



COMPLIANCE MANUAL & CODE OF ETHICS

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COMPLIANCE MANUAL

I. INTRODUCTION

This Compliance Manual (the “Manual”) is designed to assist QMS Capital Management LP (referred to in this Manual as “QMS”) and its members, directors, officers, and employees (as applicable) in complying with applicable securities laws and adopting an infrastructure for good business practice. QMS is currently unregistered but is developing policies and procedures to the extent they will need to register as an investment adviser with the SEC due to Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Once registered, QMS will be subject to certain requirements arising under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”), and as such QMS will be subject to regulation and oversight by the SEC. The policies and procedures in this Manual are intended to comply with the requirements of Rule 206(4)-7 of the Advisers Act, which requires all registered investment advisers to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act by the adviser and its personnel.

The scope of this Manual is to provide compliance guidelines for QMS in connection with the advisory services that QMS provides to its Advisory Clients and Funds as listed on **Appendix N** (which may be updated from time to time) and ahead of registration. The Manual consists of procedures relating to various aspects of QMS’ advisory business. Although each section of the Manual deals with a different compliance issue, procedures relating to certain topics may be found in more than one section. The Manual does not attempt to cover all possible situations that may arise in QMS’ advisory business. If you have any uncertainty as to how the procedures relate to a particular situation, employees must consult Adil Nathani (the “Chief Compliance Officer”). The Chief Compliance Officer may consult with QMS’ external legal counsel as needed. The Chief Compliance Officer may also designate other employees to handle certain responsibilities on his behalf under this Manual.

QMS is a fiduciary and therefore must serve the interests of its Advisory Clients and its investors with the utmost care and loyalty. *Each of QMS’ Access Persons (which are listed on **Appendix P**) owes the same fiduciary responsibilities to the Advisory Clients and their investors.* This Manual is designed to set forth rules of conduct to be followed by Access Persons to ensure that they adhere to these fiduciary responsibilities and to enable the Chief Compliance Officer to monitor Access Person activities so that QMS best meets its fiduciary responsibilities. QMS must adhere to a high standard of care and diligence in conducting its activities, act in accordance with prudent internal procedures and be particularly sensitive to situations in which the interest of its Advisory Clients may be even indirectly in conflict with those of QMS. QMS takes its compliance obligations seriously. **Failure to comply with the procedures in the Manual could result in termination of employment or violations of the federal securities laws that could lead to criminal and civil penalties.**

II. DEFINITIONS

In this Manual, unless the context otherwise requires, the following words shall have the following meaning:

Access Persons	Every employee (including summer associates) of QMS is deemed to be an “Access Person” and the names of such persons are listed on Appendix P (which may be modified
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	and amended from time to time).
	Under Rule 204A-1 of the Advisers Act, an Access Person is generally any partner, officer or director of QMS and any employee or other supervised person of QMS who: (i) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding the holdings of any Advisory Client; or (ii) is involved in making securities recommendations to Advisory Clients, executing securities recommendations or has access to such recommendations that are non-public.
Administrators	SS&C Fund Services
Advisers Act	U.S. Investment Advisers Act of 1940, as amended.
Advisory Clients	The Funds listed on Appendix N and such other Managed Accounts as may be managed by QMS in the future, each one an Advisory Client .
Beneficial Ownership	Includes ownership by any person who, directly or indirectly, through any contract, agreement understanding, relationship or otherwise, (i) has or shares a direct or indirect financial interest in other than the receipt of an advisory fee, or (ii) possesses voting or investment power over securities or other investments.
Brochure	The written disclosure statement required, pursuant to Rule 204-3 under the Advisers Act, to be furnished to each Advisory Client and prospective Advisory Client.
Chief Compliance Officer	Adil Nathani
Covered Associate	Under the Advisers Act a Covered Associate is: (i) any general partner, managing member or executive officer, or other individual with a similar status or function; (ii) any employee who solicits a government entity for QMS and any person who supervises, directly or indirectly, such employee; and (iii) any political action committee controlled by QMS or by any of its covered associates. All employees (including summer associates) of QMS are deemed Covered Associates.
Exchange Act	U.S. Securities Exchange Act of 1934, as amended.
FCM	Futures commission merchant
Federal Securities Laws	The Advisers Act, the Investment Company Act (defined below), the Securities Act, as amended; the Exchange Act; the Sarbanes-Oxley Act of 2002, as amended; the Gramm-Leach Bliley Act, as amended; any rules adopted by the SEC under

	the foregoing statutes; the Bank Secrecy Act and any other rules adopted thereunder by the SEC or the Department of Treasury.
Funds	The investment funds listed in Appendix N to this Manual, as amended from time to time, each one a Fund.
QMS	QMS Capital Management LP
Investment Company Act	U.S. Investment Company Act of 1940, as amended.
Investor	Investors in, or beneficial owners of, the Advisory Clients. The term Investor also includes prospective Investors.
Manual	This Compliance Manual, as amended from time to time.
Non-Public Personal Information	Information concerning Advisory Clients or Investors such as name, address, social security number, tax identification number, net worth, total assets, income and other financial information necessary to determine required accreditation standards.
USA Patriot Act	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.
Personal Account	Means any account in which an Access Person has any Beneficial Ownership.
SEC	The U.S. Securities & Exchange Commission
Securities Act	U.S. Securities Act of 1933, as amended.
Short Sale	The sale of securities that the seller does not own. A Short Sale is “against the box” to the extent that the seller contemporaneously owns or has the right to obtain at no added cost securities identical to those sold short.
Solicitor	Any person, who is not an Access Person who, directly or indirectly, solicits any Investor for, or refers any to, QMS. A person could be a Solicitor within this definition if such person supplies the names of Investors to QMS , even if such person does not specifically recommend that Investors retain QMS .
Staff	The Staff of the SEC

III. ADMINISTRATION OF POLICIES AND PROCEDURES

The Chief Compliance Officer is primarily responsible for administering the policies and procedures that QMS has adopted under this Manual. On an ongoing basis, the Chief Compliance Officer shall oversee the operation of QMS' policies and procedures as set forth in this Manual and shall assess their adequacy and effectiveness in light of compliance matters that arise, changes in QMS' business operations and changes in applicable laws, rules and regulations. The Chief Compliance Officer is also permitted to delegate certain of his responsibilities under these procedures.

A. Annual Review

On not less than an annual basis, the Chief Compliance Officer, or his designee, shall review the compliance policies and procedures to ensure the effectiveness of such policies and procedures in the prevention of violations of applicable Federal Securities Laws. At a minimum, the Chief Compliance Officer, or his designee, shall review the operation of QMS' compliance policies and procedures and whether any changes should be made to the policies and procedures as a result of such review. The Chief Compliance Officer, or his designee, may document his findings in a written report that addresses:

- the operation of the policies and procedures of the Adviser since the date of the last report, any material changes to the policies and procedures since the date of the last report and any material changes to the policies and procedures recommended as a result of the annual review conducted; and
- each "Material Compliance Matter" that occurred since the date of the last report. A Material Compliance Matter means any compliance matter about which QMS would reasonably need to know to oversee compliance and that involves, without limitation:
 - a violation of the Federal Securities Laws by QMS;
 - a violation of the policies and procedures of QMS; or
 - a weakness or failure in the design or implementation of the policies and procedures of QMS.

B. Compliance Training

The Chief Compliance Officer will provide (or arrange for a qualified third party to provide) initial and ongoing training pertaining to QMS' compliance program to all employees so that employees understand and are prepared to meet the applicable requirements under this Manual.

IV. GENERAL EMPLOYEE RESPONSIBILITIES

All employees of QMS are required to carefully read this Manual. Employees should, in particular, note the following responsibilities under the Manual (although employees should note that they have other responsibilities under this Manual).

All compliance related questions should be directed to the Chief Compliance Officer. When necessary, the Chief Compliance Officer may consult with outside legal counsel to resolve an issue.

A. Compliance Manual/Code of Ethics Acknowledgment

All employees will be required to acknowledge, in writing, as soon as possible following their initial hire date and on an annual basis thereafter, that they have read and understand the Manual and Code of Ethics by providing the Chief Compliance Officer with an executed form of the acknowledgment contained in **Appendix A** to this Manual.

B. Completion of Disciplinary Questionnaire

To ensure that QMS is able to monitor its employees in a manner that will allow it to fulfill its fiduciary responsibilities to its Advisory Clients and be in a position to properly complete regulatory filings, all employees are required to complete the form of disciplinary questionnaire contained in **Appendix B** to this Manual following their initial hire date and on an annual basis thereafter. Employees must promptly notify the Chief Compliance Officer in the event that any of their responses to the disciplinary questionnaire changes during the course of the year.

C. Pre-Clearance/ Notification of Outside Activities

In addition to the pre-clearance and reporting requirements that may be applicable to employees related to personal securities transactions (as set forth in the Code of Ethics), all employees will need to seek the approval of the Chief Compliance Officer to engage in business activities outside of his or her employment at QMS prior to taking up or accepting any external community, charitable, political, professional or business position (including, without limitation, any company directorships), whether paid or unpaid. A form of such request is contained in **Appendix C-1** to this Manual. As set forth in **Appendix C-1**, employees will need to provide information about: (i) the nature of the outside business activity; (ii) the name of the organization; (iii) any compensation; and (iv) the time demands of the activities. All employees will also be required to annually update QMS of his or her outside business activities and any relationships with “insiders” of publicly-traded companies. A form of the annual update is provided in **Appendix C-2** to this Manual.

Please see the Chief Compliance Officer with any questions.

The Chief Compliance Officer may disapprove of or place conditions on external activities that constitute, in the judgment of the Chief Compliance Officer, a conflict of interest with the duties owed by an Access Person to any Advisory Client. The Chief Compliance Officer shall retain all notices received and shall initial, date and note on such notices whether the external activities were disapproved or limited in any way.

D. Conflicts of Interest Questionnaire

All employees are required to complete a “Conflicts of Interest” questionnaire (as provided in **Appendix D** to this Manual). New employees are required to complete the questionnaire upon hire and employees will be requested to update the questionnaire on an annual basis.

E. Benefits/Gifts/Entertainment

QMS is of the view that its employees (and their family members) should not accept, solicit, retain or provide (in the context of their business activities for QMS) excessive benefits, favors, or gifts that potentially could influence decisions the Access Person or

the recipient must make in business transactions involving QMS or that others might reasonably believe could influence those decisions.

Receipt of Gifts:

Without the consent of the Chief Compliance Officer, no Access Person may accept any gift or other item of more than \$250 in value from any person or entity that does business with or on behalf of QMS. All gifts or items of a value of \$100 or more from a person or entity that does business with or on behalf of QMS shall promptly be reported to the Chief Compliance Officer pursuant to the Gift/Benefit Notification Form. A form of disclosure is provided in **Appendix E** to this Manual.

Giving of Gifts:

No Access Person may make or give, or offer to make or give, a payment or gift to any non-U.S. government official, non-U.S. political party or non-U.S. political candidate without first obtaining written approval from the Chief Compliance Officer, which approval shall not be granted if such gift or payment may reasonably be considered a violation of, or an inducement to violate, ethical guidelines, local law or U.S. law, including without limitation the U.S. Foreign Corrupt Practices Act. (Please see **III.G** below for further information on this policy.)

No Access Person may give or offer to give any gift of more than \$250 in value to any person or entity that does business with or on behalf of QMS without first obtaining approval from the Chief Compliance Officer, which approval shall not be granted if such gift or payment may reasonably be considered a violation of, or an inducement to violate, ethical guidelines, local law or U.S. law. All gifts of a value of \$100 or more, given to a person or entity that does business with or on behalf of QMS, shall promptly be reported to the Chief Compliance Officer pursuant to the Gift/Benefit Notification Form. A form of disclosure is provided in **Appendix E** to this Manual.

Under NO circumstances may an employee accept or give cash or cash equivalents.

While it is impossible to define all situations which might pose such a risk, this Gift/Benefit/Entertainment Policy is designed to address those circumstances where such risks are likely to arise. Examples of gifts are as follows: tickets to sporting events, the theatre or comparable entertainment, plane tickets; merchandise; payment or reimbursement for lodging or meal expenses that are not related to a normal business event.

Furthermore, it should be noted that the payment of normal business meals or the provision of tickets to events (such as sporting events, concerts and golf events) where business matters are actually discussed (AND where such business or potential business counterparties are present) are NOT deemed to be gifts, but are subject to the benefit/gift/entertainment notification requirement if the amount of the Business Entertainment is believed to be (for any one instance) in excess of \$1,000 or more.

F. Reporting Requirements – DOL Form LM-10

Investment advisers that entertain union personnel, including personnel associated with pension plans (during the course of marketing or for other reasons) may be required to file reports on DOL Form LM-10.

To ensure that QMS is able to monitor its obligations (if any) to file Form LM-10, all employees must immediately notify the Chief Compliance Officer of any gifts or other benefits provided (either by the firm or by the employee's personal funds) to union

personnel (including, but not limited to, the value of travel, golf outings, dinners, holiday parties, sports tickets, and raffle prizes).

The Chief Compliance Officer, with the assistance of outside legal counsel, shall be responsible for determining whether a Form LM-10 reporting requirement has been triggered, and if so, shall coordinate with outside counsel to properly prepare and timely file the form.

G. Payments or Gifts to Foreign Officials

Under the Foreign Corrupt Practices Act (“FCPA”), QMS could face potentially serious civil and/or criminal penalties for offering, promising, paying, or authorizing any bribe, kickback or similar improper payment to any foreign official, foreign political party or official or candidate for foreign political office in order to assist QMS in obtaining, retaining, or directing business, including investments in the Advisory Clients. As a matter of policy, QMS strictly complies with the FCPA. All employees are expected to carefully read this policy and to contact the Chief Compliance Officer with any questions.

Under the FCPA, a “foreign official” includes any officer or employee of a foreign government or any department, agency or instrumentality thereof. Importantly, all government employees are covered by this definition, as are employees of government-owned business entities and sovereign wealth funds. The FCPA does permit certain small “facilitating” or “expediting” payments to foreign officials to ensure that they perform routine, nondiscretionary governmental duties (e.g. obtaining permits, licenses, or other official documents; processing governmental papers, such as visas and work orders; providing police protection, mail pick-up and delivery; providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products; and scheduling inspections associated with contract performance or transit of goods across country). The FCPA also permits payment or reimbursement of reasonable and bona fide expenses of a foreign official (e.g., travel and lodging expenses) relating to the promotion, demonstration or explanation of a product or service or to the execution or performance of a contract with a foreign government. However, it should be noted that these are narrowly defined exceptions and defenses. The FCPA also prohibits payments to third parties, such as a placement agent, with knowledge that all or a portion of the payment will be passed on to a foreign official. Actual knowledge is not required.

In order to minimize the chance that QMS could violate the FCPA or similar foreign laws, employees must obtain the written approval of the Chief Compliance Officer prior to making any payment or giving any gift or other thing of value (including paying for entertainment or travel-related expenses), or offering to do the same, to any:

- official of a foreign government;
- employee of any government-controlled foreign business;
- sovereign wealth fund, employee or representatives of a sovereign wealth fund, or third party associated with a sovereign wealth fund’s investment process or investment due diligence; or
- foreign political party or official or candidate for foreign political office.

This policy applies without regard to the purpose or motivation behind the giving of such payment, gift, or other thing of value. The Chief Compliance Officer may consult with legal counsel or outside compliance consultants to determine if such payments, gifts or entertainment would implicate FCPA concerns (or other legal concerns). **As a general**

matter, the giving of any such payments, gifts, or other things of value will not be permitted. The Chief Compliance Officer will document any exceptions to this general policy.

In addition, to the extent QMS utilizes placement agents or other intermediaries to solicit Investors in foreign countries, the Chief Compliance Officer will review placement agent agreements for appropriate written representations, including, among other things, that the placement agent or other intermediary will act in accordance with U.S. and foreign laws, including the FCPA. QMS also requires placement agents or other intermediaries that solicit investors in foreign countries to disclose to QMS any relationships with foreign government officials in the country in which it will operate. The Chief Compliance Officer must expressly authorize the placement agents or intermediaries to solicit investments in foreign countries. Further, QMS requires that placement agents immediately notify the Chief Compliance Officer if they have reason to believe an employee of the placement agent has engaged in activities that violate the FCPA. The Chief Compliance Officer may work with legal counsel or outside compliance consultants to determine the appropriate course of action if so notified. Finally, on a periodic basis, the Chief Compliance Officer may require such placement agents or intermediaries to renew appropriate representations relating to compliance with the FCPA.

QMS reviews its policies and procedures with respect to the FCPA with employees as part of its annual compliance training.

H. Complaints from Advisory Clients or Investors

QMS takes complaints from Advisory Clients very seriously. A complaint is generally defined as any statement of any Advisory Client or any person acting on behalf of an Investor or any Advisory Client, whether received by letter, e-mail, telephone or in-person, alleging a grievance or dissatisfaction regarding an act or omission of QMS, its employees and/or representatives, in connection with the solicitation of, execution of, or performance of: (i) any transaction, (ii) the disposition of securities or funds, or (iii) the Advisory Clients' policies. In this connection, all employees are required to complete a formal complaint form (as provided in **Appendix F** to this Manual) to document any complaints received from Advisory Clients. The use of this form will also allow QMS to track and document the resolution to such complaint.

I. Personal E-mail and Electronic Communications

QMS allows its employees to access their personal e-mail on a limited basis to discuss non-work related issues through computers furnished to employees by QMS. However, such use must be reasonable and must not interfere with an employee's performance. It should be noted that no personal instant messaging ("IM") is allowed on QMS computers.

All correspondence that pertains to the business of QMS **must** be sent through the e-mail account provided to the employee by QMS. Employees should be mindful of the fact that all e-mails and IMs sent and received through their QMS email system will be archived pursuant to QMS' record-keeping responsibilities under Rule 204-2 of the Advisers Act and will be subject to periodic review by the Chief Compliance Officer. It should be noted that QMS has only approved Microsoft Office Communicator for business use. As such, these instant messages will be archived pursuant to QMS' record-keeping responsibilities under Rule 204-2 of the Advisers Act and subject to periodic review by

the Chief Compliance Officer. No other forms of email, instant messaging, SMS, text messaging, PIN-to-PIN or other similar forms of electronic communication may be used for any purpose related to QMS' business.

It should be specifically noted that QMS employees may not use SMS and MMS text messaging for QMS -related business correspondence.

QMS employees are strictly prohibited from using any other electronic messaging system platforms (not noted above) while conducting QMS business or working from a QMS machine unless specific approval is granted by the Chief Compliance Officer.

J. Social Media

Generally. Employees are responsible for the content they publish on any website blog, wikis or any other form of user-generated media. If a QMS employee utilizes a personal weblog or website, QMS would strongly prefer that such site be kept private and not accessible to the public as a whole. If it is accessible to the public as a whole, QMS insists that the QMS employee monitor the relevant weblog or website on a daily basis to ensure that any information posted by third party sources be deemed appropriate and not in violation of the guidelines as set forth below. In addition, it should be noted that as an investment adviser, QMS is subject to SEC rules regarding advertising. If a post were deemed to be an advertisement, there could be serious consequences for QMS.

In addition, employees should show proper consideration for others' privacy and for topics that may be considered objectionable or inflammatory, such as politics and religion. Employees should use caution with posts that could be construed as ethnic slurs, personal insults, obscenity, or other unprofessional dialogue. **Employees must be aware that, even when acting in a personal capacity, their conduct may be associated with QMS and inappropriate conduct could be damaging to QMS' reputation and business. As such, employees are expected to communicate in a professional and appropriate manner at all times.**

Prohibited Use. QMS employees are ABSOLUTELY NOT permitted to disclose any information that is confidential or proprietary to QMS, clients of QMS or to any third party that has disclosed information to QMS. In particular, it should be noted that no confidential or proprietary information (i.e. fund strategies, performance information etc.) should be disclosed in any posts made by an employee including when participating in a networking site's discussion group. If an employee has any questions as to what constitutes confidential information, please bring them to the attention of the Chief Compliance Officer. In addition, employees are prohibited from referencing QMS' clients, investors, vendors, or other employees in their posts.

Prohibited Use of QMS' Name.

- (i) *Personal Websites and Networking Sites:* Employees do NOT have permission to use QMS' name or trademark on any weblog or website they maintain for personal recreational and networking reasons. Examples of such sites include (but are not limited to) Myspace, Friendster, Facebook etc.
- (ii) *Professional Networking Sites:* Employees are allowed to reference QMS' name and their formal job title on Professional Networking sites. Examples of such sites include LinkedIn and Xing. However, employees may not disclose any other information regarding their job function or QMS' business without the prior written consent of the Chief Compliance Officer. In addition, if an

employee identifies himself/herself as an employee of QMS, such employee should ensure that the profile and related content is consistent with how QMS would want the employee to be presented to colleagues and clients.

- (iii) Monitoring. QMS may conduct regular searches of personal weblogs and websites to ensure compliance with this policy and its guidelines.

K. Use of QMS Funds or Property

QMS' policy is to require each employee to account for the use of funds and property belonging to QMS, to prohibit the personal use of such funds or property, and to prohibit questionable or unethical disposition of QMS funds or property.

Personal Use of QMS Funds or Property

No employee may take or permit any other employee to take for his personal use any funds or property belonging to QMS. Misappropriation of funds or property is theft and, in addition to subjecting an employee to possible criminal and civil penalties, will result in disciplinary action up to and including dismissal. Any cell phones or blackberries provided to employees are deemed to be for business purposes (even if there is a reasonable amount of personal use).

Payments to Others

Firm funds or property may not be used for any unlawful or unethical purpose, nor may any employee attempt to purchase privileges or special benefits through payment of bribes, kickbacks, or any other form of "payoff." Customary and normal courtesies standard in the money management industry are allowed in accordance with the firm's gift policy contained in Paragraph (E) (the "Benefits/Gift/Entertainment Policy") above, except where legally prohibited. Particular care and good judgment is required when dealing with federal, state or local government officials to avoid inadvertent violations of government ethics rules. No entertainment, gifts or any other items of value should be provided to any official of a governmental body, union or pension plan with which QMS does or is seeking to do business or which has jurisdiction over the activities of QMS, without the prior approval of the Chief Compliance Officer.

Please also refer to the Benefits/Gift/Entertainment Policy above and **Appendix E** for further details.

L. Reporting and Pre-Clearance Requirements -- Political Contributions

QMS' resources, financial or otherwise, may not be used to support political parties, candidates or causes. An employee's support of his or her own political parties, candidates and political causes must be done on his or her own time and not use any of QMS' resources such as, but not limited to, reproduction, facsimile machines, postage meters, telephones or computers

Advisers Act rule 206(4)-5, which went into effect on March 14, 2011, was designed to curtail the influence of "pay to play" practices by investment advisers with respect to government entities, including all state and local governments, their agencies and instrumentalities, and all public pension plans and other collective government funds. This policy applies to political contributions to incumbents, candidates or successful candidates for elective office of a government entity if the office: (i) is directly or indirectly responsible for the hiring of QMS, or (ii) has the authority to appoint any person responsible for the hiring of QMS.

Advisers Act Rule 206(4)-5 defines a government entity as any state or political subdivision of a state, including: (a) any agency, authority, or instrumentality of the state or political subdivision; (b) a pool of assets sponsored or established by the state or political subdivision or any agency, authority or instrumentality thereof, including, but not limited to a “defined benefit plan” as defined in section 414(j) of the Internal Revenue Code (26 U.S.C. 414(j)), or a state general fund; (c) a plan or program of a government entity; and (d) officers, agents, or employees of the state or political subdivision or any agency, authority or instrumentality thereof, acting in their official capacity.

In addition, Advisers Act Rule 206(4)-5 defines contributions to include a gift, subscription, loan, advance, deposit of money or anything of value made for the purpose of influencing an election for a federal, state or local office, including any payments for debts incurred in such an election.

Pre-Clearance Requirement: Based on the above, Covered Associates of QMS (as such term is defined herein, which includes all Access Persons of QMS) are required to pre-clear with the Chief Compliance Officer ANY AND ALL political contributions to state and local government officials (including candidates) and state and local political parties and political action committees using the form attached to this Compliance Manual as **Appendix G**. Please note primary and general elections are considered separate elections. It should be noted that this pre-clearance requirement also applies to contributions made to state and local government officials that decide to run for a federal office.

By way of background, QMS has instituted this preclearance process to avoid any instances in which political contributions by QMS (including employees) could be considered an attempt to influence the award of an investment advisory contract by a government entity. If QMS is deemed to have made a political contribution to an elected official who is in a position to influence the selection of QMS as an investment adviser, then QMS may be prohibited from receiving compensation from a government entity for a period of two (2) years following the date of such political contribution. This includes both direct fee compensation (from a separately managed client) and compensation stemming from a government entity’s investment in one of QMS’ Advisory Clients.

Political Candidates: Prior to submitting a political contribution pre-clearance request for a, state or local candidate, the employee submitting the request must **obtain and submit** with the pre-clearance request written confirmation from the elected official or candidate that the elected official or candidate does not:

- Have the ability to select or influence the selection of QMS as an investment adviser for a public fund (e.g., official or candidate currently serves on the Board of a public fund); or
- Have the ability to appoint anyone to serve on the Board of a public fund; or
- Have the ability to otherwise influence the selection of an adviser or the allocation of assets of a public fund.

Restrictions: Please note that employees are expressly prohibited from engaging in the following political contribution activities:

1. Asking another person or political action committee to:
 - a. Make a contribution to an elected official (or candidate for the official's position) who can influence the selection of QMS as an investment adviser; or
 - b. Make a payment to a political party of the state or locality where QMS is seeking to provide investment advisory services to such state or local government.
2. Directing or funding political contributions through third parties, such as spouses, lawyers or companies affiliated with QMS, if such political contributions would violate this policy if done directly by the employee.
3. Make or solicit political contributions in the name of QMS.

As evidenced by the above, the Advisers Act contains rules specifically designed to curtail “pay to play” practices. Employees should carefully review the relationship between QMS and political parties, candidates, and causes to identify any potential conflicts of interest prior to making political contributions. If you have any question about whether a political contribution raises a conflict of interest that may implicate QMS, you must discuss such contributions with the Chief Compliance Officer PRIOR to making the political contribution.

It should be noted that QMS will face a Two-Year Compensation Ban for any Prohibited Political Contribution(s). The two-year “time out” will prohibit QMS from receiving compensation from a government entity for two years after the adviser or its “Covered Associate” makes a political contribution to a covered “official” of the government entity that is in a position to directly or indirectly influence the award of an advisory contract. Due to these severe consequences, Covered Associates should be particularly careful with abiding by this rule.

QMS reserves the right to reject any political contribution pre-clearance request based upon the facts and circumstances.

New Hires: Finally, in accordance with the “look back” provision of Advisers Act Rule 206(4)-5, upon becoming a Covered Associate (upon hire or otherwise), employees will be required to disclose all political contributions made during the 2 years prior to becoming a Covered Associate. Employees will disclose such political contributions using the form attached to this Compliance Manual as **Appendix H-1**.

M. Whistleblower Policy

QMS is committed to maintaining compliance with applicable laws, regulations, and the established policies of QMS. There are times when maintaining such compliance involves questioning, in good faith, whether a policy, practice, or other activity might be a violation of law or policy. There also may be occasions in which a concerned person might feel it necessary, in good faith, to go beyond mere questioning and file a protest or complaint about an activity.

Individuals are encouraged to bring problems to the attention of QMS for prompt investigation and resolution. If any employee (or other person) involved in QMS' activities (each, a “Whistleblower”) believes, in good faith, that some practice or activity is being conducted in violation of federal or state law or a QMS policy or otherwise

constitutes an improper financial or employment practice, that person must report the matter (a “Concern”) with the Chief Compliance Officer. Any Concern should describe in detail the specific facts demonstrating the basis for the complaint, report or inquiry. Concerns may be made under this policy on a confidential or anonymous basis; however, Whistleblowers must recognize that QMS may be unable to fully evaluate a vague or general Concern that is made anonymously.

If you are unsure whether a violation has occurred, you should discuss the matter with the Chief Compliance Officer immediately. Failure to report a violation to the Chief Compliance Officer could result in disciplinary action against any non-reporting employee, which may include termination of employment. QMS has a non-retaliation policy that applies to employees who report such matters in good faith. More specifically, QMS will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee based upon the lawful and good faith actions of such employee submitting a Concern. It is, however, noted that the act of making allegations that prove to be unsubstantiated or made maliciously, recklessly, with gross negligence or foreknowledge that such allegations are false will be viewed as a serious offense and may result in discipline (including without limitation termination of employment and civil or criminal liability).

N. Annual Compliance Attestation

To ensure that QMS is able to monitor its employees in a manner that will allow it to fulfill its fiduciary responsibilities to its Advisory Clients and be in a position to properly complete regulatory filings, all employees are required to complete the Annual Compliance Attestation contained in **Appendix T** to this Manual on an annual basis.

V. MAINTAINING A CURRENT FORM ADV

A. Description of Form ADV

QMS is currently unregistered but is developing policies and procedures to the extent they will need to register as an investment adviser with the SEC due to Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As such, this section is for informational purposes right now and is not required to be done by QMS as of the effective date of this Manual.

Once a SEC-registered investment adviser, QMS will need to maintain a current Form ADV subject to the provisions contained in this **Section V**. All employees should note that Form ADV consists of Parts 1 and 2. Part 1 requests information about the characteristics of QMS’ business, its key personnel and owners and their disciplinary history (if any). Part 1 (and any amendments) is prepared and filed electronically via the Investment Adviser Registration Depository (“IARD”) system. Part 2 contains questions concerning the background and business practices of QMS, including the types of advisory services provided and a description of the fees and other forms of compensation and benefits received by QMS for its services. Further, QMS is required to make its ADV Part 2 publicly available by electronically filing its initial Part 2A and annual amendments to Part 2A, including a summary of material changes, with the SEC. The format of the form has changed recently from a former “check the box” approach to a more narrative, “Plain English” approach.

If you would like to see a current version of Part 1 and/or Part 2 of QMS’ Form ADV, please see the Chief Compliance Officer (once registered).

B. Triggers for Amendment of Form ADV

Pursuant to Rule 204-1 under the Advisers Act and once registered, QMS will be responsible for maintaining the accuracy of the information in its Form ADV and in any amendments thereto. The Chief Compliance Officer will be responsible for ensuring that all required amendments to QMS' Form ADV are made and properly filed on a timely basis (as applicable). The Chief Compliance Officer is also responsible for filing all amendments (which may be handled by a designee on behalf of the Chief Compliance Officer).

All employees should note that the period of time within which amendments to the Form ADV must be made varies, depending on which item of the Form ADV is being amended and the materiality of the change. To the extent that an area is identified that may require the filing of an amendment (as outlined below), the Chief Compliance Officer should be immediately notified.

(1) Changes Requiring "Prompt" Amendments

Amendments are required to be filed "promptly"¹ if information concerning any of the following matters becomes inaccurate for any reason:

- (a) QMS' full name;
- (b) QMS' principal place of business;
- (c) the location of QMS' books and records;
- (d) the person to contact for further information concerning QMS' Form ADV;
- (e) the person to receive notice of any proceeding before the SEC or in any other jurisdiction in connection with QMS' investment adviser registration;
- (f) QMS' registration status with a non-US financial regulatory authority;
- (g) QMS' organizational form and identity and related information (set forth on Schedule A of the Form ADV);
- (h) the status of QMS and certain persons related to QMS with respect to violation of certain statutes, orders, and regulations;
- (i) the existence of unsatisfied liens or judgments, denial of, payment on or revocation of any bond by a bonding company, or the existence of bankruptcy or other creditor matters;
- (j) whether QMS or an affiliate of QMS has ever been involved with a securities firm that has been declared bankrupt; or
- (k) QMS' policy with respect to the custody of securities and/or funds of any Advisory Client.

¹ The term "promptly" is not defined in the Advisers Act. However, filing amendments within ten (10) days of any change should satisfy the requirements of the Advisers Act.

(2) Amendments for Material Changes

QMS must file amendments “promptly” if any information in Form ADV Part 1 Items 4, 8 or 10 or any information in Part 2 becomes inaccurate in a “material”² manner. This generally includes the following (though it is important that Employees carefully read both Parts 1 and 2 of Form ADV to understand the scope of the below):

- (a) whether QMS has taken over the business of a registered investment adviser;
- (b) information regarding QMS’ participation or interest in Advisory Client/Investor (as the case may be) transactions;
- (c) whether persons other than those named elsewhere in Form ADV, through agreement or otherwise, control the management or policies of QMS;
- (d) QMS’ advisory services and principal owners;
- (e) how QMS is compensated for its advisory services, including whether QMS is compensated by both Advisory Clients that pay performance-based fees and Advisory Clients that do not;
- (f) the types of advisory clients advised by QMS;
- (g) the types of investments with respect to which QMS offers advice;
- (h) QMS’ methods of analysis, investment strategies, and risk of loss;
- (i) certain disciplinary information;
- (j) QMS’ financial industry activities and affiliations;
- (k) QMS’ code of ethics, participation or interest in client transactions and personal trading policies;
- (l) QMS’ brokerage practices (including whether QMS has investment or brokerage discretion);
- (m) QMS’ procedures for reviewing accounts;
- (n) information about client referrals and other compensation;
- (o) QMS’ custody practices;

² The Advisers Act does not indicate what constitutes a “material” inaccuracy. However, any change, which represents a substantial change in QMS’ ownership, personnel, compensation for investment adviser, client base or method of operation should be considered “material.”

* In essence, these are responses to Items 4, 8 or 10 of Part 1.A, Item 2.G. of Part 1.B. or any response to Form ADV Part 2A.

- (p) whether QMS has discretionary authority to manage securities accounts on behalf of clients and any limitations placed on such authority;
- (q) QMS' authority to vote Advisory Client securities and proxy policies and procedures;
- (r) certain financial information; and
- (s) changes in QMS' principal executive officers and management persons.

(3) Annual Amendments

All other changes to its Form ADV other than those listed in **Sections B.(1) and B.(2)** above may be included in QMS' annual amendment which will be filed (to the extent registered) within ninety (90) days of the end of QMS' fiscal year (December 31 of each year).

All Advisory Clients of QMS will be provided annually with either (i) copies of the Form ADV Part 2 that include, or are accompanied by, the summary of material changes to its Form ADV Part 2, or (ii) summaries of material changes to the Form ADV Part 2 that include an offer to provide a copy of the updated Form ADV Part 2, in each case on an annual basis within 120 days of the end of QMS' fiscal year. QMS may also choose to satisfy this obligation by providing Investors with a copy of the aforementioned information. The Chief Compliance Officer will be responsible for ensuring that Part 2 is offered to all Advisory Clients.

QMS will also keep its Form ADV Part 2A filed with the SEC current by updating it on an annual basis (which is done electronically via the IARD system). Each such amendment filed with the SEC will include, or will be accompanied by, the summary of material changes to Form ADV Part 2A. Part 2B of Form ADV is not currently required to be filed with the SEC.

All prospective Advisory Clients of QMS will be provided with copies of the Form ADV Part 2 prior to or at the time of entering into any written or oral investment advisory contract with QMS. QMS may also choose to satisfy this obligation by providing prospective Investors with a copy of the aforementioned information.

C. Operational Considerations

While the Chief Compliance Officer, or his designee, will be primarily responsible for identifying, making and filing (if applicable) amendments to QMS' Form ADV, it is the responsibility of each employee to promptly bring any matters which could, directly or indirectly, impact information included in the Form ADV to the attention the Chief Compliance Officer.

As further detailed in **Section VI** below, pursuant to Rule 204-3 of the Advisers Act, the Brochure has to be provided to prospective Advisory Clients (including prospective Advisory Clients in the Funds) either: prior to or at the time of QMS entering into³ an advisory contract with an Advisory Client. In addition, on not less than an annual basis, QMS has to provide either (i) a copy of the Form ADV Part 2 that includes, or is

³ The term "entering into" in reference to an investment advisory contract is defined in Rule 204-3 to exclude an extension or renewal without material change of any advisory contract which is in effect immediately prior to such extension or renewal.

accompanied by, the summary of material changes to the Form ADV Part 2 or (ii) a summary of material changes to the Form ADV Part 2 that includes an “offer” to provide a copy of the updated Form ADV Part 2 “offer” of the then-current Brochure to Advisory Clients. The Chief Compliance Officer is responsible for ensuring that this annual offer distribution is made.

To help QMS maintain the accuracy of its Form ADV disclosures, all employees will be required to complete a Disciplinary Questionnaire, an annual “Outside Activities” disclosure form, and a “Conflicts of Interest” questionnaire (as detailed in **Section IV** above).

VI. COMMUNICATIONS WITH ADVISORY CLIENTS

A. The Brochure Rule

Pursuant to Rule 204-3 of the Advisers Act and once registered, QMS will be required to furnish a Brochure to each prospective Advisory Client. QMS may choose to satisfy this obligation by delivering a current copy of QMS’ Form ADV Part 2 to its Investors prior to or at the time of entering into⁴ any written or oral investment advisory contract with such prospective Investor (which will generally be a limited partnership agreement or other operating agreement for a Fund/Managed Account). Although the Chief Compliance Officer will be responsible for ensuring compliance with Rule 204-3, any employees that are responsible for sending offering documents for the Advisory Clients to prospects should consult the Chief Compliance Officer to determine if a copy of QMS’ Form ADV Part 2 should be included in the materials sent.

B. Disclosure of Financial and Disciplinary Information

To the extent that an employee is subject to a legal or disciplinary proceeding, employees should bring it to the immediate attention of the Chief Compliance Officer. The Chief Compliance Officer would then need to determine if this would require a prompt amendment to the Form ADV (once registered). All Access Persons are required to complete a Disciplinary Questionnaire (as detailed in **Section IV** above). Any matter that may require disclosure (as determined by the Chief Compliance Officer) may first be reviewed by legal counsel.

VII. CUSTODY ISSUES

A. Maintenance of Fund Assets

QMS is committed to maintaining controls over access to the Advisory Clients’ securities and funds that are reasonably designed to protect such client assets from being lost, misappropriated or misused. Accordingly, QMS will maintain the assets of its Funds (and Managed Accounts to the extent QMS has custody) in accounts with one or more “qualified custodians” pursuant to Rule 206(4)-2 under the Advisers Act⁵ and will notify

⁴ The term “entering into” in reference to an investment advisory contract is defined in Rule 204-3 of the Advisers Act to exclude an extension or renewal without material change of any advisory contract which is in effect immediately prior to such extension or renewal.

⁵ As defined in Rule 206(4)-2 of the Advisers Act, a Qualified Custodian is:

- (i) A bank as defined in Section 202(a)(2) of the Advisers Act or a savings association as defined in Section 3(b)(1) of the Federal Deposit Insurance Act that has deposits insured by the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act;
- (ii) A broker-dealer registered under Section 15(b)(1) of the Securities Exchange Act of 1934 holding the client assets in customer accounts;

Investors in the Advisory Clients (to the extent QMS has custody) in writing (generally through QMS' ADV Part 2) of the qualified custodian's name, address and the manner in which the assets are maintained promptly when the account is opened and following any changes to this information.

(1) Delivery of Audited Financial Statements to Investors

To ensure compliance with Rule 206(4)-2 under the Advisers Act, QMS reasonably believes that all Investors in the Advisory Clients will be provided with audited financial statements ("AFS") prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB"), within 120 days of the end of the Funds' respective fiscal years.

B. Exemption to Annual Surprise Examination of Advisory Clients' Assets

QMS will generally be exempt from an Annual Surprise examination by an independent public accountant to verify client assets as it is able to comply with the requirements in **Section VII.A** above.

C. Restrictions on Access Persons Acquiring Custody of Client Assets:

Access Persons are strictly prohibited from acquiring custody of client assets (i.e., Access Persons are not allowed to become trustees for client assets or obtain any power of attorney for clients separate and apart from QMS).

VIII. RECORD-KEEPING REQUIREMENTS

A. General Requirements

QMS will maintain in its records the information necessary to perform the investment supervisory or account management services provided by it to its Advisory Clients. Generally, information concerning such Advisory Clients' financial condition, investment objectives, investment policies and restrictions, and degree of acceptable risk will be obtained as part of each Advisory Client's investment guidelines. This information will be reviewed periodically and updated (as needed) by the Access Persons primarily responsible for such Advisory Client. With respect to Advisory Clients managed by QMS, the investment objectives, investment policies and restrictions and relevant risks will be disclosed to Investors in a disclosure document relevant to the Advisory Clients. The Chief Compliance Officer will supervise the keeping of all records required to be kept by QMS pursuant to Rule 204-2 of the Advisers Act. All employees of QMS will be required to follow the procedures in this **Section VIII** and bring any noted issues to the immediate attention of the Chief Compliance Officer.

(iii) A futures commission merchant registered under Section 4f(a) of the Commodity Exchange Act, holding the client assets in customer accounts, but only with respect to clients' funds and security futures, or other securities incidental to transactions in contracts for the purchase or sale of a commodity for future delivery and options thereon; or

(iv) A foreign financial institution that customarily holds financial assets for its customers, provided that the foreign financial institution keeps the advisory clients' assets in customer accounts segregated from its proprietary assets.

B. Records in Electronic Format

(1) Storage of Electronic Records

Records required to be maintained and preserved that are stored on electronic storage media will be arranged and indexed in a way that permits easy location, access and retrieval. All such records that are solely kept in electronic format (no paper back-up) will be properly backed-up (i.e., desktop and server, server and back-up server or disk).

All employees of QMS will adhere to the following procedures for records on electronic media:

- (a) records will be maintained and preserved so as to reasonably safeguard them from loss, alteration or destruction;
- (b) access to the records will be limited to properly authorized Access Persons and the SEC; and
- (c) it will be reasonably ensured that any reproduction of a non-electronic record on an electronic storage media is complete, true and legible when retrieved.

(2) Production of Electronic Records

If records are preserved in electronic format, QMS will be able to promptly provide (to the SEC or the Staff upon request) the following related to electronic records:

- (a) a legible, true and complete copy of the record in the medium and format in which it is stored;
- (b) a legible, true and complete printout of the record; and
- (c) means to access, view and print the records.

(3) E-Mail and Instant Messaging Transmissions

To the extent that any information covered by Rule 204-2 of the Advisers Act is transmitted via e-mail or instant messaging, all employees should note that they are required to keep such e-mails/IMs in accordance with the guidelines set for “electronic media” (as described in this Section). It should be noted that a third party service provider archives QMS’ emails and instant messages.

In addition, all e-mails or instant messaging sent to/from QMS’ e-mail and instant messaging server will be subject to a periodic audit or review by the Chief Compliance Officer. Employees may or may not be notified in advance of such review. If there are any questions about this directive or policy, please direct them to the Chief Compliance Officer.

C. Records Required to be Kept

(1) Basic Business Records

QMS must maintain true, accurate, current, and complete copies of certain books and records. Employees should ensure that they are familiar with the following list to ensure that QMS' books and records are properly kept/maintained. The following books and records will be maintained:

- (a) a journal or journals, including cash receipts and disbursements records, and any other records of original entry forming the basis of entries in any ledger;
- (b) general and auxiliary ledgers reflecting asset, liability, reserve, capital, income and expense accounts;
- (c) a memorandum of each order given and instructions received by QMS from Advisory Clients for the purchase, sale, delivery, or receipt of securities and any modification or cancellation of the security order or instruction;
- (d) all checkbooks, bank statements, cancelled checks, and cash reconciliations of QMS;
- (e) all bills or statements (or copies thereof), paid or unpaid, relating to QMS' business;
- (f) all trial balances, financial statements, and internal audit working papers relating to QMS' business;
- (g) originals of all written communications received and copies of all written communications sent by QMS relating to: (i) recommendations or advice given or proposed; (ii) receipt, disbursement or delivery of funds or securities; or (iii) the placing or execution of a securities order. (NOTE: If QMS sends a document offering any report, analysis, publication, or other investment advisory service to more than 10 people, QMS will not necessarily keep a record of the persons to whom such document was sent except that if the document was sent to people on a list, QMS will keep a copy of the document and a memorandum describing the list and the source thereof. Unsolicited marketing letters or other communications distributed to the general public and not prepared by or for QMS will not necessarily be required to be preserved);
- (h) a list of all discretionary accounts;
- (i) powers of attorney (for the Advisory Clients) and other evidences of the granting of any discretionary authority;
- (j) written agreements (or copies thereof) entered into by QMS with any Advisory Client or Investor or otherwise relating to QMS' investment advisory business;
- (k) copies of publications and recommendations QMS distributes to 10 or more persons and a record of the factual basis and reasons for the recommendation (if not set forth in the publication);

- (l) a record of transactions in which QMS or any Access Person has an interest (see **Section D** of the Code of Ethics in **Appendix I**);
- (m) a copy of each written disclosure statement and any amendment or revision to the statement sent or given to any Advisory Client, Investor or prospective Advisory Client or Investor according to the provisions of Rule 204-3 and a record of the dates that each statement was offered or given to any Advisory Client, Investor or prospective Advisory Client or Investor who subsequently becomes an Advisory Client or Investor (see **Section VI** above);
- (n) all written acknowledgments of receipt obtained from Advisory Clients and Investors relating to disclosure of soliciting fees paid by QMS and copies of all disclosure statements delivered to Advisory Clients or Investors by such solicitors (see **Section IX.C.(1)** below);
- (o) all accounts, books, internal working papers, and any other records or documents necessary to form the basis for or demonstrate the calculation of the performance or rate of return of any or all Advisory Clients or securities recommendations in any notice, circular, advertisement, newspaper article, investment letter, bulletin, or other communication which QMS circulates or distributes, directly or indirectly, to 10 or more persons (other than persons connected with QMS);
- (p) a copy of written compliance procedures adopted under Rule 206(4)-7 (which is a copy of this Manual);
- (q) records related to the annual review of written compliance procedures adopted under Rule 206(4)-7 (which will be the responsibility of the Chief Compliance Officer);
- (r) a copy of QMS' Code of Ethics adopted and implemented pursuant to Advisers Act Rule 204A-1 that is in effect or has been in effect within the previous 5 years. For purposes of this requirement, the Code of Ethics attached to this Manual as **Appendix I** is the Code of Ethics presently in effect;
- (s) a record of any violation of QMS' Code of Ethics and the actions taken by QMS as a result of the violation;
- (t) a record of all written acknowledgements provided pursuant to **Appendix A** of this Manual for each employee of QMS and for each person that was an employee of QMS during the previous 5 years;
- (u) a record of all reports made by Access Persons under **Section D** of QMS' Code of Ethics (see **Appendix I** to this Manual);
- (v) a record of all employees that are currently (or have been in the previous 5 years) an Access Person of QMS;
- (w) a record of every pre-clearance decision that is made (and the reasons supporting the decision) pursuant to **Section C** of **Appendix I** to this Manual for a period of at least 5 years after the end of the fiscal year in which the pre-clearance was granted;

- (x) a list of government entities to which QMS provides or has provided investment advisory services, or which are or were investors in any Fund in the past five years, but not prior to September 13, 2010;
- (y) all direct or indirect contributions made by QMS or any of its Access Persons to an official of a government entity, or direct or indirect payments to a political party of a State or political subdivision thereof, or to a political action committee (records must be listed in chronological order and indicate (A) the name and title of each contribution, (B) the name and title of each recipient of a contribution or payment, (C) the amount and date of each contribution or payment, and (D) whether any such contribution was the subject of an exception for certain returned contributions pursuant to Advisers Act Rule 206(4)-5(b)(2));
- (z) the name and business address of each regulated person to whom QMS provides or agrees to provide, directly or indirectly, payment to solicit a government entity for investment advisory services on its behalf, in accordance with Rule 206(4)-5(a)(2);
- (aa) a copy of each Form ADV Part 2A and Part 2B and amendments thereto, and each summary of material changes to Part 2A, that was given to any Advisory Client or prospective Advisory Client, along with a record of the dates such materials were provided;
- (bb) documentation describing the method used to compute “managed assets” for purposes of Item 4.E of Part 2A of Form ADV, if the method differs from the method used to compute assets under management in Item 5.F of Part 1A of Form ADV; and
- (cc) a memorandum describing any legal or disciplinary event listed in Item 9 of Part 2A or Item 3 of Part 2B and presumed to be material, if the event involved QMS or any of its supervised persons and is not disclosed in the Part 2A or 2B provided to Advisory Clients. The memorandum must explain QMS’ determination that the presumption of materiality has been overcome and must discuss the factors described in Item 9 of Part 2A or Item 3 of Part 2B (as the case may be).

(2) Account Documentation

In general, the Chief Compliance Officer, or his designee, is responsible for obtaining and maintaining proper account documentation. Access Persons are required to maintain their own correspondence files pertaining to the Advisory Clients’ accounts for which they are primarily responsible. The Chief Compliance Officer, or his designee, is responsible for reviewing (and, if necessary, responding to) all correspondence with respect to Advisory Clients’ accounts and correspondence from Investors. The Chief Compliance Officer, or his designee, is also responsible for reviewing and furnishing periodic reports to Advisory Clients. In particular, the Chief Compliance Officer, or his designee, will ensure that there is a fully executed copy of a subscription agreement for each Investor. The Chief Compliance Officer, or his designee, will also ensure that there are executed copies of the limited partnership agreement for each Investor (as applicable).

Documentation for investments in the Funds will generally consist of a fully completed and executed form of subscription agreement (which contains requisite investor eligibility, new issue eligibility and Patriot Act/AML representations) and any additional documentation that may be required to ensure compliance with anti-money laundering rules and Regulations applicable to the relevant Fund.

(3) Special Documentation from Fiduciaries

QMS may require additional documentation with respect to Advisory Clients which are fiduciary accounts (if any). QMS may require evidence of the fiduciary's authority to open the account and of QMS' authority to manage the account. It is the Chief Compliance Officer's, or his designee's, responsibility to determine if additional documentation is required and ensure that copies are kept in QMS' files.

- (a) Corporate Accounts. QMS may require certified corporate resolutions authorizing the company to enter into the investment advisory contract and designating the officer or officers to receive statements of account and certificates of incumbency with respect to the officer certifying the resolutions and the officers executing the contract.
- (b) Executors. QMS may obtain a certificate of appointment evidencing the appointment of the executor.
- (c) Administrators. QMS may obtain a certificate of appointment evidencing the appointment of the administrator.
- (d) Trustees and Guardians. QMS may obtain a copy of the relevant trust document. If a testamentary trust is involved, QMS may obtain a certificate of appointment evidencing the appointment of the trustee.

(4) Special Documentation from Pension Plans and IRAs

Certain of the Funds listed in **Appendix N** may accept contributions from individual retirement accounts, U.S. pension, profit sharing or stock bonus plans, entities that invest the assets of such accounts or plans and other entities investing in plan assets (all such entities herein referred to as "Retirement Trusts"), as well as other tax-exempt organizations. As a condition to their admission, Retirement Trusts, as well as other tax-exempt organizations may be required to execute a representation letter and agreement in a form acceptable to QMS' outside legal counsel. The representation letter and agreement (which may be incorporated directly into a Fund's subscription agreement) may include a representation that the investment has been authorized by the appropriate person or persons and that the Retirement Trust or other tax-exempt organization has consulted its counsel with respect to such investment.

(5) Recordkeeping Requirements -- Political Contributions

QMS is required to keep records of contributions made by QMS and its Covered Associates to government officials (including candidates), and of payments to state or local political parties and political action committees. QMS' records of contributions and payments must be listed in chronological order identifying each contributor and recipient, the amounts and dates of each contribution or payment and whether a contribution was subject to rule 206(4)-5's exception for certain returned contributions. QMS is also required to keep a list of its Covered

Associates, and the government entities to which QMS has provided advisory services in the past five years. Similarly, QMS must maintain a list of government entities that invest, or have invested in the past five years, in one of the Funds. Regardless of whether it currently has a government client, QMS must also keep a list of the names and business addresses of each regulated person to whom QMS provides or agrees to provide, directly or indirectly, payment to solicit a government entity on its behalf.

D. Record Retention

All employees should note that records required to be kept pursuant to Rule 204-2 (except records set forth in **Sections VIII.C.(1)(k) and (o)** above) will be retained for a period of not less than five (5) years from the end of the fiscal year during which the last entry was made on such record, the first two (2) years in an appropriate office of QMS. Records set forth in **Sections VIII.C.(1)(k) and (o)** above must be retained for a period of not less than five (5) years from the end of the fiscal year during which QMS' last published or otherwise disseminated, directly or indirectly, the notice, circular, advertisement, newspaper article, investment letter, bulletin, or other communication, the first two (2) years in an appropriate office of QMS. In addition, QMS' organizational structure documents (e.g. articles of incorporation, by-laws, stock certificate books) must be maintained in QMS' principal office and preserved until at least three (3) years after termination of QMS' business as an investment adviser.

IX. PROMOTIONAL ACTIVITIES

A. Advertisements

(1) General Requirements

All advertisements, brochures, and sales literature must be reviewed by the Chief Compliance Officer who will determine whether consultation with outside legal counsel is necessary. A person designated by the Chief Compliance Officer may perform the initial compliance review, but the Chief Compliance Officer must ultimately sign-off on all marketing materials (or the form thereof) before they are presented to prospective Investors and/or current Investors. Such reviews are designed to ensure that the respective marketing materials accurately discloses the offering terms, rate of return, as well as the fees that would be charged to new Investors and do not contain potentially misleading information. This broad definition generally encompasses, among other items, the following:

- o Letters, including QMS's monthly and quarterly letters to Investors and those sent by e-mail;
- o Information about advisory services provided on a website, if any;
- o Distribution by QMS of reprints of articles about QMS printed in periodicals, if any; and
- o Flip books or other marketing materials created and used by QMS employees.

To best ensure compliance with applicable anti-fraud rules, QMS takes the position that all communications (whether written or in electronic format) which could possibly be viewed as "advertisements" should meet the applicable requirements described below.

All advertisements, brochures, and sales literature must initially be reviewed by the Chief Compliance Officer or his/her designee who will determine whether consultation with outside legal counsel is necessary. All employees should note that there are strict rules related to marketing materials that make implicit or explicit references to the Funds, as such entities offer their interests pursuant to private placement exemptions (which significantly restrict the solicitation activities related to such entities).

(2) Private Placement Requirements

All employees should note that there are strict rules related to marketing materials which make implicit or explicit references to the Funds as such entities offer their interests/shares pursuant to private placement exemptions (which significantly restrict the solicitation activities related to such entities). In particular, no general advertisements should have any references (whatsoever) to the Funds. As such, any draft marketing or informational materials which reference the Advisory Clients should be brought to the immediate attention of the Chief Compliance Officer. All Funds managed by QMS are subject to the private placement restrictions of Regulation D promulgated under the Securities Act of 1933, as amended. To ensure that offerings of securities qualify for private placement status, securities may not be offered or sold by “general solicitation or general advertising.” Regulation D under the Securities Act defines a “general solicitation or general advertising” to include, without limitation, “any advertisement, article, notice or other communication published in any newspaper, magazine or similar media, or broadcast over television or radio, and any seminar or meeting whose attendees have been invited by any general solicitation or advertising.” QMS’ investment products should only be discussed with clients where a substantive, pre-existing relationship exists and the clients are reasonably believed to be “accredited investors” and financially sophisticated enough to invest. At the outset of any relationship with a prospective client or a prospective consultant, QMS personnel will use reasonable efforts to confirm the prospect’s understanding of the investment products managed by the firm prior to sending out Fund specific materials.

Generally, advertisements (or other marketing materials of limited distribution) should be carefully reviewed to check that proper disclosures have been made and to ensure that QMS is complying with Rule 206(4)-1 of the Advisers Act by not directly or indirectly publishing, circulating or distributing any advertisement (or other marketing materials of limited distribution) that directly or indirectly contain any untrue statement of a material fact or is otherwise false or misleading. Employees of QMS should take note of the following general information related to QMS’ promotional activities:

(3) Communications with the Media and Participation in Conferences

QMS personnel must promptly direct all media inquiries to the Chief Compliance Officer. If called or otherwise approached by the media, QMS personnel should limit the conversation to (i) taking the person’s name, contact information and the name of the firm they represent, and (ii) telling the person that the message will be passed along to the appropriate person at QMS. QMS personnel should avoid engaging in any further extraneous conversation.

Before granting any interviews to, responding to any inquiries from or otherwise communicating with any member of the media, QMS employees must obtain pre-

clearance from the Chief Compliance Officer. Such interviews can result in news stories that may be considered “public solicitations” by or on behalf of QMS.

Active participation by QMS’ personnel in hedge fund or similar industry conferences could raise serious issues under the prohibition against “general solicitation” and “general advertising” and need to be approached with great caution. Therefore, no employee of QMS may participate in any hedge fund or similar industry conference without the express consent of the Chief Compliance Officer.

(4) Presentation of Performance Results

The following is a list of certain disclosures/information that QMS will include in advertisements (or other marketing materials of limited distribution) that present performance results (as applicable):

- (a) If graphs or charts are used to demonstrate performance, QMS will ensure that the graph or chart accurately demonstrates the rate of return that has occurred throughout the period indicated, and that the coordinates selected for the graph or chart do not produce a rising slope of performance, which is either inaccurate or misleading. Due to the visual picture presented by graphs and charts, QMS will take special precautions to ensure that an accurate and fair presentation of such performance information is achieved.
- (b) In presenting performance information in the form of percentage changes in accounts under management, it may be misleading, under certain circumstances, to (i) disclose percentage changes without also indicating the respective sizes of such accounts or (ii) use a simple arithmetic average of all gains and losses on recommendations, since either of these practices could have a tendency to obscure the impact of unsuccessful recommendations.
- (c) In comparing QMS’ investment results with a market index or with the performance of other portfolios, QMS should state: (i) whether income and capital gains or losses (both realized and unrealized) is included in one of the figures to be compared; (ii) the type of security (i.e., equity or debt) composing the account; (iii) the underlying investment strategy of the account and the stability or volatility of the market prices of the securities in which QMS has invested; (iv) the diversification in the account; and (v) the size of the account.
- (d) Actual or Model Results. In addition to the foregoing factors, the Staff has set forth general guidelines for advertisements that include actual or model results. These general guidelines will also be deemed applicable (by QMS) to marketing materials of limited distribution used for the Advisory Clients. In the Staff’s view, (as understood by QMS) an advertisement which includes actual or model results is prohibited if it:
 - (i) Fails to disclose the effect of material market or economic conditions on the results portrayed (e.g., an advertisement stating that the accounts of QMS’ Advisory Clients appreciated in value 25% without disclosing that the market generally appreciated 40% during the same period);

- (ii) Includes model or actual results that do not reflect the deduction of advisory fees, brokerage, or other commissions, and any other expenses that an Advisory Client would have paid or actually paid; except that QMS may provide actual results to prospective Advisory Clients in one-on-one presentations (generally made to wealthy individuals, pension funds, universities, and other institutions) which do not reflect deduction of fees and expenses, provided that QMS discloses to the prospective Advisory Client in writing (A) that the results do not reflect the deduction of advisory fees, (B) that the Advisory Client's return will be reduced by advisory fees and other management expenses, (C) that the advisory fees are described in Part 2 of QMS' Form ADV, and (D) a representative example (e.g., a table, chart, graph or narrative), which shows the effect an investment advisory fee, compounded over a period of years, could have on the total value of an Advisory Client's portfolio;
 - (iii) Fails to disclose whether and to what extent the results portrayed reflect the reinvestment of dividends and other earnings;
 - (iv) Suggests or makes claims about the potential for profit without also disclosing the possibility of loss;
 - (v) Compares model or actual results to an index without disclosing all material facts relevant to the comparison (e.g., an advertisement that compares model results to an index without disclosing that the volatility of the index is materially different from that of the model portfolio); and
 - (vi) Fails to disclose any material conditions, objectives or investment strategies used to obtain the results portrayed (e.g., the model portfolio contains equity stocks that are managed with a view towards capital appreciation).
- (e) In addition, an advertisement (or other marketing materials of limited distribution) which includes model results is prohibited if it:
- (i) Fails to disclose prominently the limitations inherent in model results, particularly the fact that such results do not represent actual trading and that they may not reflect the impact that material economic and market factors might have had on QMS' decision-making if QMS were actually managing Advisory Clients' money;
 - (ii) Fails to disclose, if applicable, that the conditions, objectives, or investment strategies of the model portfolio changed materially during the time period portrayed in the advertisement and, if so, the effect of any such change on the results portrayed;
 - (iii) Fails to disclose, if applicable, that any of the securities contained in, or the investment strategies followed with respect to, the model portfolio do not relate, or only partially relate, to the type of advisory services currently offered by QMS (e.g., the

model includes some types of securities that QMS no longer recommends for its Advisory Clients); or

- (iv) Fails to disclose, if applicable, that QMS' Advisory Clients had investment results materially different from the results portrayed in the model.
 - (f) Finally, the Staff has stated that an advertisement which includes actual results is prohibited if it fails to disclose prominently, if applicable, that the results portrayed relate only to a select group of QMS' Advisory Clients, the basis on which the selection was made, and the effect of this practice on the results portrayed, if material.
- (5) Testimonials
- QMS will not include in its advertisements (or other marketing materials of limited distribution) testimonials of any kind regarding QMS or its services.
- (6) Use of Performance Generated at Prior Firms
- The Staff has explained that an investment adviser may use advertisements that contain performance information generated by an employee while working at a prior firm under limited circumstances. To use a person's prior performance, an adviser generally must make certain that (i) no other person played a significant role in generating the performance; (ii) the accounts managed by the person currently are similar to the account managed at the prior firm; (iii) all accounts managed in a substantially similar manner are included in the performance calculation; and (iv) the person has the supporting records necessary to demonstrate the calculation of the performance results used in any advertisement.

QMS will not include in its advertisements any use of an employee's performance generated at another firm without the prior approval of the Chief Compliance Officer.

(7) Past Specific Recommendations

To the extent QMS includes specific past recommendations in its advertisements (or other marketing materials of limited distribution), it will do so in accordance with Rule 206(4)-1 of the Advisers Act (to the extent applicable), taking into account applicable SEC no-action letters and other Staff guidance as described in more detail below.

- (a) **Rule 206(4)-1 in General.** Advisers Act Rule 206(4)-1 generally prohibits a registered investment adviser from using advertisements that refer directly or indirectly to the manager's past specific profitable recommendations unless the advertisement sets out a list of all recommendations made by the manager within at least the prior one-year period.

In addition, the first page of the list must also contain the following cautionary legend (or a substantively similar legend), in typeface at least as large as the largest print used in the text:

IT SHOULD NOT BE ASSUMED THAT RECOMMENDATIONS MADE IN THE FUTURE WILL BE PROFITABLE OR WILL EQUAL THE PERFORMANCE OF THE SECURITIES IN THIS LIST.

- (b) **Rule 206(4)-1 No-Action Relief: Objective, Non-Performance-Based Criteria.** In recognition of the difficulty in furnishing clients with extensive lists of recommendations, as well as the questionable value such information would provide, the Staff has permitted investment advisers to provide information in reports or advertisements about a limited number of recommendations under conditions designed to ensure the presentation would be objective and not misleading.⁶ According to the Staff's guidance:
- the securities discussed in the report or advertisement should be selected based on objective, non-performance-based criteria (e.g., largest dollar amount of purchases/sales, largest positions held, etc.) consistently applied;
 - the reports should not discuss realized or unrealized profits or losses;
 - the reports should include appropriate cautionary disclosures; and
 - the manager should maintain records regarding all recommendations and the selection criteria for securities discussed.
- (c) **Rule 206(4)-1 No-Action Relief: "Top" and "Bottom" Holdings.** According to Staff guidance issued in a 2008 no-action letter, advisers may distribute marketing materials that include an analysis of "top" and "bottom" holdings in the overall performance of a representative account, subject to specific guidelines:⁷
- Holdings must be selected in a mechanical, objective manner for the exclusive purpose of showing relative impact on an account's overall performance;
 - Past specific recommendations must show no fewer than 10 holdings, including an equal number of positive and negative holdings;
 - Calculation methodology, presentation of information must be consistent for each period;
 - Past specific recommendations must include all necessary information to make the presentation not misleading;
 - Best and worst holdings must be displayed on the same page with equal prominence; and
 - The adviser must maintain and make available to the Staff records evidencing the criteria used to select specific securities and how the security in the account affected its overall performance

⁶ See, e.g., Franklin Mgmt., Inc., SEC No-Action Letter, (pub. avail. Dec. 10, 1998).

⁷ See The TCW Group, Inc., SEC No-Action Letter (pub. avail. Nov. 7, 2008).

(8) Article Copies or Reprints

Because the distribution of article reprints remain subject to the general prohibition against false or misleading advertising, an investment adviser proposing to distribute article reprints should note that all of the above requirements still apply with respect to that article and QMS should consider if any additional information or disclosures should accompany the article reprints. Therefore, in addition to requiring certain disclosures, some articles may need to be edited to remove non-compliant material. In addition, applicable laws may require, among other things that QMS obtain consent from the publisher or author of an article before distributing a copy or reprint of it to third parties and disclose the source of the article to each recipient of the copy or reprint. QMS complies with any such requirements.

B. Private Placements –“Pre-Existing, Substantive Relationships”

As a general matter, the securities issued by the Funds are not registered under the Securities Act because such securities are sold in transactions not involving a public offering (i.e. a private placement). To ensure that offerings of securities qualify for private placement status, securities may not be offered or sold by “general solicitation or general advertising.” Regulation D under the Securities Act defines a “general solicitation or general advertising” to include, but not be limited to, “any advertisement, article, notice or other communication published in any newspaper, magazine or similar media, or broadcast over television or radio, and any seminar or meeting whose attendees have been invited by any general solicitation or advertising.” In particular, no general advertisements should have any references (whatsoever) to the Funds. As such, any draft marketing or informational materials which reference the Funds should be brought to the immediate attention of the Chief Compliance Officer.

In addition, QMS or persons acting on its behalf may not solicit any person who does not have a “substantive, pre-existing relationship” with QMS, its officers, employees or its selling agents (if any). A substantive relationship is more than a casual acquaintance. To establish a pre-existing relationship with a prospective client, there must be a sufficient period of time between the establishment of a relationship and an offer so that an offer is not considered to be made by a general solicitation. In the past, the SEC has not objected to a period between 30 and 60 days as a sufficient period of time between the establishment of a relationship and an offer.

C. Compensation for Advisory Client and Investor Referrals

(1) Referral Fees

QMS does not currently intend to use outside Solicitors in its marketing efforts. Should QMS decide to use Solicitors in the future, however, employees should be aware that any cash payments made to a Solicitor for referrals of Advisory Clients will be done as required by Rule 206(4)-3 of the Advisers Act (to the extent applicable, taking into account relevant SEC guidance), and in any event in compliance with the general anti-fraud rules applicable to QMS. It should be noted that the SEC has taken the position that Rule 206(4)-3 does not apply to a registered investment adviser’s cash payment to a person solely to compensate that person for soliciting investors or prospective investors for, or referring investors or prospective investors to, an investment pool (such as a private investment fund) managed by the adviser.

Employees should immediately notify the Chief Compliance Officer of any proposed relationship with a Solicitor.

To the extent QMS engages Solicitors for entities other than a pooled investment vehicle (i.e. a managed account), QMS will maintain copies of: (i) any written agreements with such Solicitors; (ii) any Advisory Client acknowledgments; and (iii) any written disclosure statements furnished by such Solicitors to Advisory Clients. The Chief Compliance Officer must approve all proposed referral fee arrangements and will be responsible for ensuring compliance with this Section of the Compliance Manual.

(2) Government Entities

Neither QMS nor any of QMS' Access Persons may provide or agree to provide, directly or indirectly, payment to any Solicitor to solicit government clients for investment advisory services on QMS' behalf, unless such Solicitor is a broker-dealer or registered investment adviser that is itself subject to prohibitions against participating in "pay to play" practices as described in **Section IV.K**.

D. Interviews with the Media

The Chief Compliance Officer will be responsible for overseeing any contact with the media. All employees who wish to have discussions with the media shall request permission, in writing, from the Chief Compliance Officer prior to any interview. Employees should be cautioned when discussing investment strategies, past or current performance, future performance or any particular product in articles, press releases or interviews. All such communications should be done in general terms. Employees should at no time discuss the Advisory Clients or any information deemed confidential. Further, employees should not discuss any regulatory actions, litigation or investigations.

X. PRINCIPAL TRANSACTIONS AND TRANSACTIONS BETWEEN ADVISORY CLIENTS

A. Principal Transactions

QMS will not, directly or indirectly, while acting as principal for its own account, knowingly sell any security to, or purchase any security from, an Advisory Client without disclosing to the Advisory Client in writing prior to the completion of such transaction, the capacity in which QMS is acting and obtaining the specific consent of the Advisory Client. It is not expected that such a principal transaction would ever be contemplated by QMS.

B. Transactions Between Advisory Clients

Furthermore, in the event that QMS' ownership interest in any Advisory Client (including interests held by Employees, partners or affiliates of QMS) equals or exceeds 25% of the Advisory Client (or such other amount that may be deemed material under the totality of the circumstances), any cross transaction between such Advisory Client and another Advisory Client may be deemed to be a principal transaction for purposes of Advisers Act Section 206(3). The Chief Compliance Officer, or his or her designee, shall:

- (1) Monitor QMS' (together with all controlling persons', Employees' and their respective families') ownership levels in the Advisory Client on a quarterly basis. (It should be noted that until further guidance is provided by the SEC,

Deferred Incentive Compensation, if any, should be included in such calculation);

- (2) In the event the 25% threshold is met, ensure that:
- (i) *Before the completion of each such transaction* confirmation is sent to the Investors in the Advisory Client involved in such cross trade, which includes:
 - (a) a statement of the nature of such transaction, and
 - (b) the capacity in which QMS is acting.
 - (ii) A record documenting QMS' receipt of Investor consent to such transactions is kept in an appropriate file; and
 - (iii) QMS consults with external counsel or outside compliance consultants to determine whether such transaction is permissible under the Advisers Act.

It should be noted that QMS may request Investors in each Advisory Client appoint an "investor representative" who will be responsible for the receipt and, if appropriate, consent of any cross trades involving an account in which QMS (and its controlling persons, Employees and their respective family members) own a 25% or greater interest.

It is QMS's policy to ensure that purchases or sales to be engaged in by the Advisory Clients will be done through third-party broker/dealers or other institutions (except with respect to certain private securities). As such, it is highly unlikely that any Funds will purchase or sell securities directly with each other. To the extent that any such transaction between Advisory Clients is contemplated by trading personnel of QMS, the Chief Compliance Officer should be notified immediately.

XI. MARKET MANIPULATIVE TRADING AND RESTRICTIONS ON ACQUIRING CERTAIN REGISTERED INVESTMENT COMPANY SECURITIES

QMS is strictly prohibited from engaging in any manipulative or misleading practices. Specifically, it does not engage in trading practices that lack an investment purpose or are designed to artificially inflate a security's price or to mislead Advisory Clients as to the securities that an Advisory Client owns or has owned including practices known as "portfolio pumping," and "window dressing," which are prohibited.

Prohibitions on Market Manipulative Trading

A. Short Selling in Connection with Public Offering: Rule 105 of the Exchange Act

Another manipulative practice involves sales in connection with public offerings. Rule 105 of Regulation M (as amended) generally prohibits a person from purchasing equity securities from an underwriter or broker-dealer participating in a firm commitment offering if such person sold short the security that is the subject of the offering during the "restricted period". Under Rule 105(a), the "restricted period" is the shorter of the period: (1) beginning five business days before the pricing of the offering securities and ending with such pricing, or (2) beginning with the initial filing of such registration statement or notification on Form 1-A or Form 1-E ending with the pricing.

QMS and each of its employees must comply with the provisions of Rule 105 (as amended); absent the applicability of an exception. The Chief Compliance Officer, with the assistance of portfolio personnel, will monitor QMS' short sale activity prior to receiving any secondary public offerings to ensure compliance with the prohibitions set forth above. Any violation of this prohibition must be reported promptly to the Chief Compliance Officer.

If any employee of QMS has any questions regarding Rule 105 or the applicability of an exemption under Rule 105, he/she must consult with the Chief Compliance Officer prior to the execution of the related transaction.

B. Section 12(d) of the Investment Company Act

Each Fund managed by QMS relying upon either Section 3(c)(1) or 3(c)(7) of the Investment Company Act (e.g., a hedge fund) and any companies controlled by the Fund are prohibited from purchasing or otherwise acquiring more than 3% of the total outstanding voting securities of a registered investment company. Examples of registered investment companies include mutual funds, closed-end investment companies and exchange-traded funds (ETFs) such as iSHARES and SPDRs. This prohibition is required by Section 12(d) of the Investment Company Act and is intended to prevent a Fund from acquiring a controlling interest in and exerting undue influence over a registered investment company. Rule 12d1-1 under the Investment Company Act allows private funds to invest an unlimited amount in shares of money market funds registered under the Investment Company Act, provided that the private fund only pays a sales load, distribution fee or service fee on the money market fund shares if the money market fund's investment adviser waives a sufficient amount of its advisory fee to offset the cost of the sales load, distribution fee or service fee. Certain ETFs may have obtained exemptive relief permitting certain persons to exceed this 3% limitation.

The Chief Compliance Officer, with the assistance of portfolio personnel, if necessary, will monitor investments by each Advisory Client managed by the QMS and any companies controlled by the Fund for compliance with the prohibition set forth above. Any violation of this prohibition must be reported promptly to the Chief Compliance Officer. After an investigation into the circumstances surrounding the violation, if any, the Chief Compliance Officer will, at his discretion, direct QMS to correct or otherwise resolve the violation.

XII. PERSONAL TRADING BY QMS AND ITS PERSONNEL

QMS has a separate policy that governs personal trading by QMS' Access Persons. See the Code of Ethics at **Appendix I**.

XIII. REQUIRED AUTHORIZATIONS- CASH MOVEMENTS

Manager Level: To the extent that QMS needs to move assets from the management company, such an authorization requires one approval if under \$10,000. Dual approvals are required for any movements over \$10,000.

Fund-Level: To the extent that QMS needs to move assets from the account of an Advisory Client to any other party (whether to make an investment, pay fees, pay expenses, fund a redemption, etc.), such an authorization requires two approvals from any combination of two of the three general partners.

XIV. INSIDER TRADING AND MARKET RUMORS

Section 204A of the Advisers Act requires QMS to establish, maintain, and enforce written policies and procedures reasonably designed to prevent misuse of material, non-public information. QMS' policies with respect to insider trading and market rumors are set forth in **Appendix J and Appendix K**, respectively.

XV. BROKERAGE PLACEMENT

A. Best Execution Duty

- (1) QMS has a duty to obtain "best execution" of securities transactions for its Advisory Clients. This means that in selecting brokers or dealers to execute transactions, QMS must always attempt to ensure that the total cost or proceeds of any transaction for an Advisory Client is the most favorable obtainable under the circumstances.
- (2) All employees of QMS should note that the SEC has indicated that in pursuing the "most favorable transaction" (i.e., best execution) an investment manager need not necessarily solicit competitive bids on each transaction and may not have an obligation to seek the lowest available commission cost. In determining best execution, an investment manager may take into account the full range and quality of a broker's services that benefit an account under management such as brokerage, research and other services (including the items listed in Section B below). QMS may not necessarily negotiate "execution only" commission rates and may "pay up" for research and other services provided by a broker through the commission rate ("soft dollars"). Selecting brokers on the basis of considerations which are not limited to applicable commission rates may result in higher transaction costs than would be otherwise obtainable.

It should be noted that soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions do not generally fall within the Section 28(e) Safe Harbor, and, to the extent they are used by QMS, generally will be utilized only with respect to research-related products and services. In addition, QMS may enter into arrangements with brokers, dealers and counterparties to receive payments to cover the expenses associated with research products or services which might otherwise be covered by the Section 28(e) Safe Harbor but for QMS being directly obligated to pay for such products or services. QMS will only receive products and services that have a mixed use if it makes a good faith allocation of the value of the non-research or brokerage products and services it receives and pays for such items in hard dollars.

It should be noted that currently QMS does not have any soft dollar arrangements in place.

- (3) Although QMS does not currently anticipate utilizing “traditional” soft dollars to any significant degree, it may in the future decide to do so. In such a situation, QMS will ensure that all Advisory Clients have been fully and completely informed through Advisory Client offering documents and the Form ADV Part 2 (once registered) of the types of services and products that soft dollars are used to obtain.

B. Review of Best Execution:

QMS conducts business with several executing brokers on a regular basis. To ensure that the services provided by the executing counterparties are the best available and to fully satisfy all “best execution” requirements, QMS will conduct periodic broker reviews. A majority of employees who regularly interact with brokers will be asked to contribute to the review. The reviews will be documented. The considerations may include a variety of factors, including but not limited to one or more of the following:

- research services provided by the broker
- cost of execution/net price
- level service and responsiveness
- natural liquidity in the stock
- broker’s willingness to commit capital
- difficulty of trade and security’s trading characteristics
- confidentiality/anonymity
- timeliness of execution and error resolution
- financial condition and business reputation
- block trading and block positioning capabilities
- special execution capabilities
- offering to QMS on-line access to computerized data regarding Advisory Client accounts
- availability of stocks to borrow for short trades

C. Approval and Review of Brokerage Arrangements

- (4) The Chief Compliance Officer and/or his designee will periodically review all soft dollar (to the extent any) and brokerage arrangements. As part of those evaluations, QMS will consider alternative brokers, market makers and market centers, and will analyze conflicts of interest resulting from receiving services from brokers, such as soft dollar payments for research and other services.
- (5) Offering document and Form ADV disclosure will be periodically reviewed by the Chief Compliance Officer, or his designee, for accuracy and completeness to ensure that all brokerage arrangements are properly disclosed to Advisory Clients.
- (6) The Chief Compliance Officer, or his designee, will obtain statements from all soft dollar brokers listing all soft dollar arrangements and periodically compare these lists with QMS’s internal records.

- (7) Any questions related to these procedures should be directed to the Chief Compliance Officer.

D. Directed Brokerage Agreements

QMS may enter into a directed brokerage arrangement with an Advisory Client(s). In a “directed brokerage” arrangement, an Advisory Client directs the investment adviser to send commission business to particular broker-dealers that have agreed to provide services to the client, pay certain client expenses, or make cash rebates. Section 28(e) does not apply to directed brokerage arrangements. It is QMS’ policy to enter into directed brokerage arrangements only if such arrangements comply with applicable securities laws and regulatory interpretation of such laws.

XVI. AGGREGATION AND ALLOCATION OF ORDERS

A. Introduction and Overview

QMS recognizes its duty to seek to treat all Advisory Clients fairly and equitably. Consistent with its overriding principle to treat all Advisory Clients fairly and equitably, QMS has adopted the following procedures regarding the allocation of investment opportunities and the combination and allocation of trades.

B. Aggregation

In managing the Advisory Clients’ portfolios, QMS will generally aggregate trades, subject to best execution. Aggregation, or “bunching,” describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for QMS would generally arise when more than one Advisory Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. QMS may aggregate client orders when doing so will result in a better overall price for Advisory Client trades. QMS will generally aggregate orders unless aggregation is not consistent with QMS’s duty to obtain best execution and the terms of the investment guidelines and restrictions of each Advisory Client for which trades are being aggregated. No Advisory Client will be favored over any other Advisory Client; each Advisory Client that participates in an aggregated order will participate at the average price for all of QMS’s transactions in that security on a given business day, with transaction costs shared pro rata based on each Advisory Client’s participation in the transaction. Brokerage commission rates are not reduced as a result of such aggregation. In some instances, average pricing may result in higher execution prices than otherwise obtainable by a single Advisory Client.

C. Allocation

In addition, when QMS encounters investment opportunities that are appropriate for more than one Advisory Client or when an aggregated order is only partially filled, QMS will allocate the investment opportunity or a partially filled order on a fair and equitable basis.

In general, QMS will seek to minimize performance variation between similar accounts with the same strategies. In such a situation, orders will generally be allocated based on the size and need of the Advisory Client. However, allocations may be made on a basis other than the size and need of the Advisory Client for a number of reasons, including, but not limited to, an Advisory Client’s investment guidelines and restrictions, available cash, industry/sector exposure, liquidity requirements, tax or legal reasons, to avoid odd

lots, or in cases in which such an allocation would result in a de minimis allocation to an Advisory Client.

QMS will document the reason why any orders appropriate for more than one Advisory Client were allocated on a basis other than the size and need of the Advisory Client. The Chief Compliance Officer (or his designee) will periodically review such allocations to ensure allocations were made in a fair and equitable manner.

D. Review and Disclosure

The Chief Compliance Officer, together with portfolio personnel, will periodically review and revise this policy to ensure that it represents QMS's current practices and is in conformity with applicable laws and regulations.

E. Record Retention

QMS will maintain the order and execution information in an electronic format or through paper copies of the orders, execution tickets and allocation.

XVII. ERROR CORRECTION

QMS may on occasion experience errors with respect to trades made on behalf of its Advisory Clients. Examples of trade errors include: (i) the placement of orders (either purchases or sales) in excess of the amount of securities QMS intended to trade; (ii) the sale of a security when it should have been purchased; (iii) the purchase of a security when it should have been sold; (iv) the purchase or sale of the wrong security; (v) the purchase or sale of a security contrary to regulatory restrictions or Advisory Client investment guidelines or restrictions. QMS endeavors to detect trade errors prior to settlement and correct them in an expeditious manner. QMS documents any trade errors on a Trade Error Form. Please see **Appendix M** for such form.

Whenever a trade error is discovered by an employee of QMS, such employee should immediately contact the Chief Compliance Officer. When a trade error is clearly caused by a counterparty, such as a broker-dealer, QMS will strive to recover from the counterparty any losses associated with such error. When a trade error is caused by an employee of QMS, the firm will seek to resolve the error on a fair and equitable basis. Generally, when a trade error is caused by an employee, any losses associated therewith will be charged to QMS. Each situation requires a tailored response and accordingly will be dealt with on a case-by-case basis and consistent with QMS's fiduciary duty with respect to its Advisory Clients. Investors would be notified in the event of an egregious trade error.

It should be noted that QMS's closely monitored computerized trading algorithms mitigate trading errors by virtually eliminating mis-trades and unintended positions.

XVIII. DISCLOSURE OF ADVISORY CLIENTS' AND INVESTORS' NON-PUBLIC PERSONAL INFORMATION

A. Privacy Policy

QMS has adopted a Privacy Policy to insure the security of and confidentiality of investor and fund information in a manner to protect against anticipated threats or hazards to the security or integrity of such information; and protect against unauthorized access to or

use of such information that may result in substantial harm or inconvenience to any investor. When establishing this policy, QMS considered all administrative, technical and physical safeguards that are appropriate to its size, scope and type of business, the amount of resources available, the amount of stored data, and the need for security and confidentiality of non-public information

QMS will not disclose Advisory Clients' Non-Public Personal Information or that of any former Advisory Clients to third parties other than affiliates and/or other third party firms that assist QMS in providing advisory services and/or effecting client transactions (such as brokers, fund administrators, accounting support firms and compliance/operational support service providers). QMS may also provide such information to service providers and financial institutions with which it has joint marketing relationships. Additionally, QMS' disposal of Non-Public Personal Information shall be done in a secure manner.

B. Procedures for Compliance with Privacy Policy

In order to generally ensure that Non-Public Personal Information about Advisory Clients and Investors is safeguarded, QMS has also adopted the following internal procedures:

- (1) QMS' office is locked and requires authorization to enter;
- (2) Access to Advisory Clients' and Investors' Non-Public Personal Information is restricted to only those employees who need to refer to the information in the normal course of business;
- (3) After business hours, hard-copies of Advisory Clients' and Investors' Non-Public Personal Information are kept in locked file cabinets or in a locked file room;
- (4) Employees are discouraged from transporting hard-copies of any Non-Public Personal Information outside of QMS' office unless it is absolutely necessary to do so; and
- (5) Access to electronic-based Advisory Clients' and Investors' Non-Public Personal Information is restricted (through passwords or similar securitization).

QMS periodically reminds its employees about these internal procedures and the importance of protecting Non-Public Personal Information about its Advisory Clients and Investors.

C. Privacy Notices

- (1) QMS will deliver initial notification of these policies and procedures to Investors and annual notice to current Investors thereafter in the form of a privacy notice (the "Privacy Notice"). QMS provides the initial notice to investors by including it in the subscription agreements, which all investors complete prior to their acceptance to an Advisory Client. An acceptable method for delivering an annual notice would be through a cover letter accompanying a monthly statement or quarterly letter to current Investors. A form of Privacy Notice is attached hereto as **Appendix R**. The Chief Compliance Officer is responsible for ensuring that initial and annual privacy notices are distributed in accordance with the above requirements.
- (2) At times, QMS may enter into one or more agreements with third parties under which QMS may provide confidential information to those third parties. If this occurs, QMS Firm will (i) include in the relevant agreements provisions protecting confidential information to the extent required by law, (ii) take

reasonable steps to select and retain service providers that can maintain appropriate safeguards for confidential information and (iii) require those service providers to implement and maintain such safeguards. Employees should direct any questions about these agreements or the disclosure of information pursuant to them to the Chief Compliance Officer.

D. Disposal of Non-Public Personal Information

In order to protect Investors against the risks of fraud and fraud-related crimes, including identity theft, QMS has also adopted the following internal procedures relating to the secured disposal of Non-Public Personal Information:

- (1) To the extent not covered under Advisers Act Rule 204-2, hard copies of Investors' Non-Public Personal Information (or any extra hard-copies of Investors' Non-Public Personal Information, whether or not covered by Advisers Act Rule 204-2) shall be destroyed in a manner so that such information cannot be practicably read or reconstructed.
- (2) To the extent not covered under Advisers Act Rule 204-2, Investors' Non-Public Personal Information which is stored on disk, CD, tape or other electronic media (or any extra disks, CDs, tapes or other electronic media which contains Investors' Non-Public Personal Information, whether or not covered by Advisers Act Rule 204-2) shall be cleared, purged, declassified, overwritten and/or encrypted in such a manner so that any information contained therein cannot be restored or decrypted.
- (3) After the electronic media is cleared, purged, declassified, overwritten or encrypted, the systems administrator shall check that the original information is not backed-up or saved on a hard drive, recycle bin or other memories.
- (4) The Chief Compliance Officer shall require that each third-party service provider engaged by QMS which necessarily obtains access to Investors' Non-Public Personal Information during the course of their services on behalf of QMS shall have similar policies and procedures relating to the secure disposal of Non-Public Personal Information.

E. Computer System Security

QMS seeks to establish and maintain a security system that covers its use of computers and other technologies. In this regard, QMS has adopted the following internal procedures:

- (1) Secure user authentication protocols are in place including control of user IDs, a reasonably secure method of assigning passwords, control of data security passwords, blocking access to user IDs after multiple unsuccessful attempts to gain access, and password protecting blackberries and laptops.
- (2) Employees are restricted from storing any Non-Public Personal Information on laptops or portable storage devices.
- (3) To the extent records maintaining Investors' Non-Public Personal Information are maintained on a system connected to the internet, periodic updates of firewall protection and operating system patches will be conducted.

F. State Privacy Laws

Certain states have adopted additional consumer privacy laws that may be applicable to investment advisers with investors who are residents of those states. For example, Massachusetts requires any company with personal information about a resident of Massachusetts to adopt and implement a comprehensive information security program. Such security program must include appropriate administrative, technical, and physical safeguards to maintain the security of personal information relating to Massachusetts residents.

To ensure compliance with state privacy laws, the Chief Compliance Officer will, in consultation with outside counsel and/or compliance consultants to the extent appropriate, periodically review state laws and determine whether QMS' policies and procedures are adequate in light of such review. To the extent required, QMS will revise its procedures in order to comply with such laws.

If an employee has any doubt as to whether certain data constitutes Non-Public Personal Information, such employee shall consult with the Chief Compliance Officer or dispose of such data as if it were, in fact, Non-Public Personal Information.

XIX. USA PATRIOT ACT/ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

QMS is firmly committed to preventing money laundering and the financing of terrorist or other illegal activities. In this connection, QMS has adopted the following anti-money laundering policy and procedures. The Chief Compliance Officer has delegated certain of the procedures and AML responsibilities to its third party Administrator.

Please note the below is just a summary of the policies in place. For a more detailed report, please contact the Chief Compliance Officer.

A. Initial Investor Verification/Subscription Document Review

- (1) QMS and the Administrator will request all Investors in Funds listed on **Appendix N** to affirmatively make certain representations, either in a Subscription Agreement, an addendum to a Subscription Agreement or an advisory services agreement.
- (2) The Chief Compliance Officer or his designee (on behalf of QMS) will review all subscription wires received from Investors to ensure that the details about the Investor correspond to the details provided in the subscription agreement, addendum or advisory services agreement.
- (3) On a periodic basis, QMS or their designee (on behalf of QMS) may prepare a list of such Investors (which sets forth the name, residence, jurisdiction of incorporation and identity of intermediary financial institution used by the Investor) and compare it critically against applicable regulatory watch lists. As noted above, the Chief Compliance Officer may retain a third party service provider to handle this comparison (or directly handle the comparison review).

To the extent that there is a match or possible match between the list of Investors AND the regulatory watch list(s) utilized, the Chief Compliance Officer may contact outside legal counsel or outside compliance consultants to determine whether any regulatory filings need to be made or other steps need to be taken (such as rejecting a prospective investment or requesting additional information from the investor).

- (4) QMS or a designated person (on behalf of QMS) will review the subscription documents and determine whether the investment: (i) was made by an individual or entity resident in one of the jurisdictions that is a FATF Member that is listed in **Appendix O**; and (ii) came through an intermediary financial institution that is regulated in one of the jurisdictions listed in **Appendix O** or is a U.S. regulated financial institution.
- (a) To the extent that it can be determined that the Investors and intermediary financial institution are from (and with respect to the intermediary financial institution regulated by) a FATF Member jurisdiction listed in **Appendix O**, no further documentation will generally be required; provided that the Administrator has a fully completed and executed subscription agreement or addendum that generally meets the requirements discussed above.
- (b) To the extent that an inquiry under **Section XIX.A.(4)** above reveals that the jurisdiction of the Investor or the financial institution is not on the list provided for in **Appendix O** then the following additional documentation may be required for verification purposes subject to the discretion of QMS:
- (i) Individual Investors:
- Evidence of name, signature, date of birth and photographic identification
 - **OR** -
 - Notarized copy of an official valid ID (passport, drivers license or national identity card)
 - Bank reference letter
 - Evidence of a permanent residence (i.e., certified/notarized copy of a utility bill)
- (ii) Entity Investors:
- Notarized copy of formation document (i.e. Certificate of Formation, Certificate of Incorporation, Certificate of Limited Partnership or Trust Agreement)
 - Notarized copies of passport of individuals in management of entity (i.e., trustee of trust, directors of corporation general partner of limited partnership, or if any of the above is an entity, the managing member or possessor of an interest in such entity of greater than 10%).

B. Ongoing Transaction Review

The Chief Compliance Officer or his designee will also review transactions (which may be in consultation with outside service providers) by Investors and report to QMS if a particular Investor engages in an abnormal series of transactions, such as (but not limited to):

- (1) excessive frequency of contributions and redemptions;
- (2) transactions in cash or money orders;
- (3) transactions with foreign shell banks, banks with P.O. Boxes or banks located in jurisdictions without anti-money laundering laws;
- (4) transactions with an Investor in which subscription monies are received from a non-subscribing third party;
- (5) transactions by or for the benefit of senior political figures, their immediate family members and close associates;
- (6) reluctance to answer compliance-related questions about ultimate Beneficial Ownership; or
- (7) distribution of redemption proceeds to an account other than the original wiring account used by the Investor.

C. Appointment of AML Compliance Officer

QMS has appointed the Chief Compliance Officer as the AML Chief Compliance Officer to oversee these procedures (although much of the responsibility has been delegated to the administrator).

XX. PERIODIC REPORTING OF BENEFICIAL OWNERSHIP

The Chief Compliance Officer, in consultation with external legal counsel, shall be responsible for determining whether QMS must file periodic reports with respect to the Beneficial Ownership of certain securities held by its Advisory Clients and QMS (or its control persons) (if applicable). Notwithstanding that the Chief Compliance Officer shall endeavor to periodically monitor security positions to determine whether a filing is required, investment personnel of QMS should review this Section carefully and bring any issues to the immediate attention of the Chief Compliance Officer.

A. Section 13(d)

- (a) Section 13(d) of the Exchange Act generally requires a Beneficial Owner of more than 5% of a class of outstanding equity securities of publicly traded companies to file a report with the issuer, SEC, and those national securities exchanges where the securities trade within ten (10) days of the transaction resulting in Beneficial Ownership exceeding 5%.

- (b) The reporting requirement is fulfilled by filing Schedule 13D, which is a form that sets forth the information called for by Section 13(d) and the rules thereunder.
- (c) From the time that an investor's Beneficial Ownership of a class of registered equity securities exceeds 5% until the expiration of the tenth day after filing the Schedule 13D, the investor may not vote or acquire an additional Beneficial Ownership interest in any equity securities of the issuer, nor any person controlling the issuer.

B. Section 13(g)

- (a) Rule 13d-1 of the Exchange Act permits "passive investors"⁸ and "qualified institutional investors"⁹ to report Beneficial Ownership under a format different from Schedule 13D when the Beneficial Ownership is in the ordinary course of business and not for the purpose of changing or influencing control of the issuer. The determination of whether a 13D or 13G filing is required in a particular situation will be made by the Chief Compliance Officer (which may be in consultation with outside legal counsel).
- (b) Passive investors may file with the issuer and SEC an initial Schedule 13G (in lieu of Schedule 13D) within 10 calendar days of acquiring more than five percent of any class of registered equity securities. Passive investors must amend their Schedule 13G within 45 days after the calendar year end to report any changes, if as of the end of that calendar year, there are any changes to the information in the previous filing. In addition, passive investors must amend their Schedule 13G promptly¹⁰ if they acquire more than 10% of a class of registered equity securities; when Beneficial Ownership rests between 10% and 20%, passive investors must promptly file an amendment upon increasing or decreasing their Beneficial Ownership by more than 5% of the class of equity securities.
- (c) If an investor originally filed or was entitled to file a Schedule 13G develops an intent to hold the securities with a purpose or effect of changing or influencing control of the issuer, or in connection with or as a participant in any transaction

⁸ Rule 13d-1(c) of the Exchange Act defines passive investors as investors (i) whose beneficial ownership exceeds 5% of a class of outstanding registered equity securities, (ii) that do not acquire or hold the securities for the purpose of changing or influencing control of the issuer and (iii) that hold no more than 20% of the class of securities.

⁹ Rule 13d-1(b) of the Exchange Act defines qualified institutional investors as (i) a registered broker-dealer, (ii) a bank, (iii) an insurance company, (iv) a registered investment company, (v) an investment adviser registered with the SEC or any state, (vi) an employee benefit plan or pension plan subject to ERISA, (vii) a parent holding company or control person of a qualified institutional investor, provided the aggregate amount held by the holding company or control person does not exceed one percent of the securities of the subject class, (viii) a savings association, (ix) a church plan excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act and (x) a group of persons each of whom falls in one of the above mentioned categories.

¹⁰ The Exchange Act does not define the term "promptly"; however, the SEC has stated that what constitutes "promptly" is based upon the facts and circumstances surrounding the materiality of the change in information triggering the filing obligation and the filing person's previous disclosures. The SEC further stated that any delay beyond the date the filing reasonably can be filed may not be prompt. See Securities Exchange Act Release No. 39568 (Jan. 12, 1998). Accordingly, amendments that must be promptly filed will be filed as soon as reasonably practicable.

having that purpose or effect, then such investor will immediately become subject to Rule 13d-1(a) and Rule 13d-2(a) of the Exchange Act and will file a statement on Schedule 13D within ten (10) days. From the date that an investor develops an intent to hold the securities with a purpose or effect of changing or influencing control of the issuer through the tenth day after the Schedule 13D is filed, the investor may not vote or acquire an additional Beneficial Ownership interest in any equity securities of the issuer, nor any person controlling the issuer.

C. Section 13(f)

- (a) Section 13(f) of the Exchange Act requires institutional investment managers with investment discretion over \$100 million or more in “13F securities” (as set forth by the SEC on a quarterly basis) to file quarterly reports with the SEC on Form 13F within forty-five (45) days of the end of each calendar quarter.
- (b) An adviser’s obligation to file Form 13F begins with the last quarter of the calendar year in which it first has discretion over \$100 million or more in 13F securities. Thereafter, this filing obligation continues for at least the next three calendar quarters, and, if the adviser or manager continues to have discretion over at least \$100 million in equity securities, may continue indefinitely.
- (c) It is noted that confidential filing treatment may be available for open risk arbitrage positions in accordance with the 13F instructions (specifically, Instruction 2.f). The risk arbitrage trader, in consultation with the Chief Compliance Officer and the CEO, will determine whether confidential treatment will be requested.¹¹

D. Section 16

- (a) Section 16(a) of the Exchange Act imposes certain reporting requirements on directors, officers and greater than 10% shareholders of a public company with respect to ownership and transactions in that company’s equity securities.

¹¹ Confidential treatment is available for open risk arbitrage positions in accordance with Confidential Treatment Instruction 2.f to Form 13F. You also should review SEC Release Nos. 34-21539 (December 5, 1984) and 34-22038 (May 14, 1985) for more information about confidential treatment requests based on open risk arbitrage. You may request a copy of these releases from the SEC’s Public Reference Branch at (202) 551-8090 (e-mail: publicinfo@sec.gov).

Confidential treatment is available to an open risk arbitrage position through the end of the quarterly period in which a deal is completed or terminated, because the confidential treatment procedures include a reasonable period of time to liquidate a risk arbitrage position. See SEC Release No. 34-21539 relying on definition of risk arbitrage set forth in SEC Release No. 34-15533 (January 29, 1979).

Requests for a longer period of confidential treatment following the completion or termination of a risk arbitrage transaction must, at a minimum: (i) confirm that the position will continue to meet the definition of risk arbitrage; (ii) confirm that the position is not being held for tax or investment purposes; (iii) explain the post-completion or post-termination liquidation program; and (iv) justify the time period for confidential treatment.

If the risk arbitrage provisions do not apply, confidential treatment requests must comply with the requirements of Rule 24b-2 under the Securities Exchange Act, Form 13F Confidential Treatment Instructions 2.a.-e., and the Division’s June 17, 1998 letter to all confidential treatment filers.

Section 16(b) provides for disgorgement of profits from purchases and sales of the equity securities by insiders within a six-month grace period.

- (b) Insiders must file a Form 3 within ten days of becoming subject to Section 16. Thereafter, any nonexempt transaction in an issuer's equity securities and any exercises and conversions of derivative securities (whether exempt or not) must be reported on a Form 4 by the end of the second business day following the date the reportable transaction occurs. Exempt transactions and other transactions not previously reported must be disclosed on Form 5, which is required to be filed within forty-five days after the end of the issuer's fiscal year.

E. Section 13(h)

- (a) On July 26, 2011, the SEC adopted new Rule 13h-1 and Form 13H under Section 13(h) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requiring "large traders" to register with, and make certain disclosures to, the SEC on the new Form 13H. Form 13H will be filed via EDGAR and must be updated periodically, but will not be disclosed to the public.
- (b) Generally, "Large Traders" will be the persons with investment discretion (e.g., the investment adviser or commodity pool operator) over accounts meeting certain threshold transaction activity levels. These persons may be U.S. or foreign, regulated or unregulated, and include individuals, companies, general partnerships and limited partnerships.

What is the Identifying Activity Level?

- during a calendar day, either two million shares or shares with a fair market value of \$20 million; or
- during a calendar month, either twenty million shares or shares with a fair market value of \$200 million. Large traders will need to report information related to a Large Trader's business, affiliates, other SEC filings, regulatory status, organizational structure and the names of the broker-dealers where a Large Trader and certain of its affiliates have accounts.
- (c) The filing is needed promptly after first effecting aggregate transactions equal to or greater than the identifying Activity level and annually thereafter. The Rule is effective October 3, 2011, entities that meet the Large Trader definition after that date must file Form 13H by December 1, 2011.

F. Summary of the "Alternative Uptick Rule" Rule 201

The SEC adopted new Rule 201 of Regulation SHO ("Rule 201") that imposes a price test on short sales of a security when that security is experiencing significant downward price pressure. Rule 201 requires trading centers to adopt policies and procedures that are reasonably designed to prohibit short sales of covered securities at a price that is less than or equal to the current national best bid during the day on which the price of the covered security has decreased by 10 percent or more (as determined by the listing market for the security) and the following trading day.

In summary, Rule 201 includes the following features:

- **Short Sale-Related Circuit Breaker:** The circuit breaker would be triggered for a security any day in which the price declines by 10 percent or more from the prior day's closing price.
- **Duration of Price Test Restriction:** Once the circuit breaker has been triggered, the alternative uptick rule would apply to short sale orders in that security for the remainder of the day as well as the following day.
- **Securities Covered by Price Test Restriction:** Rule 201 generally applies to all equity securities that are listed on a national securities exchange, whether traded on an exchange or in the over-the-counter market.
- **Implementation:** The Rule requires trading centers to establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent the execution or display of a prohibited short sale.

Rule 201 requires each trading center to establish, maintain and enforce written policies and procedures reasonably designed to prevent the execution or display of a short sale order related to the covered securities at a price that is less than or equal to the national best bid (the "Uptick Requirement") during the day on which the listing market has determined that the price of the covered security has decreased by 10 percent or more versus the previous day's closing price and the following trading day. The trading center will, however, be required to process trades marked "short exempt."

The restrictions of Rule 201 are limited to certain covered securities, which generally includes any security listed on a national securities exchange, regardless of the venue through which the security trades. Rule 201 specifically does not cover options (even if they are exchange traded), futures, contracts for differences, warrants or swaps.

Rule 201 applies to all securities, except options listed on a national securities exchange, regardless of the venue through which such security is purchased or sold, and applies to any transaction agreed to in the United States regardless of where the transaction is booked.

Since QMS is not deemed a "trading center", the requirements of Rule 201 noted above will be addressed by QMS' various trading counterparties.

XXI. BUSINESS CONTINUITY AND DISASTER RECOVERY PROCEDURES

QMS has prepared a Business Continuity Plan in preparation for an event that would partially or completely restrict access to QMS' main business office at 240 Leigh Farm Road, Suite #230, Durham, NC 27707 due to a natural disaster, terrorist activity or other event. Such Plan can be located in **Appendix Q**.

A. Testing of Disaster Recovery

QMS will periodically test, at least annually, its Business Continuity Plan.

XXII. PROXY VOTING

QMS understands and appreciates the importance of proxy voting.

QMS has adopted a firm policy of not voting any proxies. QMS is of the view that any issues related to proxy voting of portfolio issues are irrelevant to the investment strategy employed by QMS (on behalf of Advisory Clients). As such, QMS is of the view that reallocating resources

from the research and portfolio management process to addressing issues related to such proxies is not in the best interests of Advisory Clients (as it is also irrelevant to QMS' trading strategies).

Notwithstanding the general procedures outlined above, QMS will adhere to the procedures listed below.

(1) Proxy Voting Procedures

- (a) All proxies sent to Advisory Clients that are actually received by QMS (to vote on behalf of the Advisory Clients) will be provided to the Chief Compliance Officer (or his designee).
- (b) A record of each proxy received by QMS (on behalf of its Advisory Clients) will be kept in QMS' files either electronically or otherwise.

(2) Disclosure of Procedures

Employees should note that a brief summary of these proxy voting procedures will be included in QMS's Form ADV Part 2 and will be updated whenever these policies and procedures are updated. Advisory Clients will also be provided with contact information as to how they can obtain information about: (a) the details of QMS's proxy voting procedures (i.e., a copy of these procedures).

(3) Record-keeping Requirements

The Chief Compliance Officer, or his designee, will be responsible for maintaining files relating to QMS's proxy voting procedures. Records will be maintained and preserved for five years from the end of the fiscal year during which the last entry was made on a record, with records for the first two years kept in the offices of QMS. Records of the following will be included in the files:

- (a) Copies of these proxy voting policies and procedures, and any amendments thereto;
- (b) A copy of each proxy statement that QMS actually receives, provided, however that QMS may rely on obtaining a copy of proxy statements from the SEC's EDGAR system for those proxy statements that are so available;
- (c) To the extent a proxy is voted, a record of each vote that QMS casts;
- (d) To the extent a proxy is voted, any documents prepared by the adviser that were material to making a decision how to vote, or that memorialized the basis for the decision; and
- (e) A copy of each written request for information on how QMS voted proxies of an Advisory Client and a copy of any written response to any request for information on how QMS voted proxies on behalf of an Advisory Client.

XXIII. VALUATION PROCEDURES

QMS recognizes its responsibility to fairly value assets held by the Advisory Clients. Valuation directly impacts fees collected by QMS (or its affiliates) and performance calculations. For a

general discussion of how QMS values securities held in the Advisory Clients' portfolios, please refer to the valuation sections of the Advisory Clients' offering documents or advisory agreements, as applicable.

APPENDIX A

COMPLIANCE MANUAL

AND

CODE OF ETHICS ACKNOWLEDGEMENT

I hereby acknowledge receipt of the QMS Compliance Manual (including the Code of Ethics) and certify that I have read and understand it and agree to abide by it.

I hereby represent that all my personal securities transactions will be effected in compliance with the Compliance Manual (including the detailed requirements of the Code of Ethics). I also confirm that I have instructed all brokerage or other firms where I maintain an investment account to supply duplicate copies of my confirmations and statements to the Chief Compliance Officer. I further certify that I will provide copies of my monthly and quarterly statements to the Chief Compliance Officer upon request. Further, I understand that the Chief Compliance Officer may provide copies of all such trade confirmation and statements to an outside third party compliance consultant or outside legal counsel.

I further certify that I have read and understand the QMS Capital Management LP Insider Trading Policy and my duties and responsibilities thereunder and that I have read and understand the QMS Capital Management LP Confidentiality Agreement that I have executed in connection with my employment by (or association with) QMS Capital Management LP.

In addition to the representations contained throughout the Compliance Manual and Code of Ethics, I hereby certify that I have never been found civilly liable for nor criminally guilty of insider trading and that no legal proceedings alleging that I have violated the law on insider trading are now pending or, to my knowledge, threatened by any person or authority. I agree to immediately notify QMS Capital Management LP if such information becomes inaccurate in any way.

Date: _____

(Signature)

(Print Name)

COMPLIANCE RECEIPT:

Name:

Date:

DISCIPLINARY QUESTIONNAIRE

Instructions: Please respond to all questions and requested information. Complete written details of all events or proceedings must be provided. An executed copy of this form should be provided to the Chief Compliance Officer.

Criminal Actions

1. Have you ever:
 - a. been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign or military court to any felony? ☐ Yes ☐ No
 - b. been charged with any felony? ☐ Yes ☐ No
2. Based upon activities that occurred while you exercised control over it, has an organization ever:
 - a. been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic or foreign court to any felony? ☐ Yes ☐ No
 - b. been charged with any felony? ☐ Yes ☐ No
3. Have you ever:
 - a. been convicted of or pled guilty to or nolo contendere (“no contest”) in a domestic, foreign or military court to a misdemeanor involving: investments or an investment-related business or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion or a conspiracy to commit any of these offenses? ☐ Yes ☐ No
 - b. been charged with a misdemeanor specified in 3(a)? ☐ Yes ☐ No
4. Based upon activities that occurred while you exercised control over it, has an organization ever:
 - a. been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic or foreign court to a misdemeanor specified in 3(a)? ☐ Yes ☐ No
 - b. been charged with a misdemeanor specified in 3(a)? ☐ Yes ☐ No

Regulatory Disciplinary Actions

5. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:
 - a. found you to have made a false statement or omission? ☐ Yes ☐ No
 - b. found you to have been involved in a violation of its regulations or statutes? ☐ Yes ☐ No

- c. found you to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted? ☐ Yes ☐ No
- d. entered an order against you in connection with investment-related activity? ☐ Yes ☐ No
- e. imposed a civil money penalty on you, or ordered you to cease and desist from any activity? ☐ Yes ☐ No
6. Has any other Federal regulatory agency or any state regulatory agency or foreign financial regulatory authority ever:
- a. found you to have made a false statement or omission or been dishonest, unfair or unethical? ☐ Yes ☐ No
- b. found you to have been involved in a violation of investment-related regulation(s) or statute(s)? ☐ Yes ☐ No
- c. found you to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted? ☐ Yes ☐ No
- d. entered an order against you in connection with an investment-related activity? ☐ Yes ☐ No
- e. denied, suspended or revoked your registration or license or otherwise, by order, prevented you from associating with an investment-related business or restricted your activities? ☐ Yes ☐ No
7. Has any self-regulatory organization or commodities exchange ever:
- a. found you to have made a false statement or omission? ☐ Yes ☐ No
- b. found you to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the U.S. Securities and Exchange Commission)? ☐ Yes ☐ No
- c. found you to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked or restricted? ☐ Yes ☐ No
- d. disciplined you by expelling or suspending you from membership, barring or suspending your association with its members, or restricting your activities? ☐ Yes ☐ No
8. Has your authorization to act as an attorney, accountant or federal contractor ever been revoked or suspended? ☐ Yes ☐ No
9. Have you been notified, in writing, that you are now the subject of any:
- a. regulatory complaint or proceeding that could result in a "yes" answer to any part of 5, 6 or 7? ☐ Yes ☐ No
- b. Investigation that could result in a "yes" answer to any part of 1, 2, 3 or 4? ☐ Yes ☐ No

Civil Judicial Actions

10. Has any domestic or foreign court ever:
- a. enjoined you in connection with any investment-related activity? ☐ Yes ☐ No
 - b. found that you were involved in a violation of any investment-related statute(s) or regulation(s)? ☐ Yes ☐ No
 - c. dismissed, pursuant to a settlement agreement, an investment-related civil action brought against you by a state or foreign financial regulatory authority? ☐ Yes ☐ No
11. Are you named in any pending investment-related civil action that could result in a “yes” answer to any part of 10? ☐ Yes ☐ No

Customer Complaints

12. Have you ever been named as a respondent/defendant in an investment-related, consumer-initiated arbitration or civil litigation which alleged that you were involved in one or more sales practice violations and which:
- a. is still pending; or ☐ Yes ☐ No
 - b. resulted in an arbitration award or civil judgment against you, regardless of amount; or ☐ Yes ☐ No
 - c. was settled for an amount of \$10,000 or more? ☐ Yes ☐ No
13. Have you ever been the subject of an investment-related, consumer-initiated complaint, not otherwise reported under question 12 above, which alleged that you were involved in one or more sales practice violations, and which complaint was settled for an amount of \$10,000 or more? ☐ Yes ☐ No
14. Within the past twenty-four (24) months, have you been the subject of an investment-related, consumer-initiated, written complaint, not otherwise reported under question 12 or 13 above, which:
- a. alleged that you were involved in one or more sales practice violations and contained a claim for compensatory damages of \$5,000 or more (if no damage amount is alleged, the complaint must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000), or; ☐ Yes ☐ No
 - b. alleged that you were involved in forgery, theft, misappropriation or conversion of funds or securities? ☐ Yes ☐ No

Terminations

15. Have you ever voluntarily resigned, been discharged or permitted to resign after allegations were made that accused you of:
- a. violating investment-related statutes, regulations, rules or industry standards of conduct? ☐ Yes ☐ No
 - b. fraud or the wrongful taking of property? ☐ Yes ☐ No

- c. failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct?

☐ Yes ☐ No

Financial

16. Within the past 10 years:

- a. have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?
- b. based upon events that occurred while you exercised control over it, has an organization made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?
- c. based upon events that occurred while you exercised control over it, has a broker or dealer been the subject of an involuntary bankruptcy petition, or had a trustee appointed, or had a direct payment procedure initiated under the Securities Investor Protection Act?

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

17. Has a bonding company ever denied, paid out on or revoked a bond for you?

☐ Yes ☐ No

18. Do you have any unsatisfied judgments or liens against you?

☐ Yes ☐ No

I certify and acknowledge that the above statements are true and correct to the best of my knowledge and agree to immediately notify QMS if such information becomes inaccurate in any way.

Name:

Date:

COMPLIANCE RECEIPT:

Name:

Date:

APPENDIX C

Appendix C-1

REQUEST FOR APPROVAL OF OUTSIDE ACTIVITIES

Background:

- (1) Name of Firm/Description of Proposed Outside Activity:

- (2) Will QMS' name be used in connection with such activity (e.g., included in a biography)? ☐ Yes ☐ No
- (3) Will you have a position as an officer or director? ☐ Yes ☐ No
- (4) If "yes" to 3 above, will such organization maintain an officer's and director's liability policy in addition to any indemnification that you may be otherwise provided by such outside activity (provide details of any and all such coverage/indemnification):

- (5) Duties in connection with such activity:

- (6) Estimated amount of time spent on such activity (yearly basis): _____
- (7) Will you or any related party receive any economic benefit for your participation in such activity?
☐ Yes ☐ No

If "yes", description of economic benefit: _____

The employee represents that such activity does not violate any law or regulation, will not or does not interfere with his/her responsibilities to QMS, compete with or conflict with any interest of QMS. The employee represents that he or she will bring to the attention of QMS any potential conflicts of interest that arise due to such activity.

Employee Name:

Date:

DISPOSITION OF PRE-APPROVAL REQUEST:

☐ Request Approved ☐ Request Denied

Name:

Date:

Appendix C-2

ANNUAL OUTSIDE ACTIVITY/INSIDER DISCLOSURE STATEMENT

Outside Affiliations

1. Other businesses in which I am engaged (i.e., take an active role). This includes (but not limited to) Community, Charitable, and Professional activities.

<i>Name of Entity</i>	<i>Affiliation or Title</i>	<i>Compensation & Benefits</i>	<i>Public Company (Yes/No)</i>

OR

☐ I do not take an active role in any other business.

2. Entities by which I am employed or receive compensation:

<i>Name of Entity</i>	<i>Affiliation or Title</i>	<i>Compensation & Benefits</i>	<i>Public Company (Yes/No)</i>

OR

☐ I am not employed or receive compensation from any other entities.

3. Business organizations in which I am an officer, director, partner or employee:

<i>Name of Entity</i>	<i>Affiliation or Title</i>	<i>Compensation & Benefits</i>	<i>Public Company (Yes/No)</i>

OR

☐ I am not an officer, director, partner or employee in any organization.

4. Describe interests in any securities, financial or kindred business:

Do you own a significant position in any publicly held company's securities? Describe:

Insider Disclosure

5. Please indicate below whether you or any member of your immediate family (i.e., parents, mother-in-law, father-in-law, husband, wife, brother, sister, brother-in-law, sister-in-law, son, daughter, son-in-law, daughter-in-law, children who are directly or indirectly dependents) is an executive officer, director or 5% or greater stockholder of a public company or other company in the financial services industry?

<i>Person's Name</i>	<i>Relationship to Employee</i>	<i>Name of Entity</i>	<i>Affiliation or Title</i>	<i>Compensation & Benefits</i>	<i>Public Company (Yes/No)</i>

<i>Person's Name</i>	<i>Relationship to Employee</i>	<i>Name of Entity</i>	<i>Affiliation or Title</i>	<i>Compensation & Benefits</i>	<i>Public Company (Yes/No)</i>

OR

☐ I certify that no member of my immediate family is an executive officer, director or 5% or greater stockholder of a public company.

6. Please indicate any other business activities below which any member of your immediate family (i.e., parents, mother-in-law, father-in-law, husband, wife, brother, sister, brother-in-law, sister-in-law, son, daughter, son-in-law, daughter-in-law, children who are directly or indirectly dependents) is involved with not in the financial service industry and that should be noted.

<i>Person's Name</i>	<i>Relationship to Employee</i>	<i>Name of Entity</i>	<i>Job Description</i>

<i>Person's Name</i>	<i>Relationship to Employee</i>	<i>Name of Entity</i>	<i>Job Description</i>

I certify that the activity(ies) mentioned above do not violate any law or regulation, will not or do not interfere with my responsibilities to QMS, compete with or conflict with any interest of QMS. I hereby represent that I will bring to the attention of QMS any potential conflicts of interest that arise due to such activity(ies).

I certify and acknowledge that the above statements are true and correct to the best of my knowledge.

Name:
Date:

COMPLIANCE RECEIPT:

Name:
Date:

APPENDIX D

CONFLICTS OF INTEREST QUESTIONNAIRE

Between

_____ (DATE)

and

_____ (DATE)

QMS takes its fiduciary obligations to its Advisory Clients and Investors very seriously. In this connection, QMS must periodically review the conflicts of interest relevant to its business and operations. The purpose of having each Access Person complete this questionnaire is to increase the likelihood that all such conflicts of interest are properly identified and properly addressed by QMS.

Nature of the Conflict: Personal Securities Transactions

Have you affected any transactions (buys or sells) in the same securities as Advisory Clients of QMS?*

☐ Yes ☐ No

If yes, please explain: _____

* To the extent that you have already reported such holdings through your Initial or Annual Holdings Reports, please note that here. You do NOT need to reiterate the holdings information that was previously reported on your Initial or Annual Holdings Reports.

Did you obtain pre-clearance for all the personal securities transactions noted in #1 above?

☐ Yes ☐ No

If no, please explain: _____

Nature of the Conflict: Business Transactions or Doing Business with Affiliates or Related Parties

Are you presently engaged in any business transactions outside of your employment with QMS?*

☐ Yes ☐ No

If yes, please explain: _____

* NOTE: Such business transactions could include loans to, or investment in, private business ventures.

Do you currently hold any paid positions with entities outside of your employment with QMS?

☐ Yes ☐ No

If yes, please explain: _____

Is your spouse, or any household family member, presently employed by any of QMS' third party service providers?

☐ Yes ☐ No

If yes, please explain: _____

Is your spouse, or any household family member, presently employed by any of the companies/issuers with which QMS invests?

☐ Yes ☐ No

If yes, please explain: _____

Is your spouse, any close relative, or any household family member, presently a principal or registered representative of a broker-dealer?

☐ Yes ☐ No

If yes, please explain: _____

Does your spouse, any close relative, or any household family member currently serve as a director or officer of a publicly traded company?

☐ Yes ☐ No

If yes, please explain: _____

Have you engaged in business transactions, or done business with, QMS affiliates or related parties?*

☐ Yes ☐ No

* For purposes of this response, “Related Parties” would include (but not be limited to): companies/issuers in which QMS invests, service providers employed by QMS, and individuals or entities that have invested in the Advisory Clients of QMS (i.e., the QMS funds and separately managed accounts).

* When responding to this question, you should consider any compensation arrangements that you have outside of QMS. To the extent that you are unsure as to whether such a non-QMS relationship needs to be disclosed, please discuss with the Chief Compliance Officer.

* *NOTE: To the extent you have answered “Yes” to this question, it is likely that QMS will need to update its disclosures to Advisory Clients and Investors.*

If “Yes,” please complete the following:

Please describe the entity that you presently do business with, the nature of the transacted business, and whether fees are involved:

Name of Entity: _____

Nature of Activities: _____

Fees paid: _____

Name:
Date:

COMPLIANCE RECEIPT:

Name:
Date:

**NOTIFICATION OF BENEFITS/GIFTS IN EXCESS OF \$100 OR BUSINESS
ENTERTAINMENT IN EXCESS OF \$1,000**

Instructions: Employees are required to complete this form and provide a copy to the Chief Compliance Officer in the event they have received/provided any benefits or gift from/to any of QMS' third-party business contacts in excess of \$100 or business entertainment in excess of \$1,000.

Please note: Without the consent of the Chief Compliance Officer, no Access Person may accept or give any gift or other item of more than \$250 in value from any person or entity that does business with or on behalf of QMS.

1. This Notification Form Relates to (check all that apply):

☐ Gift(s) ☐ Gratuity(ies) ☐ Entertainment

2. Name of Employee: _____

3. Employee was the party that:

☐ Received the Gift/Gratuity/Entertainment ☐ Provided the Gift/Gratuity/Entertainment

4. Third Party(ies) Involved (e.g., Name of Company, Name of Investor): _____

5. Name(s) of Attendees: _____

6. Date Gift, Gratuity and/or Entertainment was Received/Provided: _____

7. Provide General Description of Gift, Gratuity and/or Entertainment and Approximate Value: _____

I certify and acknowledge that the above statements are true and correct to the best of my knowledge.

Name:

Date:

COMPLIANCE RECEIPT/ACKNOWLEDGEMENT:

Name:

Date:

APPENDIX F

COMPLAINT FORM

Instructions: Complete **Sections I, II** and **III** of form. Any written correspondence or documentation concerning a complaint or legal issue must be attached and provided directly to the Chief Compliance Officer.

I. Identifying Information

Complaint Received By

Advisory Client or Investor Name

Name of Advisory Client Involved

Date Complaint Received

II. Related Legal Issues

Have you been served with legal process or are you aware of any potential legal action, regulatory inquiry or investigation in connection with this complaint? ☐ Yes ☐ No

III. Facts Underlying Complaint Issue

Please describe facts underlying reported complaint or legal issue:

I certify and acknowledge that the above statements are true and correct to the best of my knowledge.

Name:
Date:

IV. Recommended Response or Course of Action to be Taken

(To be completed by Chief Compliance Officer)

Describe recommended course of action to be taken:

COMPLIANCE RECEIPT/ACKNOWLEDGEMENT:

Name:
Date:

APPENDIX G

POLITICAL CONTRIBUTION - PRE-CLEARANCE FORM

Instructions: Complete Sections I, II and III of the form. Documentation supporting or explaining the political contribution (if any) must be attached and provided directly to the Chief Compliance Officer.

I. Political Contribution Details

Name of Elected Official or Candidate/Political Party/ Political Action Committee

Office or Role of Elected Official/Candidate within the government entity

State, Local or Municipal Government that the Elected Official/Candidate represents

Amount of intended political contribution

Name of individual (or entity) who made the political contribution

Approximate date on which the political contribution will be made

II. Related Issues

Have you, your spouse and any other immediate family member(s) made prior political contributions to the above-reference Elected Official/Candidate/ Political Party/ Political Action Committee?

☐ Yes ☐ No

If yes, explain: _____

Are you aware of any relationship (including ongoing marketing efforts) between QMS and the State, Local or Municipal government represented by the above-referenced Elected Official/Candidate/Political Party/ Political Action Committee?

☐ Yes ☐ No

If yes, explain: _____

III. Additional Detail

Please use the space provided below to describe any additional details which may be relevant to the Chief Compliance Officer's review of the proposed political contribution:

I certify and acknowledge that the above statements are true and correct to the best of my knowledge.

Name of Employee:

Date:

IV. Recommended Response or Course of Action to be Taken

To be completed by Chief Compliance Officer

Describe recommended course of action to be taken:

COMPLIANCE RECEIPT/ACKNOWLEDGEMENT:

Name:

Date:

APPENDIX H

Appendix H-1

NEW HIRE POLITICAL CONTRIBUTION DISCLOSURE FORM

Instructions: New Employees must disclose to QMS all political contributions made within 2 years prior to their hire date. Use this form to disclose any political contributions you made, over the past two years to government officials (including candidates) and any payments to state or local political parties and political action committees.

Item 1: Political Contributions

NAME OF ELECTED OFFICIAL/ CANDIDATE OR POLITICAL PARTY/PAC	OFFICE OR ROLE OF ELECTED OFFICIAL/ CANDIDATE	STATE, LOCAL OR MUNICIPAL GOVERNMENT THAT THE ELECTED OFFICIAL/ CANDIDATE REPRESENTS	AMOUNT OF POLITICAL CONTRIBUTION	NAME OF INDIVIDUAL (OR ENTITY) WHO MADE THE POLITICAL CONTRIBUTION	DATE OF POLITICAL CONTRIBUTION

Item 2: Related Issues

Have your spouse or any other immediate family member(s) made political contributions to the ANY of the above-reference Elected Officials, Candidates, political parties or Political Action Committees?

☐ Yes ☐ No

If yes, explain:

Are you aware of any relationship (including ongoing marketing efforts) between QMS and ANY of the State, Local or Municipal governments represented by the above-referenced Elected Officials, Candidates, political parties or Political Action Committees?

☐ Yes ☐ No

If yes, explain:

Item 3: Additional Detail

Please use the space provided below to describe any additional details which may be relevant to the Chief Compliance Officer's review of your political contribution(s) listed above:

I certify and acknowledge that the above statements are true and correct to the best of my knowledge.

Name of Employee:

Date:

COMPLIANCE RECEIPT/ACKNOWLEDGEMENT:

Name:

Date:

CODE OF ETHICS

A. INTRODUCTION

High ethical standards are essential for the success of QMS and to maintain the confidence of its clients. QMS is of the view that the long-term business interests are best served by adherence to the principle that the Advisory Clients' interests come first. QMS has a fiduciary duty to the Advisory Clients it manages, which requires individuals associated with QMS to act solely for the benefit of the Advisory Clients. Potential conflicts of interest may arise in connection with the personal trading activities of individuals associated with investment adviser firms. In recognition of QMS' fiduciary obligations to the Advisory Clients and QMS' desire to maintain its high ethical standards, QMS has adopted this Code of Ethics (the "Code") containing provisions designed to seek to: (i) prevent improper personal trading by Access Persons; (ii) prevent improper use of material, non-public information about securities recommendations made by QMS or securities holdings of the Advisory Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Advisory Clients. In addition, it should be noted that the Code requires all Access Persons of QMS to comply with applicable Federal Securities Laws. If there are any questions as to what Federal Securities Laws are applicable to QMS, please see the Chief Compliance Officer. Failure to adhere to Federal Securities Laws, state securities laws and other applicable regulations could expose an Access Person to sanctions imposed by QMS, the SEC or law enforcement officials. These sanctions may include, among others, disgorgement of profits, suspension/termination of employment or criminal and civil penalties.

One goal is to allow QMS' Access Persons to engage in personal securities transactions while protecting its Advisory Clients, QMS and its Access Persons from the conflicts that could result from a violation of the securities laws or from real or apparent conflicts of interests. While it is impossible to define all situations that might pose such a risk, this Code of Ethics is designed to address those circumstances where such risks are likely to arise.

Adherence to the Code and the related restrictions on personal investing is considered a basic condition of employment for all Access Persons of QMS. If there is any doubt as to the propriety of any activity, employees should consult with the Chief Compliance Officer, who may consult with and rely upon the advice of QMS' outside legal counsel, or his designee, who is charged with the administration of this Code, has general compliance responsibility for QMS, and may offer guidance on securities laws and acceptable practices, as the same may change from time to time. The Chief Compliance Officer may rely upon the advice of outside legal counsel.

B. APPLICABILITY OF CODE OF ETHICS

Personal Accounts of Access Persons. This Code applies to all Personal Accounts of all Access Persons where Reportable Securities (as defined herein) are held and includes any account in which an Access Person has any direct or indirect beneficial ownership.

A Personal Account also includes an account maintained by or for:

- (a) Access Person's spouse (other than a legally separated or divorced spouse of the Access Person) and minor children;
- (b) Any individuals who live in the Access Person's household and over whose purchases, sales, or other trading activities the Access Person exercises control or investment discretion (this includes any child, grandparent, spouse, sibling, mother-

in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, as well as adoptive and step relationships);

- (c) Any persons to whom the Access Person provides primary financial support, and either (i) whose financial affairs the Access Person controls, or (ii) for whom the Access Person provides discretionary advisory services;
- (d) Any trust or other arrangement which names the Access Person as a beneficiary; and
- (e) Any partnership, corporation, or other entity of which the Access Person is a director, officer or general partner or in which the Access Person has a 25% or greater beneficial interest, or in which the Access Person owns a controlling interest or exercises effective control.

Upon receipt of this Manual, each Access Person will be required to provide a comprehensive list of all Personal Accounts to QMS' Chief Compliance Officer.

- (2) Access Person as Trustee. A Personal Account does not include any account for which an Access Person serves as trustee of a trust for the benefit of (i) a person to whom the Access Person does not provide primary financial support, or (ii) an independent third party.
- (3) Personal Accounts of Other Access Persons. A Personal Account of an Access Person that is managed by another Access Person is considered to be a Personal Account only of the Access Person who has a Beneficial Ownership in the Personal Account. The account is considered to be a client account with respect to the Access Person managing the Personal Account.
- (4) Solicitors/Consultants. Non-employee Solicitors or consultants are not subject to this Code unless the Solicitor/consultant, as part of his or her duties on behalf of QMS, (i) makes or participates in the making of investment recommendations for the Advisory Clients, or (ii) obtains information on recommended investments for the Advisory Clients.
- (5) Client Accounts. A client account includes any account managed by QMS which is not a Personal Account.

C. RESTRICTIONS ON PERSONAL INVESTING ACTIVITIES

- (1) General. It is the responsibility of each Access Person to ensure that a particular securities transaction being considered for his or her Personal Account is not subject to a restriction contained in this Code, on QMS' Restricted List, or otherwise prohibited by any applicable laws. Personal securities transactions for Access Persons may be effected only in accordance with the provisions of this Code.
- (2) **Pre-Clearance of Transactions in a Personal Account.** An Access Person must obtain the prior written approval of the Chief Compliance Officer before engaging in the following types of transactions for his or her Personal Account:
 - direct or indirect purchase or sale of beneficial ownership in a security in an initial public offering (as required under Rule 204A-1 of the Advisers Act);
 - direct or indirect acquisition or sale of beneficial ownership in a security in a limited offering (which includes any offering of securities that is exempt under the Securities Act of 1933 such as interests in hedge funds or other pooled investment vehicles, restricted securities, partnerships, trusts, private placements, etc.);
 - direct or indirect purchase or sale of a Reportable Security.

A request for pre-clearance must be made by completing the Pre-Clearance Form in advance of the contemplated transaction. A Sample Pre-Clearance Form is attached as **Form 1**. The Chief Compliance Officer will generally be responsible for pre-clearing the transactions identified above including ensuring that such transactions are not on the Restricted List or Watch List (but in the case of the Watch List, only with respect to those persons who are recipients of such Watch List). In the event that the Chief Compliance Officer is not available to consider the pre-clearance request or the Chief Compliance Officer is submitting her own pre-clearance request, then a pre-clearance request should be submitted to one of the other managing principals who will consider the request and approve or deny the transaction.

All approved trades must be executed no later than end of business on the business day immediately following the date preclearance is granted, subject to waiver by the Chief Compliance Officer in his sole discretion.

- (3) **Use of a Restricted List:** Access Persons are prohibited from purchasing or disposing of any security which is on QMS' current "Restricted List." The Restricted List is found on the QMS internal Wiki, and each Access Person is responsible for checking the Restricted List **prior** to engaging in a transaction. Generally, the restricted list will include (but is not limited to):

- (a) Instruments eligible for trading by QMS separately managed accounts and/or fund vehicles (i.e. futures);
- (b) Financial Instruments of any publically traded QMS clients; and
- (c) Any financial instrument about which QMS may possess material, non-public information

Once an Issuer is placed on the Restricted List, the Chief Compliance Officer shall take steps to immediately inform all Access Persons of the Issuers listed on the Restricted List. While an Issuer is on the Restricted List, each person subject to this Code shall be prohibited from trading of that Issuer's securities in their Personal Accounts. From time to time, the Chief Compliance Officer shall review the issuers on the Restricted List to determine if they should be removed.

To the extent the Issuer was added to the Restricted List due to **B.C.(3)(c)** above, then QMS will also be prohibited from trading or recommending the trading of that Issuer's securities in the Advisory Client's accounts.

- (4) **Use of a Watch List:** The Chief Compliance Officer may place certain Issuers on a "Watch List." Companies about which a *limited* number of employees possess material, non-public information should generally be placed on the Watch List. The list will be disclosed by the Chief Compliance Officer only to those persons who are deemed to be necessary recipients of the list because of their roles in compliance.

While an Issuer is on the Watch List, QMS and each Access Person who has knowledge of the material non-public information shall generally be *prohibited* from trading or recommending the trading of that Issuer's securities in Personal Accounts or the Advisory Client's accounts. From time to time, the Chief Compliance Officer shall review the Issuers on the Watch List to determine if they should be removed.

- (5) **Limited Exceptions:** QMS reserves the right to decide, on a case-by-case basis, exceptions to any provisions under this Code. Such exceptions will be granted only in extraordinary cases and only to the extent consistent with QMS's fiduciary obligations to its Advisory

Clients. In no event will any exception be granted if the granting thereof would result in the violation of any law, rule or regulation applicable to QMS. Any exceptions made hereunder, and the reasons therefore, will be maintained in writing by QMS.

- (6) **Further Information:** The Chief Compliance Officer (or his designee) in his discretion reserves the right to deny any pre-clearance request. In addition, QMS reserves the right to require an Access Person to reverse, cancel or freeze, at the Access Person's expense, any transaction or position in a security if QMS believes such transaction or position might violate this Manual or appears improper.

If any person has any question with regard to the applicability of the provisions of this Code generally or with regard to any securities transaction, he or she should consult the Chief Compliance Officer.

D. Reporting Requirements

All Access Persons are required to submit to the Chief Compliance Officer (subject to the applicable provisions of **Section E** below) the following reports:

- (1) List of Personal Accounts - Access Persons are required to provide the Chief Compliance Officer with a list of Personal Accounts when submitting their Initial Holdings Report. For each Personal Account, the Access Person must disclose the following information:

- (a) Brokerage account name (and each bank account used which is substantially the same as a brokerage account);
- (b) Account number; and
- (c) Name of each firm through which securities transactions are directed with respect to all accounts in which the Access Person may have Beneficial Ownership.

Access Persons should use the form provided in **Form 2** to disclose such information.

- (2) Initial Holdings Reports - Access Persons are required to provide the Chief Compliance Officer (or his designee) with an Initial Holdings Report within 10 days of the date that such person became an Access Person (typically within 10 days of employment) that meets the following requirements:

- (a) Must disclose all of the Access Person's current securities holdings with the following content for each Reportable Security (as defined below) including any holdings in limited offerings (i.e. private placements, private equity interests, hedge fund interests, restricted stock, etc.) in which the Access Person has any direct or indirect Beneficial Ownership:
 - title and type of reportable security;
 - ticker symbol or CUSIP number (as applicable);
 - number of shares;
 - principal amount of each reportable security.
- (b) Must disclose the name of any broker, dealer or bank with which the Access Person maintains a Personal Account.
- (c) Information contained in Initial Holding Reports must be current as of a date no more than 45 days prior to the date of submission.

- (d) The date upon which the report was submitted.

Access Persons should use the form of Initial Holdings Report contained in **Form 2** to this Code of Ethics.

- (3) Annual Holdings Reports - Subject to the applicable provisions of **Section E** below, Access Persons must also provide Annual Holdings Reports of all current Reportable Securities holdings at least once during each 12 month period (the “Annual Holdings Certification Date”). For purposes of this Code, the Annual Holdings Certification Date is **December 31** of each year. From a content perspective, such Annual Holdings Reports must comply with the requirements of Initial Holdings Reports contained in (2) above. In particular, it should be noted that Access Persons will need to provide their current holdings in any limited offerings (i.e. private placements, private equity interests, hedge fund interests, restricted stock, etc.) as part of their Annual Holdings Report. Access Persons should use the form of Annual Holdings Report contained in **Form 3** to this Code.
- (4) Quarterly Transaction Reports - Subject to the applicable provisions of **Section E** below, Access Persons must also provide Quarterly Transaction Reports for each transaction in a Reportable Security (as defined below) that the Access Person has any direct or indirect Beneficial Ownership. In particular, it should be noted that Access Persons will need to report any transactions in limited offerings (i.e. private placements, private equity interests, hedge fund interests, restricted stock, etc.) that occurred during the relevant quarter. Such Quarterly Transaction Reports must meet the following requirements:
- (a) Content Requirements – Quarterly Transaction Report must include the following information about each transaction involving a Reportable Security:
- date of transaction;
 - title of Reportable Security;
 - ticker symbol or CUSIP number of Reportable Security (as applicable);
 - interest rate and maturity rate (if applicable);
 - number of shares (if applicable);
 - principal amount of Reportable Security (if applicable);
 - nature of transaction (i.e., purchase or sale);
 - price of Reportable Security at which the transaction was effected;
 - the name of broker, dealer or bank through which the transaction was effected;
 - and
 - date upon which the Access Person submitted the report.
- (b) Timing Requirements – Subject to **Section E** below, Access Persons must submit a Quarterly Transaction Report (**preferably via email to the Chief Compliance Officer**) no later than 30 days after the end of each quarter.

Access Persons should use the form of Quarterly Transaction Report provided in **Form 4** to this Code, subject to the applicable provisions of **Section E** below.

- (5) Definition of Reportable Security – For purposes of the reporting requirements, a Reportable Security is any financial instrument that is known as a security and as defined in detail in Section 202(a)(18) of the Investment Company Act¹, EXCEPT that it does NOT include:

¹ Under the Advisers Act, a “security” means any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization

- (a) Direct obligations of the Government of the United States;
- (b) Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements;
- (c) Shares issued by money market funds;
- (d) Shares issued by registered open-end funds (i.e. mutual funds) that are registered under the Company Act; provided that such funds are NOT registered funds managed by QMS or registered funds whose adviser or principal underwriter controls QMS, or is under common control with QMS (such funds, the "Reportable Funds");
- (e) Shares issued by unit investment trusts that are invested exclusively in one or more registered open-end funds; provided that such funds are NOT advised by QMS or an affiliate and such fund's advisor or principal underwriter is not controlled or under common control with QMS.

A "Reportable Security" includes shares that are issued by registered open-end funds which include, but are not limited to, (i) exchange-traded funds and (ii) the Reportable Funds.

E. Exceptions from Reporting Requirements/Alternative to Quarterly Transaction Reports

This **Section** sets forth exceptions from the reporting requirements of **Section D** of this Code. All other requirements will continue to apply to any holding or transaction exempted from reporting pursuant to this **Section E**. Accordingly, the following transactions will be exempt only from the reporting requirements of **Section D**:

- (a) No Initial Holdings Report, Annual Holdings Report or Quarterly Transaction Report is required to be filed by an Access Person with respect to securities held in any Personal Account over which the Access Person has (or had) no direct or indirect influence or control;
- (b) Quarterly Transaction Reports are not required to be submitted with respect to any transactions effected pursuant to an automatic investment plan, e.g., dividend reinvestment plans (although holdings need to be included on Initial and Annual Holdings Reports);
- (c) Quarterly Transaction Reports are not required to be submitted with respect to purchases effected upon exercise of rights issued by an issuer pro rata to all holders of a class of its securities (although holdings need to be included on Initial and Annual Holdings Reports);
- (d) Quarterly Transaction Reports are not required if the report would duplicate information contained in broker trade confirm or account statements (whether in hard copy or electronic) that an Access Person has already provided to the Chief Compliance Officer; provided, that such broker trade confirm or account statements are provided to the Chief Compliance Officer

certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guaranty of, or warrant or right to subscribe to or purchase any of the foregoing.

within 30 days of the end of the applicable calendar quarter. This paragraph has no effect on an Access Person's responsibility related to the submission of Initial and Annual Holdings Reports.

- (i) Access Persons that would like to avail themselves of this exemption should:
 - (1) Ensure that the content of such broker confirms or account statements meet the content required for Quarterly Transaction Review Reports set forth in **Section D** above;
 - (2) Inform the Chief Compliance Officer that you would like to avail yourself of this reporting option and provide the Chief Compliance Officer with the following for each of your Personal Accounts:
 - name of institution;
 - address of institution;
 - name of contact at institution;
 - identification numbers for Personal Accounts held at institution; and
 - name of Personal Accounts held at institution.
 - (3) The Access Person or the Chief Compliance Officer will then send the form of letter attached to the Code as **Form 5** to the institution in question.

F. Protection of Material Non-Public Information About Securities/ Investment Recommendations

In addition to other provisions of the Code and the Manual (including the Insider Trading Procedures herein), Access Persons should note that QMS has a duty to safeguard material, non-public information about securities/investment recommendations provided to (or made on behalf of) the Advisory Clients. As such, Access Persons generally should not share such information outside of QMS. Notwithstanding the foregoing, Access Persons and QMS may provide such information to persons or entities providing services to QMS or the Advisory Clients where such information is required to effectively provide the services in question. Examples of such persons or entities are:

- brokers;
- accountants or accounting support service firms;
- custodians;
- transfer agents;
- bankers; and
- lawyers.

If there are any questions about the sharing of material, non-public information about securities/investment recommendations made by QMS, please see the Chief Compliance Officer, who may consult with and rely upon the advice of QMS' outside legal counsel as needed.

G. Oversight of Code of Ethics

- (1) Acknowledgement/Reporting. All Access Persons are required to sign and acknowledge their familiarity with the provisions of this Code (and related Insider Trading Policy) by signing the form of acknowledgment attached as **Appendix A** on an annual basis. In addition, any situation that may involve a conflict of interest or other possible violation of this Code must be promptly reported to the Chief Compliance Officer who must report it to the senior management of QMS.

- (2) Review of Transactions. Each Access Person's transactions in his/her Personal Accounts are reviewed on a regular basis and compared to transactions entered into by Advisory Clients. Any transactions that are believed to be a violation of this Code will be reported promptly to the Chief Compliance Officer who must report them to executive management of QMS.

In particular, The Chief Compliance Officer will look out for any purchase or sale of the securities on either the Restricted List or Watch List (but in the case of the Watch List, only with respect to those persons who are recipients of such Watch List) and will report such a violation immediately to a Managing Partner. The Managing Partner will consider whether such transaction gives rise to a conflict of interest, disadvantages investors or gives rise to any fiduciary or anti-fraud issues and will consider any appropriate remedies.

- (3) Sanctions. Senior management of QMS, at their discretion, will consider reports made pursuant to the above requirements and upon determining that a violation of this Code has occurred, may impose such sanctions or remedial action management deems appropriate or to the extent required by law (as may be advised by outside legal counsel or other advisors). These sanctions may include, among other things, disgorgement of profits, fines, suspension or termination of employment with QMS, or criminal or civil penalties.
- (4) Policy Review. At least annually, the Chief Compliance Officer shall review the adequacy of the Code and the effectiveness of its implementation, and, if necessary, make any necessary amendments.

H. Confidentiality

All reports of securities transactions and any other information filed pursuant to this Code will be treated as confidential to the extent permitted by law.

I. Non-Retaliation Policy

QMS is committed to the promotion and maintenance of a work environment where employees can raise concerns about misconduct without fear of retaliation or reprisal. To that end, QMS will not allow disciplinary action to be taken against an employee for disclosing evidence of wrongdoing to the Chief Compliance Officer or other executive officer or for refusing to engage in conduct that he or she reasonably believes is unlawful or unethical. QMS encourages anyone who encounters evidence of an actual or potential violation of any law, rule or regulation or other wrongdoing or who is asked to engage in conduct that may be unlawful or unethical to notify the Chief Compliance Officer or another executive officer promptly. Each Access Person must contact the Chief Compliance Officer if he or she becomes aware of a violation of this Code.

**FORM 1: PRE-CLEARANCE FORM FOR TRANSACTIONS IN PERSONAL ACCOUNTS OF
ACCESS PERSONS**

Complete the following form as applicable, and provide an executed copy to the Chief Compliance Officer.

Employee Submitting the Request: _____

Name of Investment/Issuer/Company: _____

Ticker Symbol (if applicable): _____

Type of Security: Cmn _____ Pfd _____

Debt (indicate issue) _____

Derivative (indicate type) _____

Private/Restricted _____

ETF _____ Commodity _____

Muni Bond _____ Currency _____ Other _____

Type of Transaction: ☐ Buy
☐ Sale
☐ Other: _____

Please provide any information that you believe may be relevant to a conflict of interest analysis in regards to this pre-clearance request (if any): _____

Trade Date: _____

Quantity of Shares: _____

Price per Share: _____

Total Price: _____

Broker: _____

By signing this form, I represent that all information is accurate and my trading in this investment is not based on any material non-public information. I understand that approved trades must be executed no later than end of business on the business day immediately following the date of the Chief Compliance Officer's signature, subject to waiver by the Chief Compliance Officer in his sole discretion.

 Employee Signature:

Date:

Disposition of Pre-Clearance Request

☐ Request Approved ☐ Request Denied

 Signature:

Chief Compliance Officer

Date:

FORM 2: INITIAL HOLDINGS REPORT FOR ACCESS PERSONS

Name of Access Person: _____

Date of Submission of Report: _____

In connection with my new status as an Access Person at QMS, the following sets forth (i) all of my Personal Accounts (as defined in the Code of Ethics) and (ii) all of my holdings in Reportable Securities (as defined in the Code of Ethics) that are held in my Personal Accounts.

DISCLOSURE OF PERSONAL ACCOUNTS

The following sets forth all of my Personal Accounts.

Record Owner(s) of Account:	Name of Brokerage House or Other Institution:	Account Number:

Attach additional pages to this form if necessary.

OR

☐ I do not maintain any Personal Accounts.

(continued on next page)

DISCLOSURE OF REPORTABLE SECURITIES

The following sets forth all of my holdings in Reportable Securities which includes my holdings in limited offerings (i.e. private placements, private equity interests, hedge fund interests, restricted stock, etc.).

Title and Type of Security	Exchange Ticker Symbol or CUSIP Number (As Applicable)	Number of Shares (for Equity Securities, e.g., Stocks)	Principal Amount (for Debt Securities, e.g., Bonds)	Broker/Dealer Or Bank Where Securities Are Held

Attach additional pages to this form if necessary

OR

- ☐ No holdings in reportable securities (as defined in QMS' Code of Ethics)

OR

- ☐ Attached to this Initial Holdings Report are most-recent statements for each Personal Account that holds Reportable Securities.

The undersigned Access Person certifies that all information contained in this report is true and correct as of _____, 20__ (which must be a date within 45 days that this report is submitted to the Chief Compliance Officer).

Name of Access Person

Signature of Access Person

Date

Signature
Chief Compliance Officer
Date:

FORM 3: ANNUAL HOLDINGS REPORT FOR ACCESS PERSONS

Name of Access Person: _____

Date of Submission Report: _____

The following sets forth all of my holdings in Reportable Securities (as defined in QMS' Code of Ethics) that are held in my Personal Accounts (as defined in QMS' Code of Ethics) as of December 31, 20____(the "Annual Holdings Certification Date").

DISCLOSURE OF PERSONAL ACCOUNTS

The following sets forth all of my Personal Accounts.

Record Owner(s) of Account:	Name of Brokerage House or Other Institution:	Account Number:

Attach additional pages to this form if necessary.

OR

☐ I do not maintain any Personal Accounts.

(continued on next page)

DISCLOSURE OF REPORTABLE SECURITIES

The following sets forth all of my holdings in Reportable Securities which includes my holdings in limited offerings (i.e. private placements, private equity interests, hedge fund interests, restricted stock, etc.).

Title and Type of Security	Exchange Ticker Symbol or CUSIP Number (As Applicable)	Number of Shares (for Equity Securities)	Principal Amount (for Debt Securities, e.g., Bonds)	Broker/Dealer Or Bank Where Securities Are Held

Attach additional pages to this form if necessary

OR

☐ No holdings in Reportable Securities

OR

☐ Attached to this Annual Holdings Report are most-recent statements for each Personal Account that holds Reportable Securities.

The undersigned Access Person certifies that all information contained in this report is true and correct as of _____, 20__ (which must be a date within 45 days of the Annual Holdings Certification Date (December 31)).

Name of Access Person

Signature of Access Person

Date

Signature
Chief Compliance Officer
Date

FORM 4: QUARTERLY TRANSACTION REPORT FOR ACCESS PERSONS

Name of Access Person: _____

Date of Submission of Report: _____

The following sets forth all of the transaction in reportable securities (as defined in QMS' Code of Ethics and which includes my transactions in limited offerings i.e. private placements, private equity interests, hedge fund interests, restricted stock, etc.) made in my Personal Accounts (as defined in QMS' Code of Ethics) for the quarter beginning on _____, 20__ and ending on _____, 20__.

Date of Transaction	Nature of Transaction (i.e., purchase, sale or other type of acquisition or disposition)	Title and Type of Security	Price of Security at which Transaction was Effected	Exchange Ticker Symbol or CUSIP Number (As Applicable)	Number of Shares (for Equity Securities)	Principal Amount, Interest Rate and Maturity Date (for Debt Securities, e.g., Bonds)	Broker/Dealer or Bank Through Which Transaction was Effected

OR

_____ No transactions in reportable securities (as defined in QMS' Code of Ethics)

The undersigned Access Person certifies that all information contained in this report is true and correct as of (check appropriate):

_____ December 31, 20__
 _____ March 31, 20__
 _____ June 30, 20__
 _____ September 30, 20__

 Name of Access Person

 Signature

 Date

 Signature
 Chief Compliance Officer
 Date:

FORM 5: REQUEST FOR COPIES OF TRADE CONFIRMATIONS & ACCOUNT STATEMENTS

[INSERT NAME OF BROKER]

[INSERT ADDRESS]

Re: [NAME OF EMPLOYEE]/Account No(s). [###]

Dear [CONTACT NAME]:

As the Chief Compliance Officer for QMS Capital Management LP, I am aware that [NAME OF BROKER] executes and clears transactions for the purchase or sale of securities for the account of [NAME OF EMPLOYEE] (the "Employee").

In accordance with our compliance procedures, I hereby request that duplicate copies of all trade confirmation statements and monthly account statements with respect to the above-referenced account(s) held by our Employee be sent to my attention at the following address:

QMS Capital Management LP
240 Leigh Farm Road
Suite 230
Durham, NC 27707

Please feel free to call me at 919-493-3211 should you have any questions.

Best regards,

Name: Adil Nathani

Title: Chief Compliance Officer

I hereby authorize [NAME OF BROKER] or its representatives to send duplicate copies of all trade confirmation statements and monthly account statements with respect to my account(s) held with [NAME OF BROKER] to my employer, QMS Capital Management LP, at the above-listed address.

Signature of Employee: _____

Name: _____

APPENDIX J

INSIDER TRADING PROCEDURES

I. Policy Statement on Insider Trading

QMS forbids any employee from trading, either personally or on behalf of others, including the Advisory Clients, on material non-public information or communicating material non-public information to others in violation of the law. This conduct is frequently referred to as “insider trading.” QMS’ policy applies to every employee and extends to activities within and outside their duties at QMS’ principal office. Every employee must read and retain this policy statement.

The term “insider trading” is not defined in the federal securities laws, but generally is used to refer (including Exchange Act Rule 10b-5) to the use of material non-public information to trade in securities (whether or not one is an “insider”) or to communications of material non-public information to others.

While the law concerning insider trading is not static, it is generally understood that the law prohibits:

- (a) trading by an insider, while in possession of material non-public information;
- (b) trading by a non-insider, while in possession of material non-public information, where the information either was disclosed to the non-insider in violation of an insider’s duty to keep it confidential or was misappropriated; or
- (c) communicating material non-public information to others.

II. Elements of Insider Trading

The elements of insider trading and the penalties for such unlawful conduct are discussed below. If, after reviewing this policy statement, any employee has any questions they should consult the Chief Compliance Officer.

(1) Who is an Insider?

The concept of “insider” is broad. It includes officers, directors and employees of a company. In addition, a person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for the company’s purposes. A temporary insider can include, among others, a company’s attorneys, accountants, consultants, bank lending officers, and the employees of such organizations. In addition, QMS may become a temporary insider of a company it advises or for which it performs other services. According to the Supreme Court, the company must expect the outsider to keep the disclosed non-public information confidential and the relationship must at least imply such a duty before the outsider will be considered an insider.

(2) What is Material Information?

Trading on insider information is not a basis for liability unless the information is material. “Material information” generally is defined as (i) information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, (ii) information that, if publicly disclosed, is reasonably certain to have a substantial effect on the price of a company’s securities, or (iii) information that could cause insiders to change their trading patterns.

Information that employees should consider material includes, but is not limited to:

- dividend changes or changes in dividend policies;
- the likelihood of a tender offer
- earnings estimates (or results);
- changes in previously released earnings estimates;
- significant merger or acquisition proposals or agreements;
- major litigation;
- liquidity problems;
- significant new products, services or contracts; and
- extraordinary management developments.

Material information does not have to relate to a company's business. For example, in Carpenter v. U.S., 18 U.S. 316 (1987), the Supreme Court considered as material certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a security. In that case, a *Wall Street Journal* reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not.

(3) What is Non-Public Information?

Information is non-public until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in Dow Jones, *Reuters Economic Services*, the *Wall Street Journal* or other publications of general circulation would be considered public. In addition, if information is being disseminated to traders generally by brokers or institutional analysts, such information would be considered public unless there is a reasonable basis to believe that such information came from a corporate insider or is otherwise confidential.

(4) Basis for Liability

(a) Fiduciary Duty Theory

The Supreme Court found that there is no general duty to disclose before trading on material non-public information, but that such a duty arises only where there is a fiduciary relationship. That is, there must be a relationship between the parties to the transaction such that one party has a right to expect that the other party will disclose any material non-public information or refrain from trading. *Chiarella v. U.S.*, 445 U.S. 22 (1980).

In *Dirks v. SEC*, 463 U.S. 646 (1983), the Supreme Court stated alternate theories under which non-insiders can acquire the fiduciary duties of insiders: they can enter into a confidential relationship with the company through which they gain information (e.g., attorneys, accountants); or they can acquire a fiduciary duty to the company's shareholders as "tippees" if they are aware or should have been aware that they have been given confidential information by an insider who has violated his or her fiduciary duty to the company's shareholders.

However, in the "tippee" situation, a breach of duty occurs only if the insider personally benefits, directly or indirectly, from the disclosure. The benefit does not have to be pecuniary, but can be a gift, a reputational

benefit that will translate into future earnings, or even evidence of a relationship that suggests a quid pro quo.

(b) Misappropriation Theory

Another basis for insider trading liability is the “misappropriation” theory, where liability is established when trading occurs on material non-public information that was stolen or misappropriated from any other person. In U.S. v. Carpenter, supra the Court found that a columnist defrauded the *Wall Street Journal* when he stole information from the Journal and used it for trading in the securities markets. It should be noted that the misappropriation theory could be used to reach a variety of individuals not previously thought to be encompassed under the fiduciary duty theory.

III. Penalties for Insider Trading

Any violation of this policy statement can be expected to result in serious sanctions by QMS, including dismissal of the persons involved.

Penalties for trading on or communicating material non-public information are severe, both for individuals involved in such unlawful conduct and their employers. A person can be subject to some or all of the penalties below even if he or she does not personally benefit from the violation. Penalties include:

- (a) civil injunctions;
- (b) treble damages;
- (c) disgorgement of profits;
- (d) jail sentences;
- (e) fines for the person who committed the violation of up to three times the profit gain or loss avoided, whether or not the person actually benefited; and
- (f) fines for the employer or other controlling person of up to the greater of \$1,000,000 or three times the amount of the profit gained or loss avoided.

IV. Procedures to Implement QMS’ Policy Against Insider Trading

The following procedures have been established to aid employees in avoiding insider trading, and to aid QMS in preventing, detecting and imposing sanctions against insider trading. Every employee must follow these procedures or risk serious sanctions, including dismissal, substantial personal liability and criminal penalties. If you have any questions about these procedures, you should consult the Chief Compliance Officer immediately.

(1) Identifying Insider Information

- (a) Before engaging in personal trading and trading for Advisory Clients in the securities of a company about which you may have potential inside information, the following questions should be asked:
 - (i) Is the information material? Is this information that an investor would consider important in making his or her investment decisions? Is this information that would substantially affect the market price of the securities if generally disclosed? Is this information which could cause investors to change their trading habits?

- (ii) Is the information non-public? To whom has this information been provided? Has the information been effectively communicated to the marketplace by being published in *Reuters*, the *Wall Street Journal* or other publications of general circulation?
- (iii) If, after consideration of (i) and (ii) above, there is a possibility that the information could be material and non-public, or if there are questions as to whether the information is material and non-public, the following steps should be taken:
 - (1) The matter should be reported immediately to the Chief Compliance Officer.
 - (2) The securities should not be purchased personally or on behalf of an Advisory Client.
 - (3) The information should not be communicated inside or outside QMS, other than to the Chief Compliance Officer.
 - (4) After the Chief Compliance Officer has reviewed the issue or consulted with counsel (as appropriate), the prohibitions against trading and communication will be continued, or trading and communication of the information will be permitted.

(2) Monitoring of Personal Securities Trading

As noted above in QMS' Code of Ethics, all Access Persons are subject to strict reporting and pre-clearance requirements with respect to personal securities transactions.

(3) Maintenance of Restricted/Watch Lists

As deemed necessary by the Chief Compliance Officer, the Chief Compliance Officer will maintain a Restricted List and Watch List to monitor employee and trading in securities in which the Advisor or any of its affiliates or Clients have interests or are considering an interest. Please refer to Section C.3 and C.4 of Appendix I for further information on these lists.

(4) Restricting Access to Material Non-Public Information

If an employee is in possession of information that he or she has identified as material and non-public such information may not be communicated to anyone, including persons within QMS, except as provided in the Insider Trading Policies and Procedures. QMS is establishing this policy to help avoid conflicts, appearances of impropriety, and the misuse of confidential, proprietary information. In addition, care should be taken so that such information is secure. For example, files containing material non-public information should be sealed; access to computer files containing material non-public information should be restricted.

(5) Derivatives

Trading in security-based swaps while in possession of material non-public information carries insider trading liability to the same extent as if the traded instrument was a security itself. All equity derivatives are considered security-based swaps. Although the law with respect to credit derivatives is less certain, QMS takes the position that such derivatives (including CDS on loans) are subject to the same rules.

Accordingly, QMS has adopted the following procedures to govern its trading in this market:

- (a) to the extent QMS has material non-public information regarding the reference entity of a particular derivative, the reference entity shall be placed on the Restricted/Watch List;
- (b) even if a reference entity is on the Restricted/Watch List, if the reference entity in question has no publicly-issued debt or equity, QMS may enter into, novate or terminate a derivative with respect to such reference entity;
- (c) if the reference entity in question does have publicly-issued debt or equity, QMS shall not enter into, novate, or terminate a derivative with respect to such reference entity.

To the extent a particular reference entity is on the Restricted/Watch List, the determination as to whether such reference entity has publicly-issued debt or equity shall be made by the Chief Compliance Officer.

(6) Contacts with Corporate Officers

When an employee speaks with an officer of any public company corporation (in person, on the phone or by email) regarding matters with respect to that company, he or she shall contact the Chief Compliance Officer if he or she is unsure about whether material non-public information regarding the issuer has been obtained. In the event that someone feels they have received such “Non-Public, Insider Information,” they should NOT trade in the issuer (either personally or on behalf of others, including the QMS Advisory Clients).

(7) Resolving Issues Concerning Insider Trading

If after consideration of the items set forth in the Insider Trading Policies and Procedures, doubt remains as to whether information is material or non-public, or if there is any unresolved question as to the applicability or interpretation of the foregoing procedures, or as to the propriety of any action, it must be discussed with the Chief Compliance Officer before trading or communicating the information to anyone.

(8) Employee Training/Education

Each employee shall be provided with a copy of these procedures and certify annually (by executing the Compliance Manual and Code of Ethics Acknowledgment in Appendix A) that he or she has read the procedures and understands his or her duties and responsibilities regarding the use and/or dissemination of insider information.

As deemed necessary by the Chief Compliance Officer, all employees shall attend seminars or meetings providing education and training with respect to QMS’s insider trading policies and procedures and insider trading in general. As necessary, QMS shall provide employees with written materials discussing these procedures and insider trading in general.

The Chief Compliance Officer shall maintain copies of each employee’s signed acknowledgment, any training materials distributed to employees and a record of each training session.

MARKET RUMORS POLICIES AND PROCEDURES

QMS has designed written policies and procedures to reasonably seek to prevent market manipulation by the spreading of false market rumors, broadly defined as rumors about a security that are of a sensational character which might reasonably be expected to affect market conditions of the security on the relevant exchange or listing market. QMS' policies with respect to market rumors are set forth below.

I. Policy Statement on Market Rumors

QMS forbids any employee from circulating in any manner market rumors of a sensational character which might reasonably be expected to affect market conditions on the relevant exchange or trading market. In particular but without limitation to the foregoing, employees are prohibited from knowingly and intentionally manipulating the prices of securities through the manufacturing, spreading or communication of false or misleading rumors to others and subsequently trading (including short selling), either personally or on behalf of others, including the Advisory Clients, on such false rumors in violation of the law. QMS' policy applies to every employee and extends to activities within and outside their duties at QMS' principal office. Every employee must read and retain this policy statement.

II. Procedures to Implement QMS' Policy Against False Market Rumors

The following controls and procedures have been established to reasonably assist employees in preventing the spread of false information intended to affect securities prices, as well as other potentially manipulative conduct. Every employee must follow these procedures or risk serious sanctions, including dismissal, substantial personal liability and criminal penalties. If you have any questions about these procedures, you should consult the Chief Compliance Officer.

- (a) Anti-Fraud Restriction – Employees are absolutely prohibited from intentionally manufacturing, circulating or disseminating in any manner to fellow employees or outside third-parties false market rumors, i.e. rumors of a sensational character which might reasonably be expected to affect market conditions on the relevant exchange or listing market. This restriction includes:

 - (i) information that may be accurate but for the omission of material facts or the inclusion of statements which, in light of the circumstances they are made, are misleading; and
 - (ii) information the employee knows or had reasonable ground to believe is false and misleading.
- (b) In the event an employee believes or has reason to believe he/she has received or has been privy to a false market rumor (i.e., any rumor or unsubstantiated information which might have been originated or circulated for the purpose of influencing prices in securities) or if, after consideration of the above, there are still questions as to whether information received is, in fact, a false market rumor, the following steps should be taken:

 - (i) The matter should be reported immediately to the Chief Compliance Officer.
 - (ii) The Chief Compliance Officer will review the issue and will determine what, if any, further action should be taken. In so doing, the Chief Compliance Officer, in his or

her reasonable discretion, may consult with the other QMS personnel, as well as with QMS' legal counsel.

- (iii) The information should not be communicated or forwarded to anyone inside or outside QMS, other than to the Chief Compliance Officer. Care should be taken so that such information is secure and not forwarded or distributed to outside third parties. For example, files containing the false market rumor should be sealed; access to emails or instant messages containing false market rumors should be restricted.

APPENDIX L

COMMON SOFT DOLLAR ITEMS

Below is a sample list of eligible and ineligible “research” items which were highlighted in a 2006 SEC Release on Soft Dollars:

Examples of Research Eligible Under the Section 28(e) Safeharbor	Examples of Research Not Protected by the Section 28(e) Safeharbor
<ul style="list-style-type: none"> • Traditional research reports analyzing the performance of a particular company or stock. • Discussions with research analysts • Meetings with corporate executives to obtain oral reports on performance of company • Seminars or conferences specifically geared towards “research” • Software that provides analysis of securities portfolios • Corporate governance research (including corporate governance analytics) • Corporate governing rating services • Market Research (including pre-trade and post-Trade Analytics (e.g., trade analytics transmitted through OMS) • Advice on order execution, execution strategies, market color and availability of buyers and sellers. • Market Data (including stock quotes, last sale prices, and trading volumes) • Certain Proxy Services and products (including reports and analysis on issuers, securities and advisability of investing in securities) 	<ul style="list-style-type: none"> • Mass marketed publications • Telephone Lines • Office Furniture • Manager’s operational overhead expenses • Travel, Entertainment, Meals associated with attending seminars, and travel and travel related expenses associated with trips to meet research providers or executives • Business Supplies • Salaries (including those of the research staff) • Rent • Accounting fees and software • Website design • E-mail software • Internet Service • Legal Expenses • Personnel Management • Marketing • Utilities • Membership dues (including initial and maintenance fees paid on behalf of the money manager or employees to any organization or representative or lobbying group or firm) • Professional licensing fees • Software that assists in administrative functions (such as back-office functions, operating systems, word processing, equipment maintenance and repair services) • Computer hardware and terminals • Computer accessories (including telecommunications lines, transatlantic cables and computer cables) • Proxy Voting Assistance

Below is a sample list of eligible and ineligible brokerage products/services which were highlighted in a 2006 SEC Release on Soft Dollars:

Examples of Brokerage Services Eligible Under the Section 28(e) Safeharbor	Examples of Brokerage Services Not Protected by the Section 28(e) Safeharbor
<ul style="list-style-type: none"> • Clearance, Settlement, Custody services • Post-trade matching of trade information • Other exchanges of messages among broker-dealers, custodians and institutions related to the trade • Electronic communication of allocation instructions between institutions and broker-dealers • Routing settlement instructions to custodian banks and broker-dealers' clearing agents • Short-term custody related to effecting particular transactions in relation to clearance and settlement of the trade. • Comparison services required by the SEC or SRO rules. • Communication services related to the execution, clearing and settlement of securities transactions • Connectivity services between the money manager and the broker-dealer and other relevant parties such as custodians • Dedicated lines between the broker-dealer and the money manager's order management system • Lines between the broker-dealer and order management systems operated by a third-party vendor • Dedicated lines providing direct dial-up service between the money manager and the trading desk at the broker-dealer • Message services used to transmit orders to broker-dealers for execution • Trading software used to route order to market centers • Software that provides algorithmic trading strategies • Software used to transmit orders to direct market access systems. 	<ul style="list-style-type: none"> • Manager overhead • Hardware, such as telephones or computer terminals, including those used in connection with OMS and trading software • Software for recordkeeping or administrative purposes, such as managing portfolios • Quantitative software used to test "what if" scenarios related to adjusting portfolios, asset allocation or for portfolio modeling (whether or not provided by OMS) • Compliance (e.g., software which will assist it in performing compliance tests that analyze information over time in order to identify unusual patterns) • Software that analyzes quality of brokerage executions (for the purposes of evaluating the manager's fulfillment of its duty of best execution) • Analysis of portfolio turnover rate (to determine whether managers are overtrading securities) • Analysis of comparative performance of similarly managed accounts (to detect favoritism, misallocation of investment opportunities or other breaches of fiduciary responsibilities) • Creating trading parameters for compliance with regulatory requirements, prospectus disclosure or investment objectives • Stress-testing of a portfolio (under a variety of market conditions or to monitor style drift) • Trade financing • Stock lending fees • Capital Introduction and margin services • Error correction trades or related services in connection with errors made by managers

APPENDIX M

TRADE ERROR FORM

Name of Trader/Employee Who Discovered Error: _____

Advisory Client(s) Affected: _____

Date of Error: _____

Contract/Error Description: _____

P&L Impact (If Any): _____

Resolution: _____

Entity that Paid Fees for Error: _____

Chief Compliance Officer
Date

APPENDIX N

ADVISORY CLIENTS OF QMS

Funds

QMS Diversified Global Macro Master Fund Ltd.
QMS Diversified Global Macro U.S. Fund LP
QMS Diversified Global Macro Offshore Fund Ltd.

Managed Accounts:

QMS also has managed accounts with various confidentiality clauses. As such, please see the Chief Compliance Officer for any specific questions on these.

APPENDIX O

FATF Jurisdictions as of April 2011

Argentina	Gulf Co-operation Council
Australia	<ul style="list-style-type: none"> • Bahrain • Kuwait • Oman • Qatar • Saudi Arabia • United Arab Emirates
Brazil	
Canada	
China	
European Commission	
<ul style="list-style-type: none"> • Austria • Belgium • Bulgaria • Cyprus • Czech Republic • Denmark • Estonia • Finland • France • Germany • Greece • Hungary • Ireland • Italy • Latvia • Lithuania • Luxembourg • Kingdom of the Netherlands <ul style="list-style-type: none"> ○ The Netherlands ○ Aruba ○ Netherland Antilles • Malta • Poland • Portugal • Romania • Slovakia • Slovenia • Spain • Sweden • United Kingdom 	
	Hong Kong, China
	Iceland
	India
	Japan
	Mexico
	New Zealand
	Norway
	Republic of Korea
	Russian Federation
	Singapore
	South Africa
	Switzerland
	Turkey
	United States

APPENDIX P

ACCESS PERSONS OF QMS

Michael Brandt
Adil Nathani
Peter Nolan
Richard O'Brien
Daryl Caldwell
Robert Darwin
Radhika Shah
Ana-Maria Tenekedjieva (starts Jan 2nd)

BUSINESS CONTINUITY PLAN

Disaster Recovery and Business Continuity

OVERVIEW

This document delineates the disaster recovery and business continuity process for QMS Capital Management LP. The development and adoption of such a plan allows QMS to recover normal business operations quickly from unanticipated emergencies. In QMS's capacity of advising and consulting on investment portfolios, the critical daily business operations outlines include both portfolio management activities and client-facing communications.

FACILITIES

QMS operates from a primary business location in Durham, North Carolina at 240 Leigh Farm Road. All employees are able to connect into QMS's systems from any remote location using secure remote access utilizing dual authentication. Employees generally utilize this functionality on a daily basis from their residences.

QMS utilizes a backup location in Michael Brandt's office at Duke University. This secondary backup location features failover emergency generator power, access to a private internet telecommunications system, and 24 hour on-site security. QMS can fully operate its investment process from this backup location.

DATA REDUNDANCY/BACKUP

All IT software infrastructure (including databases, file structures, and windows network) is backed up on secure, remote, cloud servers. These servers also act as fail-over servers in the event of a local hardware failure.

Databases

SQL Log Shipping is used to keep local and remote databases in synch, to minimize potential data losses in the event of disaster. Every two hours, transaction log snapshots are taken on the local database server, then copied and restored to the remote cloud server. Complete recovery instructions are found in the document *Database Log Shipping Configuration Instructions*, copies of which are kept: (i) on remote email servers, hosted by MailStreet, (ii) on remote CRM servers, hosted by Salesforce.com, and (iii) hard copies in each employee's residence.

Directory File Structures

Directory structures for all local file servers are backed up every 15 minutes to the Amazon S3 cloud. All business-related electronic files are saved to backed-up servers. Complete recovery instructions are found in the document *File Backup and Restore Instructions* -- copies of which are kept: (i) on remote email servers, hosted by Mailstreet, (ii) on remote CRM servers, hosted by Salesforce.com, and (iii) hard copies in each of the Principal's residence.

Windows Network

All windows network configurations (user profiles, etc) are backed up on remote cloud servers, at specific times throughout the day. Complete recovery instructions are found in the document

Windows Backup Instructions – copies of which are kept: (i) on remote email servers, hosted by MailStreet, (ii) on remote CRM servers, hosted by Salesforce.com, and (iii) hard copies in each of the Principal's residence.

Email

QMS utilizes an offsite host (MailStreet) for its enterprise email system. Business critical emails and all client contact information are also backed up on the Salesforce CRM remote cloud server. Business critical emails and contact information are immediately accessible and fully functional through any internet-connected or wireless phone connected PC device.

Internet Connectivity

QMS utilizes redundant internet connectivity systems on site (Cable modem and T-1 line). Backup options include (i) QMS laptops equipped with internet connectivity through both AT&T and Sprint wireless phone internet access (ii) remote cable/DSL access from the personal residences of each of QMS's employees, and (iii) hard-site backup from Michael Brandt's office at Duke University.

BACKUP OF KEY PERSONNEL

QMS ensures significant personnel overlap in time-critical duties as to maintain business continuity in the event the primary employee for each function is unavailable (planned or unplanned). Designated backups periodically perform the Trade Execution and Portfolio Optimization functions, for training purposes.

Portfolio Optimization / Risk Management:

Primary: Daryl Caldwell
Secondary: Robert Darwin
Tertiary: Michael Brandt

Trade Execution:

Primary: Richard O'Brien
Secondary: Michael Brandt
Tertiary: Pete Nolan

Investor Communications:

Primary: Pete Nolan
Secondary: Michael Brandt
Tertiary: Richard O'Brien

TESTING

Disaster Recovery testing is performed at least annually, to ensure documented restore procedures are sufficient for business continuity.

APPENDIX R

PRIVACY NOTICE

[INSERT ADVISORY CLIENT NAME] (the “Fund”) takes precautions to maintain the privacy of personal information concerning the Fund’s current and prospective individual Investors. These precautions include the adoption of certain procedures designed to maintain and secure such Investor’s nonpublic personal information from inappropriate disclosure to third parties. Federal regulations require the Fund to inform Investors of this privacy policy.

The Fund collects nonpublic personal information about its Investors from the following sources:

- Information the Fund receives from an Investor in these Subscription Documents or other related documents or forms;
- Information about an Investor’s transactions with the Fund, its affiliates, or others; and
- Information the Fund may receive from a consumer reporting agency.

The Fund does not disclose any nonpublic personal information about its prospective, existing or former Investors to anyone, except as permitted by law and regulation.

The Fund restricts access to nonpublic personal information about its Investors to those employees and agents of the Fund who need to know that information in order to provide services to its Investors. The Fund may also disclose such information to its affiliates and to service providers and financial institutions that provide services to the Fund. The Fund will require such third party service providers and financial institutions to protect the confidentiality of the Investors’ nonpublic personal information and to use the information only for purposes for which it is disclosed to them. The Fund maintains physical, electronic, and procedural safeguards that comply with federal standards to safeguard Investors’ nonpublic personal information and which the Partnership believes are adequate to prevent unauthorized disclosure of such information.

If you have any questions concerning this privacy policy, please contact Adil Nathani at the office of the QMS at 919-493-3211.

APPENDIX S

QMS CAPITAL MANAGEMENT LP

CONFIDENTIALITY AGREEMENT

In consideration of, and as a condition of your employment with QMS Capital Management LP ("QMS"), you agree as follows:

1. During your employment with QMS and after its termination you shall not copy, disclose, utilize or exploit any Confidential Information (as defined below), except in connection with the performance of your duties and obligations, without the prior written consent of QMS (which may be granted or withheld in its absolute discretion), and except to the extent that such Confidential Information is requested to be disclosed pursuant to any law, regulation or order of any court or regulatory commission, department or agency. In the event of any such request, you shall immediately notify QMS of such fact, and shall thereafter cooperate with QMS (at its expense) in any lawful response to such legal process as QMS may request, in which event you may disclose Confidential Information to the extent, and at the time, you are legally required to do so pursuant to any applicable legal process. Notwithstanding the foregoing, you may disclose this Confidentiality Agreement, the Restrictive Covenant Agreement, the Arbitration Agreement and the offer letter of employment to your immediate family, legal and financial advisors.

2. You further agree to deliver promptly to QMS upon termination of your employment, or at any other time at QMS' request, all documents and computer media in any form (and all copies thereof) containing Confidential Information.

3. "Confidential Information" means all confidential information, proprietary information, trade secrets or other information (whether oral or written), documents or materials that (i) are not publicly available and (ii) prior to termination of your employment, (x) have been or are provided to you by QMS, one of its affiliates or a client of either of the foregoing or (y) you otherwise develop or have access to. Confidential Information may include, without limitation, information relating to costs, profits, databases, personnel, operational methods, financial models, potential transactions, pending negotiations, computer programs, algorithms, pending patent applications, systems, contractual negotiations, terms of agreements, client lists, financial results, business developments or internal controls and security procedures. The foregoing is not an exhaustive list and Confidential Information also may include, without limitation, any other information, documents or materials that may be identified as confidential or proprietary, or which would otherwise appear to a reasonable person, in the context in which the information, documents or materials are received, provided or learned, to have such status. For the avoidance of doubt, this Confidentiality Agreement, the Restrictive Covenant Agreement, the Arbitration Agreement and the offer letter of employment shall be considered Confidential Information.

4. Any work that you do in the course of your employment with QMS of a creative, technical or professional nature will be "works made for hire" as defined under the United States copyright law or will be assigned to QMS. All of this work belongs to QMS, and you have no rights in it. You hereby assign to QMS all rights that you may acquire regarding such works. Nothing in this paragraph applies to an invention developed entirely on your own time and for which no equipment, supplies, facility or trade secret information of QMS was used, unless such invention relates to any aspect

of QMS' business, QMS' demonstrably anticipated research or development or the results of any work you perform for QMS.

5. During the 12 month period following the end of your employment with QMS, you will notify any subsequent employer of your obligations under this Agreement prior to commencing employment.

6. Each affiliate of QMS is a third party beneficiary of this Agreement and may enforce QMS' rights under this Agreement. If any provision contained herein is determined by a legal authority to be unenforceable in any respect, then the effect of such provision will be limited and restricted so as to permit the restriction to be enforceable or, if that is not possible, such provision will be removed from this Agreement. In either case, this Agreement should be interpreted to achieve the full intent expressed, and the other provisions will remain in full force in effect as written.

7. You acknowledge that money damages for the breach or threatened breach of your obligations under this Agreement may be inadequate to compensate for resulting losses. QMS may seek injunctive relief or specific performance for such a breach or threatened breach without first being obligated to post any bond or to show actual damages. In addition, QMS may obtain other remedies available at law, in equity or under this Agreement.

8. You agree that the scope and duration of the restrictions in this Agreement are reasonable and necessary to protect the legitimate business interests of QMS, and that your obligations in this Agreement relating to the period following the end of your employment will apply regardless of the reason your employment ends.

APPENDIX T

Employee Name: _____

To: Chief Compliance Officer

Re: Annual Compliance Attestation for the year ending on [Insert Date] (the “Past Year”)

Political Contributions

1. The Political Contribution Policy (noted in Section IV.L) prohibits employees from making any political contribution without obtaining pre-clearance from the Chief Compliance Officer or engaging in any political activity for the purpose of directly or indirectly influencing or inducing the obtaining or retaining of the investment advisory services by a government entity. Furthermore, the Political Contribution Policy prohibits employees from soliciting or coordinating any other person or political action committee (“PAC”) to make any political contribution or payment to a government official (whether state or local), candidate for government office (whether state or local), political party or PAC without obtaining pre-clearance by the Chief Compliance Officer

I certify that I have read, I understand and I have complied with the Political Contribution Policy during the Past Year. _____ (please initial).

2. Choose either (a) or (b):

(a) During the Past Year, I have not made (or directed to be made) any contributions to government officials (whether state or local), candidates for government office (whether state or local), political parties or PACs. _____ (please initial if applicable);

(b) During the Past Year, I have made (or directed to be made) the following contributions to government officials (whether state or local), candidates for government office (whether state or local), political parties or PACs and I have pre-cleared all such contributions and activities in accordance with the Political Contribution Policy:

Date of Contribution/ Activity	Date of Pre-Clearance	Candidate/Party	Election	Amount

Insider Trading

Employees have received QMS' Compliance Manual and Code which outlines policies and procedures with respect to insider trading. It is imperative that employees follow QMS' policies and procedures in this area. Employees are encouraged to ask general questions on the subject matter and are reminded of the following:

- They must comply with the QMS' Insider Trading Policy;
- They must continue to inform the Chief Compliance Officer immediately about any fact patterns, large or small, that may arise with regard to potential material, non-public information;
- They are generally prohibited from disclosing or discussing confidential information concerning portfolio positions and investment plans to personnel at other firms other than as required in connection with obligations and responsibilities as an employee; and
- They are prohibited from trading on material non-public information that they may have received.

I agree that I understand and that I have complied with the above as may be applicable during the Past Year. Additionally, I have not received any material non-public information that I have not disclosed to the Chief Compliance Officer nor used any material, non-public information for my own benefit.

_____ (please initial).

Miscellaneous

1. During the Past Year, I have not used any personal email accounts (such as those provided by Hotmail, Google, AOL or Yahoo), or any other form of non-Firm provided email, instant messaging or text messaging, to conduct company business of any kind or to create communications that would otherwise be required to maintain pursuant to the Investment Advisers Act of 1940, as described in the Compliance Manual and Code except in the event of a business disruption whereby my business email address was copied in accordance with the QMS' policies.
2. During the Past Year, I have not given or received any gifts, favors, entertainment, special accommodations, or other things of material value (collectively, "Gifts") in violation of the Gift Policy and I have not failed to report any Gifts required to be reported pursuant to such policy.
3. During the Past Year, I have not used any personal social networks (such as those provided by Facebook, Twitter, MySpace, LinkedIn or YouTube), or any other form of non-Firm provided social network, to conduct company business of any kind or to create communications that would otherwise be required to maintain pursuant to the Compliance Manual and Code except in the event of a business disruption whereby my business email address was copied in accordance with QMS' policies.
4. During the Past Year, I have complied with QMS' personal trading policies including pre-clearance and/or the reporting of all non-brokerage transactions, such as investments in privately-placed securities and private investment funds (including hedge funds) that are not provided through personal brokerage statements and confirmations.

5. During the Past Year, I have complied with QMS' policy on the Foreign Corrupt Practices Act and have pre-cleared any gifts or entertainment related to government officials.

6. During the Past Year, I have complied with QMS' policies regarding Outside Affiliations and Business Activities.

7. During the Past Year, I have not been involved in any unethical or conflict of interest situation nor was I aware of any material unethical or conflict of interest situation on the part of any employee that has not been reported to senior management.

In the space provided below, please explain any exceptions related to questions 1-7 above:

By signing below, you confirm that the information and responses you have provided above are complete and accurate in all material respects to the best of your knowledge. Further, by signing below, you acknowledge the following:

I have been given, have access to, have read and understand the Compliance Manual and Code and have complied with such policies and procedures over the past year. I recognize that I am subject to the Compliance Manual and Code and agree to comply with all provisions of the Compliance Manual and Code applicable to me.

Signed: _____ Date: _____

Report reviewed by: _____ Date: _____