

# MS QTI UCITS Fund

A Sub-fund of FundLogic Alternatives plc, an Irish UCITS Fund

## Investment Philosophy

Historically managed futures as an asset class have exhibited low correlations with most traditional asset classes such as equities and fixed income. The Quest QTI Strategy provides exposure to a selection of futures contracts in markets for currencies, fixed income, equity indices and commodities selected by Quest Partners LLC.

The Quest QTI Strategy provides performance comparable to that generated by a broad class of managed futures trading strategies of trend-following commodity trading advisors at a lower cost than actively managed CTA programs, while seeking to provide risk-adjusted performance comparable to or better than that of the asset class. The MS QTI UCITS Fund offers low cost exposure to managed futures in a liquid, transparent and UCITS-compliant format.

## Investment Process

The Quest QTI Strategy systematically assigns notional long or short positions to 66 underlying futures contract across the six market sectors of currencies, interest rates, equity indices, energy, metals and agricultural.

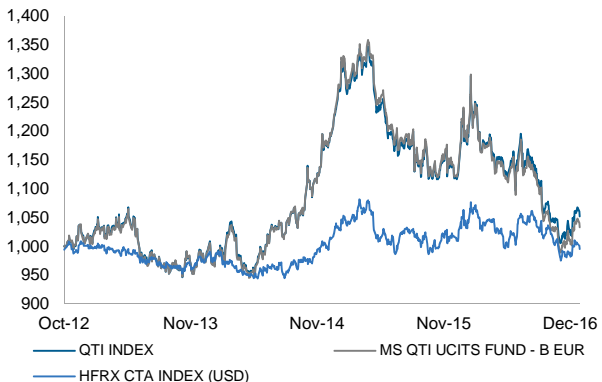
The notional long and short positions that comprise the Quest QTI Strategy are based on certain signals that seek to predict the expected outlook for prices using a series of moving average crossover models.

The Quest QTI Strategy utilizes three different moving average crossover models each based upon a pair of moving averages calculated over short, medium and long-term periods, respectively. Each model assigns a notional long or short position, depending on whether the relationship between the applicable moving averages forecasts a positive or negative expected outlook for each underlying futures contract.

## Fund Characteristics

<b>Launch Date</b>	19-Oct-12
<b>Fund Manager</b>	FundLogic SAS
<b>Legal Structure</b>	Sub-fund of FundLogic Alternatives plc
<b>Domicile</b>	Ireland
<b>UCITS Compliant</b>	Yes
<b>Passporting Status</b>	UK, Italy, Germany, France, Spain and Switzerland
<b>Open-ended</b>	Yes
<b>Administrator</b>	Northern Trust International Fund Administration Services (Ireland) Ltd
<b>Custodian</b>	Northern Trust Fiduciary Services (Ireland) Ltd.
<b>NAV (Share Class B EUR)</b>	1,032.62
<b>NAV (Share Class B USD)</b>	1,068.41
<b>NAV (Share Class B CHF)</b>	901.37
<b>Total Assets (USD)</b>	5.8 M
<b>Currencies</b>	USD (Base), EUR (Hedged), CHF (Hedged)
<b>Total Expense Ratio (including management fee)</b>	Share A: 2.15% p.a. Share B: 0.80% p.a. Share I: 1.40% p.a.
<b>Settlement</b>	Subscription: T-1 Redemption: T+5
<b>Liquidity</b>	Daily
<b>Subscription/Redemption Fee</b>	No anti-dilution levy. Share Class A Sub Fees up to 5%
<b>Subscription/Redemption Cut Off</b>	12 midday Irish time three Business Days prior to the relevant Dealing Day.

## Performance Graph



In the above graph the performance is taken from 24-Oct-12, when the fund was properly exposed to the strategy as opposed to the inception date of 19-Oct-12.

## Historical Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD <sup>(1)</sup>
2012											1.76%	-0.03%	1.71%
QTI - Share B EUR													
QTI Index											1.73%	0.05%	1.76%
HFRX CTA Index (USD)											-0.61%	0.85%	0.70%
2013													
QTI - Share B EUR	1.75%	-1.13%	1.64%	1.21%	-4.27%	-4.16%	0.85%	-2.23%	0.71%	1.71%	1.64%	1.02%	-1.54%
QTI Index	1.96%	-1.32%	1.88%	1.11%	-4.43%	-3.78%	0.56%	-2.37%	0.61%	1.83%	1.91%	1.00%	-1.33%
HFRX CTA Index (USD)	-0.08%	-0.51%	-0.25%	-0.05%	-0.80%	-0.90%	-0.83%	-0.08%	-0.59%	0.66%	1.60%	0.55%	-1.30%
2014													
QTI - Share B EUR	-0.99%	4.41%	-5.42%	-2.62%	4.42%	3.59%	-0.95%	3.81%	0.61%	3.66%	8.06%	1.88%	21.57%
QTI Index	-0.88%	4.60%	-5.54%	-2.73%	4.11%	3.77%	-1.02%	3.55%	0.56%	3.91%	7.94%	1.68%	21.00%
HFRX CTA Index (USD)	0.20%	-1.42%	-1.75%	-0.66%	0.85%	0.06%	-0.35%	1.55%	0.24%	0.64%	2.81%	1.04%	3.16%
2015													
QTI - Share B EUR	9.29%	-0.99%	0.89%	-3.40%	-2.01%	-6.15%	0.63%	-4.82%	3.96%	-4.18%	3.80%	-4.15%	-7.93%
QTI Index	9.00%	-1.18%	0.76%	-3.56%	-2.16%	-5.97%	0.89%	-4.28%	3.60%	-4.09%	3.72%	-4.11%	-8.09%
HFRX CTA Index (USD)	3.36%	-0.06%	1.30%	-3.51%	-0.10%	-3.82%	4.21%	-1.32%	0.11%	-2.16%	2.54%	-1.11%	-0.92%
2016													
QTI - Share B EUR	5.96%	4.49%	-5.52%	-2.12%	-3.17%	2.05%	1.93%	-5.04%	-4.77%	-4.13%	0.97%	2.10%	-7.85%
QTI Index	5.81%	5.39%	-5.43%	-1.95%	-3.07%	2.11%	2.26%	-5.16%	-4.34%	-4.01%	0.81%	2.28%	-5.81%
HFRX CTA Index (USD)	2.43%	2.75%	-1.78%	-1.15%	-3.19%	4.06%	1.30%	-2.15%	0.07%	-3.51%	-0.57%	0.62%	-1.44%

Source: Morgan Stanley

1. 2012 YTD performance is for the period between 24-Oct-12, when the fund was properly exposed to the strategy, and 31-Dec-12. The above figures refer to the past. Past performance is not a reliable indicator of future results.

## MS QTI UCITS Fund

Performance Attribution<sup>(1)</sup>

	MTD	YTD
Foreign Exchange	0.32%	-4.98%
Fixed Income	0.65%	8.84%
Stock Indices	1.38%	-1.80%
Energy	0.95%	-2.86%
Metals	-0.36%	0.06%
Agriculturals	-0.40%	-3.60%
Total	2.54%	-4.34%

Source: Quest Partners LLC

(1) Performance attribution is calculated for the Quest Tracker Index (QTI) Program (Funded) ("QTIProgram"), which is distinct from both the QTI Index and the MS QTI UCITS Fund and represents the actual trading results of client accounts in the QTI Program, subject to adjustments relating to fees and interest rates. The figures are therefore indicative only.

## Performance and Risk Metrics

	Share B (CHF)	Share B (EUR)	Share B (USD)	QTI Index <sup>(3)</sup>	HFRX CTA Index <sup>(3)</sup>
Share Class Launch Date	12-Nov-15	19-Oct-12	29-Oct-13		
Launch to Date Performance <sup>(2)</sup>	-9.86%	3.29%	6.84%	5.18%	0.12%
Annualised Volatility	14.53%	11.96%	12.56%	12.06%	6.90%

Source: Morgan Stanley

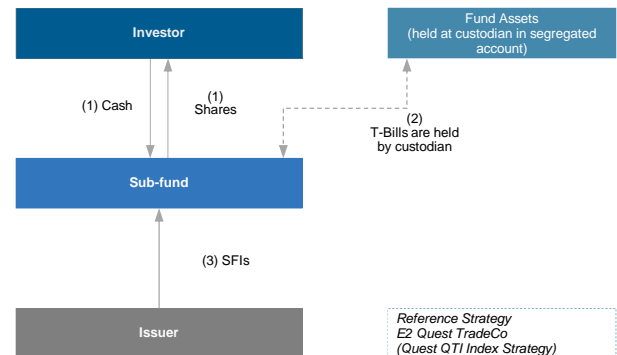
(2) Launch to Date performance for Share Class B EUR is calculated from 24/10/2012, when the fund was properly exposed to the strategy.

(3) QTI Index and HFRX CTA Index Launch to Date Performance and Annualised Volatility are computed from 24/10/2012, when the fund was properly exposed to the strategy.

The above figures refer to the past. Past performance is not a reliable indicator of future results.

## Fund Implementation

Illustrative example of the fund structure:



**1. Unit Purchase:** Investor buys shares in UCITS Fund for cash

**2. Purchase of T-Bills:** Fund invests the cash proceeds into T-Bills, in a manner that is compliant with UCITS diversification and concentration rules. These are held in a segregated account with the custodian.

**3. SFIs:** Fund gains exposure to the Quest QTI Index Strategy by investing in Structured Financial Instruments (SFIs), issued by two issuers.

**4.** Fund exposure to each issuer of SFIs is max 10% of NAV.

## Fund Share Class Details

Share Class				Performance				Identifiers			Fees		
	Ccy	Min Inv	Launch Date	NAV	MTD	YTD	LTD	ISIN	BBG	SEDOL	Mgmt <sup>(5)</sup>	Perf.	Ter <sup>(6)</sup>
Class B <sup>(4)</sup>	EUR	1,000,000	19-Oct-12	1032.62	2.10%	-7.85%	3.29%	IE00B821KV71	FMQTIBE ID	-	0.40%	0%	0.80%
Class B	USD	1,000,000	29-Oct-13	1068.41	2.21%	-6.61%	6.84%	IE00B8CKGY97	FMQTIBU ID	-	0.40%	0%	0.80%
Class B	GBP	1,000,000	-	-	-	-	-	IE00B7N92P14	FMQTIBS ID	-	0.40%	0%	0.80%
Class B	CHF	1,000,000	12-Nov-15	901.37	1.96%	-8.57%	-9.86%	IE00B8CJJR05	FMQTIBC ID	-	0.40%	0%	0.80%
Class I	EUR	1,000,000	-	-	-	-	-	IE00B89MR57	FMQTIIE ID	-	1.00%	0%	1.40%
Class I	USD	1,000,000	-	-	-	-	-	IE00B7RQVN99	FMQTIU ID	-	1.00%	0%	1.40%
Class I	GBP	1,000,000	-	-	-	-	-	IE00B7SY9B61	FMQTIIS ID	-	1.00%	0%	1.40%
Class I	CHF	1,000,000	-	-	-	-	-	IE00B88JYW49	FMQTIIC ID	-	1.00%	0%	1.40%
Class A	EUR	100,000	-	-	-	-	-	IE00B8HTLK27	FMQTIAE ID	-	1.75%	0%	2.15%
Class A	USD	100,000	-	-	-	-	-	IE00B8FM5Z67	FMQTIAU ID	-	1.75%	0%	2.15%
Class A	GBP	100,000	-	-	-	-	-	IE00B8FF2X25	FMQTIAS ID	-	1.75%	0%	2.15%
Class A	CHF	100,000	-	-	-	-	-	IE00B89W5741	FMQTIAC ID	-	1.75%	0%	2.15%

Source: Morgan Stanley. NAV are computed by Northern Trust.

(4) Class B Shares (EUR/ USD/ GBP/ CHF) are initial investor share classes and therefore it is expected that such Shares will only be available for subscription until such time as the net assets of the sub-fund reach \$100 MM, or such other amount as may be determined by the Directors from time to time in their absolute discretion.

(5) An additional Management Fee of 0.45% is charged at the managed account level in order to remunerate the Commodity Trading Advisor. This is distinct from and is not included in the management fee mentioned above.

(6) Total Expense Ratio includes Management Fees and Promoter fees. For share classes launched before 31-Jul-14, the TER is based on the expenses for the year ending 31-Jul-14. This figure may vary from year to year.

# MS QTI UCITS Fund

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### About the Manager:

FundLogic SAS acts as manager to the MS QTI UCITS Fund. FundLogic SAS is an investment manager and is subject to the supervision of the Autorite Des Marches Financiers in France.

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