Client investments and performance beyond any direct exposure to Russian issuers or those of adjoining geographic regions. In addition, Russia may take retaliatory actions and other countermeasures, including cyberattacks and espionage against other countries and marketplace intermediaries. Accordingly, there may be heightened risk of cyberattacks which may result in, among other things, disruptions in the functioning and operations of industries or securities markets around the world, including in the United States and Europe.

The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted. These and any related events could have a material impact on Client performance and the value of a client investment. See also “Market Disruption Events and Geopolitical Risks” above.

Risks Inherent in Computer-Driven and Algorithmic Trading

Trading Decisions Based on Quantitative Analysis. Trading decisions made by Qsemble on behalf of our Clients will be generated systematically based primarily on quantitative, as distinguished from fundamental, analysis. Any factor that would lessen the prospect of major trends occurring in the future may reduce the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability.

Reliance on Technical Trading Systems. The trading systems used by Qsemble take into account certain “technical” factors in identifying price trends and price movements, as well as “fundamental” factors. The buy and sell signals derived from technical factors are not based on analysis of fundamental supply and demand factors, general economic factors, or anticipated world events but are derived from a study of actual daily, weekly, and monthly price fluctuations. Although Qsemble retains all discretion with respect to the manner in which a technical signal is interpreted and applied, there can be no assurance that Qsemble’s trading systems and Qsemble’s interpretation and application of the technical signal will take into account all relevant factors. Technical signals can also be ineffective when fundamental factors drive financial instruments’ prices.

Model and Data Risk. Qsemble will rely heavily on quantitative and systematic models developed by Qsemble and data supplied by third parties. Models and data can be used to predict price movements, construct sets of transactions and investments, to value investments or potential investments, and to provide risk management insights. When models and data prove to be incorrect, misleading, or incomplete, any decisions made in reliance thereon expose a Client portfolio to potential risks. For example, by relying on models and data, Qsemble may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty models and data may prove to be unsuccessful.

All models rely on market data inputs that are assumed to be correct. Because Qsemble’s models are usually constructed based on, or employ, historical or current market data supplied by third parties, the success of relying on models and data may depend heavily on the accuracy and reliability of the supplied data, which can contain errors.

Obsolescence Risk. Clients are unlikely to be successful unless the assumptions underlying its quantitative models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and Qsemble does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. Qsemble will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. Any modification of the models or strategies will not be subject to any requirement that Investors receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification on a Client's performance.

Crowding/Convergence. There is significant competition among quantitatively-focused managers, and the ability of Qsemble to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that Qsemble is not able to develop sufficiently differentiated models, a Client's objectives may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that Qsemble's models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect a Client is increased, as such a disruption could accelerate reductions in liquidity or rapid re-pricing due to simultaneous trading across a number of funds in the marketplace.

Correlation Risk. Clients may be exposed to correlated risks. These occur when funds and other investors hold similar positions and employ similar strategies, resulting in intensified risks, which may lead to potential cascading losses in times of market stress.

In extreme cases, to the extent other market participants using a similar strategy to others seek to divest one or more positions held by many investors using that similar, particular strategy, "correlation crises" could occur. Quantitative traders can be particularly susceptible to this type of correlation risk as a result of convergence in their automated trading algorithms and positions held. The high leverage and hedging techniques that many arbitrage-driven quantitative hedge fund managers use can further magnify the effects of correlation risk.

Higher Expenses. A Client's trading program may involve more frequent trading and a greater reliance on technology and data than other investment vehicles pursuing a more traditional trading program. As a result, the trading, technology and data costs and expenses that are borne by a Client may be higher than such costs and expenses are for such other investment vehicles.

Risk of Programming and Modeling Errors. The development of algorithmic, systematic and quantitative trading introduces additional opportunities for strategy exceptions, mistakes and errors. The development of algorithmic, systematic and quantitative trading systems is complex and involves developing financial, economic, econometric and statistical theories, conducting specialized research, and extensive modeling, the results of which are then translated into computer code. In Qsemble's development and automated trading environment, a Client is at risk of losses attributable to errors of strategy development and design and implementation through coding and testing.

For example, although Qsemble seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raises the chances that the finished models may contain errors in design or implementation (colloquially known as "bugs,"). One or more of such bugs could adversely affect a Client's performance and likely would not constitute a trade error under Qsemble's policies or under the Governing Documents. Thus, while reasonable steps have

been taken to ensure that the software is adequate in design and free from bugs, formal proof of bug-free code has not been undertaken, nor can the underlying logical and/or mathematical models be certified as free from error. As with any software, upgrades, “bug fixes” and various other improvements may be introduced over time and the risk therefore exists that such changes may detrimentally affect the performance of a Client, rather than improve it. Furthermore, without limitation, while the software has been tested, no guarantee can be given that a combination of input conditions experienced when running the system “live” and that was not encountered during development, will not cause the system to fail, perform aberrantly, or take positions that are (under some reasonable criteria) judged to be inappropriate. These failures may occur in a complex, interdependent environment where different elements of code are all functioning correctly, but their interaction gives rise to unanticipated or unintended errors.

Errors attributable to strategy development and design and implementation through coding and testing will not be deemed to be “trade errors.” As noted below under “Trade Errors,” a result of the exculpation and indemnification provided by the Clients to Qsemble and its affiliates and personnel, the Clients (and not Qsemble) will be responsible for any losses (including additional trading costs) resulting from such errors, absent gross negligence or willful misconduct of Qsemble and its affiliates and personnel. Therefore, if such errors occur, a Client will be responsible for resulting losses, even if such losses result from the negligence (but not the gross negligence) of Qsemble and its personnel.

Data Feed Failure. Qsemble’s models utilize data feeds from a number of sources. If these data feeds were to be corrupted, compromised, or discontinued in any manner, or not delivered or accessible in a timely manner, the models may not operate properly. This failure to receive the data feeds or receive the data feeds in a timely manner may leave a Client unable to trade or may result in trades that are not aligned with an algorithm’s goal, and this may expose a Client to risk of loss or loss of opportunities, in particular if the loss of the data feed coincides with turbulent market conditions. If the data feeds are corrupted or compromised in any material manner or if the data feeds are not delivered or accessible in a timely manner, it may result in a loss to a Client, which could be material.

Increased Compliance Risk. Compliance risks are magnified in quantitative trading as a calculation or other error can have a large impact on trading and can result in a high number of potential regulatory violations, resulting in regulatory exposure for Qsemble and the Clients, and can strain relationships with the brokers and other services providers of the Clients.

Qsemble’s ability to comply with all applicable laws and regulations is largely dependent on its establishment and maintenance of compliance, audit and reporting systems and procedures, as well as its ability to attract and retain qualified compliance, audit and risk management personnel. These systems and procedures may not be fully effective. Quantitative trading strategies are highly complex, and, for their successful application, require relatively sophisticated mathematical calculations and relatively complex computer programs. These trading strategies are dependent upon various computer and telecommunications technologies and upon adequate liquidity in the markets traded. The successful execution of these strategies could be severely compromised by, among other things, a diminution in the liquidity of the markets traded, telecommunications failures, power loss and software-related “system crashes.” Due to the nature of their trading, quantitative trading firms may suffer devastating losses in a very short period of time.

Therefore, Qsemble faces the risk of intervention by regulatory authorities, including extensive examination. In the case of actual or alleged non-compliance with regulations, Qsemble could be subject to investigations and judicial or administrative proceedings that may result in penalties or civil lawsuits for damages, which can be substantial. Any failure to comply with applicable laws and regulations could adversely affect Qsemble’s business, reputation, financial condition and operating results and, in extreme cases, its ability to conduct business or portions thereof.

Regulatory Focus on Algorithmic Trading. Algorithmic trading is the subject of ongoing regulatory attention. The CFTC, the European Parliament, the SEC, the United Kingdom Financial Conduct Authority, and the Monetary Authority of Singapore, among others, have undertaken efforts to review the impact of algorithmic trading on the functioning of markets and to suggest systems and controls for trading participants to ameliorate any adverse impact. For example, in 2014, the European Parliament adopted the amended Markets in Financial Instruments Directive (MiFID II) and Markets in Financial Instruments Regulation (MiFIR), both of which became effective on January 3, 2018 and govern the algorithmic trading activity of firms that are established in the EU or that trade on EU venues – including registration requirements for certain firms that trade on a high frequency basis. Furthermore, in 2015 and 2016, the CFTC proposed a series of rules with respect to algorithmic trading and held a public roundtable with respect to such proposed rules. While the impact of such regulatory focus on Qsemble and the Clients is not yet clear, it is possible that new regulations (including new national regulations developed by EU member states) may require Qsemble to implement additional technology and other controls, which could consume limited internal resources, and thereby impede Qsemble’s ability to pursue other initiatives, including improvements to its strategies. High-frequency trading, in particular, is subject to intense regulatory focus. Minimum resting periods, higher fees for cancelled trades and circuit breakers have been proposed. Germany has imposed a specific identifier to each algorithm. Moreover, it is possible that Qsemble may be subject to inquiries and/or examinations by regulators in connection with any investigation of the practices of trading firms that employ algorithmic or high-frequency trading strategies. Any such inquiry or examination is likely to be distracting for Qsemble and consume limited internal resources, and could result in additional expenses that would impact the performance of a Client.

Risks Relating to Particular Instruments and Trading Methods

Equity Securities. Clients will invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect Client positions.

Short Sales. A short sale involves the sale of a security that a Client does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, a Client must borrow the security and the Client is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Client. When a Client makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to a Client. The extent to which a Client will engage in short sales will depend upon Qsemble’s investment strategy and perception of market direction and the value of individual securities. Qsemble may engage in short sales on behalf of a Client as a hedge against potential market declines and/or based on its fundamental analysis of the subject issuers.

Swaps. The Master Fund does, and the Portfolio will likely trade swaps. Swap agreements and options on swap agreements (“**swaptions**”) can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Whether the Clients’ use of swap agreements or swaptions will be successful will depend, in part, on Qsemble’s ability to select appropriate transactions for the Master Fund or Portfolio. Depending on their structure, swap agreements may increase or decrease the holder’s exposure to, for example, equity securities, long-term or short-term interest rates, non-U.S. currency values, credit spreads or other factors. Swap agreements can take many

different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Clients' portfolio. Moreover, the Client bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Client will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Master Fund or Portfolio to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Master Fund's or Portfolio's ability to terminate swap transactions or to realize amounts to be received under such transactions.

Small to Medium Capitalization Companies. Clients may invest its assets in the equity securities of companies with small- to medium-sized market capitalizations. While Qsemble believes these investments often provide significant potential for appreciation, these stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. Smaller companies often times lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Exchange Traded Funds ("ETFs"). Clients may trade in ETFs. ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF's net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic and/or political instability in other nations and/or other factors. Although index-based ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF's costs associated with its payment of investment management fees and fees for administrative, custodial or other services and thus the Investors will indirectly incur an additional layer of fees and expenses.

Foreign Investments. Clients will trade non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S., as well as securities and other instruments of companies having substantial profits and/or revenues generated in non-U.S. currencies. Such transactions require consideration of certain risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. For example, non-U.S. brokerage commissions generally are higher than brokerage commissions in the U.S. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-U.S. jurisdictions. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. Clients might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect a Client's performance.

Leverage. Qsemble intends to employ leverage on behalf of the Clients to achieve its investment objective, including by entering into various financing arrangements from time to time and transacting in various derivative instruments, and the amount of leverage which the Client may have outstanding at any time may be substantial in relation to its capital. This may include making margin purchases of securities and, in that regard, borrowing money from brokers and banks for investment purposes. This practice is speculative and involves certain risks. Subject to each Investor's separate leverage ratio, leverage may be obtained by borrowing funds to make trades or by purchasing or entering into derivative instruments that are inherently leveraged, such as swaps, options, futures and forward contracts.

Hedging Transactions. Clients may utilize financial instruments, both for investment purposes and for risk management purposes in order (i) to protect against possible changes in the market value of a Client's portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) to protect a Client's unrealized gains in the value of a Client's portfolio, (iii) to facilitate the sale of any such investments, (iv) to enhance or preserve returns, spreads or gains on any investment in a Client's portfolio, (v) to hedge the interest rate or currency exchange rate on any Client liabilities or assets, (vi) to protect against any increase in the price of any securities a Client anticipates purchasing at a later date, or (vii) for any other reason that Qsemble deems appropriate.

The success of a Client's hedging strategy will depend, in part, upon Qsemble's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Client's hedging strategy will also be subject to Qsemble's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Client may enter into hedging transactions in an effort to reduce risk, such transactions may result in a poorer overall performance for a Client than if it had not engaged in such hedging transactions. For a variety of reasons, Qsemble may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Client from achieving the intended hedge or expose a Client to risk of loss. Qsemble may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Client's portfolio holdings.

Index Futures. Qsemble, on behalf of its clients, generally does not intend to, but may, trade in listed index futures. The price of index futures contracts may not correlate perfectly with the movement in the underlying 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, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, 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 price distortions. Successful use of index futures contracts by a Client also is subject to Qsemble's ability to correctly predict movements in the direction of the market.

Currency Risks. The Master Fund may invest in securities and other instruments denominated or quoted in currencies other than the U.S. Dollar, as well as securities and other instruments of companies having substantial profits and/or revenues generated in non-U.S. currencies. In connection therewith, Qsemble may hedge against the resulting currency exposure wherever economically prudent. However, changes in currency exchange rates and/or erosion of non-U.S. currencies will affect the value of the Master Fund's portfolio or Portfolio and the unrealized appreciation or depreciation of investments.

Additionally, such hedging transactions may include a credit component pursuant to which the Master Fund or Portfolio may be required to grant to its hedging counterparty a security interest in certain of its assets. Accordingly, in such a case, if the Master Fund or Portfolio defaults with respect to a currency hedging transaction, then the hedging counterparty could lay claim to an interest in such assets.

Further, the Master Fund or Portfolio may incur costs in connection with conversions between various currencies. Foreign currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Master Fund or Portfolio at one rate, while offering a lesser rate of exchange should the Master Fund or Portfolio desire immediately to resell that currency to the dealer. The Master Fund and Portfolio will conduct their currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market. The Master Fund and Portfolio may also take speculative positions in currencies, which will be subject to the same risks discussed above.

Foreign Exchange Contracts. The Master Fund or Portfolio may also invest in foreign exchange contracts and other fixed income instruments for treasury functions or currency conversion purposes. Pursuant to rules promulgated under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), many foreign exchange contracts will be deemed "swaps" under the U.S. Commodity Exchange Act, as amended, and therefore will be subject to comprehensive regulation by the CFTC. CFTC rules will govern certain terms of such contracts, such as minimum margin requirements, among others, and dealers of such products will be subject to business conduct and reporting obligations. Foreign currency options (unless traded on a securities exchange), non-deliverable foreign exchange forwards, currency swaps and cross-currency swaps will be included in such regulation. The U.S. Treasury Department (the "**Treasury**") has exercised its authority to exempt foreign exchange forwards and swaps from most CFTC regulation, although such transactions remain subject to certain CFTC reporting and business conduct requirements. As a result, foreign exchange forwards and swaps are not guaranteed by an exchange or clearing house and consequently, there are no requirements with respect to financial responsibility or segregation of customer funds or positions, which could expose the Master Fund to unanticipated losses.

Interest Rate Risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Master Fund or Portfolio may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Master Fund will be successful in fully mitigating the impact of interest rate changes.

Loans of Securities; Pledge of Assets. Pursuant to master securities lending agreements or similar agreements, the Master Fund or Portfolio may lend securities from its portfolio to brokers, dealers and financial institutions and receive collateral in the form of cash and securities in an amount equal to or

greater than the current market value of the loaned securities, including any accrued interest or dividend receivable. During the term of such loan, the Master Fund or Portfolio will not retain all incidents of beneficial ownership as to the loaned portfolio securities, including voting rights. It will, however, generally retain the rights to interest or other distributions, and will have the right to regain record ownership of the loaned securities to exercise such beneficial rights. Such loans will be terminable at any time upon sufficient notice to the other party.

It should be noted that, pursuant to the Master Fund's or Portfolio's account agreements with prime brokers, the prime brokers may, under certain circumstances, lend Master Fund or Portfolio securities to third parties without notice to the Master Fund or Portfolio and without providing any collateral to the Master Fund or Portfolio. If a prime broker makes such loans of securities from the Master Fund's or Portfolio's account, the account may not be able to vote such securities. In addition, if a prime broker were to become insolvent in the United States, the Master Fund or Portfolio would not have a claim against any specific assets of such prime broker, but would have a claim against the pool of assets held for the benefit of such prime broker's customers. Jurisdictions outside of the United States may not provide any similar rights to the Master Fund or Portfolio.

Risks Relating to Fund Structure and Operations

Limited Operating History. The Qsemble Funds are newly formed entities and have a limited operating history upon which investors can evaluate their likely performance. The past investment performance of key principals or entities or accounts with which they have been associated should not be construed as an indication of future results of an investment in the Qsemble Funds.

Business Dependent Upon Key Individuals. Investors will not have authority to make decisions or to exercise business discretion on behalf of the Qsemble Funds. The authority for all such decisions is made by the Directors and/or the Fund General Partner or has been delegated to Qsemble. The success of the Qsemble Funds or Portfolio, therefore, is expected to be significantly dependent upon the expertise and efforts of Qsemble and, more particularly, of the Principals.

Competition. The securities industry and the varied strategies and techniques to be engaged in by Qsemble are extremely competitive and each involves a degree of risk. Qsemble will compete with firms, including many of the larger funds and securities firms, which have substantially greater financial resources and research staffs.

Limited Liquidity; No Secondary Market. An investment in the Qsemble Funds or Portfolio is suitable only for sophisticated investors who have no need for current liquidity. An investment in the Qsemble Funds or Portfolio provides limited liquidity since interests in the Qsemble Funds or Portfolio are not freely transferable and may be redeemed from the Qsemble Funds or Portfolio generally only on a quarterly basis (although, in certain circumstances, at the discretion of the directors of the Master Fund and Offshore Fund (the "Directors") and upon request of an Investor, the terms relating to redemptions may be different than those set forth herein as agreed between the Qsemble Funds and an Investor). There is no secondary market for interests in the Qsemble Funds or Portfolio and none is likely to develop in the future. In addition, depending on the then current status of the financial markets, the liquidity profile of the Master Fund's portfolio may not correspond with redemption requests received from Investors, and the Qsemble Funds may suspend redemptions and redemption payments, make payments in-kind (including through liquidating entities) or take such other appropriate measures as Qsemble and/or the Directors as they deem necessary.

In-Kind Distributions. Although Qsemble expects to realize all of the Master Fund's assets prior to the winding-up of the Qsemble Funds, and the Directors expect to distribute only cash to the Investors, there can be no assurance that Qsemble and the Directors will meet these objectives. In addition, if significant

redemptions are requested, Qsemble may be unable to liquidate its investments at the time such redemptions are requested or may be able to do so only at prices which Qsemble believes do not reflect the true value of such assets and which would adversely affect the Investors. Under these and certain other circumstances as determined by the Fund General Partner and/or Directors in their discretion, including, without limitation, for legal, tax or regulatory reasons, Investors may receive in-kind distributions, if permitted by law or by contract, which in-kind distributions may include, without limitation, financial instruments, equity securities and other assets or instruments held by the Master Fund as well as equity interests in subsidiaries of the Qsemble Funds, interests in special purpose vehicles holding assets owned by the Qsemble Funds, beneficiary rights in liquidating trusts holding assets of the Qsemble Funds or participation interests in assets owned by the Qsemble Funds. Such securities and instruments, which will be selected by Qsemble in its discretion, need not represent a pro rata portion of each position held by the Master Fund, may not be readily marketable or saleable and may need to be held by Investors, or by the Qsemble Funds, for an indefinite period of time.

Effect of Substantial Redemptions and Withdrawals. A number of events, including, without limitation, unsatisfactory performance of the Qsemble Funds or Portfolio, a significant change in personnel or management of Qsemble or Portfolio, withdrawals by investors in the Qsemble Funds or Portfolio that hold a significant percentage of the Master Fund's/Portfolio's net asset value or separately managed accounts, investor reaction to redemptions or withdrawals by other investors in the Qsemble Funds or Portfolio, or legal or regulatory issues that Investors perceive to have a bearing on the Qsemble Funds, Portfolio or Qsemble, could trigger substantial redemptions from the Qsemble Funds or Portfolio. Substantial redemptions or withdrawals by investors in Qsemble Funds or the Portfolio within a short period of time could require the Master Fund or Portfolio to liquidate securities and other positions more rapidly than would otherwise be desirable, possibly reducing the value of its assets and/or disrupting its investment strategy. The Master Fund or Portfolio may be forced to sell its more liquid positions, which may cause an imbalance in the portfolio that could have a material adverse effect on the remaining Investors. Further, it may be impossible or impracticable to liquidate a sufficient amount of securities to meet redemptions or withdrawals because a significant part of the portfolio at any given time may be invested in securities for which the market becomes illiquid.

Substantial redemptions and withdrawals could also significantly restrict the Master Fund's or Portfolio's ability to obtain financing or transact with derivatives counterparties needed for its investment strategies, which would have a further material adverse effect on the Qsemble Funds' or Portfolio's performance. Furthermore, a reduction in the size of the Master Fund or Portfolio will likely result in expenses of the Master Fund or Portfolio being proportionately higher for remaining Investors.

Furthermore, the number of investors in the Qsemble Funds or Portfolio may, at times, be smaller than the number of investors in investment vehicles with lengthier operating histories, and the investment of certain of such investors may constitute a significant portion of the Master Fund's or Portfolio net asset value. As a result, redemptions or withdrawals by any such investors in the Qsemble Funds or Portfolio may have a more significant impact on a Client than may be the case in investment vehicles with larger investor bases.

Investors generally will not be notified of a redemption or withdrawal by other investors or holders of separately managed accounts, and, therefore, may not be able to make redemptions in advance of, or contemporaneously with, redemptions or withdrawals by such investors.

Effect of Redemptions. Where a redemption request is accepted, interests in the Qsemble Funds or Portfolio will be treated as having been redeemed with effect from the relevant redemption date irrespective of whether or not such redeeming Investor has been removed from a Qsemble Fund's or Portfolio's register of members or the redemption price has been determined or remitted. Accordingly, on and from the relevant redemption date, Investors in their capacity as such will not be entitled to or be

capable of exercising any rights arising under the respective Governing Documents with respect to their interests in the Qsemble Funds or Portfolio being redeemed (including any right to receive notice of, attend or vote at any meeting of the Qsemble Funds or Portfolio), save the right to receive the redemption price and any dividend which has been declared prior to the relevant redemption date but not yet paid (in each case with respect to the interests in the Qsemble Funds being redeemed). Such redeemed Investors will be creditors of the Qsemble Funds or Portfolio with respect to the redemption price. In an insolvent liquidation, redeemed Investors will rank behind ordinary creditors but ahead of Investors.

Soft Wind-Up. The Directors, in consultation with Qsemble, may at any time and for any reason decide to wind up the Qsemble Funds and may resolve that the Qsemble Funds be managed with the objective of realizing assets in an orderly manner and distributing the proceeds to Investors in such manner as the Directors determine to be in the best interests of the Qsemble Funds, in accordance with the terms of the Articles and this Memorandum, including, without limitation, compulsorily redeeming interests in the Qsemble Funds, paying any redemption proceeds in-kind and/or declaring a suspension of redemptions while assets are realized. This process is integral to the business of the Qsemble Funds and may be carried out without recourse to a formal liquidation under any bankruptcy or insolvency regime.

Upon subscribing for interests in the Qsemble Funds, each Investor will be required to agree that it will not take any action to present a petition or commence any case, proceeding, proposal or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, arrangement in the nature of insolvency proceedings, adjustment, winding-up, liquidation, dissolution, composition or analogous relief with respect to the Qsemble Funds or their debts unless and until a debt is immediately due and payable by Qsemble Funds to the Investor.

Master-Feeder Risks. The Feeder Funds will invest substantially all of its investable assets in the Master Fund and could be adversely affected by the actions of any other investors in the Qsemble Funds. For example, if a large investor or group of investors withdraws from one Feeder Fund, the remaining investors in the other Qsemble Funds may experience higher pro rata operating expenses, thereby resulting in lower returns. Similarly, the investments of the Master Fund may become less diverse due to a large withdrawal of assets.

Enforcement of Legal Rights. The Offshore Feeder Fund and the Master Fund are established under the laws of the Cayman Islands. As a result, it may not be possible for purchasers to effect service of process within their jurisdiction upon the Offshore Feeder Fund, the Master Fund or certain of the other persons named herein. All or a substantial portion of the assets of the foregoing persons may be located outside of the jurisdiction of the purchaser and, as a result, it may not be possible to satisfy a judgment against any of such persons in the purchaser's jurisdiction or to enforce a judgment obtained in the purchaser's jurisdiction against such persons.

Handling of Mail. Mail addressed to the Qsemble Funds and received at its registered office will be forwarded unopened to the forwarding address supplied by Qsemble to be dealt with. None of the Qsemble Funds, its directors, officers, consultants, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Qsemble Funds).

Contingency Reserves. The Qsemble Funds, at any time, in the discretion of the Directors or the Fund General Partner, respectively, may (with the consent of the Master Fund Governance Committee, if applicable) establish holdbacks for liabilities and reserves for contingencies, whether or not required by GAAP. The establishment of such reserves or holdbacks will not insulate any portion of the Qsemble

Funds assets from being at risk, and such assets may still be traded by the Qsemble Funds. A pro rata portion of any holdback or reserve may be withheld from distribution to a redeeming Investor.

Failure to Receive Anticipated Subscriptions. The Directors may determine, in their discretion, to accept subscription amounts from investors after the proposed effective date of the investment, and to credit such amounts toward the purchase of interests in the Qsemble Funds with effect from the proposed effective date. If Qsemble expects the Qsemble Funds to receive, but Qsemble Funds has not yet received, subscription amounts from an investor after the proposed effective date of the subscription, Qsemble may make investment decisions during this interim period on the assumption that the Qsemble Funds will receive these subscription amounts. If the Qsemble Funds does not actually receive these subscription amounts, this may result in the Qsemble Funds having allocated more capital to a particular investment, or having less available cash, than it otherwise would have.

Subscription Monies. Where a subscription for interests in the Qsemble Funds is accepted, the interests in the Qsemble Funds will be treated as having been issued with effect from the relevant subscriptions date notwithstanding that the subscriber for those interests in the Qsemble Funds may not be entered in the relevant Qsemble Fund's register of members until after the relevant subscription date. The subscription monies paid by a subscriber for interests in the Qsemble Funds will accordingly be subject to investment risk in the Qsemble Funds from the relevant subscription date.

Customized Terms and Side Letter Agreements. In certain circumstances, at the discretion of the Directors and upon request of an Investor, the terms relating to Incentive Allocation, Management Fees, expenses, leverage ratios and redemptions (including the frequency of redemptions and/or required notice periods) may be different than those set forth herein as agreed between the Qsemble Funds and an Investor. Such customized terms with respect to such Investor will be set forth in an Annex to such Investor's Subscription Agreement.

In addition to the customized terms set forth in an Investor's Subscription Agreement, the Qsemble Funds and Qsemble may enter into "side letter" agreements with certain Investors pursuant to which they may provide such Investors with preferential terms with respect to their investment in the Qsemble Funds, including, without limitation, with respect to transparency (including portfolio transparency), capacity and/or co-investment rights.

As a result of the terms provided in an Investor's Subscription Agreement and/or such side letter agreements, certain Investors may be better able to assess the prospects and performance of the Qsemble Funds than other Investors, and may be able to redeem all or a portion of their interests in the Qsemble Funds from the Qsemble Funds at times when other Investors may not. Subject to applicable law and contractual requirements, the Qsemble Funds and Qsemble do not intend to disclose the terms of such customized terms set forth in an Investor's Subscription Agreement and/or side letter agreements, and do not intend to disclose the identities of the Investors that have entered into such agreements.

Access to Information. Qsemble may provide certain additional information to any investor or prospective investor in the Qsemble Funds, and/or the Portfolio who requests such information. This information may be provided in response to questions and requests and in connection with due diligence meetings and other communications, but will not be distributed to other investors and prospective investors who do not request such information. Such information may affect a prospective investor's decision to invest in the Qsemble Funds and/or with Qsemble, and investors (which may include personnel and affiliates of Qsemble) may be able to act on such additional information and redeem their interests in the Qsemble Funds or Portfolio potentially at higher values than other investors. Any such redemptions may result in reduced liquidity for other investors and, in order to meet larger or more frequent redemptions, the Master Fund or Portfolio may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Qsemble Funds or Portfolio.

Each Investor is responsible for asking such questions that it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by Qsemble is sufficient for its needs, and must accept the foregoing risks.

Proxy Voting Policy. In compliance with Rule 206(4)-6 under the Advisers Act, Qsemble has adopted proxy voting policies and procedures. The general policy is not to vote proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”). Qsemble uses quantitative investment strategies and Qsemble has determined that the costs of voting Proxies while employing such strategies would outweigh any potential benefits to the Accounts (as defined herein).

Separately Managed Accounts. Qsemble, the Fund General Partner and/or their affiliates currently do, and may in the future continue to, render advice to one or more separately managed accounts (including the Portfolio). Such accounts may invest substantially on a pari passu basis with the Master Fund and have portfolios that are substantially similar to the Master Fund’s portfolio. The investor(s) in any such accounts (who may also be investors in the Qsemble Funds) may have the right to withdraw all or a portion of its/their capital from such accounts on shorter notice and/or with more frequency than the redemption terms described in this Brochure. In addition, since a managed account investor directly owns the investments held in its separately managed account, such investor may have full, real-time transparency as to all transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to the Master Fund’s portfolio. Investors may not be provided with comparable transparency.

As a result of the foregoing, Qsemble, the Fund General Partner and/or their affiliates may be required to sell investments on behalf of such managed accounts in order to satisfy withdrawals from such managed accounts, including at times when redemptions may not be made from the Qsemble Funds. Neither Qsemble nor the Fund General Partner is under any obligation to sell any investments on behalf of the Master Fund at such time, and may determine to hold such positions for the Master Fund for an indefinite period of time. Qsemble or the Fund General Partner may determine to add to the Master Fund’s positions that are being liquidated by such managed accounts and may cause the Master Fund to purchase all or any portion of the positions sold by such managed account. Selling positions for the benefit of such managed accounts may have an adverse effect on the value of the Master Fund’s investment. In addition, the value realized by such managed account in connection with such withdrawals may differ from the value realized by the Master Fund when it disposes of the same positions at a later time.

The Portfolio is not expected to invest on a pari passu basis with the Master Fund. Although the respective portfolio composition of the Master Fund and the Portfolio are likely to have significant overlap as a result of similarities in their respective trading models, the timing of purchases and sales at establishment of their respective portfolios and thereafter, and their different investment restrictions and risk parameters, among other factors, will give rise to deviations among their respective portfolios.

Cross-Class Liability. Currently, the Qsemble Funds is offering only a single class of interests in the Qsemble Funds; however, in the future, the Qsemble Funds may offer additional classes of interests in the Qsemble Funds. The difference in performance in respect to each Investor may be significant due to the issuance of separate sub-classes of interests in the Qsemble Funds to each Investor. Although each class and sub-class of interests in the Qsemble Funds will be maintained by the Qsemble Funds separately with separate accounting records and with subscriptions (and investments made therewith) kept in segregated accounts, the Qsemble Funds as a whole, including all of the separate classes and sub-classes of interests in the Qsemble Funds, is one legal entity. Thus, all of the assets of the Qsemble Funds will be available to meet all of the liabilities of the Qsemble Funds, regardless of the class and sub-class of interests in the Qsemble Funds to which such assets or liabilities are attributable and regardless of the difference in performance in respect of each Investor. In practice, cross-class liability will usually arise only where the assets attributable to one class and/or sub-class of interests in the Qsemble Funds are

insufficient to meet all liabilities attributable to that class and/or sub-class of interests in the Qsemble Funds. In such a case, assets of the Qsemble Funds attributable to other classes and/or sub-classes of interests in the Qsemble Funds will be available to creditors in respect of the excess liabilities of that class and/or sub-class and the value of the contributing classes and/or sub-classes will be reduced as a result.

Indemnification. Subject to applicable law, the Qsemble Funds' Governing Documents contain broad indemnification provisions that require the Qsemble Funds to indemnify and hold Qsemble, the Fund General Partner, the Directors, the Master Fund Governance Committee members, the Fund Administrator and their respective current or former principals, officers, employees, consultants, managers, partners, members, affiliates or agents of any of the foregoing, as applicable, harmless from any losses or costs incurred by them except in certain limited circumstances.

Trade Errors. Qsemble has an obligation to seek to ensure that orders placed for Clients are accurate and placed consistently with its fiduciary duty. Clients may on occasion experience errors with respect to trades made on its behalf. Such errors may include, for example, (i) a manual override of an automated trading model after the trading model originated a transaction, leading to a malfunction in hardware or software that results in an unintended execution; (ii) an erroneous voice trade; (iii) a trade that was allocated among a Client in error; (iv) an error during the clearance and settlement processes that resulted in an unintended transaction, which caused either a profit or a loss to a Client; (v) keystroke errors that occur when entering trades into an electronic trading system; or (vi) typographical or drafting errors. Errors that do not result in transactions (such as trade instructions entered in error which are withdrawn or corrected prior to execution and erroneous cancellations of actionable orders generated by Qsemble's trading system) will not constitute trade errors.

Pursuant to the exculpation and indemnification provided by a Client to Qsemble and its affiliates and personnel, Qsemble and its affiliates and personnel will generally not be liable to a Client for any loss, damage, liability, cost or expense (including, without limitation, from trade errors or a Client's investment strategies) except to the extent resulting directly and primarily from their willful misconduct or gross negligence (as determined by a court of competent jurisdiction in a final unappealable judgment), which, for the avoidance of doubt, will not include errors in judgment or mistakes made in good faith. As a result of these provisions, a Client (and not Qsemble) will benefit from any gains resulting from trade errors and similar human errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent willful misconduct or gross negligence on the part of Qsemble, its affiliates or its personnel.

Profits from trade errors may not offset losses from trade errors, unless the underlying transactions constitute a single transaction. Trades implemented as a result of faulty data, systems, coding, modeling, hardware failures or analysis, trades that are properly executed but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above, will not be viewed as "trade errors." Neither the loss of an investment opportunity nor a delay in execution is considered a trade error.

Qsemble will reimburse the Master Fund for losses for which Qsemble is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by Qsemble on behalf of Clients, trade errors (and similar errors) may occur, and, to the extent permitted by applicable law and under the relevant Governance Documents, a Client will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Qsemble's personnel.

Intellectual property systems are subject to a number of inherent and unpredictable risks. For example, there may be material undiscovered errors in software programs; software and/or hardware may malfunction and/or degrade; electronic and telecommunications delivery may fail; security breaches may

lead to unauthorized trades or stolen intellectual property; services provided by third-party vendors to support the intellectual property systems may be interrupted; and computer-driven trading errors may occur. For the sake of clarity and without limitation, though losses arising from computer-driven and intellectual property-based systems could adversely affect a Client's performance, such losses would likely not constitute reimbursable trade errors under Qsemble's policies or the Governing Documents.

Systems Risk. Clients depend on Qsemble to develop and implement appropriate systems for their activities. Qsemble makes extensive use of computer hardware, software, data and systems (and may rely on new systems and technology in the future) for various purposes in connection with its activities on behalf of its investors, including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of such investors' activities. Accordingly, certain of Qsemble's and Qsemble's Clients will also be dependent upon systems operated by third party service providers, and Qsemble may not be in a position to verify the risks or reliability of such third-party systems.

As a result, Clients are exposed to risks caused by failure of infrastructure and systems, such as (i) failures of such systems or equipment, (ii) interruptions in access to or the operations of such systems or equipment; (iii) loss of functionality of such systems or equipment; (iv) degradation or corruption of such systems or equipment; (v) compromises in the security or integrity of such systems or equipment; (vi) loss of power to such systems or equipment; and (vii) other situations that adversely affect such systems or equipment, however caused or occurring. Outright or partial failure of the underlying hardware, operating system, software or network may leave a Client unable to trade either generally or in certain of its strategies, and this may expose it to risk in the ordinary course, and additional risk should the outage coincide with turbulent market conditions.

To ameliorate this risk, backup and failover plans have been put in place by Qsemble. Nevertheless, the failure, corruption or breach of one or more systems (including as a result of the occurrence of a disaster such as a cyberattack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in Qsemble's disaster recovery systems, or a support failure from external providers) or the inability of such systems to satisfy investor's needs may have a material adverse effect on Qsemble's ability to conduct business and thus, a Client, particularly if those events affect Qsemble's computer-based data processing, transmission, storage and retrieval systems or destroy Qsemble's data. If a significant number of Qsemble's personnel were to be unavailable in the event of a disaster, Qsemble's ability to effectively conduct our Client's business could be severely compromised. It is possible that a systems failure could impede Qsemble's ability to carry out the investment program and could prevent Qsemble from acting to prevent losses in a crisis. In some cases, Qsemble may have to liquidate a Client's entire portfolio as the only safe way to proceed should a crippling system outage occur.

Any errors and any related losses caused by a failure of Qsemble's or any of its third party service provider's infrastructure or systems would not be deemed trade errors under Qsemble's policies or the Governing Documents.

Dependence on Service Providers. Certain Clients have no employees and are dependent upon their counterparties and the businesses that are not controlled by Qsemble that provide services to a Client. Examples of service providers include the Fund Administrator, the prime brokers, legal counsel and the auditors. Although Qsemble intends to transact with counterparties and service providers it believes to be reliable, errors are inherent in the operations of any business. Errors or misconduct of counterparties and service providers could have a material adverse effect on a Client and the Investors' investments therein.

In addition, Qsemble makes use of its own equipment but also relies heavily on equipment, systems and services (including so-called "cloud" based storage and other services) provided by third parties.

Accordingly, Clients are exposed to the risk that computer hardware, software, electronic equipment and other services used by Qsemble may cease to be available, for example, due to the insolvency of the provider, the discontinuation of services or software updates, or the interruption of communication access. In such circumstances, Qsemble would seek to obtain equivalent hardware, software and services from an alternative supplier, which could take time to accomplish and which could be costly.

Significantly, Qsemble relies on market and other data provided by third party service providers. While Qsemble takes steps consistent with its fiduciary duty to, among other steps, choose reliable vendors, to cleanse data as necessary, and to check for accuracy and reliability of the data on which it depends, there can be no guarantee that errors will not occur in the gathering, compilation, delivery and storage of data. Errors relating to data could have a significant effect on the performance of a Client.

Each Investor's relationship in respect of its interests in a Client is with the Client only. Accordingly, absent a direct contractual relationship between the Investor and the relevant service provider, no Investor will have any contractual claim against any service provider for any reason related to its services to a Client. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against a Client, as the case may be, by the relevant service provider is, *prima facie*, the Client's, respectively.

Subject to applicable law, the agreements between the service providers and the Qsemble Funds generally contain broad indemnification and exculpation provisions that require the Qsemble Funds to indemnify, exculpate and hold harmless the service providers and certain of their affiliates or agents from any losses or costs incurred by them except in certain limited circumstances.

Operational and Information Security Risk from Cyberattacks; Cyber-Fraud; Disaster Recovery. As part of its business, Qsemble processes, stores and transmits large amounts of electronic information, including information relating to the transactions of its Clients and personally identifiable information of the Investors. Similarly, service providers of Qsemble and/or a Client, especially the Fund Administrator, may process, store and transmit such information. Qsemble has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security.

Clients and any service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyberattacks affecting Clients, the Fund General Partner, Qsemble and their service providers may adversely impact Clients. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to a Client's net asset values, cause the release of private investor information or other confidential information, impede trading, subject a Client and their service providers to regulatory fines or intervention, liability to third parties, business disruption or financial losses and cause reputational damage, any of which could have a material adverse effect on Clients or investments therein.

Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for the Clients and may cause Clients' investments to lose value. Clients may also be the targets of cyber-fraud that could result in ransomware threats, or the potential theft of assets, especially as computer malware, viruses and computer hacking, fraudulent use attempts and phishing and spoofing attacks have become more prevalent. In the hedge fund industry, these attacks have included third party actors submitting fraudulent redemption and transfer requests, resulting in the theft of the rightful investor's assets. Clients and their service providers may incur additional costs relating to cybersecurity preparations, and such preparations, though taken in good faith, may be inadequate.

Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Qsemble may be susceptible to compromise, leading to a breach of Qsemble's network. Qsemble's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by Qsemble to the Investors may also be susceptible to compromise.

While Qsemble has put in place certain safeguards in case of disruption of information technology, including transmission failures, there can be no guarantee that such measures will be effective against all situations or will be implemented in time and each Client may be adversely affected thereby.

Business Continuity. Various force majeure events, including acts of God, natural disasters such as fire, flood or earthquakes, wars, terrorist acts, outbreaks of infectious disease, epidemics, pandemics or other serious public health concerns, cyber-attacks, technology and/or power failures, labor strikes, or geopolitical or other extraordinary, or other unforeseen circumstances or events, may materially disrupt Qsemble's business and operations, or the business and operations of any counterparty or service provider to Qsemble or Clients, and Clients may be adversely affected thereby. For example, if a significant number of Qsemble's personnel were to be unavailable in a force majeure event (such as war, terror attack or an outbreak of infectious disease), Qsemble's ability to effectively conduct the Clients' business could be severely compromised. While Qsemble can operate effectively with personnel located in places remote from its central, physical location, it is possible that the remote systems through which personnel perform their jobs could be negatively affected and interrupted by various force majeure events, leading to adverse effects. In addition, the cost to Clients, Qsemble or its affiliates of repairing or replacing damaged assets or systems resulting from such force majeure event could be considerable. While Qsemble has adopted certain policies and procedures designed to restore and/or continue its business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and Clients may be adversely affected thereby.

Regulatory Risks

Changes and Uncertainty in U.S. and International Regulation. Clients may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Client assets are exposed through their investments or investor base. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause Qsemble to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve Clients' investment objectives, subject to the respective Governing Documents.

In the United States, a Client, Qsemble and/or the Fund General Partner may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Act and the rules promulgated thereunder could result in Clients, Qsemble and the Fund General Partner becoming subject to additional regulatory compliance burdens and trade

reporting, which may add significant costs to Clients. The Dodd-Frank Act endows the SEC, the CFTC, and other regulators with discretionary authority to write and interpret new rules. The ultimate impact of the Dodd-Frank Act on a Client, Qsemble and the Fund General Partner is unclear and will depend in large part on the regulations that the CFTC and SEC promulgate, as well as any legislative changes that may be made. There is speculation that some of the provisions of the Dodd-Frank Act and rules and regulations promulgated thereunder may be revised, repealed or amended. The impact of any such changes is unknown. None of Qsemble, the Fund General Partner and/or Clients undertakes to update Investors upon such changes or finalization of any such regulations.

Absence of Regulatory Oversight. While Qsemble's Clients may be considered similar to an investment company, Qsemble's Clients are not registered as such under the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"), in reliance upon an exemption available to privately offered investment companies under the 1940 Act, and, accordingly, the provisions of the 1940 Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated at all times from the securities of any other person and to be marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the advisor and the management company) are not applicable. Because securities of a Client held by brokers are generally not held in a Client's name, a failure of any such broker is likely to have a greater adverse impact on a Client than if such securities were registered in a Client's name.

In addition, while Qsemble is currently registered as an investment adviser with the SEC under the Advisers Act, such registration does not mean that the SEC or any other regulatory authority has reviewed or endorsed this offering or will actively supervise the actions of Qsemble or Qsemble's Clients. Qsemble may determine at a later date not to be so registered if such registration is no longer required.

Neither Qsemble nor the Fund General Partner is registered, or plans to register, with the CFTC as a commodity pool operator ("**CPO**") or a commodity trading advisor ("**CTA**") in reliance on exemptions therefrom.

Certain Investors. Certain prospective Investors may be subject to laws, rules and regulations which may regulate their participation in a Client, or their engaging directly, or indirectly through an investment in a Client, in investment strategies of the types which a Client may utilize from time to time (e.g., short sales of securities and the use of leverage). Prospective Investors are strongly urged to consult with their legal, investment and tax advisors prior to investing in a Client. Prospective Investors should consult with their own advisers as to the advisability and tax consequences of an investment in a Client. Investment in a Client by entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and other U.S. tax-exempt entities requires special consideration. Trustees or administrators of such entities are urged to carefully review the matters discussed in this Brochure.

Accounting for Uncertainty in Income Taxes. ASC 740, "Income Taxes" (in part formerly known as "FIN 48"), which is part of GAAP, provides guidance on the recognition of uncertain tax positions. ASC 740 may require an entity reporting in accordance with GAAP to reserve a liability for income taxes on its books. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of a Client, including reducing the net asset value of a Client to reflect reserves for income taxes that may be payable in respect of current and/or prior periods by a Client. This could cause benefits or detriments to certain Investors, depending upon the timing of their entry and exit from a Client.

FATCA and Other Similar Laws. The Qsemble Funds will be subject to certain reporting requirements under Sections 1471–1474 of the Code, related guidance thereon, intergovernmental agreements or other foreign laws implementing any of the foregoing (“**FATCA**”) and similar laws in other jurisdictions and may be subject to withholding taxes under FATCA and similar laws in other jurisdictions. Each Investor may be required to provide certain information to the Qsemble Funds in order for the Qsemble Funds to avoid certain withholding taxes or fulfill certain reporting requirements under FATCA or under similar laws in other jurisdictions (including, but not limited to, the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters). Each Investor should consult with its advisors concerning FATCA and similar laws in other jurisdictions.

Although the Qsemble Funds will attempt to satisfy any obligations imposed on them to avoid the imposition of such withholding taxes or to have any withholding impact those who caused that withholding, no assurance can be given that the Qsemble Funds will be able to satisfy these obligations. If the Qsemble Funds becomes subject to a withholding tax as a result of FATCA and similar laws or obligations in other relevant jurisdictions, the return of all Investors may be materially affected. By investing in the Qsemble Funds, each Investor shall be deemed to acknowledge that it may need to provide further information to the Qsemble Funds. Likewise, the Qsemble Funds’ compliance with FATCA and similar laws may result in the disclosure of Investor information, and Investor information may be exchanged with overseas fiscal authorities.

If the Qsemble Funds are unable to comply with any requirements that are necessary to avoid the imposition of such withholding taxes or other costs, then the Qsemble Funds may compulsorily redeem some or all of an Investor’s interests in the Qsemble Funds and apply the proceeds thereof towards any corresponding withholding tax and any related costs and expenses, may reduce the redemption proceeds in respect of any Investor and apply such amounts towards the withholding tax or other costs due to non-compliance, and/or may take other actions available to it to cause any withholding tax or other costs to be borne by the Investor(s) who caused the imposition of the withholding tax or such other costs on the Qsemble Funds.

U.S. Tax Audit Risk. Legislation regarding partnership tax audits generally requires adjustments as a result of audits of a partnership to be paid by such partnership. These rules provide for a push-through election so that the audited partnership is not liable for tax. However, there can be no assurance given that the Master Fund since it is classified as a partnership for U.S. federal income tax purposes, or a partnership in which the Master Fund invests, will be able to or will make such election. The rules also provide a way to decrease partnership taxes based on the character of its partners, including that of a foreign person in a partnership. Under these rules, the Master Fund may be liable for taxes on adjustments in respect of previous taxable years. Accordingly, such adjustments (1) may be economically borne by investors that were not Investors during the period to which the audit relates, and (2) may be subject to tax in a manner different from how they would be taxed if such items were passed through to the limited partners of the Master Fund. Also, in connection with an audit of the Master Fund, limited partners of the Master Fund, including former limited partners, will be required to take such actions as may be required by the Fund General Partner in connection with such audit, including without limitation amending prior year returns and providing evidence thereof to the Master Fund, providing information to the Master Fund regarding their prior year returns, and reimbursing the Master Fund for their portion of taxes (including interest and penalties) paid by the Master Fund regarding prior year returns, which could materially and adversely affect the return of Investors from their investment in the Qsemble Funds. With respect to these audit rules, the limited partners of the Master Fund (including the Feeder Funds) shall agree to cooperate with any audit and take actions related to the audit as determined by the Fund General Partner. There is significant uncertainty as to how these partnership audit rules may be applied.

No Separate Counsel. Qsemble (and its affiliates) have hired one firm as United States legal counsel to the Qsemble Funds, Qsemble, the Fund General Partner and their affiliates. Separately, Qsemble has

hired a different firm to act as Cayman Islands legal counsel to the Qsemble Funds and the Fund General Partner with respect to the Master Fund. The Qsemble Funds do not have United States counsel separate and independent from counsel to Qsemble and the Fund General Partner. Neither the United States nor the Cayman counsel represent investors in the Qsemble Funds, and no independent counsel has been retained to represent investors in the Qsemble Funds.

DISCLAIMER

The information included in this ITEM 8 does not include every potential risk associated with our investment strategy. Investing in securities involves risk of loss, possibly a total loss of invested capital that investors should be prepared to bear.

There is no guarantee that an individual Client's investment program, including, without limitation, its investment objectives, strategies, or risk monitoring goals will be successful. Investment results may vary substantially over time. Client investments are speculative and involve a high degree of risk. There may be risks, which cannot be monitored or controlled, and risks that may be greater than forecasted, especially in unusual market conditions. Qsemble cannot guarantee that any assumptions relied on herein will be true for all future events or that all assumptions have been considered or stated.

ITEM 9 - DISCIPLINARY INFORMATION

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

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

Qsemble is not registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.

Qsemble and its management persons are not registered as a commodity pool operator nor as associated persons of a commodity pool operator.

C. Material Relationships or Arrangements with Industry Participants.

Qsemble does not have any material relationships or arrangements with industry participants.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

We do not recommend or select other investment advisers for our Clients.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

We may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling, or otherwise dealing with securities for our own accounts or for the accounts of family members. These activities may conflict with our activities on behalf of our Clients.

These other activities may also affect the prices and availability of the securities and other financial instruments in Client investments.

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, we have adopted a Code of Ethics and a Personal Investments and Trading Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Qsemble or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

1. Employees must at all times place the interests of our clients first;
2. Employees must at all times comply with all applicable federal securities laws; and
3. Employees' personal securities transactions must be conducted in a manner consistent with the Code of Ethics and any actual or potential conflicts of interest or any abuse of an Employee's position of trust and responsibility must be avoided.

Our Code of Ethics requires employees to provide the Chief Compliance Officer with initial and annual holdings reports (excluding accounts holding certain securities or discretionary accounts) and quarterly transactions reports. Employees are also generally prohibited from participating in initial public offerings and executing transactions in issuers included in Qsemble's Restricted List. Employees must also receive approval prior to investing in any private placement. The Chief Compliance Officer reviews violations of the Code of Ethics to determine appropriate remedial action, including, but not limited to, financial penalties, suspension or termination of employment, and reporting to appropriate regulatory authorities.

These policies apply to any personal transactions involving "Reportable Securities" as defined by the Code of Ethics.

Qsemble's Code of Ethics is available to Clients, Investors and prospective clients upon request.

ITEM 12 – BROKERAGE PRACTICES

In placing transactions for our Clients, we seek to obtain “best execution,” meaning that we generally seek execution of securities transactions in such a manner that the Client’s total costs or proceeds are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of execution, as well as the broker-dealer’s full range and quality of services. Additionally, we periodically review the broker-dealers used as well as the commissions paid to evaluate best execution.

With respect to the Portfolio, the Portfolio’s fund general partner is responsible for reviewing, approving and monitoring the prime brokers, executing brokers-dealers and counterparties used by Qsemble. Additionally, executing broker-dealers and counterparties are chosen from those that have been reviewed and approved by the Portfolio’s fund general partner.

Soft Dollar Usage

In selecting brokers and dealers to effect portfolio transactions, we may consider factors as we deem appropriate (and consistent with our obligation to seek best execution) to consider under the circumstances, which may include one or more of the following:

- reliability;
- reputation;
- experience in the industry;
- financial stability;
- capital commitment;
- efficiency in executing and clearing transactions;
- confidentiality of trading activity;
- provision of Products and Services (defined below);
- idea generation;
- competitive rates; and
- general responsiveness

Products and Services constituting “research” may be in any form (e.g., written, oral or on-line) and may include, without limitation:

- traditional research reports analyzing the performance of a particular company or stock, market, company and financial data;
- market, economic, political and financial information (including studies and forecasts);
- statistical information;
- data on the pricing and availability of securities; and
- seminars and conferences relating to the investment in securities or containing analyses of issuers, industries, securities, economic factors and trends and portfolio strategy.

Products and Services constituting “brokerage” may include, without limitation:

- clearance services;
- settlement services; and
- custody services.

To the extent that client commissions are used to acquire Products and Services through the use of “soft dollars,” Products and Services received will be of the type contemplated by Section 28(e) of the U.S.

Securities Exchange Act of 1934 (that is, “research” and “brokerage”), although transactions may or may not otherwise comply with the provisions of Section 28(e) (e.g., may relate to transactions in instruments other than securities).

Soft dollar arrangements generally arise when an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing client securities transactions to the broker-dealer. Soft dollar arrangements may pose a conflict of interest for Qsemble in that such arrangements allow Qsemble to pay with brokerage commissions, expenses that would otherwise be borne by Qsemble. In the event that Qsemble uses brokerage commissions (or markups or markdowns) to obtain research or other products or services, Qsemble could receive a benefit because it would not have to produce or pay for the research, products or services.

It is currently Qsemble’s policy not to use soft dollars. However, Qsemble enters into securities transactions with broker-dealers that provide, as part of their bundled services, Qsemble with access to research and research-related services. Qsemble may have an incentive to select a broker based on Qsemble’s interest in receiving the research or other products or services offered by such broker.

ITEM 13 – REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

Client transactions and positions are reviewed daily by Qsemble.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

A review of a Client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

Within 120 days after the end of calendar year or as soon as reasonably practicable thereafter, we will prepare and mail or otherwise make available to each investor audited financial statements of the Qsemble Funds. The Qsemble Funds will also provide monthly unaudited performance information to investors.

Copies of such reports are available upon request from Qsemble and investors may inspect such reports, upon reasonable notice, at the offices of Qsemble.

All financial reports will be prepared in accordance with GAAP (except as otherwise noted herein), or any other generally recognized accounting standard deemed appropriate by Qsemble, in its sole discretion.

While all investors generally receive similar information, to the extent an investor receives additional information (that other Investors have not received), which is in addition to information provided in regular reports to investors, such information may provide such investor with greater insight into the Qsemble Fund's activities. This may enhance such investor's ability to make investment decisions with respect to the Qsemble Fund and possibly affect such investor's decision to request a withdrawal from the Qsemble Fund.

With respect to the Portfolio, no regular reports are provided to the Portfolio; however the Portfolio's general partner receives daily transaction and position information.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

We do not receive economic benefits from non-clients for providing investment advice or other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals.

Neither we nor any of our related persons directly or indirectly compensate any person who is not a supervised person, including placement agents, for client referrals.

ITEM 15 - CUSTODY

Qsemble is deemed to have custody of Qsemble Fund assets and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to Qsemble.

Qsemble is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Qsemble Fund because it complies with the provisions of the "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Qsemble Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Qsemble Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

With respect to the Portfolio, we do not exercise custody (and are prohibited under the AMA from exercising custody) over the Portfolio's assets.

ITEM 16 - INVESTMENT DISCRETION

Qsemble serves as the management company with discretionary trading authority to the Qsemble Funds. Our investment decisions and advice with respect to the Qsemble Funds are subject to each Fund's investment objectives and guidelines, as set forth in its Governing Documents.

Qsemble (or an affiliate of Qsemble) has entered into an investment management agreement, or similar agreement, with each Qsemble Fund, pursuant to which Qsemble (or an affiliate of Qsemble) was granted discretionary trading authority.

With respect to the Portfolio, we provide discretionary trading authority to the Portfolio in accordance with the Portfolio's investment objectives. The AMA sets forth certain guidelines or restrictions related to our investment activities, which may be modified from time-to-time in consultation with the Portfolio's fund general partner (who is not affiliated with Qsemble). In addition, the AMA may impose restrictions on our ability to invest in certain securities or types of securities.

ITEM 17 - VOTING CLIENT SECURITIES

In compliance with Advisers Act Rule 206(4)-6, Qsemble has adopted proxy voting policies and procedures. Qsemble employs a quantitative strategy that follows a largely systematic approach to trading, rather than a long-term investment approach. Such an investment strategy involves a high volume of trading and short holding periods and is generally not dependent on the outcome of proxy contests. Accordingly, in connection with its quantitative strategy, Qsemble has determined not to vote proxies because the costs associated with voting such proxies outweigh the potential benefits to clients.

ITEM 18 – FINANCIAL INFORMATION

Qsemble is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.