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January 7, 2013

QuantCore Capital Management, LLC

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This brochure serves as a replacement to Part II of Form ADV Uniform Application for Investment Adviser Registration, which gives information about an investment adviser and its business for the use of Limited Partners and prospective Limited Partners. This information has not been approved or verified by any governmental authority. Registration of an investment adviser does not imply that the adviser possesses a certain level of skill or training.

Additional information about QuantCore Capital Management, LLC, is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

QuantCore Capital Management, LLC (QCM) is a newly registered investment adviser with the Securities Exchange Commission (SEC). Therefore this Brochure is a new document and there are no material changes to be reported. In the future, this Item will discuss only specific material changes that are made to the Brochure. Each time we will reference the date of our last annual update of the Brochure.

Pursuant to new SEC Rules, clients will receive a summary of any materials changes to the Brochure, and any subsequent versions of the Brochure within 120 days of the close of our fiscal year, which is December 31. We may further provide other ongoing disclosure information about material changes as necessary. We will provide you with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Currently, you may request the Brochure by contacting Mr. Martin Lockstrom at +49(0) 6074-29812 or martin.lockstrom@quantcorecapital.com.

QuantCore Capital Management, LLC

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Item 4 – Advisory Business

QuantCore Capital Management, LLC (the “Investment Advisor”) is an investment advisory firm registered with the Securities and Exchange Commission. The firm commenced operations on October 25, 2012. The owner and control person of QuantCore Capital Management, LLC, is Martin Lockstrom. The principal office of QuantCore Capital Management, LLC, is located at Fasanenweg 25, Dietzenbach, Germany 63128. Regular business hours are from 9am to 5pm, Monday through Friday.

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As the manager and controlling person of Investment Advisor, Mr. Lockstrom controls all of the Investment Advisor’s operations and activities. This Brochure provides information regarding the Investment Advisor and the qualifications, business practices, and nature of advisory services that should be considered.

Please contact Martin Lockstrom, Chief Compliance Officer, if you have any questions about this Brochure. Additional information about the Investment Advisor is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for QuantCore Capital Management, LLC is 166321. Individuals associated with the Investment Advisor will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of the Client.

As the manager and controlling person of the Investment Advisor, Mr. Lockstrom controls all of the advisory business’ operations and activities. This Brochure provides information regarding the Investment Advisor and the qualifications, business practices, and nature of advisory services that should be considered.

Description of Advisory Business

QCM provides investment advisory services on a discretionary basis to individuals through separately managed accounts. Its portfolio strategies include investments in global securities markets. QCM’s investment advice is currently limited to these types of investments. QCM provides a customized and individualized investment program for clients by applying the investment strategy and philosophy as described below and in Item 8 of this Disclosure Brochure.

QCM is granted the discretion and authority to manage the account. Accordingly, QCM is authorized to perform various functions, at the client’s expense, without further approval from a client. Such functions include the determination of the securities and the amount of securities to be purchased or sold. Once the portfolio is constructed, QCM provides continuous supervision and re-optimization of the portfolio as changes in market conditions and client circumstances may require. QCM reserves the right to advise clients on any other type of investment deemed appropriate based on the client’s stated goals and objectives. QCM may also provide advice on any type of investment held in a client’s portfolio at the inception of the advisory relationship or

on any investment for which the client requests advice. Clients are responsible for notifying QCM of any changes to their financial situation or investment objectives. A separate account is always maintained for each client with the broker-dealer/custodian and the client retains all rights of ownership to their accounts.

Item 5 – Fees and Compensation

Management Fee

In consideration for the provision of certain administrative services, the Investment Advisor shall receive a quarterly management fee (“Management Fee”) equal to $\frac{1}{4}^{\text{th}}$ of 2.0% of Investment Account Assets value. The Management Fee shall be payable quarterly in arrears and calculated and paid as of the last day of each calendar quarter. A pro rata Management Fee will be charged to client on any amounts permitted to be invested during any quarter. The Investment Advisor, in its sole discretion, may waive or reduce the Management Fee with respect to one or more clients for any period of time, or agree to apply a different Management Fee for that client.

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

Performance Allocation

In consideration for its services and with respect to the Interests of clients who are Qualified Clients, the Investment Advisor shall have reallocated by credit to its Capital Account, and by debit to each client's Capital Account, at the close of each Fiscal Year or such other period as the case may be, twenty percent (20%) of the portion of each client's share net income (including realized and unrealized gains and net of the Management Fee). The Performance Allocation shall be subject to a high water mark or Loss Carryforward provision.

Item 7 – Types of Clients

QCM provides investment advisory services on a discretionary basis to individuals through separately managed accounts. Its portfolio strategies may include investments in global securities markets. QCM's investment advice is currently limited to these types of investments. QCM provides a customized and individualized investment program for clients

QCM is not required to manage the company as its sole and exclusive function. QCM may engage in other business activities and is only required to devote such time to the company as it in good faith deems necessary to accomplish the purposes of QCM. Similarly, although Mr. Lockstrom expects to devote a significant amount of his time to the business of the Investment Advisor, he is only required to devote so much of his time to the Investment Advisor as he determines necessary in his sole discretion.

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

Method of Analysis and Investment Strategy

QuantCore was established in 2012 with the goal of generating returns to investors through long-term compound growth. The company is research-centric and utilizes financial mathematics, engineering and physical sciences to develop proprietary trading systems for global securities markets. QuantCore deploys systematic trading algorithms which takes long or short positions in international futures and equity markets (the currently single available algorithm only invests in the S&P500 e-mini future). Algorithms can be long- or short-term, as well as directional or mean-reversal. The company executes rigorously tested trading strategies that are designed to generate profits regardless of the prevalent market sentiment.

Investment Philosophy

The investment philosophy of QuantCore is based on what we believe are two misconceptions about securities markets:

Misconception #1: Markets are Efficient.

According to the proponents of the Efficient Market Hypothesis, stock prices reflect all available information about companies and investors can't beat the market indexes by stock picking. This is true in theory, however, reality tells a different story. First, investors are far from rational - history is replete with investors that have made huge fortunes, but also created disasters through their greed, anxiety and so forth. Secondly, even if all information could be accessed by all investors simultaneously, investment decisions would still not be homogenous as the information is *processed* differently by different investors due to different skills, knowledge, attitudes and mentality. Warren Buffet put it very elegantly once by saying that "If markets were efficient, I'd be a bum on the street."

Misconception #2: A buy-and-hold strategy will beat any other strategy in the long run.

Due to the efficient market hypothesis, proponents of it believe that any other investment strategy than buy-and-hold is futile since the index cannot be beaten anyway. However, when looking at the S&P500 index over the last twelve years, it becomes obvious that we are now exactly where we were right before the burst of the dot-com bubble. This is not acceptable. We believe that active investing combined with adequate information processing is far superior. For instance, we have demonstrated this through backtesting through the financial crisis 2008-2009 where a buy-and-hold-strategy resulted in a loss of \$20,000 whereas we managed to generate a profit of \$28,000 - a clear indicator that systematic algorithmic trading is feasible and rewarding.

Investment Strategy

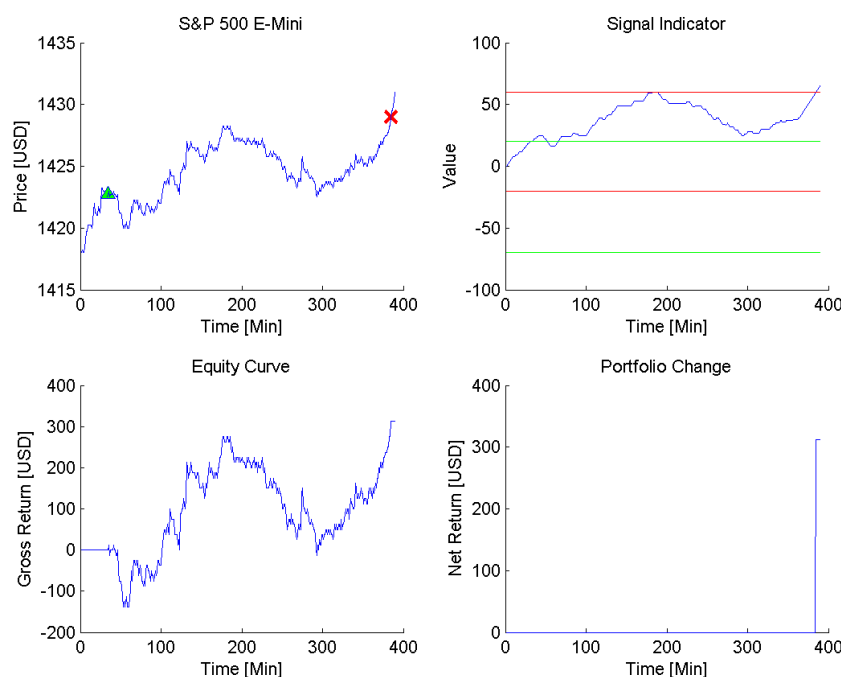
The current automated trading system, called *Quantum Leap I*, only invests in S&P500 e-mini futures. Leverage is appr. 15x as minimum capital investment is \$5,000 for each contract traded (currently priced at appr. \$1,400 and each contract has a leverage of 50x). It starts each trading session by gauging the prevalent trading sentiment and subsequently takes a long, short or no

position at all. It can take long, short or no positions any number of times during the trading session. If market sentiment is unclear, the system completely stays out of the market. Due to its aggressive investment style, it is recommended only for investors with a medium- to long-term investment horizon as performance may vary over time.

Trading System Description

Quantum Leap is a fully automated trading system. The current single trading algorithm only invests in S&P500 e-mini futures. Originally, leverage is 50x as this is the inherent leverage for the underlying instrument, but investors are required to invest \$5,000 for each futures contract traded, meaning that the effective net leverage is appr. 15x (priced at appr. \$1,400 at the time of writing). Each trading session starts by gauging the prevalent trading sentiment and subsequently takes a long, short or no position at all. It can take long, short or no positions any number of times during the trading session, but commonly 2-3 trades per day.

Furthermore, real-time pricing, equity, portfolio and signal indicator charts are generated once per minute throughout the trading session and available through a private account on a web server and therefore accessible through any Internet-enabled device, such as a stationary computer, laptop, smart phone etc. An example of such a compound chart is shown below.



The trading algorithm is located on a third-party virtual private web server with redundant power supply and UPS's as well as redundant Internet connections, and the system administrator can access the server via the Virtual Network Computing (VNC) protocol or Teamviewer, in other words allowing him/her to manually control the trading system when needed (only for maintenance or in case of emergency). The prime broker is Interactive Brokers and the trading system software is developed and operated using Matlab on a Windows Server 2008 platform.

Risk Management

About 70% of invested capital is held in cash as a capital cushion (\$5,000 investment

requirement for each futures contract being traded which is higher than the margin requirement set by Chicago Mercantile Exchange). Furthermore, stop losses are set to \$200 for every trade and the maximum loss per day is set to \$400, i.e. the system exits the market for the day when reaching that limit. The system doesn't hold any investments overnight and hence not exposed to out-of-trading-hours events.

The system follows a variant of Kelly betting (i.e. adjusts position sizes based on historical risk) in order to maximize geometric average returns and to eliminate the risk of ruin. One additional futures contract is added per block of \$3,000 generated in returns (reinvestment).

Furthermore, the system is back tested and parameters are optimized for a time period of three years (which have to include periods of up trends, down trends and consolidation). Algorithms also are subject to a minimum of three months of out-of-sample and forward testing before going live. Risk assessment is done on a daily basis and reported with KPIs as shown in the illustrative example below¹:

KPI	Model	Benchmark
=====	=====	=====
Initial #contracts: 1	1	
Current #contracts:	1	1
Capital invested: \$1350.00	\$1350.00	
Current equity:	\$2847.37	\$5403.00
Net return (+/-): \$1497.37	\$4053.00	
Net return (%):	110.92%	\$300.22%
Ann. return (%): 200.36%	671.97%	
Ann. volatility (%):	224.50%	1675.10%
Ann. Sharpe Ratio:	1.45	-1.88
Max drawdown:	68.88%	161.93%
Win-to-loss ratio: 0.95	N/A	
Beta:	0.01	1.0
Alpha:	110.92%	0.0%
R Squared:	0.12	1.0
VaR (5%, 1 Month):	103.03%	872.68%
Half-Kelly (1 Month):	-0.48	1.33
Current leverage: 0.50	0.50	

These reports, like the charts, are available through the web server, and accessible through any Internet-enabled stationary or mobile device, and are used to adjust the amount of capital allocated for trading.

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¹ The KPIs above are showing a case with full leverage, i.e. with no capital cushion. Hence, return as well as risk will be lower in the normal operating mode.

Item 9 – Disciplinary Information

Neither QuantCore Capital Management, LLC, nor its personnel has been involved in any legal or disciplinary events. No disciplinary events have been recorded by the any state or the SEC. No client has threatened QuantCore Capital Management, LLC, or its personnel with disciplinary activities

Item 10 - Conditions for Managing Accounts

The minimum initial investment that will be accepted from a new Client is five thousand dollars (\$5,000) for each contract traded; although QCM has the discretion to accept lesser amounts.

There is no minimum or maximum aggregate amount of funds that may be contributed by a Client. Clients are not required to make any additional capital contributions.

The minimum additional capital contribution that will be accepted from an existing Client is five thousand (\$5,000), unless the QCM agrees otherwise.

In order to become a Client, investors must meet certain minimum suitability requirements, including qualifying as an Accredited Investor and Qualified Client, unless otherwise determined by QCM. The Investment Management Agreement sets forth in detail the definition of Accredited Investor and Qualified Client. Investors must check the appropriate places in the Managed Account Agreement to represent to QCM that they are both a Qualified Client and an Accredited Investor in order to be able to become a Client of QCM. QCM may reject any person's request to become a Client of QCM for any reason.

Review of Accounts/Reports to Limited Partners

Each Client will receive the following: (a) annual financial statements, audited by an independent certified public accounting firm, (b) in the discretion of QCM, a periodic letter from QCM discussing the results of the Client's portfolio, (c) other reports as determined by QCM in its sole discretion. The Client shall bear all fees incurred in providing such financial statements and reports.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

QCM has adopted a Code of Ethics (“Code”) pursuant to Rule 204A-1 of the Investment Advisers Act and Rule 17j-1 of the Investment Company Act. QCM’s Code sets forth standards of ethical and business conduct expected of access persons and addresses conflicts that may arise from personal trading by QCM personnel to ensure that QCM’s fiduciary obligations to its clients are met as well as compliance with federal securities laws. The Code includes a personal trading policy and policies and procedures to detect and prevent insider trading. Additionally, the Code defines material, nonpublic information and the restrictions on trading on any such knowledge. The Code also includes policies and procedures on serving as officers, trustees and/or directors of outside organizations and participating in outside business activities. Additionally, the Code sets forth specific restrictions and limitations as to which employees may make political contributions, as well as preclearance requirements for certain political contributions.

All QCM personnel must acknowledge understanding and agree to comply with the Code initially upon employment and must certify on an annual basis that they have read and understand the code and have complied with it.

Clients or prospective clients may obtain a copy of our Code upon request.

Conflicts of Interest

Clients or investors should carefully consider the conflicts of interest described here and, as applicable, and in the Managed Account Agreement, as applicable.

Personal Trading – In providing investment management services, QCM and its personnel make investment decisions for separately managed accounts. QCM’s personnel may trade and invest for their own accounts in the same securities as those in which it invests on behalf of clients. To address the conflicts of interest posed by this type of trading, QCM maintains the Code, as described above. Specifically, the Code requires that QCM personnel obtain written pre-clearance for transactions that exceed a de minimis level. The Code also establishes minimum holding periods for such securities. Additionally, the Code requires access persons to submit transactions reports and initial and annual holding reports showing all transactions in which the person has, or by reason of such transaction acquires, any direct or indirect beneficial ownership in covered securities, with limited exceptions for securities such as shares of mutual funds not advised by QCM. This enables QCM to determine with reasonable assurance any indications of front-running or other appearance of a conflict of interest.

Item 12 – Brokerage Practices

Brokerage Practices

QCM's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, QCM recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities. In determining whether a particular broker-dealer is likely to provide best execution, QCM takes into account all factors that it deems relevant to the broker-dealer's execution capability.

Brokerage for Client Referrals

QCM does not maintain any such arrangements.

Client-Directed Brokerage Transactions

While QCM generally selects broker-dealers for separately managed client accounts, QCM will accept in limited instances direction from clients as to which broker-dealer is to be used. If the client directs the use of a particular broker-dealer, QCM asks that the client also specify in writing (i) general types of securities for which a designated firm should be used and (ii) whether the designated firm should be used for all transactions, even though QCM might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients, who, in whole or in part, direct QCM to use a particular broker-dealer to execute transactions for their accounts should be aware that, in so doing, such decision may adversely affect QCM's ability to, among other things, obtain volume discounts on aggregated orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities. Additionally, as noted above, transactions for a client that directs brokerage are generally unable to be aggregated for execution purposes with orders for the same securities for other accounts managed by QCM. 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 aggregated order. Under these circumstances, the direction by a client of 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 QCM could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, best price and execution may not be achieved.

Item 13 – Review of Accounts

QCM's client portfolios are reviewed by QCM's portfolio management team at least quarterly. This team is comprised of our co-Chief Investment Officers, Director of Research, and Traders. This group monitors and reviews portfolio activity, including stock rankings, buy/sell decisions, and over/underweight of positions relative to the model. Investment personnel may employ various computer programs in conducting periodic account reviews which include monitoring for account restrictions, consistency with investment objectives and strategy descriptions.

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Clients receive custodian statements at least quarterly. When requested, periodic written reports are furnished to advisory account clients and a portfolio manager will meet with such clients when requested or at such other times as may be mutually agreed to by QCM and the client. Such meetings may be conducted in person or telephonically.

Item 14 – Client Referrals and Other Compensation

QCM may have a referral arrangement with individuals who are compensated, directly or indirectly, in compliance with applicable law. Third parties will be compensated in accordance with Rule 206(4)-3 under the Investment Adviser's Act of 1940. This presents a potential conflict of interest since solicitors have an incentive to recommend QCM because they are being compensated by QCM. QCM currently does not have any such arrangements.

Item 15 – Custody

QCM is deemed to have custody of client funds and securities whenever it is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody that QCM will have over individual client accounts. Separately managed account clients receive statements directly from the qualified custodian. QCM urges clients to carefully review official custodial records.

Item 16 – Investment Discretion

Generally, QCM is retained with respect to its individual accounts on a discretionary basis and is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for client accounts are affected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investments for separately managed client accounts are managed in accordance with each client's stated investment objectives, strategies restrictions and guidelines.

Item 17 – Voting Client Securities

The Investment Advisor will not vote proxies on behalf of client accounts. However, on rare occasions and only at the client's request, the Investment Advisor may offer clients advice regarding corporate actions and the exercise of proxy voting rights.

Item 18 – Financial Information

Neither QunatCore Capital Management, LLC nor Mr. Lockstrom have ever been the subject of a bankruptcy petition and is not the subject of a bankruptcy petition at the current time.

