

STERLING PARTNERS QUANTITATIVE INVESTMENTS LLC

FORM ADV – PART 2A

401 N. MICHIGAN AVE., SUITE 3300

CHICAGO, IL 60611

TELEPHONE: (312) 465-7000

E-MAIL: COMPLIANCE@STERLINGPARTNERS.COM

October 24, 2018

This Form ADV – Part 2 (“Brochure”) provides information about the qualifications and business practices of Sterling Partners Quantitative Investments LLC. If you have any questions about the contents of this Brochure, please contact us at (312) 465-7000 or via email at compliance@sterlingpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Sterling Partners Quantitative Investments LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT STERLING PARTNERS QUANTITATIVE INVESTMENTS LLC, OR ANY OF THE PERSONNEL OR EMPLOYEES OF STERLING PARTNERS QUANTITATIVE INVESTMENTS LLC, POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2 - Material Changes

As this is an initial filing there are no material changes.

Item 3 - Table of Contents

Item 2 - Material Changes	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	5
Item 6 - Performance-Based Fees and Side-by-Side Management.....	6
Item 7 - Types of Clients.....	7
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 - Disciplinary Information	16
Item 10 - Other Financial Industry Activities and Affiliations	16
Item 12 - Brokerage Practices	19
Item 13 - Review of Accounts.....	21
Item 14 - Client Referrals and Other Compensation.....	21
Item 15 - Custody	22
Item 16 - Investment Discretion.....	22
Item 17 - Voting Client Securities.....	23
Item 18 - Financial Information	24

Item 4 - Advisory Business

Founded in 2018, Sterling Partners Quantitative Investments LLC (“SPQI” or “Firm”) is a Chicago-based investment adviser focusing on quantitative, computer-based investment strategies, including a market neutral, long/short equity strategy (the “Equity Strategy”) and a global futures trading strategy (the “Futures Strategy”).

SPQI is a limited liability company formed under the laws of the State of Delaware. SPQI is wholly owned by Sterling Partners Quantitative Investments Holdings L.P. which is controlled by Sterling Partners Investment Group LLC (“SPIG”). SPQI is a related person of Sterling Fund Management, LLC (“SFM”) and Sterling Partners Equity Advisors LLC (“SPEA”). SPEA and SFM are investment advisers registered with the SEC. SPQI is also a commodity pool operator and commodity trading advisor registered as such with the Commodity Futures Trading Commission and a member of the National Futures Association in those capacities.

SPQI endeavors to manage assets through the use of proprietary quantitative investment models developed by the principals of SPQI over decades of market experience. In SPQI’s Equity Strategy, the goal is to create a “market neutral” portfolio of long and short positions in highly liquid, exchange-traded equities, using its proprietary quantitative trading strategies. SPQI uses a combination of fundamental and quantitative analysis to narrow the potential universe of investments and determine position-level suitability and attractiveness. The portfolio is constructed by acquiring long positions in equities with the highest, and short positions with the lowest, forecasted returns over the near- to mid-term, as determined by SPQI’s quantitative models.

SPQI’s Futures Strategy invests in over 100 global futures markets both long and short through the use of over 175 proprietary quantitative trading systems. The systems analyze a wide variety of technical indicators primarily consisting of price data in the markets they trade in an attempt to predict future price action in those markets.

Both strategies incorporate quantitative risk management systems in their models in an attempt to limit and control risk in their portfolios and they are also designed to seek a low correlation to the broad global stock markets. There can be no assurance, however, that the strategies will achieve their risk or investment objectives.

Due to the affiliation of SPQI with SPIG, SFM and SPEA there may be securities of which SPQI is not able to advise clients due to conflicts of interest that would otherwise arise. SPQI will generally refrain from trading in the securities while the conflict of interest remains unless SPQI in its discretion believes that the conflict can be effectively managed. Though there can be no assurance, this restriction is not expected to have a material impact on the trading strategies or performance results.

SPQI does not participate in any wrap fee programs.

As this is an initial filing, SPQI does not currently manage any client assets. It is anticipated that all accounts in the future will be managed on a discretionary basis.

While SPQI does not currently manage any client assets, the discussion contained in this Brochure generally assumes, solely for purposes of convenience, that it does so.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

In consideration of the investment management services provided, SPQI charges management fees to its clients as well as performance-based fees (see Item 6 below for a discussion of performance fees). Clients generally pay SPQI a management fee of up to 2% of assets under management per year, monthly or quarterly in advance. In the case of separately managed accounts (“SMAs”), which will initially be trading the Futures Strategy only, management fees are generally deducted from individual client accounts and paid to SPQI by the custodian. The management fees paid by SMAs are separately negotiated with each client as set forth in each client’s trading advisory agreement or investment management agreement (each, an “IMA”), and may be changed from time to time as agreed between SPQI and such client.

SPQI Equity Market Neutral Fund L.P., SPQI Equity Market Neutral Offshore Fund Ltd., and SPQI Equity Market Neutral Master Fund Ltd. (collectively, the “Funds”) are private investment funds managed by SPQI which will initially be trading the Equities Strategy only. Fees will be paid directly from the Funds. SPQI is authorized under the Funds’ offering documents and other governing documents (collectively, the “Governing Documents”), in its sole discretion, to elect to reduce or waive all or a portion of the management fee based on factors it considers relevant, such as the size of an investor’s account, an investor’s relationship to SPQI and its employees and its affiliates, and strategic relationships to name a few. Management fees are typically waived or reduced with respect to SPQI, its affiliates and their respective members, principals, employees, consultants, directors, owners, relatives and friends, including retirement or estate planning vehicles for the benefit of such persons.

The following is a schedule of the fees paid to SPQI with respect to the Funds:

SPQI Equity Market Neutral Fund L.P. (Founders Class)	1.0% Management Fee 15% Incentive Fee/Allocation
SPQI Equity Market Neutral Fund L.P. (General Class)	1.5% Management Fee 17% Incentive Fee/Allocation
SPQI Equity Market Neutral Offshore Fund Ltd. (Founders Class)	1.0% Management Fee 15% Incentive Fee/Allocation
SPQI Equity Market Neutral Offshore Fund Ltd. (General Class)	1.5% Management Fee 17% Incentive Fee/Allocation

Deduction of Fees; Timing of Payments; Termination

SPQI is authorized under the IMA in effect with each SMA client from time to time to either (1) charge and deduct management fees directly from the assets in each custodial account, thereby

reducing such client's capital account by the amount of such fees, or (2) bill the management fee to the client, in each case on terms negotiated with each such client and set forth in each IMA. Each IMA may be terminated as negotiated between SPQI and the SMA client. Upon termination of the IMA or an SMA client withdrawing capital, any prepaid, unearned management fees will be promptly refunded, and any earned, unpaid fees will be due and payable to the Firm.

SPQI is also authorized under the Funds' Governing Documents to charge and deduct management fees directly from the assets of the Funds. Payment of management fees to SPQI by the Funds is determined as of the beginning of each month, after giving effect to any capital contributions made as of the first business day of the month, in accordance with the terms of the Governing Documents. The specific manner that management fees are charged by SPQI is stated in each Funds' Governing Documents, the terms of which supersede this Brochure. The Funds do not provide for the rebate of any portion of a management fee after it has been paid; because redemptions and withdrawals are only permitted as of the last day of a month, there is no foreseeable circumstance under which a claim for a rebate of management fees could arise.

Other Fees and Expenses

In addition to the management fees discussed above, the Funds will incur certain charges and other expenses. Such charges and expenses may include (but are not limited to): organizational expenses of the Funds, third-party legal, audit and tax preparation expenses, trade-related expenses, brokerage, custodial, administration, and other transaction fees in connection with the implementation of the investment management strategy. The Governing Documents contain full information regarding the above.

Other fees and expenses arising from the trading or administration of a SMA will generally be charged to such SMA client's account as agreed to in the IMA.

Expenses applicable to more than one Fund or client are allocated in a fair and equitable manner among clients.

Neither SPQI nor any of SPQI's supervised persons receive compensation in connection with the sale of securities or other investments to the Funds.

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

Performance-Based Fees

SPQI generally will charge investors and clients performance-based fees of up to 20% annually, subject to an industry standard "high water mark," meaning such fees will not be charged unless and until prior years' losses, if any, have been recouped. SPQI may, in its sole discretion, elect to reduce or waive all or a portion of the performance fee, generally based on the same factors described under Item 5 with respect to the management fees.

Payment of the performance fees may be deducted from an SMA or Fund in the same manner as described in Item 5 with respect to the management fee. If an IMA is terminated or assets are

redeemed or withdrawn from an SMA or the Funds, all accrued performance fees will become immediately due and payable and either deducted from an SMA client's account or billed to such SMA client, as applicable, or deducted from a Fund investor's redemption or withdrawal proceeds.

In valuing client's assets to calculate performance fees, SPQI may include realized and unrealized gains and losses. The calculation and payment of performance fees must comply with the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act").

Performance based fee arrangements may create an incentive for SPQI to recommend investments that are riskier or more speculative than those that it might recommend under a flat fee arrangement. Performance based fee arrangements also may create an incentive to favor higher fee paying clients over other clients.

SPQI has policies and procedures in place related to the allocation of investments and investment opportunities. If SPQI determines that an investment or trading opportunity is appropriate for more than one client, then SPQI allocates such investment or trading opportunity among the clients in a manner that SPQI determines, exercising its judgment and good faith, to be fair and equitable, taking into consideration all allocations among such clients taken as a whole. SPQI is not required to provide every opportunity to every client, or to allocate opportunities on a pre-determined basis.

Item 7 - Types of Clients

Types of Clients

SPQI generally intends to provide investment advice in the Futures Strategy to qualified persons through SMAs. SPQI intends to generally limit investors to "qualified eligible persons" as defined in Rule 4.7 of the Commodity Exchange Act and the rules and regulations thereunder. Investment in an SMA is available only to the investor or group of investors for whom the SMA was established. An investor in an SPQI SMA is subject to the criteria and limitations set forth in the IMA applicable to the account.

SPQI generally intends to provide investment advice in the Equity Strategy through the Funds, it being understood that investment advice is provided directly to the Funds and not individually to investors in such Funds. SPQI offers investment in the Funds in private placements pursuant to applicable exemptions from registration under the Securities Act of 1933 and the Investment Company Act. As a result, the limited partners or investors in the Funds generally are limited to "qualified purchasers" or "knowledgeable employees" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended and its underlying regulations. Investors must also be financially sophisticated and able to bear the substantial risks of an investment in the Fund, including the loss of the entire investment.

Clients or investors in both strategies may include, among others, corporations, financial institutions, funds-of-funds, governmental bodies or agencies, insurance companies, endowments, foundations, non-profits, trusts, estates, individuals and pension and profit-sharing plans.

Minimum Investment Requirements

In general, the minimum investment commitment required of an investor to participate in the Funds or an SMA is \$1,000,000; however, SPQI has discretion to increase or reduce the minimum investment commitment at any time. The Funds generally require minimum additional investments of \$250,000. The minimum investment commitment may be waived or reduced with respect to SPQI's related persons and/or certain business associates or other "friends and family" of SPQI in its discretion, but may not in any event accept amounts below the relevant statutory minimum, if any. Investors and prospective investors in the Funds should refer to the Governing Documents of the Funds for more complete information on minimum investment requirements for participation in the Funds.

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

Investment Strategies

In SPQI's primary strategies, the Firm utilizes proprietary quantitative investment models to invest in the public equity markets, with respect to the Equity Strategy, and global exchange traded futures contracts, with respect to the Futures Strategy.

Investment Strategy for the SMAs

In the Futures Strategy, technical indicators, primarily consisting of price movements, are analyzed in over 100 global exchange traded futures contracts. Positions in the markets are established, both long and short based on computerized signals generated by over 175 quantitative trading systems designed to predict future price movements in the markets traded.

Investment Strategy and Objective of the Funds

Each Fund pursues an investment strategy described in its offering memorandum, as summarized below. The following summary is not intended to be a complete statement of the investment strategy and related risks of the Funds. Investors should review the full offering memorandum and Governing Documents for a given Fund for a complete statement of the strategy and risks relating to such Fund. The terms of the Funds' offering memorandum and other Governing Documents supersede the disclosures contained in this Brochure.

The Funds seek to generate attractive risk-adjusted returns with modest exposure to overall equity (or other) market movements. SPQI pursues the Funds' investment objective by attempting to construct a "market neutral" portfolio of long and short positions in highly liquid, exchange-traded equities, using its proprietary quantitative trading strategies. SPQI uses a combination of fundamental and quantitative analysis to narrow the potential universe of investments and determine position-level suitability and attractiveness. The portfolio is constructed acquiring long positions in equities with the highest, and short positions in equities with the lowest, forecasted returns over the near- to mid-term, as determined by SPQI's proprietary quantitative models.

SPQI generally will strive to maintain market neutrality at the overall portfolio-level and at each

sector-level (*i.e.*, the long positions and the short positions held by the Funds, and the long positions and the short positions held within each specific sector, generally will have similar market values). By taking approximately offsetting positions in such investments, SPQI's objective is to minimize exposure to overall equity market price movements, while generating "alpha" from the long positions and the short positions declining in price relative to one another.

Material Risks Involved

All investors bear certain risks when investing their money, regardless of the instrument, sector, or asset class chosen. Securities, futures or other financial instruments may fluctuate in value or lose value. SPQI seeks to manage such risks, but there is no guarantee that a client or investor will not suffer losses. The task of identifying investment and trading opportunities and managing such opportunities is difficult. There can be no assurance that SPQI will be able to make any particular investment or trade or that it will be able to generate positive returns for its clients or investors. Clients and investors should carefully consider, among other factors, the following material risks involved with SPQI's investment strategies.

Risks in General

Domestic and foreign economic growth and market conditions, interest rate levels, and political events are among the factors affecting the securities and futures markets in which SPQI's strategies invest. There is risk that these and other factors may adversely affect performance. Investors should consider their own investment goals, time horizon, and risk tolerance before investing with SPQI. An investment with SPQI may not be appropriate for all investors and is not intended to be a complete investment program. An investor may lose money by investing with SPQI.

Management Risk

Management risk is the risk that the investment process used by the Firm's investment professionals could fail to achieve the investment goal and cause an investment to lose value. There is no assurance whatsoever that SPQI's investment strategies will be profitable.

SPQI must rely on the ability of the investment team to manage the Firm's trading and investment program and on the continued availability of the investment team's services. SPQI is dependent on the expertise of the portfolio managers. The loss of their services could materially impair the ability of SPQI to provide services to the Funds or SMAs.

Operating History Risk

While the principals of SPQI have extensive industry experience, SPQI is a new investment adviser and has a limited history of operation. Accordingly, an investment with SPQI entails a high degree of risk. There can be no assurance that SPQI will achieve its investment objectives notwithstanding the prior performance of any or all of the principals or their respective affiliates.

The early performance of a “start-up” manager such as SPQI often has a dominant, if not a dispositive, effect on the manager’s long-term success. Adverse or disrupted markets in the early stages of the Fund could make it difficult for the Firm’s business to survive.

Economic and Market Risk

Securities and futures in which SPQI invests may be sensitive to general swings in the overall economy or in the sectors or markets in which investments or trades are made. Factors affecting economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, tax laws, credit market conditions, supply and demand, and innumerable other factors, none of which will be within the control of SPQI, can substantially affect the strategies.

Nature of Investments

SPQI has broad discretion in making investments for the Funds and SMAs. Investments generally consist of equity securities, derivatives and other assets that may be affected by a variety of business, financial market or legal uncertainties. There can be no assurance that SPQI will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as U.S. or non-U.S. economic and political developments, may significantly affect the results of SPQI’s activities and the value of its investments.

Lack of Liquidity

Investments in the Funds are illiquid and should only be acquired by investors able to commit their funds for an indefinite period. Investors in the Funds are not permitted to transfer their interests without the consent of the applicable Fund. Investors should not expect a Fund to grant consent to transfers. There is currently no market for interests in the Funds, and none is expected to develop. Investors in the Funds are subject to redemption or withdrawal limitations and currently may only withdraw or redeem their investment quarterly on 60 days’ notice.

The Funds also have broad authority to suspend redemptions or withdrawals and the payment of redemption or withdrawal proceeds under certain circumstances. In such event, investors in a Fund that has suspended redemptions or withdrawals may remain invested in a Fund indefinitely. As a result of these limitations, investors may not be able to liquidate their investments in the Funds at will. Accordingly, investors should only invest in the Funds if they are willing and able to commit their funds on an illiquid basis for an extended period.

The markets for some of the Fund’s instruments may have limited liquidity, especially during periods of crisis or turmoil in the financial markets. Lack of liquidity can make it difficult or impossible for the Fund to purchase or sell securities at desired prices or in desired quantities, as a result of which, among other things, it may not be economically feasible for the Fund to recognize profits on open positions or to close out open positions against which the market is moving. Sales of illiquid instruments may be possible only at substantial discounts, if at all. In addition, such instruments may be difficult to value, and illiquidity can disconnect market values from the

historical pricing indicators used in the Fund's investment analysis, as the fewer transactions that take place the greater the risk of market values not reflecting true pricing relationships or fair value.

Market Disruptions

The Funds or SMAs may incur major losses in the event of disrupted markets, and other extraordinary events which cause pricing relationships to deviate from the historical pricing patterns. The risk of loss from a disconnect from historical prices is compounded by the fact that in disrupted markets many positions may become illiquid, making it difficult or impossible to close out positions against which the markets are moving.

In disrupted markets, brokers and dealers may materially increase their margin requirements. Likewise, derivatives exchanges and clearinghouses may require brokers and dealers who are members of such exchanges or clearinghouses to materially increase margin or cash collateral requirements. Derivatives exchanges may from time to time suspend or limit trading. Any such suspension could render it difficult or impossible for the Funds or SMAs to liquidate affected positions and thereby expose the Funds or SMAs to losses. There is also no assurance that non-exchange markets will remain liquid enough for the Funds or SMAs to close out positions.

Service Provider and Counterparty Risk

Institutions, such as banks and brokers, have custody of the assets of the Funds and SMAs. Bankruptcy or fraud at one of these institutions may cause the Funds or SMAs to lose all or a portion of its assets held by those custodians or to be unable to access those assets for an extended period of time. For instance, in September of 2008, the bankruptcy of certain Lehman Brothers subsidiaries resulted in certain investment funds being unable to access their cash or securities.

The risk of a large loss may be greater if a Fund or SMA has concentrated its transactions with one or a few counterparties. However, transacting with many counterparties may increase the risk of incurring some loss (albeit a smaller loss).

Volatility

The prices of the instruments traded by SPQI have been subject to periods of excessive volatility in the past, and such periods can be expected to recur. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. Governments from time to time intervene, directly and/or by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Intervention is often intended to influence prices and may, together with other factors, cause such markets to move rapidly.

While market volatility can create profit opportunities for the strategies, it can also create the risk that historical or theoretical pricing relationships will be disrupted, causing what may otherwise have been considered to be comparatively low risk positions to incur significant losses.

The investment strategies utilized by the Funds may employ leverage, which may lead to increased volatility of the Funds' net asset value given the volatility of the Funds' holdings.

Equity “Market Neutral” Portfolios of the Funds

Even if SPQI succeeds in constructing an equity “market neutral” portfolio for the Funds, such “market neutral” portfolios are subject to numerous dimensions of market risk other than directional equity market movements — contractions of credit, “short squeezes” (in which a lack of supply and an excess of demand causes the price of a stock upward, in which case an individual with a short position may need to purchase the stock in the midst of a rising price of the stock in order to exit its short position), counterparty defaults, etc. There can be no assurance that the Funds’ portfolio will, in fact, be “market neutral” — either over time or from time to time — and even if “market neutrality” is achieved by the Funds, “market neutrality” by no means equates to “riskless.” On the contrary, in the past certain presumably “market neutral” funds — which had, in fact, achieved market neutral performance for a number of years — have incurred sudden and total losses.

Dependence on Integrity of Financial Data

While SPQI analysts attempt to “overview” the issuers included in the Funds’ investable universe for “outlier” issuer-specific circumstances, SPQI has no ability independently to verify the financial information which it uses in its models. SPQI is dependent upon the integrity of both the management of issuers in providing their financial reports and the financial reporting process in general. The Funds can incur material losses as a result of corporate mismanagement, fraud and accounting irregularities. The prices of equity securities are particularly vulnerable to instances, or suspicions, of corporate mismanagement. Many of the factors included in SPQI’s models are dependent on the accuracy of statistical information provided by third parties over which SPQI has no review, supervisory or confirmatory authority.

Quantitative Trading

SPQI’s statistical models must be continually updated in response to changing market scenarios, participants and conditions. There is substantial competition in the quantitative trading sector, and numerous competitors have intellectual property resources many times greater than those available to SPQI.

There has been, in recent years, a substantial increase in the speculative capital allocated to quantitative, technical or computerized trading systems. As the capital under management of such systems (many of which are based on similar general principles) increases, a growing number of traders may attempt to initiate or liquidate substantial positions at or about the same time as SPQI, or otherwise alter historical trading patterns, affect the execution of trades or affect the signals or inputs on which any of SPQI’s models are based, to the detriment of the Funds or SMAs.

There is some tendency for certain quantitative trading strategies to perform similarly during the same or approximately the same periods. Prospective investors must recognize that the success of the strategies may be substantially dependent on general market conditions over which SPQI has no control.

Furthermore, the selection of the factors included in SPQI’s models is based on the subjective market judgment of SPQI and may not be successful. Additionally, the weighting as between the

factors selected by SPQI involves a degree of subjective market judgment, which SPQI may not exercise as successfully as competitors.

Model Risk

SPQI relies heavily on quantitative models and information and data both developed by SPQI and those supplied by third parties. Models and data are used to construct sets of transactions and investments, to value investments or potential investments and to provide risk management insights. Models and data are known to have errors, omissions, imperfections and malfunctions (collectively, “System Events”).

SPQI seeks to reduce the incidence and impact of System Events through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall portfolio management system and often, in the software code itself. Despite such testing, monitoring and independent safeguards, System Events may result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays to the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organize available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially negative effects on the Funds or SMAs and/or their returns.

The strategies employed by SPQI are highly reliant on the gathering, cleaning, culling and analysis of large amounts of data. Accordingly, models rely heavily on appropriate data inputs. However, it is not possible or practicable to factor all relevant, available data into forecasts and/or trading decisions of the models. SPQI will use its discretion to determine what data to gather and what subset of that data the models take into account to produce forecasts that may have an impact on ultimate trading decisions. In addition, due to the automated nature of data gathering, the volume and depth of data available, the complexity and often manual nature of data cleaning, and the fact that the substantial majority of data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, SPQI at all times. If incorrect data is fed into even a well-founded model, it may lead to a System Event subjecting the Funds or SMAs to loss. Further, even if data is input correctly, “model prices” anticipated by the data through the models may differ substantially from market prices.

Where incorrect or incomplete data is available, SPQI may, and often will, continue to generate forecasts and make trading decisions based on the data available to it. Additionally, SPQI may determine that certain available data, while potentially useful in generating forecasts and/or making trade decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, SPQI will not utilize such data. Investors should be aware that there is no guarantee that any specific data or type of data will be utilized in generating forecasts or making trading decisions with respect to the models, nor is there any guarantee that the data actually utilized in generating forecasts or making trading decisions underlying the models will be the most accurate data available or free of errors. Investors should assume that the data set used in connection with the models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analyzing large amounts of data are an inherent part of investing in quantitative and systematic strategies.

When models and data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon will expose the Funds and SMAs to risks. For example, by relying on models and data, SPQI may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. In addition, models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios, often involving a market disruption of some kind, models may produce unexpected results which may or may not be System Events.

Errors in models and data are often extremely difficult to detect, and the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how simple their detection appears in retrospect, some System Events will go undetected for long periods of time and some will never be detected. The degradation or impact caused by these System Events can compound over time. Investors should assume that System Events and their risks and impact are an inherent part of investing in quantitative and systematic strategies. Accordingly, SPQI does not expect to disclose discovered System Events to the Funds, SMAs or to investors.

Even if SPQI's models and portfolio management system function correctly, the failure of a third-party management system could prevent orders from being disseminated in the proper manner. Accordingly, any such failure could result in large losses to the Funds or SMAs.

The Funds and SMAs will bear the risks associated with the reliance on models and data including that the Funds and SMAs will bear all losses related to System Events unless otherwise determined by SPQI in accordance with its internal policies or as may be required by applicable law.

As market dynamics shift over time, due to factors such as changed market conditions and participants, a previously highly successful model could become outdated or inaccurate, perhaps without SPQI's recognizing that fact before substantial losses are incurred. There can be no assurance that SPQI will be successful in developing and maintaining effective quantitative models.

Obsolescence Risk

SPQI is unlikely to be successful in its quantitative and systematic trading strategies unless the assumptions underlying the models are realistic, and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If these assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and SPQI does not successfully address such omission through its testing and evaluation and modify the models accordingly, this may result in major losses—all of which will be borne by the Funds or SMAs, as applicable. SPQI will continue to test and evaluate models, which may lead to the models being modified from time to time. Additionally, SPQI may add or remove models over time. Any modification of the models or strategies will not be subject to any requirement that investors receive notice of the change or that they consent to it. There can be no assurance as to the effects, positive or negative, of any modification to the models or strategies on the Funds' or SMAs' performance.

Discretionary Aspects of SPQI's Quantitative and Systematic Strategies

SPQI's systematic strategies and research methodologies retain certain discretionary aspects. In particular, SPQI personnel discretion is used throughout the research, creation and implementation of the models, for example in interpreting data, choosing signals and ranking their importance. In addition, decisions to adjust the sensitivity of a model to certain inputs, adjust the size of positions indicated by the systematic strategies, which determine the instruments to trade and choose the method of order entry may require judgmental input from SPQI's personnel. Although the models are, in large part, wholly-systematic once they are operational, discretionary decision-making by SPQI during their research, creation and implementation may ultimately result in the models making unprofitable trades.

Cybersecurity Risks Relating to Models

SPQI's hardware and software systems are subject to threats from hackers and others, such as a malicious attack, malware or other event that leads to unanticipated interruption or malfunction of such systems. Any interruption of SPQI's hardware or software functionality could lead to material or even complete losses to the Funds and/or SMAs. Hackers could also attempt to access and steal SPQI's research, models, trading programs or other software or data and implement such programs or software on their own behalf. This could lead to increased competition for, or elimination of, the investment opportunities sought by the Funds or SMAs or otherwise render the models obsolete, possibly resulting in material or complete losses to the Funds or SMAs.

Use of Leverage

The Funds may directly leverage their investments and may utilize leverage embedded in derivative instruments and securities. This will result in the Funds controlling substantially more assets than the Funds have equity. Direct leverage increases the Funds' returns if the Funds earn a greater return on investments purchased with borrowed funds than the Funds' cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. With respect to embedded leverage, the Funds may be subject to major losses in the event that market events disrupt the hedged nature of its positions or it is forced to liquidate positions at a disadvantageous time. Furthermore, the credit extended to the Funds by dealers to permit it to maintain its leveraged positions can be terminated by the dealers largely in their discretion, forcing liquidation at potentially material losses.

No Formal Diversification Policies

SPQI is not restricted as to the percentage of the Funds' assets that may be invested in any particular geographic location, issuer, industry, instrument, market or strategy. The Funds do not and will not maintain any fixed guidelines for diversifying its portfolio among geographic location,

issuers, industries, instruments, markets or strategies. In attempting to maximize the Funds' returns, SPQI may concentrate the holdings of the Funds in those geographic locations, industries, companies, instruments or markets which, in the sole judgment of SPQI, provide the best profit opportunities consistent with the Funds' investment objectives.

Short Sales

The Funds will sell securities short during the course of implementing the Equities Strategies. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Funds' portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short. Because the borrowed securities sold short must later be repurchased in the market, any appreciation in the market price of these securities results in a loss. Purchasing securities to close out a short position can itself cause the market price of the securities to rise further, increasing losses. Furthermore, the Funds may be prematurely forced to close out a short position if a counterparty from which the Funds borrowed securities demands their return or increases the borrowing costs. There can be no assurance that securities necessary to cover a short position will be available for purchase.

The structural impediments to establishing short positions are materially greater than those involved in establishing long positions.

Restricted List Risk

SPQI may refrain from rendering any advice or services concerning securities of companies of which any of SPQI's, or affiliates of SPQI's (including SFM's and SPEA's) officers, directors, or employees are directors or officers, or companies in which SPQI or any of SPQI's affiliates or the officers, director and employees or any of them may have substantial economic interest.

Item 9 - Disciplinary Information

SPQI and its management persons have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

SPQI's sole business is providing discretionary investment advisory services to its clients. SPQI is not engaged in any other business activities.

Registered Broker-Dealers

Neither SPQI nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

SPQI is registered as a commodity pool operator and commodity trading advisor with the

Commodity Futures Trading Commission and a member of the National Futures Association in such capacities.

Related Persons

SPQI is a related person of SFM and SPEA, both of which are investment advisers registered with the SEC. Certain employees of SFM provide services to SPQI and such employees are therefore not dedicated exclusively to SPQI.

Potential Conflicts

SPQI has and will continue to develop relationships with professionals who provide services it does not provide for itself, including legal, accounting, banking, tax preparation, insurance brokerage, trading and related services, software services, and other professional services. None of the above relationships are expected to create a material conflict of interest with SPQI or its investors. There is no assurance that this will always be the case.

From time to time, SPQI may receive training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will SPQI accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider.

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

Code of Ethics

SPQI has adopted a code of ethics ("Code of Ethics") under Rule 204A-1 of the Investment Advisers Act and Rule 166.3 of the Commodity Exchange Act, expressing the Firm's commitment to ethical conduct. SPQI's Code of Ethics describes its fiduciary duties and responsibilities to its advisory clients. It is designed to attempt to detect and seek to manage potential conflicts of interest and sets forth, among other things, SPQI's (1) policies on receipt of gifts by employees and the making of political campaign contributions, (2) practice of obtaining periodic reports on and monitoring the personal securities transactions of its supervised persons with access to client investment recommendations, (3) pre-clearance requirements for certain personal securities and futures transactions by such supervised persons, and (4) pre-clearance requirements for political contributions. Under SPQI's Code of Ethics, all of its supervised persons have a duty to act only in the best interests of its clients and are required to promptly report all violations of the Code of Ethics to SPQI's Chief Compliance Officer. All supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto as well as to the general principles that guide the Code.

SPQI will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Personal Trading in Same Securities or Futures as Clients

In certain situations, SPQI's supervised persons may purchase or sell the same securities or futures contracts that may be recommended to and purchased on behalf of its clients either directly or as owned through one or more Funds or SMAs. All such transactions are subject to compliance with SPQI's Code of Ethics. This creates a conflict of interest for supervised persons and could potentially violate their fiduciary duty to act in the best interest of their clients if personal trades were made with more advantageous terms than client trades. Such conflict of interest is reduced by the fact that SPQI relies on quantitative trading strategies to dictate the securities or futures contracts purchased for the Funds or SMAs. SPQI's compliance department monitors each supervised person's personal trading accounts.

SPQI does not have a material interest in any securities traded in the SMAs or Funds.

Principal Trades and Cross Trades

SPQI may enter into "principal transactions" with the Funds within the meaning of Section 206(3) of the Advisers Act in which SPQI or its affiliate acts as principal for its own account with respect to the sale of a security or purchase of a security from the Fund (any such transaction, a "Principal Trade").

SPQI may effect Principal Trades between itself and a Fund when SPQI, exercising its judgment in good faith, determines that a Principal Trade is beneficial to the Fund, and is fair and equitable. In certain cases, a client of SPQI (such as a Fund) may be deemed to be a proprietary account of SPQI for Principal Trade purposes. Whenever possible, SPQI will effect a Principal Trade at or with reference to the market price of the securities involved, and may effect such Principal Trade via a broker-dealer or other third party market participant. In effecting a Principal Trade, SPQI may not intentionally favor itself over the Fund. Principal Trades will only be done in accordance with the Advisers Act and with prior approval of SPQI's Chief Compliance Officer.

SPQI or any of its affiliates may effect purchase and sale transactions between a Fund and other funds or accounts managed by SPQI or its affiliates ("**Cross Trades**") when SPQI, exercising its judgment in good faith, determines that a Cross Trade is mutually beneficial to the Fund and such other party and is fair and equitable. Whenever possible, SPQI will effect a Cross Trade at or with reference to the market price of the securities involved, and may effect such Cross Trade via a broker-dealer or other third party market participant. In effecting a Cross Trade, SPQI will not intentionally favor one party to the transaction over the other, notwithstanding that in hindsight a Cross Trade may appear to have favored one party to the trade over the other. SPQI and its affiliates will not receive commissions, or otherwise profit, from Cross Trades. Cross Trades will be effected only to the extent permitted by applicable law and with prior approval of SPQI's Chief Compliance Officer.

Every Cross Trade and Principal Trade involves a potential conflict of interest among the parties to the transaction and SPQI. In any Principal Trade, SPQI will have a conflict between acting in its own best interests and assisting its clients by selling or purchasing a particular security. In any Cross Trade, SPQI will have a potentially conflicting division of loyalties and responsibilities regarding both clients that are parties to a particular Cross Trade.

Item 12 - Brokerage Practices

Discretionary Brokerage and Best Execution

SPQI's ability to determine the securities to be bought or sold, the amount to be bought or sold, and the broker to be used is limited by the parameters set forth in the Fund's Governing Documents or the SMA's IMA or other organizational documents.

In selecting brokers and negotiating commission rates, SPQI will consider factors such as price, execution capabilities, reputation, infrastructure, reliability, financial resources and stability, quality of research and brokerage products or services, and other value-added services provided by such brokers. SPQI may place transactions with a broker or dealer that (i) provides SPQI with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds or SMAs, if otherwise consistent with seeking best execution; *provided* that SPQI is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

SPQI is not responsible for the acts or omissions of any broker or dealer selected by it in good faith.

Research and Soft Dollar Benefits

SPQI may receive a wide array of research and brokerage services from brokers and dealers. SPQI does not intend to use "soft dollars" other than to obtain research and brokerage services within the meaning of Section 28(e) of the U.S. Securities and Exchange Act of 1934, as amended. Soft dollar benefits are not allocated proportionately to the clients that generate any particular benefit.

The research received may include research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.

SPQI may also receive brokerage services from brokers and dealers related to the execution, clearing and settlement of securities transactions and functions incidental thereto (*i.e.*, connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization, such as comparison services, electronic confirms or trade affirmations.

SPQI may have an incentive to select a broker-dealer based on its interest in receiving research or brokerage services, rather than best execution for its clients. SPQI does not enter into agreements with brokers exchange specific amounts of business for research services. SPQI may consider, in

making a decision relative to best price and execution, the value of research services it receives from particular broker-dealers.

Directed Brokerage

SPQI does not require SMA clients to execute transactions through a specified futures commissions merchant (“FCM”), but may recommend certain FCMs for execution. SPQI does permit clients to direct brokerage. In cases where SMA clients direct brokerage, SPQI may be unable to achieve the most favorable execution of client transactions and the client receive less favorable prices and may pay higher brokerage commissions, as SPQI may not be able to aggregate orders to reduce transaction costs.

Allocation of Investment Opportunities

In allocating investment and trading opportunities among its clients, SPQI makes a determination, exercising its judgment in good faith, as to whether an opportunity is appropriate for each client. Factors in making such a determination may include a client’s liquidity, overall investment strategy and objectives, the regulatory constraints of the client, the composition of the client’s existing portfolio, the size or amount of the available opportunity, the characteristics of the securities or commodity interests involved, the liquidity of the markets in which the securities or commodity interests trade, the risks involved, and other factors related to the relevant client and investment opportunity. SPQI is not required to provide every opportunity to the Funds and each SMA.

If SPQI determines that an investment or trading opportunity is appropriate for more than one client, then SPQI allocates such investment or trading opportunity among clients in a manner that SPQI determines, exercising its judgment in good faith, to be fair and equitable, taking into consideration all allocations among such clients taken as a whole.

Certain personnel of SPQI may be assigned to make trading decisions solely for the benefit of the Equities Strategies or solely for the benefit of the Futures Strategies, without reference or consideration to the needs or interests of the other strategy. Such personnel will not have an obligation to share investment or trading opportunities with other clients of SPQI.

Bunched Trades

SPQI may bunch trades on behalf of more than one client whenever SPQI determines, exercising its judgment in good faith, that bunching a trade is fair and equitable, and will improve trade execution or will otherwise benefit (or not be harmful to) the clients participating in the trade. In allocating bunched trades among clients, SPQI will ensure that: (a) each client is treated fairly with respect to priority of executing orders; (b) trades are allocated on a timely basis; (c) transaction prices and costs are averaged and allocated *pro rata* among all clients participating in a trade; (d) partially filled orders are allocated *pro rata* among all clients participating in a trade; and (e) accurate and complete records of all bunched trades are maintained. It may not always be possible or consistent with the investment objectives of the various clients for the same investment

positions to be taken or liquidated at the same time or at the same price; however, all transactions will be made on a “best execution” basis.

Trade Error Correction Policy

SPQI seeks to ensure that trades are executed in a timely and accurate manner. Nevertheless, in the course of carrying out trading and investing responsibilities on behalf of the Funds or SMAs, SPQI’s personnel may make trade errors, which may include (a) trades that should not have occurred (*e.g.*, trades that are not legally permitted, not within the Fund’s or SMA’s mandate), (b) trades that were erroneously entered into (*e.g.*, incorrect security, quantity, price, terms or allocation), or (c) trades that should have occurred but did not (*e.g.*, an order was erroneously not placed).

If a trade error occurs, SPQI will act promptly to correct, limit or mitigate the effect of the trade error, which may include: (x) canceling the trade, if practicable, and (y) entering into a trade or other transaction that reverses, liquidates or negates the erroneous trade.

SPQI will treat all trade errors (including those which result in losses and those which result in gains) as for the account of the applicable Fund or SMA, unless they are the result of conduct on the part of SPQI that is inconsistent with the standard of care set forth in the Funds’ Governing Documents or the applicable SMA’s IMA.

Item 13 - Review of Accounts

Review of Client Accounts

SPQI’s investment professionals monitor the Funds and the SMAs on a continuous basis to assess systemic, portfolio-level and position-specific risks. Individual position rankings, and the long and short portfolios, are re-evaluated daily. In determining whether to adjust the Funds’ and SMAs’ portfolios, SPQI weighs the transaction costs of trading in one or more issuers, as well as effecting the resulting rebalancing of the portfolio, against the expected improvement to the risk/return profile of the portfolio.

The Funds have independent administrators which review security valuations on a monthly basis. The administrator for the Funds reconciles positions and cash details directly with the custodians on a daily basis. SPQI has also engaged an independent public accounting firm to conduct annual audits of the Funds. As part of the annual audit process, the accounting firm independently verifies security prices and positions in the Funds, and confirms the Funds’ ownership of investment assets.

Reports to Clients

SPQI will provide reports to SMA clients as agreed between the parties.

Investors in the Funds will receive monthly unaudited net asset value statements, annual audited financial statements and annual tax information relating to their investment in the Funds.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

SPQI does not receive economic benefits for providing investment advice or other advisory services, except from its clients.

Third Party Compensation for Investor Referrals

The Firm may engage placement agents, solicitors and appropriately registered persons or firms to assist with the marketing of SMAs and the Funds. Such placement agents may be compensated by SPQI out of its own funds or SPQI may agree to share the management fees or performance fees. Individual investors in the Funds or SMAs will not be subject to any sales charges. All such relationships will be structured and conducted strictly in accordance with SEC and CFTC rules and regulations as applicable and SPQI's policies and practices related to such matters.

Item 15 - Custody

SPQI will not have physical custody of any client assets. Nevertheless, SPQI will generally be deemed to have custody of client assets because of its ability to debit advisory fees from custodial accounts. SPQI obtains approval for payment of its advisory fees prior to debiting client accounts.

It is SPQI's policy to cause the annual financial statement of the Funds with assets over which SPQI is deemed to have "custody" to be audited annually and to distribute such audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors in such Funds no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of the Funds, SPQI generally will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to the Funds to all of its investors promptly after completion of the audit. For the Funds, investors will not receive account statements from the bank or other qualified custodian holding physical custody of the Fund's securities.

Item 16 - Investment Discretion

Subject to the investment objectives, guidelines and restrictions of the SMAs as set forth in the IMAs and the Funds as set forth in their Governing Documents, SPQI has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of the Funds and futures contracts to be bought on behalf of SMAs, including the selection of, and commission paid to, broker-dealers, FCMs and executing brokers.

The terms upon which SPQI serves as an investment manager with respect to the Funds are established at the time that such Fund is formed and generally are set forth in the Fund's Governing Documents. SPQI's investment advice in the Equity Strategy is provided directly to the Funds and not to investors in the Funds individually. SPQI is not required to contact investors in the Funds prior to transacting any business for the Funds.

The terms of such with respect to SMAs are generally set forth in the IMAs with respect to such SMA. SMA clients can impose restrictions on investing in certain types of securities or futures contracts, and such clients can also negotiate other terms with SPQI. Such restrictions and terms are formalized in the IMA with SPQI.

Item 17 - Voting Client Securities

SPQI has, and will accept, authority to vote client securities. SPQI has adopted policies and procedures (“Proxy Voting Policies and Procedures”) which have been designed to ensure that SPQI complies with the requirements of Rule 206(4)-6 under the Investment Advisers Act to vote proxies in the best interest of its clients. SPQI has voting authority and responsibility with respect to securities held by the Funds. In addition to proxy solicitations in connection with equity securities of traditional operating companies, proxy voting is also deemed to include any consent requested in matters such as bankruptcy or insolvency, covenant waivers in connection with debt, approvals regarding the restructuring of debt and other rights and remedies with respect to securities.

In voting proxies for the Funds, SPQI’s goal is to act prudently and in the best interest of the Funds, and accordingly of investors. SPQI seeks to consider all positive and negative consequences its vote could have on the value of the investment. When SPQI votes proxies, it will do so in a manner that it believes will be consistent with efforts to maximize the value of the Funds’ positions. In its discretion, SPQI may choose not to vote on a particular proxy. When a Fund has authorized SPQI to vote proxies on its behalf, SPQI generally will not accept instructions from the Fund or an investor regarding how to vote proxies.

In the case of SMAs, it will be clearly stated in the applicable IMA whether or not SPQI has proxy voting authority and responsibility. If SPQI inadvertently receives any proxy materials on behalf of an SMA client for which it does not have proxy voting responsibility, SPQI will promptly forward the materials to the client.

In furtherance of SPQI’s objective to vote proxies in the manner that it believes is consistent with the efforts to achieve a Fund’s or client’s stated objectives, including maximizing the value of the Fund’s or client’s portfolio, SPQI seeks to identify and address material conflicts that may arise between SPQI’s interests and those of the Funds and investors before voting proxies on behalf of the Funds or other clients.

The Firm may retain a proxy service to vote and manage proxies in its discretion. The proxy service firm will retain all proxy voting records in accordance with SEC Rule 206(4)-6.

Clients may obtain information from the Firm regarding the way securities were voted. A copy of the Firm’s Proxy Voting Policies and Procedures is available to clients upon request.

Item 18 - Financial Information

SPQI has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding. SPQI is not required to deliver a balance sheet along with this Brochure as the Firm does not collect fees of \$1,200 or more for services to be performed six months or more in advance.