



CAPITAL MANAGEMENT LP

QMS Diversified Global Macro

INTRAMONTH PERFORMANCE UPDATE JANUARY 20, 2012

Strategy Overview

The QMS Diversified Global Macro strategy is a quantitative, systematic, long-short investment program, well-diversified across asset classes, conceptual investing themes, modelling approaches, and trading time-horizons. The strategy currently trades in highly liquid global futures and forwards, including equity indices, sovereign rates/bonds, commodities, and currencies. Over the medium to long term, the strategy is expected to provide returns that are substantially uncorrelated to the macro asset classes in which it trades. The strategy seeks to generate consistent alpha by applying sophisticated statistical techniques and rigorous economic insight to global markets. QMS believes substantial value is recognized by *combining* lower-frequency fundamental economic views with higher frequency trades driven by market-based signals. A fundamental understanding of the economic environment most suitable for each model facilitates systematic tactical allocation among the various styles of investing employed. Strict risk management is embedded in the portfolio optimization process and is managed at the individual model level, the thematic level, and the portfolio level.

Portfolio Commentary

Full commentary available at end of month. January 2012 returns show below are month-to-date estimates, as of January 20, 2012.

Specifications

Strategy	Global Macro
Style	Systematic, Long-Short
Asset Classes	Global currencies Sovereign rates/bonds Global equity indices Commodities
Instruments	Futures, FX Forwards
Futures Exchanges	BMF CBT CME CMX EOE EUX HKG ICE LIF MFM MIL MSE NYB NYF NYM OSE SFE SSE TFX TSE

CONTACT INFORMATION

QMS Capital Management LP
240 Leigh Farm Road, Suite 230
Durham, NC 27707
T: 919.493.3211

Portfolio Manager:
Michael Brandt, Ph.D.
Managing Principal

Investor Contact:
Peter Nolan, Ph.D., CFA
Managing Principal
M: 919.260.7800
pete.nolan@qmscapital.com

Account Performance: percent return, non-compounded

<u>Gross</u> of Fees:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010						1.99	1.13	3.45	2.59	1.47	(3.22)	0.84	8.25
2011	0.59	2.67	(4.46)	3.79	1.26	0.79	4.74	(3.02)	(2.36)	2.89	0.60	(3.45)	4.04
2012	4.47												4.47
<u>Net</u> of Fees:	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010						1.46	0.77	2.63	1.94	1.05	(2.71)	0.54	5.67
2011	0.34	2.00	(3.70)	2.90	0.87	0.50	3.66	(2.55)	(2.02)	2.17	0.35	(2.89)	1.63
2012	3.49												3.49

Performance through February 2011 is pro-forma, based on actual trading of QMS Capital's primary managed account, scaled to 15% ex-ante annual volatility, and intended for illustrative purposes only. Returns shown are non-compounded, based on a constant notional. Performance inception of June 2010 corresponds to commencement of QMS's diversified strategy, risk-balanced among equity, rates/bonds, and currencies (live trading began two weeks earlier, at low risk and implemented unequally across asset classes). March-April 2011 performance is pro forma, based on a paper traded portfolio. May-August 2011 performance numbers are derived from a live track record on the dbSelect Managed futures platform, where performance may vary from dbSelect reports, due to transaction costs and month-end differences in exchange settlement prices. Performance numbers from September 2011 onward are derived from a blended composite of QMS's managed accounts that traded in the strategy for full reported month. All performance numbers are unaudited and have been computed by QMS Capital Management LP. Excepting March-April 2011, the returns shown are derived from actual trading but do not represent the return of any client of QMS, and QMS makes no representation as to the accuracy of such numbers. Net returns include an annual (calendar year) pro-forma management fee of 2% and incentive fees of 20%, subject to high water mark. This update contains performance and data that are presented for illustrative purposes only and not based on actual trading activities. There are numerous factors related to the implementation of any specific strategy that cannot be fully accounted for in the preparation of hypothetical or pro forma performance results, all of which may adversely affect actual trading results. For example, investment allocations do not reflect actual adjustments that QMS may have made in response to material economic or market factors or any other considerations had the [fund] strategy actually been investing during the period. As such, please be wary of placing undue reliance on these results. There can be no assurance that actual portfolio recommendations made during the hypothetical period, or the performance record, would be identical, or similar, to what is shown here. In fact, there could be sharp differences. There may be other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical allocations which could have adversely affected actual trading results. As such, please be wary of placing undue reliance on these results.

The information contained in this presentation has been prepared solely for informational purposes and is not an offer to sell or purchase or a solicitation of an offer to sell or purchase any interests or shares in funds managed by QMS Capital Management LP. Any such offer will be made only pursuant to an offering memorandum and the documents relating thereto describing such securities. The investment strategies described in this presentation carry certain risks, including the risk of loss of principal. The information contained in this presentation is believed to be reliable but QMS Capital Management LP makes no representation or warranty as to its accuracy or completeness. Past performance is no guarantee of future results, and no representation is made that results similar to those shown can be achieved. This material is strictly confidential. This presentation is provided to you on a confidential basis and is intended solely for the use of the person to whom it is provided. It may not be modified, re-produced or redistributed in whole or in part without the prior written consent of QMS Capital Management LP.

January 20, 2012