

**Item 1 – Cover Page**

**ASIAN CENTURY QUEST CAPITAL, LLC**

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March 28, 2012

This Brochure provides information about the qualifications and business practices of Asian Century Quest Capital, LLC (“Asian Century Quest”, “ACQ”, the “Firm” or the “Company”). If you have any questions about the contents of this Brochure, please contact Steve Zang, Chief Compliance Officer, at 212-328-9303. Asian Century Quest is a registered investment adviser.

Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Asian Century Quest also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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.

## Item 2 – Material Changes

This Brochure dated March 28, 2012 is prepared according to the SEC's requirements and rules. The date of our last Brochure was dated March 29, 2011.

The following items may be deemed to be material changes.

*New Funds.* Starting January 1, 2012, Asian Century Quest ("ACQ") started offering the same strategy as the ACQ Equity Income Fund, LP to offshore investors through the ACQ Equity Income Offshore Fund, Ltd. Additionally, the ACQ Equity Income Master Fund, Ltd. was started to hold the strategy's investments with the ACQ Equity Income Fund, LP and the ACQ Equity Income Offshore Fund, Ltd. becoming the feeder funds for investors.

*New Research Office.* Additionally, ACQ opened a research office in Hong Kong in September 2011. The wholly owned subsidiary, Asian Century Quest Capital (HK) Ltd., is located at 50 Connaught Road, Central and provides investment research services to ACQ.

Please contact Steve Zang, Chief Compliance Officer, at 212-328-9303 to obtain a free copy of our Brochure.

Additional information about Asian Century Quest is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 – Advisory Business**

Founded in 2005 by Brian Kelly, Asian Century Quest (“ACQ”) is an investment management firm primarily focusing on investing in Pan-Asian equity markets.

Asian Century Quest is headquartered in New York City and has a research office in Tokyo, Japan and Hong Kong. ACQ is privately owned. Mr. Kelly, ACQ’s Managing Partner, and his family, own 100% of the Firm.

As of December 31, 2011, Asian Century Quest managed on a discretionary basis approximately \$2.5 billion of assets.

Asian Century Quest provides investment advisory services on a discretionary basis to clients, primarily commingled investment vehicles intended for institutional investors and other sophisticated investors. Currently, ACQ provides investment advisory services to the Asian Century Quest Fund (QP) LP, Asian Century Quest Offshore Fund Ltd., Asian Century Quest Institutional Equity Fund, Ltd., Vittoria Fund – ACQ, LP, Asian Century Quest Smaller Companies Master Fund Ltd., Asian Century Quest Small Companies Offshore Fund, Ltd., Asian Century Quest Smaller Companies Fund, LP, ACQ Equity Income Master Fund, Ltd., ACQ Equity Income Offshore Fund, Ltd., and ACQ Equity Income Fund, LP (each a “Fund” and, collectively, the “Funds”), which are private investment funds that are offered to high net-worth, financially sophisticated individual and institutional investors.

## **Item 5 – Fees and Compensation**

### **Management Fee**

*Management fees are negotiable.*

ACQ receives a monthly management fee based on a certain percentage of the Fund’s net assets] (the “Management Fee”). The Management Fee is paid monthly in advance, based on the value of the Fund’s net assets as of the beginning of the first “Business Day” of each calendar month (a “Business Day” is any day on which banks are open in New York).

The specific manner in which fees are charged by and paid to ACQ is established in the Fund’s written agreement with the Firm.

Details concerning applicable fees are set forth in the respective Fund’s limited partnership agreements or private placement memoranda (together, the “PPMs”).

### **Incentive Fees**

See Item 6 below for information with respect to incentive fees.

### **Fees Charged to Employees**

Due to the special relationship with its employees, ACQ may charge a reduced or no fee for providing investment management services to them (including as an investor in Funds).

### **Redemptions and Termination**

Investors in the Funds may redeem their interest in the Funds in accordance with the applicable redemption terms of the respective Fund's PPM. Under certain circumstances, investors in the Funds may pay a redemption charge to the Fund if the investor redeems within a certain period of time. Investors should refer to the applicable Fund's PPM for additional information, including Fund information, corresponding fees charged and applicable redemption terms.

Generally, investment management services provided by ACQ are terminable by either party upon 30 days prior written notice, unless otherwise specified in the Investment Management Agreement. In the case of any termination, management fees will be determined on a pro rata basis through the date of termination.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

### **Other Fees and Expenses**

ACQ's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the respective Fund. Funds may incur certain charges imposed by custodians, brokers, and other third-parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Funds may invest in other collective investment vehicles managed by third-party investment managers which also charge management fees, which are disclosed in the collective investment vehicles' prospectus or offering memorandum.

In addition, in the event that ACQ invests Fund's assets in another Fund, ACQ's management fee will be offset by amount of the management fee that the Fund pays as an investor in the other Fund.

Item 12 further describes the factors that ACQ considers in selecting or recommending broker-dealers for Funds' transactions and determining the reasonableness of their compensation (e.g., commission rates and mark-ups and mark-downs).

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

Asian Century Quest's management arrangement with the Funds includes performance fee or incentive fee arrangements. Generally, ACQ will receive an annual incentive fee equal to a certain amount of the net profits (including unrealized gains), if any, subject to a loss carryforward. Performance fees are deducted from the respective Funds at the end of each fiscal year and as of any interim withdrawal of capital by an investor in the respective Fund.

Performance based fee arrangements may create an incentive for ACQ to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. ACQ has procedures designed and implemented to ensure that the Funds are treated fairly and equitably to prevent the inappropriate allocation of investment opportunities among the Funds.

Investors should review the respective Fund's PPM for detailed information with respect to incentive fees.

### **Item 7 – Types of Clients**

Asian Century Quest provides investment advisory services to private investment funds.

Details concerning applicable fees, investment minimum amounts and suitability criteria are set forth in the respective Fund's PPM.

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

Asian Century Quest generally manages Funds' portfolios utilizing long/short and long-only strategies focused primarily on the Pan-Asian equity markets. ACQ identifies investments through research-driven fundamental analysis. ACQ seeks to produce volatility of returns that are lower than those of the underlying markets in which investments are made by maintaining lower net country and industry exposure. ACQ relies on its investment team led by its chief investment officer's 20-plus-years of regional industry experience.

ACQ conducts bottom-up, fundamentally focused analysis of both long and short opportunities. ACQ's research includes a systematic review of Funds' overall investment universe. The Firm attempts to identify and forecast key business drivers through the construction of detailed earnings models. In addition, the Firm evaluates its expectations relative to market consensus and seeks the greatest deviation between perceived and true prospects and maintains an appropriate respect for non-fundamental and macroeconomic factors that contribute to the Pan-Asian region's investment climate.

In seeking to validate its investment thesis, the Firm, among other activities, conducts extensive visits to potential portfolio companies, participates in conference calls with management and attends conferences and industry trade shows. ACQ intends to maintain frequent contact with third-party research analysts, consultants and advisors to monitor industry trends and emerging product cycles. The Firm also attempts to leverage its extensive capital market, political and corporate relationships throughout the region. In addition, ACQ utilizes the extensive experience of its investment team to differentiate the management quality of potential portfolio companies.

#### Risk of Loss

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

Asian Century Quest primarily invests in Pan-Asian equity securities. Accordingly, the Funds' portfolios can experience more rapid change in value than would be the case if ACQ were required to maintain wider diversification.

ACQ's investment strategies may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity in their investment.

#### *Non-US Securities*

Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more

volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

### *Special Situations*

ACQ may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to investors of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which ACQ may invest, there is a potential risk of loss by the Funds of their entire investment in such companies.

### *Leverage*

ACQ may use leverage in managing the Funds' portfolios. Leverage may be used (1) to manage short term cash flows (e.g., to provide liquidity for withdrawals or redemptions pending sale of investments or to make investments pending receipt of Fund investors' subscription proceeds); and (2) to enhance the returns.

The use of leverage results in the Funds controlling substantially more assets than the Funds have equity. Leverage increases the Funds' returns if the Funds earn a greater return on investments purchased with borrowed funds than the Funds' cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk, including, but not limited to, (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

*The use of leverage can increase investment losses.*

### *Short Sales*



ACQ's investment program may include a significant amount of short selling. Short selling transactions expose ACQ to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by ACQ in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein ACQ might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

### *Emerging Markets*

Investing in emerging market equity involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include political and economic instability; less liquidity and smaller capitalization of securities markets; inflation (including hyperinflation); high withholding taxes or limitations on repatriation of invested capital; differences in auditing and financial reporting standards; less extensive regulation of the securities markets, brokers and custodians; and less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks which investors in the Funds should consider. Investors in the Funds should refer to the applicable PPM for additional information on risk factors and risk of loss.

Details of the investment strategy, risk of loss, and methods of analysis, and are set forth in the respective Fund's PPM.

### **Item 9 – Disciplinary Information**

Asian Century Quest does not believe that it has any disciplinary information applicable to this Item to disclose.

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

With respect to the Funds that ACQ provides investment advisory services, ACQ receives investment management and other fees related to the services provided to these Funds. To the extent the Company recommends that Funds invest in one or more of the Funds that ACQ provide investment advisory services, or invests Funds' assets in one or more of these Funds, conflicts of interest arise. These conflicts may include, but are not limited to, receipt of additional fees (See Item 5 for a description of off-setting fees) and collateral benefits received (See Item 12 for additional disclosure with respect to brokerage practices such as the receipt of research and brokerage services).

## Item 11 – Code of Ethics

Asian Century Quest has adopted a Code of Ethics designed to address and prevent potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act. The Code of Ethics describes ACQ's high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes, among other items, provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of spreading rumors, restrictions on the acceptance of extravagant gifts and entertainment, the reporting of certain gifts and business entertainment, and personal securities trading procedures. All supervised persons at the Company must acknowledge the terms of the Code of Ethics annually.

Generally, ACQ's supervised persons are prohibited from investing in publicly traded equity securities. ACQ's Chief Compliance Officer may grant exceptions to this prohibition in certain limited occasions. ACQ's supervised persons are permitted to invest in Exchange Traded Funds ("ETF"s), registered investment companies ("mutual funds"), fixed income securities and certain other securities.

The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of the Company will not materially interfere with (i) making decisions in the best interest of Funds and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities and transactions have been designated as exempt securities or transactions based upon a determination that these would materially not interfere with the best interest of Funds. In addition, the Code requires pre-clearance of certain transactions. Employee trading is monitored by Compliance Officers to reasonably detect and prevent conflicts of interest between ACQ and Funds.

From time-to-time, certain affiliated accounts that are managed by ACQ may trade in the same securities with Funds on an aggregated basis. In such circumstances, affiliated accounts and Funds will share transaction costs equally and receive securities at a total average price. In the event that the aggregated order is partially filled, the Company will generally allocate the partially filled order pro rata to the Funds, including affiliated accounts, in the order.

Among others, the Code requires supervised persons to:

- Submit to the Chief Compliance Officer ("CCO") an initial and an annual report listing their securities holdings and a quarterly report of transactions;
- Pre-clear personal securities transactions, other than those specifically exempted by the Code, by the CCO or other appropriate Officer of the Company;

- Provide duplicate copies of account statements to the CCO for review (unless a specific exemption applies);
- Not invest in IPOs;
- Obtain approval from the CCO prior to investing in Private Placements (limited offerings);
- Comply with the federal securities laws, certifying that they have read and understand the Code and reporting any violations of the Code to the CCO;
- Not trade either in their personal accounts or on behalf of the Funds on the basis of material non-public information; and
- Not inappropriately use their position for a personal benefit.

Employees who violate the Code and the Company's Compliance Manual are subject to disciplinary action including, but not limited to, written warnings, fines and termination of employment.

Asian Century Quest will provide a copy of its Code of Ethics to any Fund investor or prospective Fund investor, upon request made to Steve Zang, Chief Compliance Officer.

Asian Century Quest, its officers, members, employees and affiliates may from time to time have an ownership interest in one or more of the Funds, may not be subject to the same fees otherwise charged investors and may have positions or interests in securities which are purchased or sold on behalf of the Funds. ACQ will endeavor to resolve conflicts of interest with respect to investment opportunities in a manner which it deems fair and equitable to the Funds, under the prevailing facts and circumstances.

From time-to-time, various potential and actual conflicts of interest may arise from the investment advisory activities of the Company, its employees and affiliates. The Company, its employees and affiliates may give advice to, or take action for, the Funds that may differ from, conflict with or be adverse to advice given or action taken for other Funds. These activities may adversely affect the prices and availability of other securities held by or potentially considered for one or more Funds.

See Item 12 for information with respect to Principal and Agency Cross Transactions.

## **Item 12 – Brokerage Practices**

ACQ seeks best execution when selecting broker-dealers through which to effect transactions. "Best execution" does not mean effecting transactions at the lowest possible commission rate, transaction costs and price, but includes a number of factors mentioned herein.

ACQ seeks to effect transactions at a price, commission and transaction cost (e.g., mark-up or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. ACQ may consider various factors when selecting broker-dealers including, but not limited to, the nature of the portfolio transaction, the size of the transaction, broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, willingness to commit capital, access to a particular trading market, security conditions (e.g., liquidity, volatility), and the value of research it provides.

ACQ has discretion to determine without obtaining prior consent from any Fund the:

- broker or dealer to execute transactions; and
- commission rates or commission equivalents charged for effecting transactions.

#### *Broker Selection*

In selecting broker-dealers (including electronic communications networks) to effect Funds' transactions, ACQ seeks to obtain best execution under the circumstances, taking into consideration, among others, the broker-dealers':

- ability to effect prompt and reliable executions at favorable prices;
- operational efficiency with which transactions are effected taking into account the size of order and difficulty of execution;
- financial strength;
- integrity and stability;
- commitment of capital to facilitate transactions;
- quality, comprehensiveness and frequency of available research services considered to be of value; and
- Competitiveness of commission rates and dealer spreads in comparison with other broker-dealers.

ACQ is not required to weigh any of these factors equally.

Funds' transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions (and mark-ups or mark-downs) than would be the case for more routine services.

### *Cross-Trades*

From time-to-time, ACQ may effect a purchase of a security for one or more Funds at the same time as a sale of the same security for another Fund. Such transactions may be effected to rebalance the positions held in Funds' portfolios in order to achieve uniform results among Funds, to take into account Funds' cash flows or to comply with investment guidelines and restrictions. Such transactions, at ACQ's discretion, will generally be effected at the volume-weighted-average-price ("VWAP"), the closing price for the security or some other fair and reasonable basis.

### *Research and Brokerage Services*

Asian Century Quest obtains proprietary and third-party research services or products with the Funds' commissions ("Soft Dollars").

As is customary in the industry, broker-dealers may provide its own proprietary research to investment advisers, including ACQ. Generally, commissions paid to these broker-dealers to execute transactions include the cost to receive their proprietary research and other brokerage services.

While the Company uses proprietary and third-party research to benefit all Funds in its investment decision-making or trade execution process, Funds whose Soft Dollars are used to pay for proprietary and third-party research and brokerage services may not necessarily receive the direct benefit of this research or brokerage services while Funds who do not pay for these services may receive the benefit. ACQ believes that receipt of proprietary and third-party research and brokerage services assist ACQ in its investment decision-making and trade execution process benefits all Funds without regard to whether the Fund who provides the Soft Dollars receives the direct benefit. Research services received is in addition to and not in lieu of services required to be performed by ACQ and ACQ's management fees are not reduced as a consequence of the receipt of such supplemental research information.

ACQ generally does not negotiate "execution only" commission rates. Accordingly, commission rates may be higher than what might be otherwise available to execute the transaction and Funds may be deemed to be paying for research services provided by the broker which are included in the commission rate.

Research services obtained with Soft Dollars may include written information and analyses concerning specific securities, companies or sectors, market, financial and economic studies and forecasts, statistics and pricing or appraisal services, and access to research analysts and company executives, along with hardware, software, data bases and other

technical and telecommunication services, lines, and equipment utilized in the investment management process.

ACQ's Brokerage Committee, consisting of the Company's Managing Partner, senior investment team members, traders, Chief Operating Officer and Chief Compliance Officer, reviews and approves, among others, broker-dealers through whom transactions are executed, the research products and services these broker-dealers may provide to the Company, and information with respect to the trading activity placed with these brokers.

#### *Aggregation and Allocation*

Asian Century Quest, at its discretion, may aggregate orders in the same security for Funds transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) on an average price basis among the Funds in the order.

ACQ believes that by aggregating orders, commission rates and transaction costs may be reduced as a result of such aggregation. However, in certain instances, average pricing may result in higher or lower total net execution price than otherwise obtainable by effecting Fund transactions separately. ACQ believes that aggregating orders contribute to seeking best execution.

#### *Payment for Client Referrals*

From time-to-time, broker-dealers and their employees may refer potential clients to ACQ. It is ACQ's policy not to direct transactions and commissions to these broker-dealers as compensation for such referrals. However, ACQ, at its discretion, may effect transactions through these broker-dealers provided they are able to provide best execution.

See Item 14 below for additional information with respect to payment for client referrals.

#### *Directed Brokerage*

Asian Century Quest does not accept Fund investors' instructions to effect some or all of their transactions with certain broker-dealers.

#### *Trade Errors*

From time-to-time, Asian Century Quest may cause a trade error to occur. For example, trade errors may happen as a result of effecting the incorrect amount of securities (e.g., 10,000 shares were purchased when the intention was to purchase 1,000 shares), transactions were effected in the wrong Fund account, the order was to buy shares but shares were sold, and for other reasons. When trade errors occur, the Company's policy is to correct the error promptly. In the event that ACQ caused the error, ACQ will make the

Fund whole for the loss unless the equities of the situation may cause an unjust enrichment for the Fund. If a third-party caused the error (e.g., ACQ properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), ACQ will take steps to collect from the third-party the amount of the error; however, there is no guarantee that ACQ will be successful recuperating such funds in which case the Fund will bear the loss.

#### *Principal and Agency Cross-Transactions*

“Principal transactions” are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account.

Due to the amount invested in some of the Funds by ACQ and its employees, these Funds may be deemed to be “proprietary” and, accordingly, transactions by other Funds with these Funds may be deemed to be a principal transaction. However, ACQ does not provide any special treatment to these Funds.

An “agency cross transaction” is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

ACQ is neither registered as, nor is affiliated with, a broker-dealer.

### **Item 13 – Review of Accounts**

#### *Account Reviews*

Brian Kelly, Managing Partner of Asian Century Quest, monitors the Funds’ portfolios continuously to ensure consistency with ACQ’s investment processes and conformity with the Funds’ objectives and guidelines. Positions, potential investments, cash and other portfolio parameters are reviewed daily by ACQ’s investment team. In addition, Mr. Kelly and the senior members of the research team meet with ACQ’s research analysts to review positions in detail and to consider investment opportunities.

#### *Client Reports*

ACQ provides investors in the Funds with monthly and/or quarterly account reports and/or statements that include portfolio exposures and performance information.



Investors in the Funds receive the respective Funds' audited annual reports.

See Item 15 for additional information with respect to custody of assets.

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

### *Client Referrals*

From time-to-time, Asian Century Quest may enter into arrangements with unaffiliated third-parties (“solicitors”) whereby they are compensated for referring clients or investors to the Funds. Generally, payments to such solicitors will be based on a percentage of the management fee and / or a percentage of the incentive fee earned by ACQ with respect to such client or investor.

### *Conflicts of Interest*

Referred clients and investors to the Funds should be aware of inherent conflicts of interest between ACQ and them with respect to the solicitation arrangement described above. Solicitors may refer potential clients to ACQ and investors to the Funds because they will be paid a fee and not because ACQ or the Funds provide appropriate investment strategies or are suitable for the client or investor. In turn, the Company earns management and incentive fees from these clients and investors which may be higher than what they might pay another investment manager or collective investment vehicle.

Referred clients and investors to these Funds should ask solicitors if they are being paid fees for referrals and, if they are, should request that they be provided with information with respect to the fee arrangement.

In addition, referred clients and investors should contact Steve Zang, Chief Compliance Officer, to obtain information with respect to the arrangement with the solicitor, including the fee payment schedule.

### *Other Compensation*

The Company has not entered into any arrangement under which it receives any economic benefit, including sales awards or prizes, from a person who is not a client for providing advisory services to clients.

## **Item 15 – Custody**

ACQ may be deemed to have constructive custody of certain client assets as a result of fee payments or the service of its affiliates as general partners to private investment partnerships. Actual custody of the Funds, however, is at a broker-dealer, bank or trust company, not at ACQ. ACQ's use of prime brokers is reviewed periodically and may change without notice. As such, Fund investors receive capital account statements on a monthly basis, directly from the Funds' administrator. Fund investors should carefully review all account statements.

## **Item 16 – Investment Discretion**

### *Investment Discretion*

As an investment adviser, ACQ is granted the discretionary authority pursuant to the investment management agreement with a Fund to determine which securities and the amounts of securities that are bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.

ACQ generally receives discretionary authority from the Fund at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Subject to ACQ's consent, Funds may provide specific investment restrictions and guidelines (e.g., limitations on security exposures). In all cases, however, ACQ exercises such investment discretion in a manner consistent with the stated investment objectives for the particular Fund account.

When selecting securities and determining amounts, ACQ seeks to comply with the investment policies, limitations and restrictions of the Funds for which it advises.

Investment guidelines and restrictions must be provided to ACQ in writing.

### *Conflicting Transactions*

ACQ may effect a purchase of securities for one Fund at the same time as a sale of the same securities for another Fund. In many instances such transactions will be effected to rebalance the positions held in a Fund with a view towards achieving uniform results among Funds in the same strategy or otherwise in consideration of differing cash flows or to comply with Fund's investment guidelines or restrictions. On these occasions, the respective portfolio manager and traders will consult to ensure that the transactions are consistent with the investment objectives, policies and restrictions of each Fund and are appropriate for each Fund. ACQ will strive to execute these transactions at prices that are fair and equitable to Funds whose securities are being purchased or sold.

## Item 17 – Voting Client Securities

The Company has implemented policies and procedures regarding the voting of proxies as required under Rule 206(4)-6 of the Investment Advisers Act.

This Rule generally requires the Company to (i) adopt policies and procedures reasonably designed to ensure that proxies with respect to securities in the clients' accounts where we exercise voting discretion are voted in the best interest of our clients; (ii) to disclose how information may be obtained on how we vote proxies; and (iii) to maintain records relating to our proxy voting.

ACQ has adopted Proxy Voting Policies and Procedures (the "Proxy Policy") that are designed to ensure that it votes proxies with respect to clients' portfolio securities in the best interests of clients. In voting proxies, ACQ generally votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated) and will generally will vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, ACQ will determine whether a proposal is in the best interests of its clients and may take into account the following factors including, but not limited to, (i) whether the proposal was recommended by management and ACQ's opinion of management; (ii) whether the proposal creates a detrimental financial impact to the company's profitability when compared to the hoped-for benefits; and (iii) whether the company already has established appropriate procedures to address the proposal.

The Proxy Policy also requires that ACQ identify and address proxy voting conflicts of interest between ACQ and clients. In the event a material conflict of interest exists, ACQ will determine whether voting in accordance with the guidelines set forth in the Proxy Policy are in the best interests of clients. To address a material conflict, ACQ may refer such proxy to a third-party, including the client, and will follow the voting decision of such third-party.

It is ACQ's general policy not to vote proxies for securities which are not held in a client's account at the time such proxy is received by ACQ. In addition, due to logistical and other issues presented when owning non-US securities, ACQ may determine to abstain from voting proxies if it determines that the issues presented (e.g., translation of proxies into English, shares being "locked-up" if proxies are voted, etc.) are too great to overcome or is detrimental to clients.

ACQ will provide, at no cost, a copy of its proxy voting policies and will provide clients with information regarding how proxies were voted by contacting Steve Zang, Chief Compliance Officer.

## **Item 18 – Financial Information**

We do not believe that there are any financial commitments that are likely to impair our ability to meet our contractual commitments to our clients.