



QQM EQUITY HEDGE MONTHLY INVESTOR LETTER

About the Fund

QQM Equity Hedge is a systematic equity market neutral fund.

The fund seeks to provide long-term positive returns with low correlation to traditional asset classes. The fund employs systematic market-neutral long-short strategies, and quantitative programs are used to construct, rebalance, and track the risk characteristics of the fund.

The investment universe consists of liquid stocks of developed stock markets. The investment strategies used are based on earnings momentum, earnings surprise and earnings guidance.

The correlation and the beta is expected to be low, to both stocks and bonds. Therefore, an investment in the fund may improve a portfolio's overall risk-adjusted returns.

Performance, %

	QQM Equity Hedge	OMRX T-Bill 90	MSCI World
August 2015	0.63	-0.04	-6.65
2015 YTD	0.34	-0.05	-0.36
Rolling 12 months	8.84	-0.01	1.85
Rolling 36 months	37.93	1.70	48.26
Since inception	36.75	10.02	30.75

Statistics

% of positive months	68
Best month, %	4.59
Worst month, %	-5.42
Standard deviation, %	6.62
Downside risk, %	5.49
Maximum drawdown, %	-11.04
Time to recover from drawdown, months	8
Correlation to MSCI World	0.18

Portfolio breakdown

	Long positions	Short positions
Number of positions, equities	190	233
Number of positions, derivatives	3	3
Exposure, %	152	-137
Average equity position, %	0.80	-0.60
Top 5 equity positions, %	11	-10

Risk during the month (ex-ante)

	Min	Average	Max
Value-at-Risk (1 day, 95%), %	0.59	0.63	0.67
Beta to equities	0.01	0.05	0.07

Data: Bloomberg. Risk model: European Equity Fundamental.
Value-at-Risk has been estimated with Monte Carlo simulation.
Beta has been estimated against Bloomberg World Index.

NAV per share, class A 109.2916

NAV per share, class B 54.4815

Performance, %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	1.63	-4.87	3.03	-4.19	1.42	0.24	2.76	0.63					0.34
2014	0.76	0.23	-0.67	-3.03	2.95	3.56	0.55	1.01	3.03	2.79	1.17	1.25	14.28
2013	3.73	1.88	0.97	2.89	-1.59	1.75	1.12	-3.62	1.48	4.59	1.17	0.48	15.61
2012	-5.42	0.87	0.00	1.75	-4.42	-0.63	0.49	-2.37	2.87	2.58	0.02	-1.43	-5.88
2011	0.38	0.66	2.12	1.89	-0.37	-1.55	-0.56	-1.65	1.51	-1.51	1.04	1.49	3.38
2010	0.17	0.00	-0.48	1.91	-4.27	-0.58	1.43	-0.47	1.73	0.14	-0.83	4.09	2.65
2009	0.79	-0.24	-0.56	0.49	0.23	0.12	1.80	-0.69	0.94	-0.58	0.87	0.96	4.19
2008	-0.17	0.25	0.10	0.17	0.64	0.60	-0.75	0.12	-1.66	0.44	0.20	-0.80	-0.87

All performance figures quoted are net of fees and applies to Share Class A. Performance data with gray shading refers to results before current fund management team.

Investment Manager's Commentary

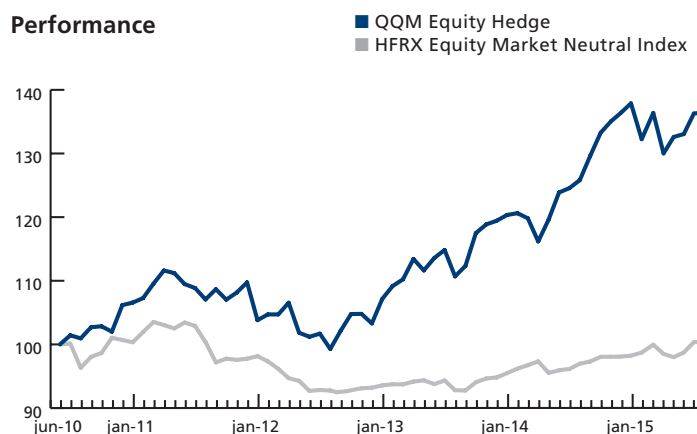
QQM Equity Hedge gained +0.63 in August. The fund's rolling 12-month's return is +8.84 percent and the percentage of winning months since inception is 68 percent.

The main contributor to the fund's overall PnL was the Dutch sub-portfolio. The fund's Value-at-Risk (95%, 1 day) has averaged 0.63 percent. The equity market exposure, the fund's beta to global equities, has varied between 0.01 and 0.07 and with an average of 0.05.

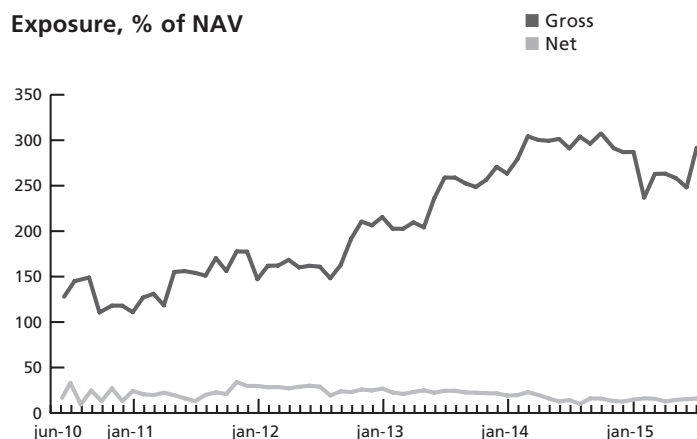
On a sector level, the fund has increased its exposure to Transportation and Diversified Financials, and decreased its exposure to Semiconductors & Semiconductor Equipment and Materials.

At the end of August the fund held 190 long positions and 233 short positions, with a gross exposure of 289 percent.

Performance



Exposure, % of NAV





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Portfolio Managers

OLA BJÖRKMO born in 1962. Björkmo, a partner, graduated from Stockholm School of Economics in 1985, and has worked in the financial industry since 1986. He is on the Board of Directors of the Swedish Society of Financial Analysts. Björkmo was Managing Director of Öhman Asset Management between 2005 and 2009, and one of the founders and portfolio managers of the hedge fund Manticore at Brummer & Partners between 2000 and 2005. Prior to that, he held senior positions in the Öhman Group, first as head of quantitative analysis and then as head of asset management.

JONAS SANDEFELDT born in 1972. Sandefeldt, a partner, has an MSc in Physics from the KTH, the Royal Institute of Technology and has also studied Economics and Business at Stockholm University. Sandefeldt has worked in the financial industry since 1998. He was a quantitative analyst at the First, Second and Third AP-Funds, as well as at Brummer & Partners, among other positions. Between 2006 and 2010, he was portfolio manager and analyst at Öhman Asset Management, focusing on quantitative investment strategies.

Typical Portfolio

Number of long positions	>100
Number of short positions	>100
Single long position (% of NAV)	+0.2% – +3.0%
Single short position (% of NAV)	-0.2% – -2.5%
Gross exposure	>200%
Net exposure	0% – +30%
VaR, % NAV (1 day, 95%)	<2.0%
Beta to equities	-0.1 – +0.1
Correlation to MSCI World	<0.20

Fund Facts

Strategy	Equity market neutral
Investment Manager	QQM Fund Management AB
Prime broker	SEB
Custodian	SEB
Supervision	Finansinspektionen
Currency	SEK
Auditor	Ernst & Young
Liquidity	Monthly, 5/10 days notice
Inception	Jan 14, 2008

Share class A

Annual management fee	1%
Performance fee	20% of net gains above hurdle, OMRX-TBill
High water mark	Yes
Minimum subscription	SEK 500,000, and thereafter SEK 10,000

Share class B

Annual management fee	1,9%
Performance fee	20% of net gains above hurdle, OMRX-TBill
High water mark	Yes
Minimum subscription	SEK 25,000, and thereafter SEK 5,000

Share class C

Annual management fee	1%
Performance fee	20% of net gains above hurdle, OMRX-TBill
High water mark	Yes
Minimum subscription	SEK 500,000, and thereafter SEK 10,000
Dividend	Yes

About QQM Fund Management

QQM Fund Management AB is a Swedish Financial Supervisory Authority authorised, Sweden-based alternative investment fund manager.

The company has since January 2008 managed QQM Equity Hedge, a systematic equity market neutral fund.

The investment process is systematic and based on quantitative models. The security selection models have been developed based on academic studies and economic principles.

QQM Equity Hedge («The Fund») is a special fund pursuant to the Act (2013:561) on managers of alternative investment funds. It is the responsibility of every person interested in investing in The Fund to ensure that the investment takes place in accordance with applicable laws and other regulations. Foreign law may have the effect of preventing investors outside Sweden from investing in The Fund. QQM Fund Management AB has no responsibility whatsoever to verify whether an investment made from outside Sweden takes place in accordance with the laws of the relevant country.

Any dispute or claim concerning The Fund shall be resolved according to Swedish law and exclusively by Swedish courts of law. There is no guarantee that an investment in The Fund cannot result in a loss. This applies irrespective of otherwise positive performance on the financial markets. Past performance is no guarantee for future results. Information regarding The Fund shall not be considered a recommendation to invest in The Fund. Any person considering purchasing units in The Fund must make an independent assessment of the investment in The Fund and the risks associated therewith. An investment in The Fund should be seen as a long-term investment.



QQM Fund Management AB