

GCI Investment Management Singapore Pte. Ltd. Employs QRMO's Highly Specialized Outsourcing Services

GCI Investment Management Singapore Pte. Ltd. (hereafter "GCIIMS"), a subsidiary of GCI Asset Management Inc., has employed QRMO's specialized outsourcing services to enhance its risk management and middle-office monitoring and reporting for its funds through QRMO's highly customizable service solutions. In essence, QRMO professionals have become an essential "high touch" part of GCIIMS' day-to-day operational and risk management workflow, thus allowing GCIIMS to focus more of its attention on its investment strategies.

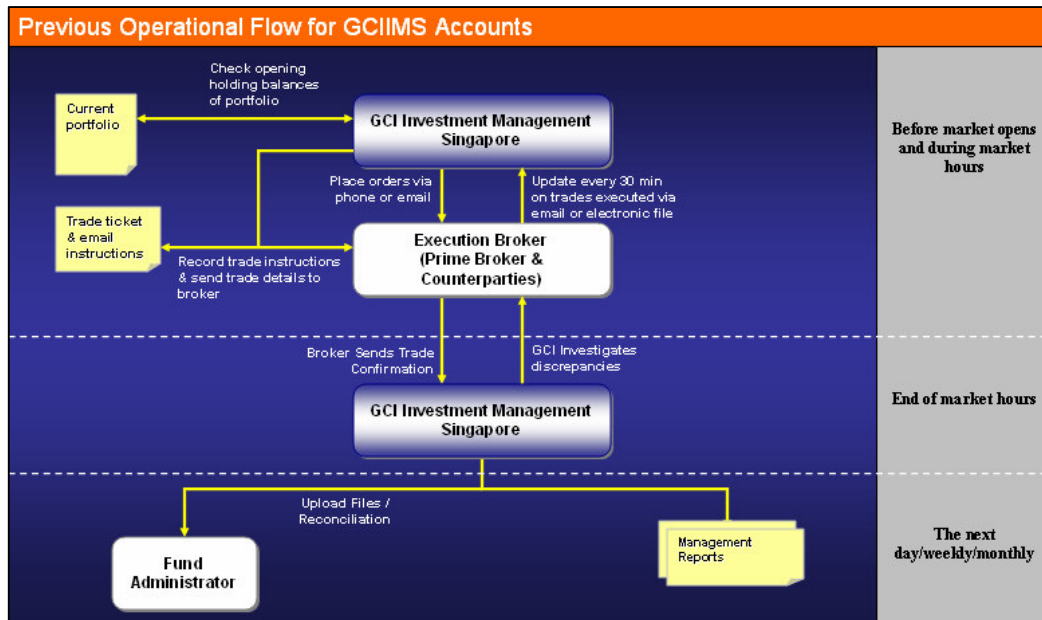
Furthermore, QRMO'S services are independent and transparent, thus providing GCIIMS' sophisticated investor base with an added degree of comfort in knowing that the risks associated with its invested capital are properly understood and expertly handled both internally by GCIIMS and externally by QRMO.

GCIIMS Testimonials:

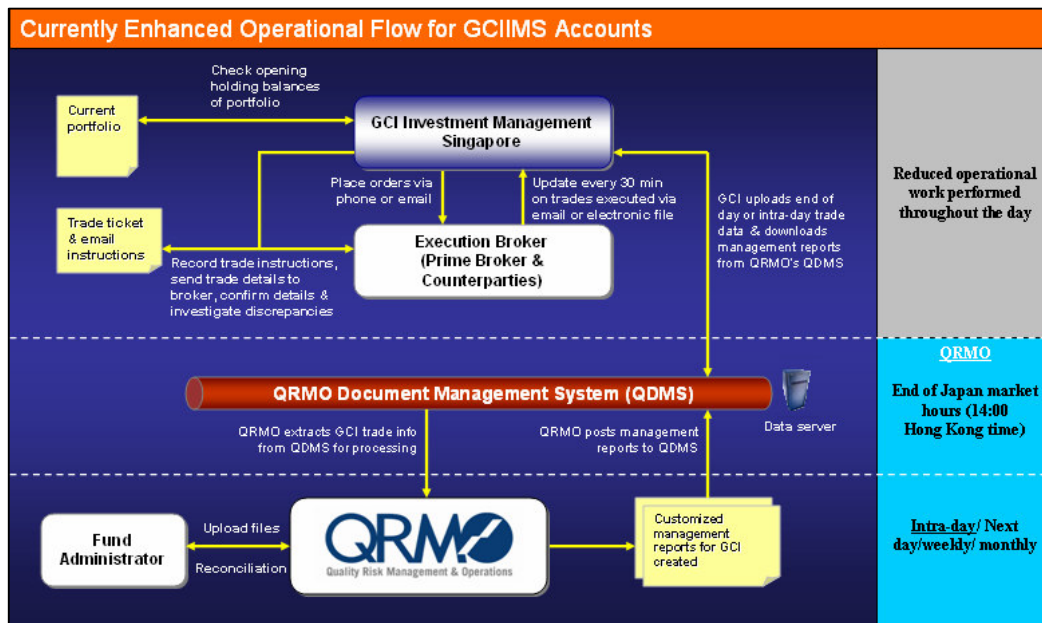
- 1) How has QRMO added value to your risk monitoring and operational infrastructure? *At GCI, we are strong believers in managing operational and market risks and this is reflected in both our management of single-funds as well as our Fund-of-Funds. QRMO gave us leverage in our risk monitoring and fund management activities.*
- 2) What do you find most noteworthy about QRMO's services? *Though new in the industry, the Directors and staff of QRMO have immense experience in the fields of risk management. Their ability to translate this experience to the hedge fund industry coupled with their ability and willingness to work closely with their clients in creating highly customized processes gives them a competitive edge that is missing in the Asian hedge fund industry.*
- 3) What sets QRMO apart from other service providers and software vendors in the hedge fund industry? *QRMO is the only service provider that allows a fund to both leverage a sophisticated software infrastructure and outsource human expertise in areas of risk monitoring, middle- and back-office – all at a reasonable cost. Specifically, a major reason for the failure of start-up funds with assets of less than US\$20m AUM and a track record of less than two years can be attributed to operational problems and that is where we focus our analysis for our FoF when looking at new funds. In this regard, QRMO can greatly improve the operational infrastructure (both in terms of human resources and technological requirements) of these funds without them having to pay very high fees.*
- 4) Do you feel QRMO is effective in understanding and addressing your risk management and operational needs? *Absolutely. The Directors and staff of QRMO never stopped communicating with us while developing the customized reports and services during the implementation phase. Even after services commenced officially, we still engage each other in continuous, open and constructive dialogue. The industry changes very quickly and what works for risk monitoring this week may not work for the next, and communication and constant improvement are extremely important to us.*
- 5) How responsive and helpful are QRMO personnel in answering your questions and resolving issues? *We have never had to talk to QRMO twice about the same issue – they have understood us every time and could address our issues with their own suggestions.*
- 6) Would you recommend QRMO to any other funds or FoFs? *Definitely. The quality and flexibility of QRMO gives us the confidence to recommend their services to many industry players, not just fund managers.*

GCIIMS' Operational Flow Before & After Outsourcing to QRMO

BEFORE:



AFTER:



Here are some of the value added services QRMO believes to be providing to GCIIMS:

Alleviate GCIIMS' current day-to-day workload on:

- Generating daily/weekly/monthly reports on NAV and portfolio risk exposure
- Reconciliation with fund administrator and resolving any discrepancies
- Calculation and accrual of all fund related fees
- Limit monitoring and alert

Additional services to GCIIMS' current setup:

- Reporting risk exposure and P&L on holding level
- Risk analysis on stock concentration, liquidity and correlation
- Stress testing (historical and projected)
- Commentary on the portfolio's P&L and risk exposure
- Tracking and comparing brokers' execution price
- Corporate actions monitoring and alert
- Cash ladder/monitoring on future cash requirements

QRMO's Customized Deliverables:

Middle Office related:

- Estimation on other non-trading related accrual items (dividend, stock loan fee, trustee fee., etc.) for daily NAV calculation
- P/L reporting
- Performance Attribution
 - Best & Worst performers by Issuer as a % of NAV
 - Sector attribution breakdown at aggregate and individual holding levels
- NAV reconciliation report between fund administrator and QRMO
- Cash flow report (trade date and settlement date)

Risk Management related:

- Value-at-Risk report (with risk factor breakdown/marginal VaR contribution)
- Sector exposure summary and detail report
- Stress testing report (historical and hypothetical projection)
- Scenario analyses
- Compliance rules monitoring
 - Stop/Loss guidelines and monitoring
 - Equity and Beta-adjusted exposures as a % of NAV and GAV
 - Single stock concentration limits, liquidity limits and market capitalization limits

Other Reports:

- Weekly P/L and risk commentary report
- Monthly broker execution price comparison (high-low price percentile vs. execution price)

About GCIIMS

GCIIMS is a specialized fund management company in Singapore, with expertise in fund operation and risk management. The company is a wholly-owned subsidiary of GCI Asset Management Inc., Tokyo, a Discretionary Investment Management licensed advisor in Japan.

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About QRMO

QRMO is an independent professional company providing its clients the ability to outsource all or some of their risk management, middle- and back-office operations. QRMO professionals become an essential "high touch" part of their clients' day-to-day workflows, which greatly enhances operational efficiencies, allows for rapid scalability, reduces costs and enables clients to focus more attention on investment strategies and expanding their investor base.

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