



FQS CAPITAL PARTNERS L.P.

Item 1: Cover page

Part 2A of Form ADV: Firm Brochure

FQS Capital Partners, L.P.

February 2021

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This brochure provides information about the qualifications and business practices of FQS Capital Partners L.P. ("Registrant", "we" or "us"). If you have any questions about the contents of this Brochure, please contact us at the address above.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

We are registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about us also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This version of the brochure is updated to reflect the firm's latest total regulatory assets under management for the current pooled investment vehicle clients.

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Item 4: Advisory Business

FQS Capital Partners L.P. ("Registrant", "we" or "us") is a Delaware limited liability partnership that has been in business since 2009. We are principally owned by FQS Capital Partners (US) GP, LLC. FQS Capital Partners (US) GP, LLC is owned by FQS Capital Management (Cayman) Ltd (together the "FQS Group"), a wholly owned subsidiary of Frey Fund of Fund Holdings LLC, which is the wholly owned holding vehicle for the Frey family.

We provide discretionary investment advisory services to the following private investment vehicles (each, a "Fund" and collectively, the "Funds"):

(i) FQS Alternatives, Multi Manager Multi Strategy Series LP, (ii) FQS Alternatives, Multi Manager Long Short Equity Series LP, and (iii) FQS Alternatives, Multi Manager Quant Series LP .

We may provide discretionary investment advisory services to other private investment vehicles in the future. We do not provide non-discretionary investment advice.

We generally invest the Funds' capital in private investment vehicles ("Underlying Investment Funds") managed by third-party investment managers ("Underlying Fund Managers"). Such Underlying Fund Managers may invest or trade in a wide variety of securities and financial instruments, domestic and foreign, of all kinds and descriptions, whether publicly traded or privately placed. Each Fund's capital may also be invested with trading managers retained by such Fund in our discretion.

We generally do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents for Funds.

As of January 31, 2021, the Firm's total discretionary regulatory assets under management was approximately \$69.9 million.

Item 5: Fees and Compensation

The investment capital of the Funds consists of the following class of interests - Class A for regular investors and Class I for Institutional investors.

The Registrant is compensated by the Funds' manager, FQS Capital Management Cayman Ltd, (the "Manager"), pursuant to a sub-manager agreement. With respect to Class A interests, each of the Funds; FQS Alternatives Multi Strategy Series LP, FQS Alternatives Long Short Series LP and FQS Alternatives Quant Series LP pays FQS Capital Management Cayman Ltd, (the "Manager"), a monthly management fee of 0.04167%, 0.04167% and 0.0625% of the net asset value at the end of each calendar month respectively. (a 0.5%, 0.5% and 0.75% annual rate respectively).

With respect to Class I interests, each of the Funds pays the Manager, a monthly management fee of 0.041667% of the asset value at the end of each calendar month (a 0.5% annual rate).

In addition, with respect to Class A interests for each of the Funds; FQS Alternatives Multi Strategy Series LP, FQS Alternatives Long Short Series LP and FQS Alternatives Quant Series LP, generally at the end of each fiscal year, the Manager receives a 7.5%, 10% and 10% performance-based allocation respectively from each member's capital account. With respect to Class I interests for each of the Funds generally at the end of each fiscal year, the Manager receives a 5% performance based allocation from each member's capital account. However, the Manager is not entitled to receive any performance-based allocation as to any member if that member's capital account had previously incurred losses, until such losses are recovered through subsequent gains (the "High Water Mark").

With respect to all of the Funds, the fees/allocation described above are generally not negotiable. However, the Manager reserves the right to waive all or part of these fees/allocation in its sole discretion.

Each Fund is responsible for the payment of its legal and accounting fees and expenses incurred relating to its investing, trading and related activities, if any, including, without limitation, interest, brokerage and insurance costs.

Each Fund indirectly incurs similar fees, allocations and expenses, including management fees and performance-based fees or allocations, in its capacity as an investor in the Underlying Investment Funds, which in turn pay similar fees, allocations and expenses to their Underlying Fund Managers and other service providers. In addition, to the extent that a portion of a Fund's capital

is invested in a managed account with a trading manager, retained by such Fund, such Fund may incur similar fees, allocations and/or expenses, including management fees and performance-based fees or allocations.

Item 6: Performance-Based Fees and Side-by-Side Management

As described in Item 5 "Fees and Compensation", FQS Group receive a performance-based fee/allocation from the Funds, which is based on a percentage of the capital appreciation of such Funds' assets, subject to the High Water Mark. This may result in a conflict of interest when we allocate opportunities among these accounts because we will have an incentive to favor accounts that have performance-based fees and allocations. To avoid such a conflict of interest, we do not take into account the performance-based fees and allocations to which such accounts are subject when allocating opportunities among such accounts (See Item 12 below).

As the management fees and performance-based fees and allocations are based directly on the net asset value of Fund accounts, we have a conflict of interest in valuing the assets held in the accounts. We follow the valuation policies documented in each Fund's offering documents in order to mitigate this risk, which includes independent valuation by the Fund's Administrator, Citco Group, and the Fund's independent Fund Directors having the ultimate decision.

Item 7: Types of Clients

We provide investment advice to the Funds. Investors in the Funds are generally high net worth individuals and institutional investors that have a minimum qualification as "Accredited Investors" (as defined in Rule 501 under the Securities Act of 1933, as amended).

U.S. investors in (i) FQS Alternatives Multi Strategy Series LP, (ii) FQS Alternatives Long Short Series LP, (iii) FQS Alternatives Quant Series LP, must reach the threshold of "Qualified Purchasers" (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

The minimum investment for the Funds is \$100,000.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies Generally

Through our allocation of capital primarily among a diversified group of Underlying Investment Funds managed by Underlying Fund Managers, we seek to provide the Funds' investors a superior, long-term, risk-adjusted rate of return.

The Registrant has relationships with an extensive network of hedge fund managers, many of whom have compiled impressive track records but are not well-known. In selecting Underlying Investment Funds in which to invest, we focus on, among other things, track records and strategies with the goal of assembling a group of funds pursuing a variety of investment strategies whose managers have achieved superior results. Such strategies may include, without limitation, hedged equity investing, merger arbitrage, convertible arbitrage, distressed securities investing, international equity investing, short-selling, short-term trading and "market-neutral" investing. We seek to reduce risk to the Funds by allocating their assets among a diversified group of investment strategies, some of which are expected to perform differently from one another under a given set of market conditions.

Typically, our evaluation of an underlying hedge fund and its manager includes an analysis of the following (amongst other things): (a) such fund's returns, volatility, draw-downs, risk-return profile, correlation with benchmarks, and performance in up and down markets; (b) such fund's portfolio of strategies and how those strategies will likely perform in the current and anticipated market environments; (c) such fund's historical exposures; (d) the likely influence of such fund's inclusion in the portfolio upon the portfolio's liquidity; (e) the education, work history, track record, legal and compliance history, and reputation of the senior investment professionals of such fund's manager; (f) such fund's asset under management history; (g) such fund's offering documents and other policy documents including an evaluation of liquidity provisions, organizational structure, fee structure, leverage constraints, valuation policies, employee trading policies, cash controls, risk management policies, and disaster readiness; (h) such fund's service providers, the level of investment by senior personnel of such fund's manager, general compliance culture, side letters, conflicts of interest, and technology infrastructure; (i) such fund's ownership concentration; and (j) such fund's annual audited financial statements. We also use disclosure materials prepared by underlying hedge funds that we consider for investment by the Funds.

In addition, we closely monitor the Underlying Fund Managers we select and determine on a regular basis if allocations need to be changed because of poor results, changes in the investment or economic environment or the availability of more promising alternative investments, or for re-balancing purposes.

We have an internal Investment Committee ("IC"), which includes the CIO and other senior staff. The IC evaluates and decides with respect to the allocation of assets to new or existing Underlying Investment Funds, redemptions from Underlying Investment Funds, management of risk and liquidity issues, global market and economic trends and any other matters presented at regular or special meetings.

A Fund's capital may also be invested in separately managed accounts with trading managers.

A Fund may borrow up to the maximum allowable amount under the law and the governing documents of such Fund.

Certain Material Risks Associated with Methods of Analysis and Investment Strategies

Concentration Risks. The selection of Underlying Fund Managers within the investments of each Fund may not result in an effective and adequate diversification of investments for such Fund. Different Underlying Fund Managers acting separately may each acquire significant positions in the same investment. This may result in an inadvertent concentration by a Fund in an investment. A Fund's portfolio may be concentrated in securities of a limited number of issuers in a single industry. If an Underlying Investment Fund uses leverage, this will magnify the consequences of an error in investment judgment. The diversification policies of the Underlying Fund Managers may differ. As a result, the level of diversification may fluctuate. The holding period required to profit from investing in some undervalued and special situation securities may be longer than the period required to profit from more traditional investment positions.

Performance-Based Compensation. To the extent investors in a Fund are charged a performance-based fee or allocation, such fee or allocation may create an incentive for us to cause such Fund to make investments that are riskier or more speculative than would be the case if such amounts were not paid/allocated. In addition, many of the Underlying Fund Managers will be compensated in whole or in part by means of performance-based fees or allocations. This may increase their risk-taking, which could cause losses to the Funds.

Prior Performance. While we have experience managing the Funds, the past investment performance of a Fund may not be relevant for evaluating an investment in such Fund or any other Fund because, among other reasons, the investment policies, objectives and techniques of such Fund may be different from such other Funds and/or the economic, financial and political climate may differ. The Underlying Fund Managers may have previous experience managing investment and trading accounts (including accounts for Underlying Investment Funds whose principal activity is trading securities); however, the investment performances of such other accounts may not be relevant for evaluating an investment in a Fund. Accordingly, one should not expect a certain return on investment, for there is no documentation or evidence on which to base such a conclusion.

Business Dependent Upon Key Individuals. The Funds are dependent upon our investment ability, and the Chief Investment Officer's investment ability specifically, in selecting the Underlying Fund Managers, and on the efforts of the Underlying Fund Managers that will ultimately be responsible for the performance of the Underlying Investment Funds. The Funds are also dependent on us for their daily operations, and each Fund is dependent on the services of the Citco Fund Services who act as the Administrator to the Funds. In the event that the Funds were to lose the services of Citco Fund Services, the Funds' performance could be adversely affected. In addition, the Funds' performance could be adversely affected in the event of the death, incapacity, resignation, termination or dissolution (if applicable) of any one or more of us or Underlying Fund Managers, or any key personnel thereof, if a suitable replacement were not to be found.

Limited Transparency. While we are responsible for the allocation of each Fund's assets among the various Underlying Investment Funds, we will not have control over, and will not necessarily have access to information regarding, the day-to-day management of the Underlying Investment Funds. In this regard, we may not have access to information concerning the positions of the Underlying Investment Funds.

Potential Illiquidity. The Funds may make additional investments in or effect withdrawals from an Underlying Investment Fund only at certain times pursuant to limitations set forth in the governing documents of the Underlying Investment Fund. The withdrawal provisions regarding the Underlying Investment Funds vary from fund to fund. Therefore, the Funds may not be able to withdraw an investment in an Underlying Investment Fund promptly after it has made a decision to do so. Some Underlying Investment Funds may impose early withdrawal fees. This may limit the Fund's ability to pay amounts investors seek to withdraw.

Valuation Risk. The valuation of the Fund's investments in the Underlying Investment Funds is ordinarily determined based upon information provided by the Underlying Investment Funds and

their administrators and auditors. Although we review the valuation procedures used by the Underlying Investment Funds, we may not be able to confirm or review the accuracy of such valuations. Furthermore, revisions to an Underlying Investment Fund's gain and loss calculations will be an ongoing process, and no appreciation or depreciation figure can be considered final until the audit of the Underlying Investment Fund has been completed.

Multi-Level Fees. The Funds pay and/or reimburses fees and/or expenses to the Managers and certain service providers. In addition, each Fund indirectly incurs similar fees, allocations and expenses, including management fees and performance-based fees or allocations, in its capacity as an investor in the Underlying Investment Funds, which in turn pay similar fees, allocations and expenses to their Underlying Fund Managers and other service providers. Thus, each Fund may be subject to performance-based fees or allocations for its investments in Underlying Investment Funds even though such Fund may have experienced a net loss with respect to its aggregate investments in Underlying Investment Funds generally.

Expenses. The expenses of a Fund may be a higher percentage of net assets than would be found in other fund of funds, because, among other things, the Funds bear certain types of expenses that may not be borne by other fund of funds. In addition, one or more of the Funds may initially pay some or all of the expenses incurred by one or more of the other Funds. In such case and until reimbursed by such other Fund(s) for its/their allocable share of such expenses, the payor(s) will be subject to the credit risk of such other Fund(s).

Investment and Trading Risks. **Investing in securities involves risk of loss that clients should be prepared to bear.** We believe that each Fund's investment program and research techniques will moderate this risk through a careful selection of Underlying Investment Funds in which such Fund selects to invest its assets. No guarantee or representation is made that a Fund's program will be successful. The investment program of each Underlying Investment Fund may utilize such investment techniques as trading in put and call options and other derivatives, limited diversification, the use of leverage and short sales, which practices can, in certain circumstances, increase the adverse impact to which the Underlying Investment Fund may be subject. In addition, in certain transactions, an Underlying Investment Fund may not be "hedged" against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the company or the degree of legal and regulatory risk, thereby resulting in losses for the Underlying Investment Fund. A Fund's losses with respect to an Underlying Investment Fund should generally be limited to the amount invested in such Underlying Investment Fund.

Leverage; Interest Rates; Margin. Underlying Investment Funds in which a Fund may invest may borrow funds from brokerage firms, banks and other available sources in order to be able to

increase the amount available for investments and/or for other purposes, including, without limitation, short-term financing. In addition, Underlying Investment Funds may in effect borrow funds through entering into repurchase agreements, and may purchase or sell options, forwards and other derivative instruments. The amount of borrowings which Underlying Investment Funds may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates, generally, and the rates at which Underlying Investment Funds can borrow, in particular, will affect the operating results of such Underlying Investment Funds, and thus affect the Funds that invest in them. Leverage has the effect of magnifying both profits and losses compared with unleveraged positions. In addition, a Fund may engage in similar practices.

Short-term borrowings could result in certain additional risks to a Fund. For example, should the securities pledged to brokers to secure an Underlying Investment Fund's margin accounts decline in value, such Underlying Investment Fund could be subject to a "margin call" pursuant to which such Underlying Investment Fund would either have to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of an Underlying Investment Fund's assets, such Underlying Fund Manager might not be able to liquidate assets quickly enough to pay off its margin debt and may therefore also suffer additional significant losses as a result of its default.

Short Sales. The Underlying Fund Managers have the power to sell securities short; that is, sell securities that they do not own, and fulfill their delivery obligations with respect to such sales with borrowed securities. In order to engage in short selling, the parties must be able to arrange to borrow the securities in order to deliver them. If the parties are unable to find a lender of securities sold short, they could be required to cover the short position involuntarily and at a loss. In theory, because there is no limit to how high the price of a security can rise, losses from short sales can be unlimited (although in general a Fund's potential liability to losses in an Underlying Investment Fund is limited to the amount of such Fund's investment in such Underlying Investment Fund).

Calculation of Net Asset Value. Net asset value of a Fund will be calculated by reference to the net asset value of the Underlying Investment Funds in which it invests. The procedures for the calculation of the net asset value of Underlying Investment Funds may not correspond to the method of calculation adopted by a Fund. In addition, the dates on which Underlying Investment Funds and a Fund calculate and/or report net asset value may not coincide. As a result, the calculation of net asset value in relation to a Fund and each class and series of investor interests therein may be made on the basis of net asset values for Underlying Investment Funds that are either estimated or historic. Such estimated net asset values and historic net asset values may vary significantly from the actual value of the net assets of the respective Underlying Investment Funds

on the valuation date. Such variations may, among other things, result in the subscription price, the management fee, the incentive fee and the proceeds of a redemption for investor interests representing a discount or a premium.

Frequent Trading. The strategies employed by the Underlying Fund Managers may require frequent trading. In such case, portfolio turnover and brokerage commission expenses may exceed those of other investment entities of comparable size, and affect a Fund's earnings.

In-Kind Distributions. Although each Fund expects to liquidate all of its investments prior to its termination and distribute only cash to its investors, there can be no assurance that each Fund will meet this objective. In addition, if significant redemptions are requested, a Fund may be unable to liquidate its investments in Underlying Investment Funds at the time such redemptions are requested or may be able to do so only at prices which it believes do not reflect the true value of such investments and which would adversely affect its investors. Under the foregoing circumstances, the investors in such Fund may receive in-kind distributions of securities or instruments in lieu of cash, if permitted by law and by contracts with such Underlying Investment Funds. Such securities and instruments may not be readily marketable or salable and may have to be held by the investor, or by us in trust for the investor, for an indefinite period of time. Since one or more Underlying Investment Funds may also make in-kind distributions upon any redemption by any Fund, the Funds are also exposed to such risks.

Market Conditions. The financial markets may exhibit increased volatility. Events and uncertainty may result in vast fluctuations in market prices on a daily basis. Market participants may react quickly to unconfirmed reports or information and as a result there may be drastic unexpected market movements, up or down, in short periods of time. While this may create opportunities for Underlying Fund Managers to identify undervalued investments, it also may make it difficult for Underlying Fund Managers to anticipate or predict future market movements. Certain investments may have to be held for longer periods of time until their value potential can be realized, if at all. Changes in government regulations and policies may impact investment and trading opportunities and/or strategies in ways that are hard to anticipate. In addition, increased volatility and vast fluctuations in the financial markets could make it more difficult for Underlying Fund Managers to access sources of leverage.

Market Risk. The Underlying Investment Funds may commit a portion of their capital to strategies that are not "market-neutral" and that depend for success upon correctly assessing future price movements of stocks, bonds, commodities, or foreign currencies. No one can ensure that the Underlying Fund Managers will accurately predict these price movements. Furthermore, each

investment strategy, even one that is "market-neutral," involves some, and occasionally a significant degree, of market risk.

Lack of Custodianship. The Funds do not control the custodianship of the securities owned by the Underlying Investment Funds. The banks or brokerage firms selected by the Underlying Fund Managers to act as custodians may become insolvent; therefore, a Fund may lose all or a portion of its funds held by any such custodian.

Agreements with Certain Investors; Access to Information; Enhanced Liquidity. Subject to applicable law (including the Employment Retirement Income Securities Act of 1974, as amended ("ERISA")), a Fund and/or the Managers may enter into "side letter" agreements with certain investors pursuant to which they may give such investors access to more frequent and/or more detailed information regarding the Fund's positions, performance and finances. In addition, pursuant to such side letter agreements and subject to applicable law (including ERISA), certain investors may receive the right to redeem all or a portion of their investor interests from a Fund on shorter notice and/or with more frequency than others.

* * *

A more detailed discussion of the risks associated with the investment strategies in which the Funds may engage is contained in each Fund's offering documents, which we will provide to each prospective investor for his or her review and consideration prior to investing in a Fund. Each prospective investor in a Fund will be required to complete a Subscription Agreement, pursuant to which he or she must represent that he or she is qualified for investment in such Fund, and acknowledge and accept the various risks that are associated with such an investment.

Item 9: Disciplinary Information

The Adviser has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Adviser have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

We have relied upon an exemption from commodity pool operator ("CPO") registration with the Commodity Futures Trading Commission ("CFTC") with respect to the Funds. Recent revisions to CFTC regulations governing CPOs have made it necessary for many private fund operators that were not previously registered with the CFTC as CPOs to determine if they are required to register as CPOs in light of the revisions or if they are still eligible to claim an exemption from registration. However, the CFTC staff acknowledged that operators of funds of funds may not have enough information to make such determination and, thus, issued temporary no-action relief for such operators if they meet certain criteria. As of June 14, 2016, we withdrew our exemption with respect to each Fund and claimed the relief provided by the no-action letter, which became effective July 14, 2016. We will continue to rely on the no-action letter until such time that we are no longer permitted to claim such relief. Such no-action relief will allow each Fund to continue to invest in the same manner as it did previous to claiming such relief and is not expected to impact its practices regarding disclosure, record-keeping and reporting with respect to the underlying funds.

The management of multiple pooled investment vehicles may result in conflicts of interests when we and our related persons allocate our time and investment opportunities among the Funds and any other clients. In addition, the compensation earned by us and our related persons from each of the Funds may differ from one another and any other clients. We and our related persons generally follow certain procedures in allocating investments among the Funds and any other clients.

Our principals (and/or other related persons) may have a greater portion of their personal assets invested in certain of the Funds than in the others. As a result, we may have a conflict of interest in allocating investment opportunities among the Funds. We generally follow certain procedures in allocating investment opportunities among the Funds.

We may cause certain of the Funds to invest all or a portion of their assets in other Funds or other affiliated private investment entities. To the extent that we do so, unless otherwise indicated in the individual series designation documentation, we waive fees at one of the Fund levels, as not to disadvantage our investors.

We serve as sub-manager to the Funds and, as such, are primarily responsible for the administrative services of the Funds. There are no material conflicts of interest resulting from the relationship between us and the Manager other than any conflicts described above.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics (the "Code") which sets forth standards of ethical and business conduct expected of our personnel. The Code requires compliance with all federal securities laws and reflects our fiduciary responsibilities and those of our advisory personnel.

The Code adopted by us details the standards of conduct for us and our employees. Among other things, it governs the personal investment transactions of our employees, the prohibition of insider trading, our policies with respect to gifts and entertainment and other outside activities of our employees. The Code also provides the manner in which potential violations of the Code are reported, investigated and resolved.

Our principals (and/or other related persons) have significant personal investments in one or more of the Funds. In addition, generally, FQS Group receive a performance-based fee/allocation from the Funds. Finally, pursuant to the governing documents of the Funds, we may cause certain of the Funds to invest all or a portion of their assets in other Funds or other affiliated private investment entities. To the extent that we do so, unless otherwise indicated in the individual series designation documentation, we waive fees at one of the Fund levels, as not to disadvantage our investors.

In order to reduce certain conflicts of interest that may arise between our Fund accounts and the personal trading activity of our employees, we have adopted a personal trading policy in accordance with Rule 204A-1 under the Advisers Act. The personal trading policy imposes certain restrictions on the personal trading of our employees and establishes certain reporting obligations.

Our employees may buy or sell securities and other financial instruments for their personal accounts that are also held by Underlying Investment Funds, subject to the policies and procedures set forth in the Code.

A copy of the Code will be furnished upon request. Investors or prospective investors may request a copy of the Code by contacting us.

Item 12: Brokerage Practices

Brokerage Practices

The Underlying Fund Managers have the authority to determine the broker or dealer to be used for each securities transaction for the Underlying Investment Funds. In selecting brokers or dealers to execute transactions, the Underlying Fund Managers may not solicit competitive bids and may not have an obligation to seek the lowest available commission cost. In addition, the Underlying Fund Managers may not negotiate "execution only" commission rates and, thus, may be deemed to be paying for research and execution services provided by the broker which are included in the commission rate.

It is expected that the use by most Underlying Fund Managers of commission or "soft dollars" to pay for research products or services generally falls within the safe harbor for "soft dollars" created by Section 28(e) of the Exchange Act. Such research services may include, without limitation: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel, financial publications; statistical and pricing services along with software, databases and other technical and telecommunication services utilized in the investment management process. Under Section 28(e), research obtained with "soft dollars" generated by Underlying Investment Funds may be used by the Underlying Fund Managers to service accounts other than the Underlying Investment Funds in which the Fund(s) invest. Therefore, the Underlying Investment Funds in which the Fund(s) invest may not, in a particular instance, be the direct or indirect beneficiary of the research or related services provided.

We have not to date, but to the extent that we engage in any trading activities on behalf of a Fund in the future, similar conflicts may arise. Subject to applicable law, any fees and commissions used to compensate third parties, such as placement agents, in connection with the sale of investor interests may be paid with directed commissions and/or "soft dollars." Subject to applicable law, we also may use directed commissions, "soft dollars," management fees and/or incentive fees/allocations to cover the Funds' operational and administrative expenses. To the extent a Fund is deemed to hold "plan assets" under ERISA, such Fund will limit its use of "soft dollars" to obtain research products or services which meet the "safe harbor" under Section 28(e).

Allocation of Investment Opportunities

Subject to applicable law and each Fund's investment guidelines, we generally seek to invest the portfolios Funds as is appropriate to that funds strategy.

Generally, all long short strategy managers are allocated for the FQS Alternatives Multi Manager Long Short Series LP, with managers allocating in a quantitiave or systematic fashion being allocated to FQS Alternatives Multi Manager Quant Series LP. Finally, all other strategies would be allocated to FQS Alternatives Multi Manager Multi Strategy Series LP, while it invests in in the two other funds to access long short and quant exposure.

We believe that the process we use is one that is fair and equitable to the investors in the Funds and is designed to minimize conflict from allocation decisions.

Item 13: Review of Accounts

The investment portfolios for each Fund are reviewed monthly by several professionals, including the Chief Investment Officer and the COO. Additionally, our analysts conduct daily and routine research, due diligence reviews, and risk assessments of the Underlying Investment Funds and Underlying Fund Managers.

The Funds' administrator is responsible for sending investors the following regular reports: (i) annual audited financial statements within 180 days after the end of each fiscal year of the Funds; (ii) unaudited, monthly written performance reports; and (iii) with respect (i) FQS Alternatives Multi Manager Multi Strategy Series LP, (ii) FQS Alternatives Multi Manager Long Short Series LP, (iii) FQS Alternatives Multi Manager Quant Series LP, annual written tax information necessary for the completion of U.S. federal, state and local income tax returns generally within nine months or as soon thereafter as practicable after the end of each fiscal year of these Funds.

While we currently do not have any side-letter agreements, the Fund operating agreements allow for us to provide certain investors in a Fund access to more frequent and/or more detailed information regarding such Fund's investments, performance, finances, and management and/or other information about any of the Funds or us, possibly enabling such investors to better assess the prospects and performance of the Funds.

Item 14: Client Referrals and Other Compensation

The Registrant does not receive economic benefits from non-clients for providing investment advice or other advisory services.

Neither the Registrant nor any related person directly or indirectly compensate any person who is not a supervised person, including placement agents, for client referrals.

Item 15: Custody

All the Funds assets (underlying fund interest and cash) are held by the Funds independent administrator, custodian (structured as a bankruptcy remote entity) and bank, the Citco Group of companies, a global leader in the provision of hedge fund administration, custody and banking.

We however may be deemed to have custody of client funds and securities by virtue of us or an affiliate serving as the sub-manager, or in a similar capacity, to the Funds. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with US generally accepted accounting principles and distributed within 180 days of the Funds' fiscal year ends.

Item 16: Investment Discretion

We have full discretionary authority to make investment decisions for the Funds, governed by an internal Investment Committee structure, run through a negative veto decision matrix.

Generally, our authority is limited by our own internal policies and procedures and each Fund's investment guidelines and other terms contained within the governing documents.

We typically invest the assets of the Funds in Underlying Investment Funds that, in turn, make direct investments.

Item 17: Voting Client Securities

We have adopted written proxy voting guidelines in accordance with Rule 206(4)-6 under the Advisers Act.

As a "fund-of-hedge-funds" adviser, we have never been requested to vote the proxies of traditional operating companies.

We may however, from time to time, receive a request to vote on behalf of its Funds in their capacities as investors in underlying Sub-Funds. Therefore, our voting is only relevant to corporate actions within the investment vehicle such as renaming of funds and change of accounting period, etc. To that end, we endeavor to vote proxies in the best interest of each Fund.

Item 18: Financial Information

At this time, the Adviser is not aware of any financial condition that could impair its ability to meet its contractual obligations to its clients. The Adviser has not been the subject to any bankruptcy petitions, including in the past ten years.

Item 19: Requirements for State Registered Advisers

Not applicable.