

QUOTIENT INVESTORS, LLC
FIRM BROCHURE

Item 1 – Cover Page

Quotient Investors, LLC

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This Brochure provides information about the qualifications and business practices of Quotient Investors, LLC. If you have any questions about the contents of this Brochure, please contact us at 212 685 4648 or byost@quotientinvestors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Quotient Investors is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information based on which you can determine to hire or retain an Adviser.

Additional information about Quotient Investors also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This updated brochure provides additional disclosures regarding risks associated with Quotient Investors' investment strategy, specifically, the potential for risk of loss that may arise if our proprietary models or execution management systems fail to perform properly; Quotient Investors' soft dollar arrangements and the associated conflicts of interest; Quotient Investor's current solicitation arrangement with a broker-dealer and conflicts of interest that may arise when that broker-dealer is used to execute client transactions; and Quotient Investors' and its employees' conflicts of interest when investing in the same securities that are recommended to clients.

This section of Quotient Investors' disclosure brochure discusses only those material changes made since the firm's last amended disclosure brochure dated March 31, 2011. Clients are encouraged to read this version of Quotient Investors' disclosure brochure in its entirety.

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Item 4 – Advisory Business

Quotient Investors, LLC, a registered investment advisor, was founded in 2007 and is majority owned by its three Managing Partners, Andre Bertolotti, William Yost and Julia Peter-Kerr, through Quotient Group, LLC. Strategic Investment Group Ventures II, LLC is a minority owner of Quotient Investors and is jointly owned by the California Public Employees' Pension Retirement System and Strategic Investment Management, L.P.

Quotient Investors, LLC ("Quotient Investors") offers discretionary investment advisory services primarily to institutional clients including charitable organizations, endowments, employee benefit plans, public pension funds and corporations.

Quotient Investors' services include investment advice primarily related to U.S. equities. Quotient Investors offers seven U.S. quantitative investment strategies: Large Cap Core, Large Cap Value, Large Cap Growth, Large Cap ESG (Environmental, Social and Governance), Small Cap Core, Small Cap Value and Small Cap Growth. All client accounts are managed in accordance with one of the investment strategies listed above, subject to any conditions imposed by clients in their investment guidelines or objectives or in instructions otherwise provided to Quotient Investors.

As of December 31, 2011 Quotient Investors' total assets under management were \$254,334,220. All assets are managed on a discretionary basis.

Item 5 – Fees and Compensation

Quotient Investors U.S. Large Cap separate account annual fee schedule is:

\$0 - \$100 million	0.50%
Above \$100 million	Negotiable

Quotient Investors U.S. Small Cap separate account annual fee schedule is:

\$0 - \$100 million	0.80%
Above \$100 million	Negotiable

The specific manner in which fees are charged by Quotient Investors is established in a client's written agreement with Quotient Investors. Quotient Investors will generally bill its fees on a quarterly basis. Clients are normally billed in arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Quotient Investors to directly debit fees from client accounts. Management fees are normally prorated for significant capital contributions and withdrawals made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Quotient's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may also incur certain charges imposed by custo-

dians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differential fees, transfer taxes, wire and electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees paid to third-party investment advisers, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Quotient Investors' fee, and Quotient Investors shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Quotient Investors considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

All fees are subject to negotiation.

Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, Quotient Investors may enter into performance fee arrangements with qualified clients. These fees are subject to individualized negotiation with each such client. Quotient Investors will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Quotient Investors shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for Quotient Investors to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement or to focus on short-term profits. Such fee arrangements also create an incentive to favor performance-based fee paying accounts over other accounts in the allocation of investment opportunities. Quotient Investors has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

Quotient Investors provides portfolio management services primarily to larger institutional investors including: corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, states, counties, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds and other U.S. and international institutions. Quotient Investors may also provide services to individuals and high net worth individuals.

All clients will be required to sign an investment management agreement that explains the arrangement between Quotient Investors and its client. The agreement will normally describe investment objectives, guidelines and fees.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Portfolios are managed against value, growth, core, large cap and small cap Russell benchmarks through a quantitative and systematic investment process that integrates intra-industry alpha forecasts with systematic risk control and low impact algorithmic trading. The process is designed to control risk and gen-

erate return through stock selection. 56 intra-industry alpha models identify the price drivers unique to companies within an industry. The models incorporate value, relative value, growth, earnings growth, quality growth, momentum, ESG and custom factors.

Stock selection is driven by Quotient Investors' insights into the valuation of companies operating within an industry. In total, there is a unique valuation model for each of the 56 industries in the U.S. equity market.

Unique characteristics of the investment process include:

Multiple Themes used for Alpha Modeling

The valuation models incorporate factors from multiple categories including value, relative value, earnings growth, quality growth, momentum and unique industry specific factors.

Robust Risk Control

Portfolio optimization combined with asset, industry, sector and beta constraints provides effective risk control in volatile market environments.

Focus on Stock Selection

Quotient Investors picks stocks within industries but does not bet on industries. Quotient Investors expects about 60% to 80% of the active return to come from stock selection within industries. Risk control minimizes market timing, industry, sector and style bets.

ESG Integration

For the Sustainable Alpha Strategy, the ESG factors are tested in each of 56 different industries and then integrated with Quotient Investors' Intra-Industry Models based on industry level robustness.

Quotient Investors invests primarily in publicly traded large cap and small cap U.S. equity securities. Although Quotient Investors attempts to mitigate risk through its security selection process, client portfolios are nonetheless exposed to general economic, market, and industry risks as well as specific issuer risk. Furthermore, Quotient Investors' strategies rely extensively on various proprietary models and execution management systems to manage risk, reduce costs, and generate returns. Failure of any one of these models or systems could expose clients to risk of loss. Portfolios may have annual turnover that exceeds 200%. Market impact costs can significantly reduce return, especially in small cap portfolios. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of Quotient Investors or the integrity of Quotient Investors' management. Quotient Investors has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Quotient Investors is 51% owned by Quotient Group, LLC, which is owned by the three managing partners, Andre Bertolotti, William Yost and Julia Peter-Kerr, and 49% owned by Strategic Investment Group

Ventures II, LLC, which is owned by Strategic Investment Management, LP and the California Public Employees Retirement System. Strategic Investment Management, LP is a registered investment advisor.

Item 11 – Code of Ethics

Quotient Investors has adopted a Code of Ethics and Compliance Policies and Procedures in accordance with the provisions of Rules 204A-1 and 206(4)-7 of the Advisers Act. The Code sets forth Quotient Investors' standards of business conduct as a fiduciary and specifically requires that Quotient Investors' employees comply with applicable federal and state securities laws and Quotient Investors' policies and procedures. Specifically, Quotient Investors' Compliance Manual contains policies and procedures addressing Chinese Walls, Anti-Money Laundering Policies and Procedures, review of trading in client accounts, and personal account trading of Quotient Investors' employees.

With respect to personal account trading, all employees are required to disclose employee and employee-related personal securities accounts. On occasion, employees may invest in the same securities as those recommended to clients. This may create potential conflicts of interest because Quotient Investors or its employees may have (1) an incentive to recommend or not recommend the purchase or sale of those securities to clients in order to protect the value of their personal investment, and (2) an incentive to place their orders before those of clients in order to obtain a better price. Employees are prohibited from effecting personal trades where the securities are simultaneously contemplated for purchase or sale for a client account or are the subject of an unexecuted order for a client account. All personal account trades must be pre-cleared, with the exception of certain securities, such as U.S. government securities or open-ended mutual fund transactions. Employees are required to disclose personal securities account trades at least quarterly.

Quotient Investors clients or prospective clients may request a copy of the firm's Code of Ethics by contacting William Yost, Managing Partner and Chief Compliance Officer.

Item 12 – Brokerage Practices

Investment or Brokerage Selection

Quotient Investors primarily offers discretionary investment advisory and sub-advisory services to its clients. For clients that grant discretion, Quotient Investors supervises and manages each such client's portfolio and makes investment decisions without consultation with the client. Discretionary authority typically granted by clients involves determining the securities to be bought and sold for the account, the total amount of the securities to be bought and sold, selecting the brokers with whom orders for the purchase or sale of securities are placed for execution and the price per share and the commission rates at which securities transactions are affected. In some instances, Quotient Investors' discretionary authority may be limited by conditions imposed by clients in their investment guidelines or objectives or in instructions otherwise provided to Quotient Investors.

Brokerage Discretion

In general, Quotient Investors does not accept direction from its clients as to where the execution of an order should take place (i.e., directed brokerage arrangements). However, in some instances Quotient Investors permits clients to direct trades if it is provided for in the investment advisory agreement and if it does not adversely impact other client portfolios or violate our best execution policies.

Certain clients of Quotient Investors may enter into arrangements through which they receive special rebates, trade through minority brokers or benefit by using a specific broker-dealer. As a result, these clients may instruct in certain circumstances that a portion of their portfolio transactions be placed with such specified broker-dealer. Where Quotient Investors accepts such directions, Quotient Investors will not seek to negotiate commission rates. As a result, the client may pay higher commissions than if the broker/dealer were selected by Quotient Investors and Quotient Investors negotiated the commission rate. In addition, the client may not benefit from volume discounts on commissions that Quotient Investors may be able to obtain when trading on behalf of other clients. With respect to clients subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), Quotient Investors will not accept a client direction if Quotient Investors is aware that the transaction is not in the best interests of or for the exclusive benefit of the plan participants.

In addition, transactions for a client that directs brokerage may not be combined or "batched" for execution purposes with orders for the same securities for other accounts managed by Quotient Investors. Trades for a client that has directed us to use a particular broker or dealer may be placed at the end of batched trading activity for a particular security. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a client to use a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Quotient Investors could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution.

Broker-dealers are selected based on several factors including the broker-dealer's size, reputation, financial stability, level of experience relevant to securities being traded, research coverage, available bid-ask spreads, commission rates, size of the transaction, the desired timing of the trade, confidentiality, execution, clearance and settlement practices and ability or willingness to commit capital. Recognizing the value of these factors, Quotient Investors may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transactions.

Subject to the terms of the investment management agreement, Quotient Investors may pay brokerage commissions higher than those obtainable from other brokers specifically in return for research that it may receive or engage in any other soft dollar or commission rebate practices (see discussion below for further detail).

Aggregation of Orders

Where practicable, typically when investment strategies are identical or substantially similar, client orders are aggregated if 1) Quotient Investors believes that such aggregation is consistent with its duty to seek best execution (which shall include best price) for its clients, 2) no account will be systematically favored over any other account, and 3) each account that participates does so at the average price acquired for all transactions of Quotient Investors on that business day. Aggregated orders that are partially filled will be allocated on a fair and equitable basis, generally pro rata based on a pre-trade Allocation Statement. With respect to aggregated orders for U.S. equity securities, because of the large number of shares involved, Quotient Investors may employ a competitive bidding process it refers to as "principal bidding."

Soft Dollar or Commission Rebate Relationships

Quotient Investors may engage in soft dollar relationships or commission rebate practices subject to the terms of the investment management agreement, subject to the approval of the client for whom the soft dollars are generated, and subject to applicable rules and regulations that guide soft dollars. Currently, Quotient Investors has one formal soft dollar arrangement through which it is able to generate soft dollars credits through any broker-dealer with whom it executes trades, with the exception of minority-owned broker-dealers. Through this soft dollar arrangement, Quotient Investors receives access to systems that provide market data, earnings estimates information and analysis, index information, portfolio analytics and risk metrics, and equity research. Additionally, soft dollars commissions are used to pay for Quotient Investors' exchange fees. Pursuant to this arrangement, clients pay higher commissions than would be the case if no soft dollar arrangement existed. Quotient Investors may also receive proprietary research from its executing brokers-dealers which may be received in the form of published reports and analyses of issuers, industries, market trends and related technical information, computer based products, on-line data links, as well as access to analysts on the telephone and at research conferences and seminars. These services are typically provided by broker-dealers to promote business relationships within the normal course of business conduct. In obtaining research or other products and services with soft dollars, Quotient Investors receives a benefit because Quotient Investors does not have to produce or pay for the research, products or services. As a result of these arrangements, Quotient Investors may have an incentive to select or recommend a broker-dealer based on our interest in receiving research and other products or services rather than our clients' interest in receiving most favorable execution. Research information or services furnished by broker-dealers may be used in servicing any or all of the clients of Quotient Investors.

Client Referrals from Brokers

Quotient Investors does not currently consider the receipt of client referrals from a broker-dealer, when selecting or recommending broker-dealers to clients. Quotient Investors, however, currently has a third-party marketing arrangement with a broker-dealer with whom it executes trades on behalf of clients. Although this relationship may create an incentive for Quotient Investors to select or recommend this broker-dealer for reasons other than receiving most favorable execution, it is Quotient Investors' practice not to allow such relationships to compromise Quotient Investors' best execution policies.

Item 13 – Review of Accounts

Portfolio Managers review portfolios on an ongoing basis and hold informal meetings periodically to discuss various factors including market and economic conditions, portfolio characteristics, investment objectives, portfolio transactions and performance. Factors that trigger reviews include release of economic data, interest rate movements, announcements that are industry or company specific, tender offers, price movements, liquidity, alpha and risk model robustness and the overall objectives and guidelines of the portfolios.

With respect to equity accounts, daily trigger factors include stock positions that have moved more than 10% relative to the benchmark at any point in time during the day. Regular reviews by the Portfolio Manager and Chief Compliance Officer are performed of all client portfolios through a quantitative risk management system. Annual tracking error that is 1.5 times the targeted level in the client guidelines is a trigger for more in depth review.

The Chief Compliance Officer reviews trading in all client accounts on a quarterly basis to ensure that trades are in compliance with stated investment guidelines. On a quarterly basis the Chief Investment Officer and the Head of Portfolio Management and Trading perform quarterly reviews of holdings in all accounts at a formal Investment Committee meeting.

Business backgrounds of the Chief Investment Officer and the Head of Portfolio Management and Trading are disclosed in Form ADV Part 2B and are available upon request.

Generally, monthly and quarterly reports reflecting portfolio return, risk, attribution, and market commentary are sent directly to clients by Quotient Investors. Additional reports concerning other information may also be furnished to a client as requested.

Item 14 – Client Referrals and Other Compensation

Quotient Investors may enter into third-party marketing agreements with persons or businesses for the purpose of raising capital for its large cap and small cap products. Currently, Quotient Investors has one third-party marketing arrangement pursuant to which it pays the third party a percentage of the fees that Quotient receives from those clients introduced by the third party. Third party marketers hired by Quotient Investors are subject to all relevant terms and conditions in the “Use of Solicitors” section of the Quotient Investors’ Compliance Manual which is available upon request. Third party marketers are required to provide all necessary disclosures and documentation when meeting with prospective clients on behalf of Quotient Investors.

Item 15 – Custody

Quotient Investors does not maintain custody of its client’s funds or securities. Clients, however, should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains their investment assets. Quotient Investors urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Quotient Investors usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought and sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Quotient Investors observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Quotient Investors in writing.

Item 17 – Voting Client Securities

Under the Advisers Act, Quotient Investors is a fiduciary that owes each client duties of care and loyalty with respect to all services undertaken on each such client’s behalf, including proxy voting. The duty of

care requires Quotient Investors to monitor corporate events and to vote proxies. To satisfy its duty of loyalty, Quotient Investors must vote in a manner consistent with the best interest of the clients affected and must not subrogate client interests to its own.

Because of the Quotient Investors' quantitative investment strategy with respect to equity securities, generally the issues voted on by proxy have little effect on the decision to buy, sell or hold the security. As a result, the firm's policy is to vote, or have its service provider vote, in favor of management proposals. Some clients will retain the right to vote proxies. A client's decision to vote proxies will be stated in the investment management agreement.

Clients may obtain a copy of Quotient Investors' complete proxy voting policies and procedures upon request. Clients may also obtain information from Quotient Investors about how Quotient Investors voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Quotient Investors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Quotient Investors was formed and funded under the California Public Employees Retirement System Manager Development Program II, which contractually provides both working capital and product funding. Quotient Investors' financial condition is impacted by its existing relationship with the California Public Employees Retirement System (CalPERS) and its adviser Strategic Investment Group (SIG).

Item 19 – Requirements for State-Registered Advisers

Quotient Investors is an SEC Registered Investment Advisor and is not currently subject to the requirements of State-Registered Advisers.