LQI MULTI STRATEGY FUND - STANDARD CLASS

STRATEGY OVERVIEW

LQI Quantum is an intraday systematic trading and portfolio management strategy, providing several multi-strategy sources of returns. Quantitative strategies include fast strategies in trend, reversion, breakout. LQI targets sustainable low volatility positive returns from a range of investments strategies with different time scales across financials, currency and commodity markets. Risk budgeting is continuously scaled to market conditions limiting drawdown volatility.

MANAGER'S EDGE

The investment management company based in London was established in 2003. The two portfolio managers have extensive experience at blue-chip hedge funds (including Man AHL) and investment banks managing global investment books covering a wide variety of instruments and risks. The managers have trading and quantitative backgrounds and use a proprietary system developed over many years for investments, risk management, operations and reporting.

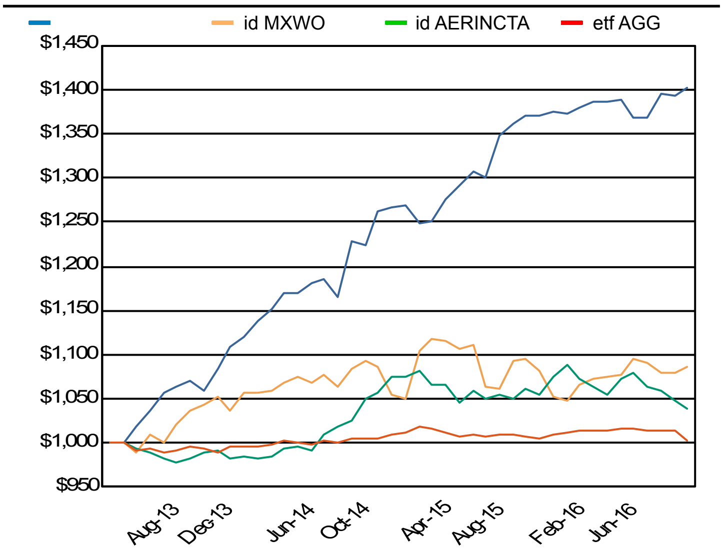
PERFORMANCE (net of fees)

Last Price (estimated): 101.63

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	0.83%	-0.53%	1.22%	1.01%	-0.03%	0.29%	-3.28%	0.20%	4.45%	-0.33%	1.63%		**5.4%**
2015	1.02%	0.42%	-3.94%	0.55%	4.57%	2.85%	3.19%	-1.29%	8.62%	2.42%	1.62%	0.02%	**21.4%**
2014	5.72%	2.34%	3.89%	2.81%	3.33%	0.07%	2.26%	0.83%	-3.67%	13.05%	-0.70%	7.40%	**43.1%**
2013					-1.68%	4.42%	3.89%	4.69%	1.77%	1.36%	-2.56%	5.49%	**18.4%**

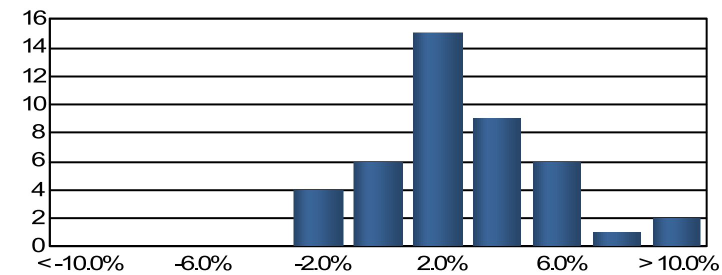
A first version of Quantum runs live since May 2013. The full version runs live since October 1, 2015. Quantum Fund start date is June 01, 2016. Performance is indicative only. Individual accounts performance may vary due to different gearing, allocation, fees and slippage.

PERFORMANCE vs INDICES (log scale)



id MXWO is MSCI World Index, id AERINCTA is SG CTA Index, etf AGG is Barcl Agg Bond

RETURNS DISTRIBUTION AND RISK/RETURNS PROFILE



STATISTICAL RISK AND RETURNS ANALYSIS

RETURNS	A33285	id MXWO	id AERINCTA
Total return	116.8%	22.3%	7.8%
Average Monthly Return	1.9%	0.5%	0.2%
Largest Monthly Return	13.1%	12.6%	5.6%
Largest Monthly Loss	-3.9%	-9.1%	-4.2%
Compounded Annual Return	24.1%	5.8%	2.1%
Percent Winning Months	76.7%	53.5%	48.8%
RISK			
Sharpe Ratio	1.9	0.5	0.2
Standard Deviation	11.3%	13.1%	8.3%
Van Ratio (Risk of Loss™)	1.9%	36.7%	44.4%
Sortino Ratio	4.8	0.6	0.3
Downside-Deviation (below %)	3.8%	7.8%	5.0%
Maximum Drawdown	-3.9%	-13.6%	-10.0%
Months in Maximum Drawdown	1.0	10.0	9.0
Months To Recover	2.0	0.0	0.0
Alpha		1.9%	1.9%
Beta		0.0	-0.1
Correlation		0.0	-0.1
R-Squared		0.0	0.0

PRODUCT DETAILS

Structure:	Segregated portfolio	
Domiciliation:	Cayman Islands	
Currency:		
Class:		
Minimum investment:	25	K
Liquidity:	Monthly	
Notice period:	30	business days
Management fee:	2.5%	
Incentive fee:	25%	
High watermark:	Yes	
Lockup / Exit fee:	No	
Investment Manager:	Altera Partners Management Ltd.	
Broker:	Interactive Brokers (UK) Limited (IB)	
Administrator:	Apex (Bermuda)	
Legal Counsel:	Walkers	
Auditors:	BDO Cayman Islands	

CONTACT DETAILS

Richard Bateson: richard@apmngt.com
Patrick Coppens: patrick@apmngt.com
Mark Bloom: mark@apmngt.com
Tel: +44 203 695 3546

MANAGER COMMENTARY

November saw a return of volatility to the markets with the surprising victory of Donald Trump in the US presidential election. As with Brexit, markets were caught off-guard by the US presidential election outcome and immediately reacted negatively. As the votes were counted, equity markets around the world stared to sell off sharply when confronted with the increasing likelihood of a Trump presidency.

The initial negative reaction gave way to a strong recovery on exchanges around the world. The day after the election result, the Australian market surged 3.3% while Japan's Nikkei rose 6.7%. In the US the S&P and DOW initially were down as much as 5% before recovering to end the day over 1%. It was the largest one day reversal in the S&P since 2008.

For the rest of the month financial markets continued to make large moves, with above average volatility. Bonds have sold off across the board as investors expect that a Trump presidency would translate to tighter monetary policy and higher interest rates. It is expected that under Trump the US would stimulate economic growth via fiscal policy rather than monetary policy. As the US economy picks up steam, there is potential for increased divergence in monetary policy between US and the rest of the world. Yield spreads between US 10 year treasury and German 10-year Bund are now the largest in over 2 decades. Growing yield spreads have encouraged money to flow to the US, pushing the US Dollar to 13 year highs. The US Dollar is likely to strengthen even further in the months ahead.

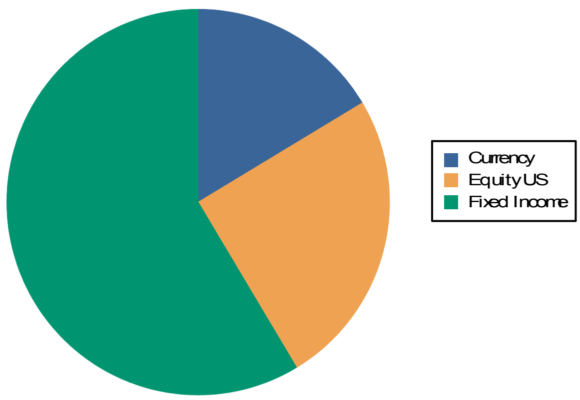
LQI Quantum had a solid month as it was able to capture gains from short term volatility swings.

December looks set to see the continuation of volatility as two key events shape the markets: the Italian referendum in early December 4, and the US Federal Reserve meeting December 14. It is widely expected that the US Fed will raise interest rates during their meeting, but it will be the statements that have the potential to jolt markets.

PORFOLIO SUMMARY (monthly avg.)

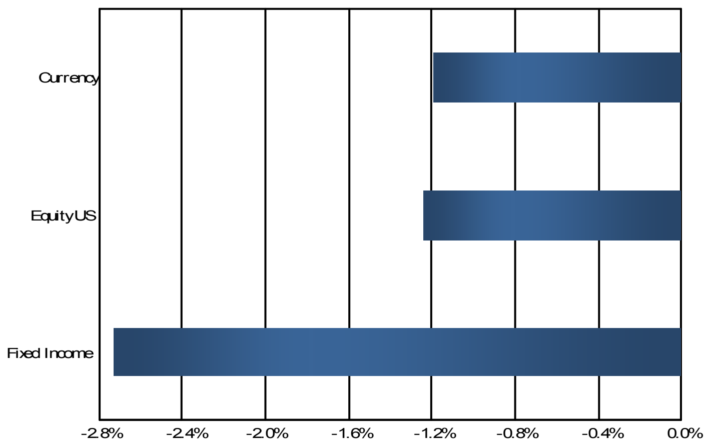
Positions number		5
Allocation risk adj	Max	13%
	Min	-3%
	Average	4%
Exposure risk adj	Long	25%
	Short	-3%
	Net	22%
Margin		5%

CATEGORY EXPOSURE RISK ADJ. & P&L (monthly avg.)



CATEGORY BREAKDOWN (monthly avg.)

	Exposure	P&L
Currency	4%	-1.2%
Equity US	6%	-1.2%
Fixed Income	13%	-2.7%



The Limitations of Statistics

Any statistic is based on the historical behavior of whatever is being measured – in this case, portfolio performance. No statistic is perfect, and, in addition, both the world and investment behavior do change. Accordingly, investors should exhibit caution in using statistics.

Hedge funds have inherent in them an element of risk that is not present to the same degree in many other investments, such as mutual funds. That risk is the future use of bad judgment by the portfolio manager in such areas as portfolio concentration, leverage and the use of derivatives.

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