

# **DISCLOSURE BROCHURE**

## **FORM ADV PART 2A**

### **5TQ CAPITAL, LLC**

**595 COOMBS STREET**

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**[www.5TWealth.com](http://www.5TWealth.com)**

**March 1, 2017**

This brochure provides information about the qualifications and business practices of 5TQ Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (707) 224-1340. The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about 5TQ Capital, LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Table of Contents

Material Changes.....	4
Advisory Business.....	4
Asset Management Services.....	4
Financial Planning & Wealth Management.....	4
Family Office Services.....	5
Financial Planning, Wealth Management Consulting & Family Office Services.....	5
Private Pooled Vehicle Investments.....	6
Wrap Fee Programs.....	6
Amounts of Assets Managed.....	6
Investment Management and Family Office Fees & Compensation.....	6
Asset Allocation, Portfolio Construction & Monitoring Services.....	6
Family Office Fees & Compensation.....	7
Invoicing Fees & Compensation.....	7
Brokerage, Custodial and Other Fees & Expenses.....	8
Additional Fees for Financial Planning & Consulting Services.....	9
5TQ Fund Management Services.....	9
Pooled Vehicle Investment Fees for 5TQ Funds Management Services.....	10
Third Party Money Managers.....	12
Termination of the Advisory Relationship.....	12
Advisory Fees in General.....	12
Limited Prepayment of Fees.....	12
Performance-Based Fees & Side-By-Side Management.....	12
Types of Clients.....	13
Selection & Monitoring of Third Party Sub-Funds/Advisors.....	13
Methods of Analysis, Investment Strategies & Risk of Loss.....	14
Investment Management Philosophy and Core Beliefs.....	14
True Diversification.....	15
Disciplined Process.....	15
Disciplinary Information.....	17
Other Financial Industry Activities & Affiliations.....	17
Private Fund & General Partner Affiliations.....	17
Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	17
Code of Ethics.....	17
Participation or Interest in Client Transactions.....	18
Personal Trading.....	18
Brokerage Practices.....	19
Research & Other Soft Dollar Benefits.....	19
Brokerage for Client Referrals.....	19
Directed Brokerage.....	19
Review of Accounts.....	21
Client Referrals & Other Compensation.....	21
Custody.....	21
Investment Discretion.....	22
Voting Client Securities.....	23

Financial Information.....	23
Education & Business Background.....	25
Paul J. Krsek: Education & Business Background.....	25
Jeffrey A. Roush: Education & Business Background.....	26
Govinda R. Quish: Education & Business Background.....	28

## Material Changes

We have made changes to our disclosures since the posting of our Disclosure Brochure (Form ADV Part 2A) as of August 8, 2016.

This brochure provides prospective clients with information about 5TQ Capital, LLC ("5TQ") that should be considered before or at the time of obtaining advisory services from 5TQ. Please be advised that 5TQ will not assign its duties to you or any other party without your consent.

You need to review this information and acknowledge receipt of this brochure where indicated.

Please retain a copy of this brochure for your future reference.

## Advisory Business

5TQ Capital, LLC ("5TQ") is a Limited Liability Corporation wholly owned by Paul Krsek, Meghan Krsek, Jeff Roush, Govinda Quish and Hien Scozzafava and is registered with the Securities and Exchange Commission (SEC). 5TQ owns no subsidiaries and has been in business since 1998.

### *Asset Management Services:*

The majority of our clients utilize our asset management services. The assets of these discretionary clients will be placed into one or more of our investment strategies, each of which is listed in the "Advisory Fees and Compensation" section. Each strategy is centered on a portfolio management style utilizing fundamental research and quantitative and technical analysis.

### *Financial Planning & Wealth Management:*

5TQ provides a broad range of services from actively managing client's financial assets to assisting them in achieving their long term goals and objectives related to total wealth management, including tax, legal, trusts and estate planning solutions. While 5TQ does not provide tax or legal advice, we collaborate with your other advisors including lawyers, accountants and banking institutions to provide total wealth management solutions.

We serve clients throughout the United States including individual investors, family trusts, charitable trusts, retirement plans and endowments. Among our clients there is significant diversity in age, location and life style. However, the overwhelming majority of our clients are owners of their own businesses or retired from running their own business.

### ***Family Office Services:***

In addition to wealth management services and our private vehicle investment offering, 5TQ offers Family Office Services to clients in need of an all-encompassing service approach towards the management of their finances.

### ***Financial Planning, Wealth Management Consulting and Family Office Services:***

5TQ provides Wealth Management in following areas:

**PERSONAL:** Family records, budgeting, personal liability and indebtedness, cash flow and savings, investments, estate information and financial goals.

**TAX & CASH FLOW:** Income tax and spending analysis and planning for past, current and future years. 5TQ may illustrate the impact of various investments on your current income tax and future tax liability. We always ask clients to involve their own tax professionals in this area of planning.

**DEATH & DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis. We outsource all services related to insurance needs to one of several trusted professionals well known to 5TQ.

**RETIREMENT:** Analysis of current strategies and investment plans to help you achieve your retirement goals. 5TQ also provides fiduciary services to trustees of qualified retirement plans, including assisting in selection of appropriate Third Party Administrators.

**INVESTMENTS:** Analysis of investment alternatives and their effect on your portfolio.

**REAL ESTATE:** Assistance to clients in valuation, negotiation and retention of and consulting with other professional advisors.

**ESTATE PLANNING:** Focusing on the fundamentals of wealth planning and the many complex issues raised by significant wealth, 5TQ has developed capabilities to address issues of asset preservation, liquidity, risk management, charitable and philanthropic pursuits, retirement and education funding, as well as wealth transfer and estate planning. We will work side-by-side with your personal advisors, including your attorney and accountant, to develop an integrated estate plan tailored to your personal circumstances.

**PRIVATE FOUNDATIONS:** 5TQ works with third-party consultants and professional advisors to offer an integrated platform of administration, recordkeeping, compliance, and investment management services to private and family foundations. Such activities may include, but will not be limited to, the establishment of plan documents, grant processing, compliance and financial reporting, investment performance measurement, oversight of accounting, tax filings, and review

of conflict-of-interest issues and policies. In addition, 5TQ's main role will be that of providing investment management services to these private foundations.

***Private Pooled Vehicle Investments:***

5TQ is also the General Partner and responsible for investment management of 5T Wealth Partners, LP ("5T WP"), and 5TQ Fixed Income Plus and 5TQ Equity Plus, all private Fund of Funds (On-shore Limited Partnerships and Off-shore Ltd.'s)(referred to as "Funds"). 5TQ seeks to provide the Funds with consistent growth through long-term investment returns by allocating the assets among a select group of external portfolio managers that invest through investment funds or managed accounts.

***Wrap Fee Programs:***

5TQ does not sponsor or participate in any wrap fee programs.

***Amount of Assets Managed:***

As of November 30, 2016 5TQ had \$163,242,238.00 of discretionary assets and no non-discretionary assets under management.

As of November 30, 2016 5TQ provides family office services for certain clients who collectively have \$262,445,415.77 of family assets.

**Investment Management and Family Office Fees and Compensation**

***Asset Allocation, Portfolio Construction and Monitoring Services:***

Please note the investment management fees charged by 5TQ Capital, LLC are for asset allocation, portfolio construction, and ongoing monitoring services. Our fees are completely separate from the fees charged by selected money managers, mutual funds, and pooled investment vehicles utilized in the portfolio management implementation. In other words, fees charged by 5TQ are over and above fees charged by others. Prior to investment in any of the 5TQ Capital, LLC pooled investment vehicles, (various Funds organized as Partnerships), clients will receive a Private Placement Memorandum outlining all fees and compensation arrangements, investment styles, potential risks and associated custodial, brokerage and other fees and expenses. Clients pay the same fees whether invested in pooled vehicle investment Funds managed by 5TQ, or invested in other 5TQ portfolio models or strategies (which are calculated based upon the client's assets under management and range from 1% to 1.25%).

Annual investment management fees for 5TQ's various portfolio strategies are as follows, and at the decision of 5TQ's CEO may be negotiated:

<b>Model</b>	<b>Investment Management Fee</b>
<b>Mendocino</b>	<b>1.25%</b>
<b>Dividend Diamonds</b>	<b>1.25%</b>
<b>Custom Portfolio</b>	<b>1.00%</b>
<b>Custom Fixed Income Portfolios</b>	<b>1.00%</b>
<b>Global Select</b>	<b>1.00%</b>

No person at 5TQ receives any compensation for the sale of securities or other investment products. You have the option at any time to purchase investment products recommended through any brokers or agents that you choose. Our management agreement in no way inhibits you from pursuing other investment opportunities or services in addition to 5TQ, but we encourage you to discuss your entire financial situation with us so we can give you the best advice based on the full disclosure of your assets and needs.

The total fees charged to a client may be more or less than fees charged by other firms for similar services.

***Family Office Fees and Compensation:***

5TQ charges fees for Family Office Services that are based on reasonable estimates of the time and effort that will go into providing the services. 5TQ quotes a monthly service charge for the first 90 days of work and then offers a bid for continuing work after using the 90 days to determine the likely work-load. Once a permanent fee schedule is decided upon 5TQ bills the client quarterly in advance for Family Office Services.

***Invoicing Fees and Compensation:***

Fees for investment management services are billed in advance at the beginning of each quarter calculated on the value of the assets under management the last day of the previous calendar quarter (for example, you would be billed in the beginning of April for all second quarter services based on the assets under management the last day of March). In certain instances, client accounts can be billed at the end of the quarter. If a client first retains 5TQ, or transfers additional assets to an existing 5TQ account, at any time other than the first day of a calendar quarter, we may assess a one-time pro-rated fee, in arrears, for that interim period. Clients may choose to have fees directly debited from their account or billed separately.

Clients are also responsible for their own trading costs as outlined in the “Asset Management Fees and Trading Cost Schedules” document provided to you upon opening an account with 5TQ. Clients should review the following Brokerage, Custodial and Other Fees & Expenses section of the 5TQ Disclosure for further details.

***Brokerage, Custodial and Other Fees & Expenses:***

Custodian fees charged by Fidelity and other custodians are negotiated by 5TQ Capital, LLC for the benefit of the client and are charged on either an Asset Based Pricing model or a Transaction Based Pricing model. 5TQ retains no portion of either of the custodian fees.

In some instances, when 5TQ Capital, LLC recommends sub-funds/advisors for money management of the underlying client assets and Fidelity or other select custodians will charge an asset based fee calculated on the basis of the client's total invested assets in the account. The fee is charged for SEC filing fees and transaction costs. Upon approval from the client, Fidelity or other select custodians will charge its fee on a monthly basis.

Under the Transaction Based Pricing model, a fee is charged by Fidelity or other select custodians with each transaction and the fee is paid out of the separately managed account.

Mutual funds recommended to clients are reviewed for their investment objectives, policies, and risks. They can have different types of shares, known as “classes”. These classes may have the same investment objectives and policies but each class will have different shareholder services, and/or distribution arrangements with varying fees and expenses and, therefore, different performance results. Prior to recommending mutual funds for client portfolios, 5TQ evaluates which class best suites client's investment goals, financial position and time horizon by reviewing minimum account requirements, sales charges, fees and expenses, redemption charges or similar fees, as well as the overall cost structure of each fund. 5TQ's due diligence and research processes factors into consideration and examines the mutual funds' performance over long periods of time. At certain points in time, some recommended mutual fund classes may perform better than those recommended by 5TQ. 5TQ's long term research approach will factor this information into the ongoing mutual fund screening process.

In addition, clients may incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees, surrender charges, and IRA and qualified retirement plan fees. 5TQ will not receive any portion of such commissions or fees. 5TQ is only compensated by the investment advisory fee described above. We receive no other compensation in connection with a client's investment account. When 5TQ negotiates lower fees and expenses charged by third parties, all negotiated improvements are for our clients' benefit.



### ***Additional Fees for Financial Planning and Consulting Services:***

As described in Item 4, 5TQ Capital, LLC provides financial planning and consulting services to those clients seeking those services. For clients who engage 5TQ for investment advisory services or family office service arrangements, 5TQ does not charge fees in addition to those outlined above unless the requested work goes beyond the normal scope of services provided. More complicated situations and projects require significant time and/or resources, and 5TQ may charge an additional hourly fee or an annual fixed fee (paid in monthly installments). These fee arrangements are all discussed with the client and approval received prior to any fees charged.

When consulting services are provided on an hourly basis, the total amount of fees will vary depending upon the circumstances. Our hourly fees range between \$100 and \$400 (depending upon the investment adviser or administrative representative working with you). As a result, there is a wide range in the amount of the fees that you may incur compared to other clients. Hourly fees and estimates of the number of hours required to complete projects are established after a review of the client financial situation; reporting needs and complexity of the relationship (for example, privately held entities, number of brokerage and bank accounts, and philanthropic efforts and family generational considerations). Hourly fees are charged and invoiced in advance on a monthly basis. All fees are due upon presentment of the invoice. Monthly invoices are mailed to clients for payment with an outline of services provided, hours spent on the projects and total fee due.

Fixed and hourly service arrangements can be terminated by either party upon receipt of written communication to 5T. When services end, you are required to pay for services rendered up to the time of termination and an invoice will be issued. If fees are paid in advance, a prorated invoice for services rendered up until the time of termination will be issued upon receipt of the termination communication and a refund issued, if appropriate.

### **5TQ Fund Management Services**

5TQ provides investment management services on a discretionary basis to five private pooled vehicle investments (referred to as the "Funds"). 5T Wealth Partners, L.P., 5TQ Fixed Income Plus, L.P. (On-shore and Off-shore versions) and 5TQ Equity Plus, L.P. (On-shore and Off-shore versions).

The Funds are not registered with the SEC as an investment company. Investments in the Funds do not involve a public offering that is registered with the applicable securities regulators. The Funds have been established exclusively for our Firm's clients. 5TQ Capital serves as the General Partner and the Manager of the Funds, and therefore, is not independent of the Funds. It is in this capacity as the Manager of the funds, that investment decisions are made. In acting as the Manager of the Fund, 5TQ receives a 1.00% management fee. Sub-fund/Advisor fees may be filed monthly, quarterly or annually in arrears and vary. There are no performance fees payable to the General Partner or Manager of the fund.

As General Partner and Manager to the Funds, 5TQ has sole and complete authority to manage the Fund's activities and is responsible for managing the Fund's investment portfolio pursuant to the investment objective and investment policies of the Fund. 5TQ Capital is responsible for all Investment decisions of the Funds as outlined in the Funds Private Placement Memorandums distributed to every client participating in the Fund.

Similar to our individual client services, 5TQ Capital selects Sub-funds/Advisors to manage a portion of the assets contained in the Funds. Sub-funds/advisors are selected based on their anticipated ability to develop investment strategies that comply with the Fund's objectives. The selected Sub-funds/Advisors will be responsible for managing a portion or a majority of the Fund's assets on a discretionary basis. The Sub-funds/Advisors must be registered as an investment advisor or exempt from registration. Limited Partners (i.e. investors) of the Fund receive specific information about the Sub-funds/Advisors, its investment style, potential risks and compensation arrangements, prior to or at the time of obtaining an interest in investments in the pooled investment vehicles managed by the Sub-funds/Advisors. 5T also individually manages a portion of the Fund's assets by investing directly in various securities, including derivative instruments such as swaps, options, and securitizations, which in turn may include one or more tailored investment contracts or basket option structures.

In addition to managing the Fund's operations and assets, 5TQ is responsible for soliciting investors to the Fund. We only recommend the Fund to our clients. The objective for soliciting our clients to the Fund is to provide access to investment strategies and Sub-funds/Advisors that would otherwise have minimum account sizes out of the reach of most of our clients.

Investors in the Fund must be "accredited investors" as defined under the Securities Act of 1933 or defined as "qualified purchasers" under the Investment Company Act of 1940. Investors must provide all necessary information documenting to 5TQ confirming they qualify to participate in the Fund.

## **Pooled Vehicle Investment Fees for 5T Funds Management Services**

A core principal of 5TQ's investment philosophy is that disciplined investment diversification among varying asset classes, investment managers, and individual assets is an effective way to preserve and grow wealth. To provide our clients with access to and diversification among different asset classes and investment managers, 5TQ forms and serves as the manager or sponsor of pooled investment vehicles such as limited partnerships and limited liability companies that in turn invest in one or more of the underlying investment funds managed by unrelated investment managers. This "fund of funds" structure approach provides clients with access to investment opportunities that otherwise may have limited availability to individual investors.

In connection with the formation and capitalization of the pooled investment vehicles discussed above, 5TQ Capital is reimbursed by the entities for offering and organizational expenses, and 5TQ receives

management fees as described below for serving as the investment manager of the pooled vehicle, but no other related party compensation is paid to 5TQ Capital or its affiliates.

As a result of the pooled vehicle structure, 5TQ Capital clients who invest in these pooled vehicle investments ("funds of funds") pay two layers of fees – (1) the management fees paid to 5TQ as investment manager to the pooled investment vehicles as described below which are based on the total value of assets under management with 5TQ, and (2) the fees paid to the underlying funds (Sub-funds/Advisors) in which the pooled vehicles invest.

Clients investing in the Funds will receive a copy of the Fund's Private Placement Disclosure Memorandum which provides a complete description of the structure and arrangements of each of the Funds. A Limited Partnership or Limited Liability Agreement must be executed, as well as Subscription Application completed by all investors.

5TQ Capital will also, on occasion, form and serve as the manager or sponsor of single purpose, single asset limited liability companies, limited partnerships or other investment-related entities that are formed on a pooled vehicle basis specifically to invest in an individual asset (such as real estate or private equity strategies). In connection with the formation and capitalization of these single purpose investment entities, 5TQ will be reimbursed by the entity for offering and organizational expenses, all of which are described in detail in the offering materials for each single purpose investment entity. At this time, there are no 5TQ-sponsored single purpose, single asset pooled vehicles existing.

5TQ Capital-sponsored pooled vehicle investments existing as of the date of this brochure and the investment management fees paid by each pooled vehicle investment to 5TQ are set forth below.

<b>Name of Pooled Vehicle Investment</b>	<b>Asset Class</b>	<b>Manager</b>	<b>Management Fee</b>
<b>5T Wealth Partners, LP</b>	<b>Hedge Funds</b>	<b>5TQ Capital, LLC</b>	<b>Investment Advisory Clients or other Investment Clients: 1.00% of assets under Management. No other Management fees</b>
<b>5TQ Fixed Income Plus, LP</b>	<b>Hedge Funds</b>	<b>5TQ Capital, LLC</b>	
<b>5TQ Fixed Income Plus, LTD</b>	<b>Hedge Funds</b>	<b>5TQ Capital, LLC</b>	
<b>5TQ Equity Plus, LP</b>	<b>Hedge Funds</b>	<b>5TQ Capital, LLC</b>	
<b>5TQ Equity Plus, LTD</b>	<b>Hedge Funds</b>	<b>5TQ Capital, LLC</b>	

### ***Third-Party Money Managers:***

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, 5TQ Capital has formed relationships with independent, third-party Sub-fund/Advisors and money managers.

Unlike other investment advisors, we do not receive a referral fee or solicitor fee from third-party Sub-fund/Advisors or money managers we recommend to clients. The only compensation 5TQ receives is the investment management fee charged directly to our clients. Sub-fund/Advisors and money managers will also bill clients directly (unless the fees are included in the overall Partnership structure), but 5TQ fees are completely separate from the fee charged by Sub-fund/Advisors and money managers (please refer to Item 4 and 5 for more details). This policy helps us avoid selecting sub-advisors and money managers based on our economic interests. Instead, 5TQ selects Sub-fund/Advisors and money managers we believe are most appropriate for our clients absent additional economic benefits we could receive from them.

When 5TQ utilizes external managers for the underlying asset management, an ADV will be provided for those Sub-Fund/advisors upon request or prospective investment.

### ***Termination of the Advisory Relationship:***

5TQ or the client may terminate the management agreement at any time by written notice to the other party. The client will incur a pro rata charge for bona fide advisory services actually rendered prior to such termination.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

### ***Advisory Fees in General:***

Clients should note that similar advisory services may be available from other registered or unregistered investment advisers for similar or lower fees.

### ***Limited Prepayment of Fees:***

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

### ***Performance-Based Fees and Side-By-Side Management:***

Neither 5TQ Capital, nor any of our supervised persons accept performance-based fees from 5TQ Capital clients.

## Types of Clients

5TQ provides investment and asset management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, private foundations and corporations. We manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), and/or a blend of objectives as determined by our best judgment.

## Selection and Monitoring of Third Party Sub-Funds/Advisors

Depending upon the client assets size, 5TQ may provide advisory management services through the Manager of Managers Program. We provide the client with an asset allocation strategy developed through personal discussions in which the client's goals and objectives are established based on the client's particular circumstances. This asset allocation strategy is drafted into the client's Personal Investment Strategy.

5TQ performs management searches of various registered investment advisers. Based on the client's individual circumstances and needs (as exhibited in the client's Personal Investment Strategy) we determine which selected registered investment adviser's ("Sub-fund" or "Advisor") portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected Sub-fund/Advisor. Clients should refer to the Sub-fund/Advisor's Firm Brochure or other disclosure document for a full description of the services offered. Client meetings are available on a regular basis, or as determined by the client, to review the account.

On an ongoing basis, 5TQ monitors the performance of the Sub-fund/Advisor(s). If we determine that a particular Sub-fund/Advisor is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with that client's Personal Investment Strategy, then we may move the client's portfolio to a different Sub-fund/Advisor and/or program sponsor. Under this scenario, our firm retains the discretion to hire and fire the Sub-fund/Advisor and/or to move the client's portfolio to a different program.

At least annually, we meet with the client to review and update, as necessary, the client's Personal Investment Strategy. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's Personal Investment Suitability Statement is warranted.

5TQ generally requires discretionary advisory clients to maintain a minimum account size of \$250,000, although this minimum may be waived in certain circumstances at the sole discretion of our principals.

5T WP's Fund of Funds subscription minimums and subsequent investments are detailed in the Fund's offering memorandum issued by the Fund.

The following are our investment strategies and models and the minimum account size:

Model	Account Minimum, if any
Mendocino	\$500,000
Dividend Diamonds	\$250,000
Custom Portfolio	\$1,000,000
Custom Fixed Income Portfolios	\$250,000
Global Select & Pooled Vehicle Investments	\$100,000

## Methods of Analysis, Investment Strategies and Risk of Loss

At the root of our investment process are fundamental principles that have stood the test of time and are the foundation of our platform, which has been developed through our commitment to meticulously reduce portfolio risk and systematically increase portfolio returns.

### *Investment Management Philosophy and Core Beliefs:*

- Traditional “Long only buy and hold” investment models tend to increase volatility and do not maximize return potential for our clients.
- By actively decreasing investment volatility at the portfolio level we maximize client income potential while mitigating risk.
- Absolute return as an investment objective rather than the industry standard of benchmark tracking.
- True diversification among alternative and traditional asset classes, strategies, investment managers, geographic regions, and individual assets is an effective way to protect capital and conservatively grow wealth.
- Superior investment managers exist, and we seek to identify them through our sourcing and due diligence process.
- Disciplined portfolio management incorporating tactical, fundamental, economic, and valuation based re-weighting of investments and strategies reduces risk and potentially increase returns.
- We look to top-tier educational endowments published investment methods to provide guidance.

- Continuously educating ourselves and our clients is vital to the ongoing evolution of our investment platform and client services.

### ***True Diversification:***

5TQ maintains a steadfast commitment to and expertise in both traditional and alternative asset classes, such as hedge funds, private equity, and real estate, which provide a broad array of truly diversified building blocks with which to construct client portfolios.

Based on our view that traditional “long only buy and hold” investment models do not optimize returns, our strategies center around tactical, fundamental, economic, and valuation based re-weighting of investments to reduce risk and potentially increase returns.

5TQ relies on what is traditionally thought of as diversification to meet our investor’s long-term goals. Whether it’s correlations between stocks in different markets or between long and medium-duration fixed income investments, during times of stress returns can easily move closer together and correlations tend to converge. We endeavor to provide our clients with non-correlated returns, resulting in what we believe will be true diversification and lower risk.

We endeavor to provide our clients exposure to a variety of risks, in proportion to their risk preferences and circumstances. It is our view that clients should hold as many different assets and strategies as necessary to create true diversification, according to their specific circumstances.

### **Disciplined Process**

5TQ has developed a rigorous, cycle-tested process for creating customized Investment Strategies, constructing portfolios, and selecting investment managers to enhance risk-adjusted returns. The end result is a comprehensive, systematic approach to investing.

1. Investment Strategy. We guide, assist, and advise clients on their Investment Strategy—an intimate collaboration between the client and 5TQ in order to fit individual financial goals—to set a discernible framework for the management of the portfolio.
2. Asset Allocation. 5TQ recommends what we believe, is the optimal way to allocate capital to recommended asset classes. We take an active approach to balancing investments broadly across both inefficient and efficient markets in order to provide non-correlated returns, resulting in what we believe will be true diversification and lower risk.
3. Portfolio Construction. We find, select, and monitor investments for our clients’ portfolios, and 5TQ regularly rebalances client’s portfolio in accordance with their Investment Strategy guidelines.

While the goal of our investment process is to reduce risk and maximize returns for clients, 5TQ

cannot guarantee this will occur. Investing in securities involves risk of loss that clients should be prepared to bear.

5TQ defines risk as the probability of a return other than the expected return, and we measure risk by the potential magnitude of that variance (volatility or standard deviation).

There are numerous risks in investing, not all of which necessarily manifest themselves in terms of volatility. These include:

- Lack of liquidity
- Fundamental business risk
- Business cycle risk
- Litigation risk
- Financial leverage risk
- Concentration risk (by security, manager, asset or asset class)
- Valuation risk

While we rely on volatility (standard deviation) as the objective criterion for measuring risk, we also bear in mind the other fundamental risks that exist in investing. In addition, while all of the above risks should ultimately manifest themselves in the form of the volatility (standard deviation), we recognize this may not be the case in practice, due to 1) valuation conventions that tend to apply to illiquid assets such as real estate, venture capital, and other private equities, and 2) the tendency of correlations among asset classes to converge, positively, at times of extreme stress in financial markets (which may cause historic volatility to be a poor predictor of actual experienced volatility).

As discussed above, 5TQ commonly recommends investments in alternative asset classes (e.g., hedge funds, natural resources, private equity, and real estate) through pooled investment vehicles such as limited partnerships and limited liability companies. Investment in these limited partnerships is speculative and is not intended as a complete investment program. The limited partnership and limited liability company interests are available only to sophisticated investors who are able to bear a substantial loss of their investment. There is no assurance that the entity's investment objectives will be achieved, and investment results may vary substantially from year to year. Investment in these entities is subject to certain specific risks, including:

- Investment risks
- Operational risks
- Market, trading, and regulatory risks
- Tax consequences
- Lack of liquidity

These risks are discussed in detail in each entity's offering documents which are distributed to clients and reviewed prior to investment in any of the strategies.



### ***Disciplinary Information:***

At this time, there are no legal or disciplinary events brought forth upon any employee of 5TQ or the company itself.

### **Other Financial Industry Activities and Affiliations**

5TQ Capital is an independent investment advisory firm and only provides investment advisory services. The Firm is not engaged in any other business activities and offers no other services than those described in this Disclosure Brochure.

We are not, nor do we have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) registered investment company (including a registered mutual fund, registered closed-end investment company, or registered unit investment trust) (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

### ***Private Fund and General Partner Affiliations:***

5TQ is the General Partner and provides investment management services on a discretionary basis to five affiliated private pooled vehicle investments (**referred to as the "Funds"**). 5T Wealth Partners, L.P., 5TQ Fixed Income Plus, L.P. (On-shore and Off-shore versions) and 5TQ Equity Plus, L.P. (On-shore and Off-shore versions).

5TQ and its affiliates will devote a portion of their business time and efforts to each client. To the extent a conflict arises, 5TQ and its affiliates will attempt to resolve such conflict in a fair and equitable manner.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### ***Code of Ethics:***

5TQ has adopted a Code of Ethics expressing our commitment to ethical conduct. 5TQ's Code of Ethics describes our fiduciary duties and responsibilities to you, our clients, and sets forth our practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with 5TQ may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is our expressed policy that no person employed by 5TQ shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with our Code of Ethics, 5TQ requires that anyone associated with this advisory practice, with access to advisory recommendations, provide annual securities holdings reports and quarterly transaction reports to our Chief Compliance Officer. We require all access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings). 5TQ requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Our Code of Ethics further includes our policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

In May of 2016 5TQ implemented a policy to implement any loan arrangements with clients. However, two previously negotiated loan arrangements have been grandfathered from this policy as they have existed since 2013 between a client and 5TQ's Founder and CEO, Paul Krsek. All loan payments have been made on a timely basis. 5TQ has a fiduciary duty to disclose that certain conflicts of interest may be present in such situations and that the firm's duty is to ensure that loans of such nature are in the best interests of the clients and they should not disadvantage certain clients over others.

In certain instances, 5TQ has invested in various types of privately placed securities along with its clients. 5TQ will disclose when such situations arise as part of its fiduciary duty. 5TQ does not currently receive any outside compensation, either directly or indirectly from such transactions, and will disclose those potential conflicts of interest prior to the client investing when those situations arise.

5TQ will provide a complete copy of its Code of Ethics to any client or prospective client upon request. Please see the cover page for contact information to request a copy.

#### ***Participation or Interest in Client Transactions:***

5TQ Capital and its related persons, as principal, never buy securities from clients.

5TQ acts as General Partner and provides investment management services on a discretionary basis to five private pooled vehicle investments (referred to as the "Funds"). 5T Wealth Partners, L.P., 5TQ Fixed Income Plus, L.P. (On-shore and Off-shore versions) and 5TQ Equity Plus, L.P. (On-shore and Off-shore versions). When appropriate 5TQ will recommend clients invest into these partnerships.

#### ***Personal Trading:***

5TQ may recommend the purchase or sale of investment products in which it, an associated person or their relatives may have some financial interest, including, but not limited to, the receipt of compensation. Records will be maintained of all securities bought or sold by associated persons or related entities.

From time to time, trading by 5TQ, its associated persons and their relatives may be restricted in recognition of impending investment decisions on behalf of our clients. If transaction orders for a client and 5TQ (and/or its associated persons and relatives) are not traded within a model then transaction

orders for 5TQ and its associated persons will be the last orders filled. All trades done within a model are traded concurrently with other clients in a block trade order.

To mitigate the issue of trading before a client, we have opted to require all accounts managed by 5TQ for its employees will place their account within a model. If the account is too small for a model it will generally not be allowed to trade securities and remain in cash or a money market fund. When the exception happens, all non-model trades must be pre-approved by another trader and the Chief Compliance Officer. Our members, officers and employees will be required to report and be audited on all personal securities transactions quarterly.

5TQ and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

We may give investment advice to clients recommending an investment in various types of privately placed investment vehicles. In addition, 5TQ and/or related persons may also participate as an investor in such securities.

## **Brokerage Practices**

### ***Research and other Soft Dollar Benefits:***

5TQ does not use the practice of Soft Dollars. All research used by our team is comprised of information that is readily available through the media, or paid, one-time or subscription-based research obtained from reliable, tested and qualified sources.

### ***Brokerage for Client Referrals:***

5TQ does not receive client referrals from our custodian.

### ***Directed Brokerage:***

When selecting a custodian for any transaction, or series of transactions, 5TQ may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, offering us complete online computer access to the data regarding your account, and other matters involved in the receipt of brokerage services generally.

At the present time, 5TQ uses Fidelity Investments as the primary custodian for customer accounts. Other custodians may be considered or designated by the client and utilized after review and approval by 5TQ. Clients may experience different and higher trade executions compared to those clients utilizing

Fidelity as 5T's ability to negotiate those fees may be constrained. 5TQ regularly surveys other custodians and compares services and cost structures to assure ourselves that our clients are always receiving competitive pricing and services. We can and will offer other custodians if and when it is ever determined that Fidelity Investments is no longer a leading service provider with a competitive cost structure.

The majority of transactions are executed by 5TQ using Fidelity Investments' Wealth Central trading system. However, from time to time, we assign trades to other broker-dealers that we believe can provide better service and/or cheaper pricing for a specialized transaction. In such cases 5TQ is responsible to negotiate the commission rates paid to the trading firm, without the prior consent of our clients.

Where 5TQ buys or sells the same security for two or more clients, we may place concurrent orders to be executed together as a single block in order to facilitate orderly and efficient execution. Whenever we combine these trades, each account on whose behalf an order is placed is determined in advance of order placement. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be affected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective will be to allocate executions in a manner which is deemed equitable to the accounts involved. Each account receives the average price of the overall order; transaction cost is as stated above. 5TQ's method for allocating block trades and partially-filled block orders is as follows:

- For trades which are fully executed, each client receives the number of shares originally intended for his or her account
- For trades which are only partially executed, all accounts are treated equally by receiving a proportionally smaller amount of shares.

We participate in the back office and support program sponsored by Fidelity Investments Institutional Brokerage Group (FIIBG) program. This program and the services provided, including the trading platform, are essential to our service arrangements and capabilities, as we may not accept clients who try to utilize other broker-dealers. You should understand that in directing us to use a particular broker or dealer, we will not have the authority to negotiate commissions among various brokers, obtain volume discounts and best execution may not be achieved. Not all advisors require a client to direct the use of specific and recommended brokers. The program also offer commission rates for all of our clients which are competitive and generally less than those available if you were to go directly to these brokers outside of this program.

Through this program we receive direct access to client account information, electronic download of trades, balances and positions and the ability to directly debit your advisory fees payable to 5TQ. Fidelity Investments prepares trade and account change confirmations and monthly statements for each account. We receive software and support services, including reduction in seminar and conference fees from these program sponsors. Program services provided to us are not contingent upon any specific amount of business (assets or trading).

5TQ will evaluate Fidelity Investments on an annual basis to insure our clients are getting the best execution. 5T may also employ solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the client and we will comply with the other requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended.

This information is not applicable to 5T WP and 5TQ pooled vehicle investments as we do not control the choices of broker-dealers for each of the Sub-funds/Advisors contained in the pooled vehicle investments (Fund of Funds). For some of these Sub-funds/Advisors, a broker-dealer is not utilized at all, with rare exception that would be granted by the Fund Manager.

## **Review of Accounts**

Client's investments are reviewed at the inception of the client relationship and as often as is mutually agreed upon between 5TQ and the client based on the client's stated objectives. Each quarter the strategies and models are examined to make sure each account is in the appropriate strategy and/or model. Significant changes in economic conditions, the client's financial situation or the client's investment objectives may also trigger a review.

Govinda Quish, Chief Investment Officer, along with Paul Krsek, Chief Executive Officer, reviews each account. All other associated persons with 5TQ act in accordance with their written instructions pertaining to each account.

## **Client Referrals and Other Compensation**

5TQ does not currently have any referral arrangements and does not pay or receive any compensation in connection with advisory clients.

## **Custody**

Qualified custodians, such as Fidelity Investment (also known as National Financial Services, Inc.) or Whittier, have custody of our clients' assets that are held in brokerage accounts. 5TQ is deemed to have custody over our clients' 5TQ-sponsored pooled vehicle investments. In addition 5T has been deemed to have custody for certain 5TQ Family Office Services clients' receiving bill payment service.

Qualified custodians of our client's brokerage accounts send each account a monthly, as well as year-end, statement of the assets in that account to the account holder, trustees and interested parties listed on the account. These statements can be delivered in paper form or via e-delivery as indicated at commencement of the account or can be altered at a later date as best fit's each client's lifestyle. It is the client's responsibility to review these statements and insure they are correct.

Client assets held in for 5T Wealth Partners LP and the 5TQ Funds are held in custody with Fidelity IRA/retirement accounts and Colorado State Bank & Trust for taxable client accounts. While 5T Wealth Partners and the 5TQ Funds do not maintain physical possession of the funds or securities of any private investment fund, we, as the general partner of the Fund of Funds, have authority to direct the custodians to transfer funds and pay out the management fees.

5TQ Capital has outsourced its Fund Administration to ALPS Fund Services as an independent service provider for all its pooled vehicle investments. ALPS is to provide client reports at least monthly for 5T Wealth Partners and the 5TQ Funds, limited partnerships and limited liability companies. ALPS also prepares the client fee billing reports for the Funds for approval by 5TQ as the General Partner. All 5Tq and 5TQ Funds in general partnership structures will be audited annually by an independent public accountant (KPMG), which will be provided to all investors within 120 days of its fiscal year end (180 days for fund of funds). In addition, 5TQ may provide clients with various portfolio valuation, performance, and activity reports on a quarterly basis.

For those clients receiving 5TQ Family Office bill payment services custodianship is with the bank of their preference (primarily First Republic Bank). The bank provides a separate monthly report to the client from 5TQ's Family Office reporting. In order to meet regulatory requirements, 5TQ has engaged an independent CPA firm (Breard & Associates) in order to provide surprise examinations and audits of all Family Office client accounts receiving bill payment services.

In all reporting instances, we urge clients to compare the account statements they receive from their custodians with those they receive from 5TQ. There may be discrepancies between the reports due to various factors, such as (most commonly) timing of the reporting (e.g. trade-date reporting versus settlement-date reporting). If clients have any questions about their reports, they should contact 5TQ at (707) 224-1340.

## **Investment Discretion**

5TQ establishes a discretionary relationship with all of our investment management clients. We request that you provide us with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

We determine the amount of the securities to be bought or sold subject to the investment goals and objectives based on your particular circumstances, but without obtaining your specific consent.

The authority to grant 5TQ discretionary trading on your accounts is based off your signature on the "Investment Advisory Agreement" that is signed at the same time as filling out the application to open an account at Fidelity Investments or any other selected custodian.

5T WP and 5TQ pooled vehicle investments (Funds of Funds) have discretionary authority of which Sub-funds/Advisor are chosen for the pooled vehicle investments but within each fund, the Sub-Fund/Advisor retains discretionary authority of the assets held.

## **Voting Client Securities**

5TQ does not have authority to vote proxies on behalf of advisory clients. The firm may offer advice with proxy matters upon client's request, however the client always retains the proxy voting responsibility. 5TQ's policy of having no proxy voting responsibility is disclosed to the clients in the management agreement. All voting materials will be delivered to you directly through Fidelity Investments, its subsidiaries, a transfer agent seeking a proxy vote for a private entity or from 5TQ.

If you have received a ballot to vote on our securities and you have questions, you may contact us and we can give you our opinion. We will also offer the resources and reference materials so you may be informed and form your own opinion.

## **Financial Information**

5TQ does not require prepayment of more than \$1,200 in fees and six or more months in advance and is not required to enclose a balance sheet for its most recent fiscal year.

5TQ does not have any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

5TQ has not been the subject of a bankruptcy petition at any time.

**DISCLOSURE BROCHURE  
FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

**PAUL J. KRSEK  
JEFFREY A. ROUSH  
GOVINDA R. QUISH**

**5TQ CAPITAL, LLC  
REGISTERED INVESTMENT ADVISOR  
595 COOMBS STREET NAPA, CA 94559  
(707) 224-1340  
(707) 224-2521  
[www.5TWealth.com](http://www.5TWealth.com)**

**March 3, 2017**

This Brochure Supplement provides information about Paul J. Krsek, Jeffrey A. Roush and Govinda R. Quish that supplements the 5TQ Capital, LLC Brochure. You should have received a copy of that Brochure. Please contact us at (707) 224-1340 if you did not receive 5TQ's Brochure or if you have any questions about the contents of this supplement.

Additional information about Paul Krsek, Jeff Roush and Govinda Quish is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Educational Background and Business Experience**

**Legal Name:** Paul J. Krsek

**Born:** 1948

### Education

1987 – UCLA Anderson Graduate School of Management  
Executive Management Certificate

1970 – Shippensburg University of Pennsylvania  
Bachelors of Arts degree in Sociology

### Business Background

June 1998 to Present

5TQ Capital, LLC, Napa, CA

Chief Investment Officer and Registered Investment Adviser Representative

May 2000 to 2006

First California Bancorp

President and Director (June 2004 to 2006)

July 1998 to August 2004

London Pacific Securities, Inc., Sacramento, CA

Broker/Dealer, Registered Representative and Registered Investment Adviser Representative

January 2002 – March 2004

Predictive Financial Technologies, LLC

Managing Member

October 1997 to December 2004

Krsek Publishing L.P.

General Partner

## **Disciplinary Information**

Paul J. Krsek does not have any disciplinary history or reportable events.

## **Other Business Activities**

### A. Investment-Related Activities

1. Paul J. Krsek is not engaged in any other investment-related activities.
2. Paul J. Krsek does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### B. Non Investment-Related Activities

Paul J. Krsek is not engaged in other business or occupations.

## Additional Compensation

Paul J. Krsek does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## Supervision

Jeffrey Roush, Chief Operating Officer and Chief Compliance Officer is responsible for all internal supervision of 5TQ Capital. He can be reached at (707) 681-7034. Paul J. Krsek oversees all material investment policy changes and conducts periodic testing to ensure that client objectives and mandates are being met.

## Educational Background and Business Experience

**Legal Name:** Jeffrey A. Roush

**Born:** 1956

### Education

1979 - University of Wisconsin, Whitewater, WI,  
Bachelor of Business Administration, Magna Cum Laude

### Business Background

June 2014 to Present  
5TQ Capital, LLC, Napa, CA  
Chief Operating Officer & Chief Compliance Officer

August 2007 to June 2014  
Argos Wealth Advisors, LLC  
Co-Founder, Managing Member and COO

June 2004 to August 2007  
J & T Roush Family, LLC  
CEO

June 2000 to June 2004  
Bank of Montreal/Harris Private Bank  
(Purchased CSFBdirect, purchased DLJdirect Institutional)  
COO and Senior Managing Director

June 2002 to June 2004  
Bank of Montreal/Harris Private Bank  
COO and Senior Managing Director

## Disciplinary Information

Jeffrey Roush does not have any disciplinary history or reportable events.

## Other Business Activities

- A. Investment-Related Activities
  - 1. Jeffrey Roush is not engaged in any other investment-related activities.
  - 2. Jeffrey Roush does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.
- B. Non Investment-Related Activities
  - 1. Board of Directors member Giant Steps Therapeutic Equestrian Center - Charity

Jeffrey Roush is engaged in other business or occupations. He is an advisor to the following company:

- 1. Wealth X, LLC. – passive Advisory Board position
- 2. ApplePie Capital – passive Advisory Board position

## Additional Compensation

Jeffrey Roush does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## Supervision

Paul J. Krsek, CEO supervises Jeffrey Roush's activities, including personal securities transactions, and can be reached at (707) 224-1340. Paul J. Krsek oversees all material investment policy changes and conducts periodic testing to ensure that client objectives and mandates are being met.

## **Educational Background and Business Experience**

**Legal Name:** Govinda R. Quish

**Born:** 1973

### Education

Bachelor's degree in psychology & comparative religion June 2000, Studied for Master's in comparative religion with a language emphasis in Sanskrit Jan 2002- Naropa University.

### Business Background

June 2016 to Present

5TQ Capital, LLC, Napa, CA  
Chief Investment Officer

Feb 2007 to Dec 2014

Aries Capital – Single Family Office  
Managing Director-Portfolio Manager & Head of Alternative Investments

Jan 2006 to Jan 2007

Quish & Co. LLC, Boulder, Co  
Portfolio Manager

## **Disciplinary Information**

Govinda R. Quish does not have any disciplinary history or reportable events.

## **Other Business Activities**

No reportable outside business activities

## **Additional Compensation**

Govinda R. Quish does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Supervision**

Paul J. Krsek, CEO supervises Govinda Quish's activities, including personal securities transactions, and can be reached at (707) 224-1340. Paul J. Krsek oversees all material investment policy changes and conducts periodic testing to ensure that client objectives and mandates are being met.