

Item 1 - Cover Page

December 19, 2012

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 prospective Clients. 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 QCM will reference the date of its 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 the QCM fiscal year, which is December 31. QCM may further provide other ongoing disclosure information about material changes as necessary. QCM will provide Clients with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Currently, anyone may request the Brochure by contacting Dr. Martin Lockström at +49(0) 6074-29812 or martin.Lockström@quantcorecapital.com.

QuantCore Capital Management, LLC

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Item 4 – Advisory Business

QuantCore Capital Management, LLC (the “**Investment Adviser**” or “**QCM**”) is an investment advisory firm registered with the Securities and Exchange Commission (the “**SEC**”). QCM offers advisory services to high net worth clients through managed accounts in exchange for a management fee and a performance fee, described below. QCM was organized on October 25, 2012 as a Delaware limited liability corporation. The sole owner and control person of QCM is Dr. Martin Lockström.

The principal office of QCM is located at Fasanenweg 25, Dietzenbach, Germany 63128. Regular business hours are from 9am to 5pm, Monday through Friday. Clients may call QCM any time during normal business hours to discuss their accounts, financial situation or individual needs.

As the manager and controlling person of QCM, Dr. Lockström controls all of QCM’s business operations and activities. This Brochure provides information regarding QCM and its qualifications, business practices, and the nature of advisory services that should be considered.

Please contact Martin Lockström, Chief Compliance Officer, if you have any questions about this Brochure. Additional information about QCM 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 QCM is 166321.

Dr. Lockström, the sole individual associated with QCM will provide its investment advisory services. He is appropriately licensed, qualified, and authorized to provide advisory services on behalf of QCM to its Clients.

Dr. Martin Lockström was born in 1979 in Sweden and has lived in three countries -- Sweden, Germany, and China. After finishing his MSc degree in Industrial Engineering and Management at Chalmers University of Technology, Sweden, he completed his PhD in Operations Management with summa cum laude distinction at European Business School at European Business School in Wiesbaden, Germany. After that, he spent six years teaching and doing research at Tongji University and China Europe International Business School in Shanghai, China. Currently, Dr. Lockstrom is employed as Principal Consultant at the Frankfurt office of Indian IT consultancy Infosys. Dr. Lockstrom has more than ten years of non-professional investment experience, and has in recent years developed a highly profitable algorithmic trading system.

Description of Advisory Business

QCM manages accounts for high-net worth Clients (the "**Investment Management Services**") that represent they (1) have speculative capital for the principle purpose of investing and (2) are fully cognizant of the possible high risks associated with such investments. QCM's investment program (described below and in Item 8 of this Brochure) focuses on the global securities markets.

Investment account assets shall consist of (i) all such cash and investments of the Client as the Client may place under the supervision of QCM from time to time, plus (ii) all investments, reinvestments and proceeds of the sale thereof, including, without limitation, all dividends and interest on investments, and all appreciation thereof and additions thereto, less depreciation thereof and withdrawals therefrom (the "**Investment Account Assets**"). A separate managed account (the "**Managed Account**") is maintained for each Client's Investment Account Assets with the Custodian and the Client retains all rights of ownership to their Managed Accounts.

In its full and absolute discretion and without any obligation on its part to give prior notice to the Client, QCM shall have sole, complete and full power and authority to invest and reinvest all of the Investment Account Assets in such securities as QCM in its sole and absolute discretion shall consider to be in the best interest of the Client.

In connection therewith, QCM shall have sole, complete and full power and authority to: (i) issue orders for the Managed Account to a broker or dealer; (ii) instruct the Custodian to exercise or abstain from exercising any option, privilege or right held in the Managed Account; (iii) monitor the correct collection of income on the Managed Account by the Custodian; and (iv) take any other action with respect to securities or other property in the Managed Account as needed to serve the best interest of the Client. QCM shall further be free to make investment changes regardless of the resulting rate of portfolio turnover, when it, in its sole discretion, shall determine that such changes will promote the investment objective of the Managed Account.

QCM reserves the right to advise Clients with respect to 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 Investment Account Assets at the inception of the advisory relationship or with respect to any investment for which the Client requests advice.

QCM does not guarantee any specific level of performance, the success of any investment decision or strategy that QCM may use, or the success of QCM's overall management of the Client. The Client understands that investment decisions made for the Client by QCM are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.

There is no guarantee that the advisory services offered would result in the Client's goals and objectives being met. There is no guarantee of profit or protection from loss. The fees and expenses in connection with these advisory services may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that any particular advisory services, investment strategy or fee arrangement will provide better returns than other investment strategies.

Clients are responsible for notifying QCM of any changes to their financial situation or investment objectives.

Item 5 – Fees and Compensation

Management Fee

Clients pay QCM a management fee (the “**Management Fee**”) based on a percentage of the fair market value of the Investment Account Assets. The Investment Account Assets shall be valued by the Custodian. All values assigned to securities in good faith by the Custodian are final and conclusive.

The Management Fee shall be equal to $\frac{1}{4}^{\text{th}}$ of 2.0% of the Investment Account Assets value, calculated and paid quarterly in arrears (March 31, June 30, September 30 and December 31). A pro rata Management Fee is charged to a Client with respect to any amounts permitted to be invested during any calendar quarter. The Management Fee is assessed pro rata in the event the Investment Management Agreement is executed at any time other than the first day of a calendar quarter and with respect to any amounts permitted to be invested at any time other than the first day of a calendar quarter.

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

Performance Fee

In consideration for the provision of Investment Management Services, Clients pay QCM an annual performance fee (the "**Performance Fee**") equal to twenty percent (20%) of the net increase (net of the Management Fee) of the Investment Account Assets fair market value. The Investment Account Assets shall be valued by the Custodian. All values assigned to securities in good faith by the Custodian are final and conclusive.

The Performance Fee is payable annual in arrears and calculated and paid as of the last day of each calendar year (e.g., December 31). The Performance Fee is subject to a high water mark and Loss Carry Forward provision. A pro rata Performance Fee is charged to a Client with respect to any amounts permitted to be invested during any calendar year. The Performance Fee is assessed pro rata in the event the Investment Management Agreement is executed at any time other than the first day of a calendar year and with respect to any amounts permitted to be invested at any time other than the first day of a calendar year.

Item 7 – Types of Clients

QCM provides Investment Management Services on a fully discretionary basis to high-net worth Clients through separately managed accounts. QCM manages accounts for Clients that represent they (1) have speculative capital for the principle purpose of investing and (2) are fully cognizant of the possible high risks associated with such investments.

In order to become a Client, prospective Clients must represent and warrant to QCM that: (i) it has full capacity and authority to enter into the Agreement and to perform its obligations thereunder; (ii) it has all governmental and regulatory licenses, registrations and approvals required by law as may be necessary perform its obligations under the Agreement; (iii) it will not, by entering into the Agreement and performing its obligations hereunder, breach or cause to be breached any undertaking agreement, contract, statute, rule or regulation of any court or any governmental body or administrative agency or self-regulating authority having jurisdiction over it; and (iv) should it be acting on behalf of third-party investors, it has determined the extent of any information regarding QCM that is required to be provided to such third-party investors and takes sole responsibility therefore.

Clients must meet certain minimum suitability requirements, including qualifying as an Accredited Investor and Qualified Client, unless otherwise determined by QCM.

All Clients must sign QCM's Investment Management Agreement. Prospective Clients must respond to all questions listed in the Investment Management Agreement 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.

Although Dr. Lockström expects to devote a significant amount of his time to the business of the QCM, he is only required to devote so much of his time to QCM 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

QCM was established in 2012 with the goal of generating returns to Clients through long-term, compound growth. QCM is research-centric and utilizes financial mathematics, engineering and physical sciences to develop proprietary trading systems focused on the international futures and equity markets. QCM employs systematic trading algorithms that take long or short positions in international futures and equity markets. Algorithms can be long- or short-term, as well as directional or mean-reversal. QCM executes rigorously tested trading strategies that are designed to generate profits regardless of the prevalent market sentiment. Presently, QCM has one algorithm that invests only in the S&P500 e-mini future.

Investment Philosophy

The investment philosophy of QCM is based on what its founder, Dr. Lockström, believes are two misconceptions about the 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 once put it very elegantly by saying that: "If markets were efficient, I'd be a bum on the street."

Misconception #2: Buy-and-Hold Strategy Beats all Other Strategies in the Long Run

Proponents of the Efficient Market Hypothesis believe that any investment strategy other than "buy-and-hold" is futile. The Efficient Market Hypothesis assumes that the S&P500 Index cannot be beaten. However, when looking at the S&P500 Index over the last twelve years, it becomes obvious that the markets currently are where they were at just before the burst of the "dot-com bubble".

QCM does not find the Efficient Market Hypothesis acceptable. QCM believes that active investing combined with adequate information processing is far superior than the "buy-and-hold" approach to investment. For instance, QCM demonstrated this premise through back testing through the financial crisis 2008-2009. Such back testing

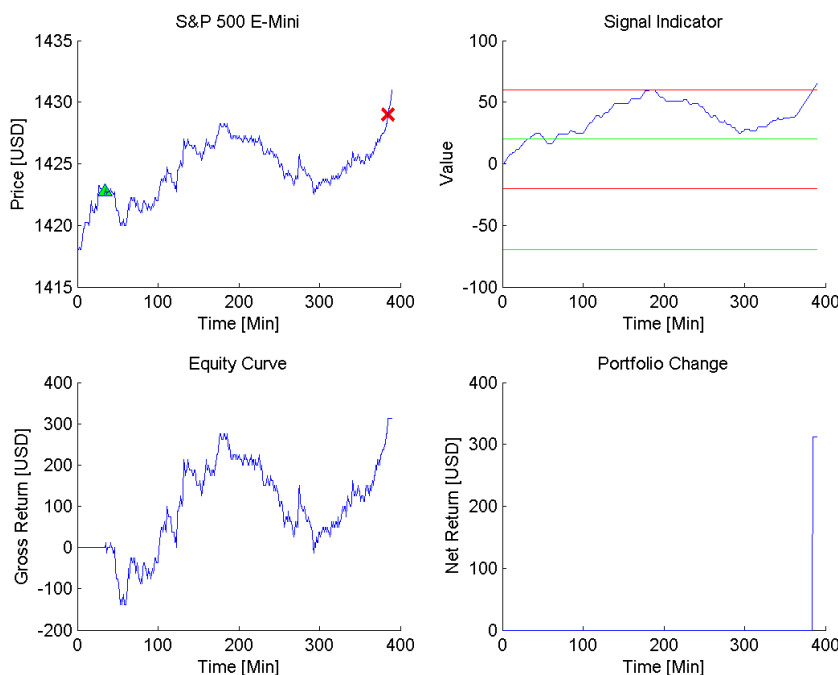
indicated that the “buy-and-hold” approach resulted in a loss of \$20,000 whereas ACM through active investing generated trading profit of \$28,000 thus indicating that systematic algorithmic trading is feasible and rewarding.

Trading System Description

The current automated trading system, called “Quantum Leap I” invests only in S&P500 e-mini futures. Leverage is approximately 15X per minimum capital investment of \$5,000 for each contract traded, currently priced at approximately \$1,400 and each contract has leverage of 50X. Due to its aggressive investment style, Quantum Leap I is recommended only for investors with a medium-to long-term investment horizon as performance may vary over time.

Quantum Leap I starts each trading session by gauging the prevalent trading sentiment and subsequently indicates either a long, short or no position approach. Quantum Leap I can take long, short or no position approach at any number of times during a trading session but commonly 2-3 trades per day are engaged in. If market sentiment is unclear, Quantum Leap I completely stays out of the market.

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.



QCM's trading algorithm is located on a third-party virtual private web server with redundant power supply as well as redundant Internet connections. QCM can access the server via the Virtual Network Computing (VNC) protocol or Teamviewer. This allows QCM to manually control the trading system when needed (i.e., only for maintenance or in case of emergency). The trading system software is 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 contract is added per block of \$3,000 generated in returns (i.e., 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:

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.

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
<p>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.</p>		

Item 9 – Disciplinary Information

Neither QCM nor Dr. Lockström has been involved in any legal or disciplinary events. No disciplinary events have been recorded by the any state or the SEC. QCM does not have any current Clients. No prospective Client has threatened QCM or Dr. Lockström with disciplinary activities

Item 10 - Conditions for Managing Accounts

Investment Account Assets shall consist of (i) all such cash and investments of the Client as the Client may place under the supervision of QCM from time to time, plus (ii) all investments, reinvestments and proceeds of the sale thereof, including, without limitation, all dividends and interest on investments, and all appreciation thereof and additions thereto, less depreciation thereof and withdrawals therefrom.

The minimum account size that shall be accepted by QCM is five thousand U.S. dollars (USD \$5,000) and the Client may add to or withdraw funds from its investment account (the "**Investment Account**") in increments of five thousand U.S. dollars (USD \$5,000) at any time as long as the Investment Account Assets remain equal to or in excess of such amount.

In order to become a Client, prospective Clients must represent and warrant to QCM that: (i) it has full capacity and authority to enter into the Agreement and to perform its obligations thereunder; (ii) it has all governmental and regulatory licenses, registrations and approvals required by law as may be necessary perform its obligations under the Agreement; (iii) it will not, by entering into the Agreement and performing its obligations hereunder, breach or cause to be breached any undertaking agreement, contract, statute, rule or regulation of any court or any governmental body or administrative agency or self-regulating authority having jurisdiction over it; and (iv) should it be acting on behalf of third-party investors, it has determined the extent of any information regarding QCM that is required to be provided to such third-party investors and takes sole responsibility therefore.

Clients must meet certain minimum suitability requirements, including qualifying as an Accredited Investor and Qualified Client, unless otherwise determined by QCM. Investors must respond to all questions listed in the Agreement 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.

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

QCM has adopted a Code of Ethics (the “**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 the Code upon request.

Conflicts of Interest

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

Other Investment Accounts

The Client understands that QCM or Lockström may take actions for their own accounts that differ from advice given to or action taken for the Client. QCM is not obligated to buy, sell or recommend for the Client any security or other investment that QCM or Dr. Lockström may buy, sell or recommend for their own accounts. The Agreement does not limit or restrict in any way QCM or Dr. Lockström from buying, selling or trading in any securities or other investments for their own accounts.

Conflicts of interest may arise in the allocation of investment opportunities among accounts that QCM advises. QCM will seek to allocate investment opportunities believed appropriate for the Client’s account and other accounts advised by QCM among such accounts equitably and in a manner consistent with the best interests of all accounts involved. But, there can be no assurance that a particular investment opportunity that comes to the attention of QCM will be allocated in any particular manner.

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.

Client-Directed Brokerage Transactions

While QCM generally requires clients to use Interactive Brokers, LLC as the custodian and broker for Managed 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

Review of Accounts

On a continuous basis, QCM monitors and reviews portfolio activity in the Managed Accounts. Dr. Lockström 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 monthly accounts statements directly from the Custodian. QCM urges clients to carefully review official custodial records.

Dr. Lockström will meet with Clients upon request. Clients agree to a minimum of two (2) meetings yearly with Dr. Lockström to review and discuss the Investment Management Services provided under the Agreement. Such meetings shall be scheduled to take place in person at a mutually convenient time and location and if both Dr. Lockström and the Client agree, such meeting may be conducted by telephone.

Client understands and agrees that the Investment Management Services are a diversification opportunity for the Client's investment portfolio, not a complete investment program. There can be no assurance that QCM will achieve the Client's investment objectives or avoid substantial losses. The Client should not engage QCM with the expectation of sheltering income. Clients are urged to consult with their business, tax and legal advisers before engaging QCM.

Item 14 – Client Referrals and Other Compensation

Brokerage for Client Referrals

Presently, QCM does not have any such referral arrangements. Should QCM ever direct some Client brokerage business to brokers who refer prospective investors to QCM, third parties will be compensated in accordance with Rule 206(4)-3 under the Investment Adviser's Act of 1940. Because such referrals, if any, are likely to benefit QCM but will provide an insignificant (if any) benefit to the Client, QCM will have a conflict of interest with the Client when allocating Client brokerage business to a broker who has referred investors to QCM. To prevent Client brokerage commissions from being used to pay investor referral fees, QCM will not allocate Client brokerage business to a referring broker unless QCM determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the Client.

Item 15 – Custody

Custody of the Client's assets will be maintained at Interactive Brokers, LLC. The Client agrees to inform QCM immediately if it is dissatisfied with QCM's decisions or actions, or if it dissatisfied with Interactive Brokers, LLC's handling of the Investment Account. The Client will be solely responsible for paying all fees or charges of the Custodian. The Client authorizes QCM to give the Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Client. The Client shall pay all fees and expenses of the Custodian. All transactions will be consummated by payment to or delivery by, the Custodian, of all cash or securities due to or from the Investment Account.

QCM shall at no time have custody or physical control of any of the Investment Account Assets and it is the responsibility of the Client to reach an agreement with the Custodian. QCM shall instruct all brokers or dealers executing orders on behalf of the Investment Account to forward to the Custodian and the Client copies of all brokerage confirmations promptly after execution of transactions. QCM shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the Custodian.

The term "Custodian" for purposes of this Agreement shall mean Interactive Brokers, LLC, or subject to the approval of QCM, another financial institution designated by the Client in **Exhibit A** of the Agreement (the "**Custodian**"). The Custodian shall maintain assets of the Client in an account suitable for investing as determined by the Custodian (the "**Investment Account**") and as agreed to by QCM in its sole and absolute discretion.

The Client shall cause the Custodian to accept instructions from QCM to execute transactions for the Investment Account and to provide QCM daily and monthly reports concerning the status of the Investment Account and such other information relating to the Investment Account or the Investment Account Assets as QCM may from time to time request.

QCM is deemed to have a form of 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.

Item 16 – Investment Discretion

In its full and absolute discretion and without any obligation on its part to give prior notice to the Client, QCM shall have sole, complete and full power and authority to invest and reinvest all of the Investment Account Assets in such securities as QCM in its sole and absolute discretion shall consider to be in the best interest of the Client.

In connection therewith, QCM shall have sole, complete and full power and authority to: (i) issue orders for the Managed Account to a broker or dealer; (ii) instruct the Custodian to exercise or abstain from exercising any option, privilege or right held in the Managed Account; (iii) monitor the correct collection of income on the Managed Account by the Custodian; and (iv) take any other action with respect to securities or other property in the Managed Account as needed to serve the best interest of the Client. QCM shall further be free to make investment changes regardless of the resulting rate of portfolio turnover, when it, in its sole discretion, shall determine that such changes will promote the investment objective of the Managed Account.

Item 17 – Voting Client Securities

The Client agrees that QCM shall not have the authority or the responsibility to vote proxies on the Client's behalf for securities held in the Client's account. QCM is authorized and directed to instruct the Custodian to forward promptly to the Client copies of all proxies and shareholder communications relating to securities held in the Client's account (other than materials relating to legal proceedings). The Client agrees that the QCM will not be responsible or liable for any proxies where it or the Custodian has not received such proxies or related shareholder communications on a timely basis. QCM shall not be required to advise the Client or act for the Client in any legal proceedings, including bankruptcies or class actions, involving securities held in the Client's account.

Item 18 – Financial Information

Neither QCM nor Dr. Lockström have ever been the subject of a bankruptcy petition and currently neither is the subject of a bankruptcy petition.