

# QUANTITATIVE SYSTEMATIC STRATEGIES LLC

## **PART 2A OF FORM ADV: FIRM BROCHURE**

### **QUANTITATIVE SYSTEMATIC STRATEGIES, LLC**

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This brochure provides information about the qualifications and business practices of Quantitative Systematic Strategies LLC ("QSS"). If you have any questions about the contents of this brochure, please contact us at (904)-686-6100 and/or at [compliance@quantss.com](mailto:compliance@quantss.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Quantitative Systematic Strategies LLC is an investment adviser registered with the SEC. Registration with the SEC does not imply any level of skill or training. Additional information about Quantitative Systematic Strategies LLC is also available on the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 - MATERIAL CHANGES**

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QSS has not made any material changes to its Form ADV Part 2A since its last Annual Amendment on March 8, 2024.

### ITEM 3 – TABLE OF CONTENTS

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|   |    |
|---|----|
| Item 1. Cover Page  |    |
| Item 2. Material Changes .....  | 2  |
| Item 3. Table of Contents.....  | 3  |
| Item 4. Advisory Business.....  | 4  |
| Item 5. Fees and Compensation.....  | 4  |
| Item 6. Performance Based Fees and Side-by Side Management.....                                       | 5  |
| Item 7. Types of Clients .....  | 5  |
| Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....                             | 5  |
| Item 9. Disciplinary Information .....  | 8  |
| Item 10. Other Financial Industry Activities and Affiliations .....                                   | 8  |
| Item 11. Code of Ethics, Participation of Interests in Client Transactions and Personal Trading ..... | 9  |
| Item 12. Brokerage Practices .....  | 9  |
| Item 13. Review of Accounts .....   | 11 |
| Item 14. Client Referrals and Other Compensation .....  | 11 |
| Item 15. Custody .....  | 11 |
| Item 16. Investment Discretion .....  | 11 |
| Item 17. Voting Client Securities .....   | 12 |
| Item 18. Financial Information.....   | 12 |

## ITEM 4 – ADVISORY BUSINESS

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Quantitative Systematic Strategies LLC (“QSS” or the “Firm”) is a Delaware Limited Liability Company formed in August 2012. QSS is an independent investment manager which offers discretionary investment management services to clients. QSS is registered with the U.S. Securities and Exchange Commission as an Investment Adviser. QSS has its office at 13000 Sawgrass Village Circle, Suite 10, Ponte Vedra Beach, FL 32082.

The Firm is controlled 100% by its Sole Member and principal owner, Edward Raha. Mr. Raha has over thirty years of experience in hedge fund management, financial modeling, automated trading, and the design of systematic and quantitative strategies.

QSS’s investment philosophy aims to achieve long term capital appreciation through investment and speculative trading. Please refer to Item 8 – *Methods of Analysis, Investment Strategies and Risk of Loss* for more details. Client investment objectives are discussed prior to engaging a client. QSS assesses each client’s investment objectives, risk tolerance, and any restrictions on types or specific issues of securities that are detailed in the investment management agreements. QSS’s provides investment management services to its clients through accounts (the “Accounts”) in accordance with the investment strategies and guidelines set forth in the investment management agreements.

QSS provides investment management services as an Advisor to segregated Account portfolios of a pooled investment vehicle that is not affiliated with QSS (“Segregated Accounts”). The Firm maintains a broker-dealer relationship to service these Segregated Account portfolios.

QSS also provides investment management services to other pooled clients that could include individual, retail, employee related and other clients (“Other Accounts”).

QSS does not currently provide, nor does it anticipate providing, portfolio management services to any wrap fee programs.

The Firm provides discretionary investment management services to institutional clients that are duly registered investment advisers. As of December 31, 2023, QSS manages \$2,043,580,250 on a discretionary basis. There are no assets managed on a non-discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

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The Segregated Accounts earn fixed management fees, which are payable monthly in advance. If an investment management agreement for any of the Segregated Accounts is terminated before the end of the billing period, QSS will calculate the refund amount based on the number of trading days in the month that the client was active.

The Other Accounts are charged an annualized asset-based fee of 1%, which is calculated on the value of the client’s assets. This fee is based on the market value of the Account on the last day of each calendar month, multiplied by the annual rate and divided by twelve (12). The fee is payable monthly (covering the preceding month) within ten (10) days after the end of the applicable month for which payment is due. Fees earned are deducted from the assets of the retail Managed Accounts and are generally not negotiable.

The Accounts must pay all brokerage and transaction costs associated with account activities, including but not limited to research, brokerage commissions, dealer spreads, financing charges and related transactional fees and expenses, interest expenses and dividends payable with respect to securities sold short. Please see Item 12 – *Brokerage Practices* for additional detail.

The Accounts are also obligated to pay their own operating expenses, including applicable taxes, which includes, but not limited to, administrator fees, legal and audit fees, taxes (if any), bookkeeping charges, registrar's fees, distribution costs, filing fees or other regulatory fees, the cost of all services required in connection with the provision of the information to investors and all other costs relating to the formation, organization and administration of the Accounts.

QSS does not charge fees on the sale of investment products, nor does it currently maintain shared fee arrangements with any third parties.

#### **ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Neither QSS nor any of its supervised persons accepts performance fees, which are based on a share of capital gains on or capital appreciation of client assets.

#### **ITEM 7 – TYPES OF CLIENTS**

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QSS's client base is comprised of qualified eligible persons and accredited investors, with the ability to include institutional investors, high net worth individuals, and retail clients.

#### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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**Method of Analysis** – The investment philosophy of QSS aims to achieve long term capital appreciation through speculative trading. QSS employs various approaches which are based on long-term studies of the stock market.

The investment process is integrated across research, security selection and portfolio construction. All components of the process are monitored by senior management.

**Investment Strategies** – The investment objectives and strategies for the Accounts are specific to the accounts as contracted with the clients. Investment decisions are made based on the individual needs of each client.

**Risk of Loss** – It is important to note that investing in securities involves several risks. An investment should only be made after consulting an independent qualified professional resource for investment and tax advice. An investment in any investment vehicle or strategy managed by QSS is speculative. Investment policy considerations include, but are not limited to, setting of objectives, defining risk/return constraints, considering time horizons, reviewing applicable laws and regulations, understanding tax consequences, and assessing any preferences or circumstances unique to each investor.

The investment strategies of QSS primarily focus on equity securities that are liquid and traded on public exchanges. A set of risk factors that are common across strategies is defined below. This set of risk factors is not complete, and all potential investors are encouraged to conduct a careful review before investing.

- No Guarantee of Return or Achievement of Investment Objectives – Growing competition may limit QSS’s ability to take advantage of trading opportunities. No assurance can be given that investors will realize a profit on their investment. Moreover, each investor may lose some or all his or her investment. Because of the speculative nature of the trading activities, the results of the Accounts’ operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.
- Reliance on QSS – QSS has exclusive responsibility for managing the trading activities on behalf of the Accounts. Investors must rely on the judgment of the investment manager in exercising this responsibility.
- Use of Leverage – Leverage is employed by QSS in some of the Accounts that it manages. Leverage involves an account’s purchase of securities using money borrowed from brokerage firms or banks against a pledge of an account’s assets. An account will incur leverage if it purchases securities with a market value greater than the current Net Asset Value of the Account. While the use of borrowed funds may improve the return on invested capital when the portfolio increases in value, such use may also increase losses if the investment portfolio declines in value. QSS calculates and monitors leverage daily. In addition, the custodians monitor margin levels for applicable Accounts daily.
- Short Sales - QSS does engage in selling securities short for some of the Accounts that it manages. To transact a short sale, the Account will borrow a security it does not own, sell the security short, receive cash for the sale and then buy back the security at a later time and realize a gain or loss on the transaction. Selling securities short inherently involves leverage because the short sale of a security involves the sale of a security not owned by the seller. If the seller borrows the security, the seller must then buy the security at a later date to replace the shares borrowed. If the price of the security at such later date is lower than that at the date of the short sale, the seller realizes a profit; if the price of the security has risen, the seller realizes a loss. Selling a security short which is borrowed exposes the seller to unlimited risk with respect to the security due to the lack of an upper limit on the price to which the security can rise.
- Turnover - QSS strives to limit turnover and transaction costs. However, certain trading activities does take place based on medium- to short-term market considerations. The portfolio turnover for these strategies can be substantial at times, due to either such decisions or market conditions and can result in the Accounts incurring substantial brokerage commissions, dealer spreads and other transaction fees and expenses.
- Liquidity – During periods of market stress, the markets might close and clients will not be able to liquidate their investments on a timely basis.
- Hedging – QSS does use various “risk reduction” techniques designed to minimize the risk of loss in portfolio positions. Even so, a substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses. QSS establishes other positions designed to gain from the same

developments, thus moderating the decline in the overall portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase.

It is not always possible for QSS to enter a hedging transaction at a price sufficient to protect from a decline in the position's value. In addition, in certain cases QSS will choose not to engage in a hedging transaction if the expense associated with the transaction is perceived as being too costly. While QSS may seek to reduce risks, unanticipated market movements and fluctuations can result in a poorer overall performance of the Accounts than if QSS had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged vary and will impact the effectiveness of this strategy.

- Decisions Based on Long Term Historical Study of the Markets – QSS's trading decisions are based on trading strategies which utilize the analysis of past price behavior. The future profitability of these strategies depends upon the ability of the future price action to not be materially different from the past. In addition, QSS's approach can be similar to that used by other traders resulting in many traders attempting to initiate or liquidate positions in a market at or about the same time, which will affect the execution of trades and the ability to generate profits.
- Changes in Strategy – Unless specifically prohibited by the Client Agreement(s), QSS has the power to expand, revise or alter its trading strategies without prior approval by, or notice to, the Account or the holders of Interests. Any such change could result in exposure of the Accounts' assets to additional risks which may be substantial.
- Use of Discretion – QSS has the right to exercise discretion. No assurance can be given that such use of discretion will enable the Accounts to avoid losses and in fact such use of discretion in some cases will cause the Accounts to forego profits.
- Currency Exposure – The Accounts do not hedge foreign currency assets or liabilities by entering futures/forward contracts, swaps, options on the foregoing, and other instruments to minimize foreign currency exposure. Accordingly, the value of an investment in an account is, when measured in the reporting currency, affected by fluctuations of the foreign currency relative to the reporting currency.
- Foreign Investments – Investments in foreign markets present unique risks that are not associated with U.S. investments which increase the risk of loss. Certain foreign governments sometimes restrict outside investments in their markets or in specific industries. Regulations surrounding stock exchanges, securities markets, brokerage practices, and settlement and clearance procedures are not be as wide-ranging as those in the U.S., and reporting surrounding a company's earnings, holdings, and overall financial situation are not always required. Also, investor protection laws are not always as comprehensive as those in the U.S.
- Institutional Risk – Institutions such as broker dealers and FCMs have custody of the assets of the Accounts. These firms may encounter difficulties that impair the Accounts' operating capabilities or capital position. Furthermore, some institutions in the past have failed to properly segregate the Accounts' assets. QSS selects and attempts to limit its transactions to brokers and dealers which it believes to be well capitalized and established to mitigate this risk.
- Counterparty Risk – The Accounts will be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy, or other causes, which could subject an account to substantial losses. To mitigate such risks, QSS attempts to limit

transactions to counterparties which it believes are established, well capitalized and credit worthy. Please refer to Item 12 – *Brokerage Practices* for additional comments with respect to this risk.

- Cybersecurity Risk – QSS and its clients are subject to information security risks resulting from both malicious cyber incidents such as malware or hacking attacks, or unintentional cyber events affecting QSS or its service providers. Cybersecurity events, if severe enough, will cause disruptions to business operations and result in trading stoppages, financial losses, or violation of client privacy. QSS has a comprehensive information security and business continuity program in place, but it cannot control the effectiveness of the cybersecurity programs used by its service providers or prevent a cyber incident from taking place.
- Other Trading Activities – QSS and each of its respective directors, officers, members, managers, employees, and affiliates, as applicable, have sponsored in the past and can establish in the future other public and private funds. Certain of such persons will in the future trade for accounts other than the current client Accounts and will remain free to trade for such other accounts and to utilize trading strategies and formulae in trading for such accounts.
- Laws and Regulations Affecting the Accounts – Legislative, administrative, or judicial changes are likely to occur which alter, either prospectively or retroactively, the risk factors or tax considerations as described in this document. For instance, there are currently various proposals pending in the US Congress which, if enacted, could result in changes in US Federal tax laws. Regulations imposed on the financial markets in the future could significantly restrict or otherwise affect the Accounts’ ability to access financial markets or impair the liquidity of positions.
- Pandemic Risk - The global financial markets have gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention and regulations. Such intervention has in certain cases been implemented on an “emergency” basis, suddenly and affecting market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets.

## **ITEM 9 - DISCIPLINARY INFORMATION**

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QSS is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or potential client’s evaluation of the firm or the integrity of the firm’s management in this item. QSS and its personnel do not have any disciplinary information to disclose.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Neither QSS nor its President and Sole Member are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.



Neither QSS nor its President and Sole Member recommend or select other investment advisors for its clients.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

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QSS has adopted a Code of Ethics (the “Code”) which sets forth the ethical and fiduciary principles and related compliance requirements under which QSS operates, as well as the procedures for implementing those principles. The Code includes policies and procedures on ethical principles, conflicts of interests, insider trading, personal investments and trading, gifts and entertainment, political contributions, outside business activities and confidentiality. Each employee and those employees who are “Access Persons”, as defined in the Code, must provide an annual signoff and acknowledgement of the Code. A copy of QSS’s Code is available free of charge to clients and prospective clients by contacting us at (904)-686-6100 or [compliance@quantss.com](mailto:compliance@quantss.com).

The Code sets forth a standard of business conduct and QSS’s status as a fiduciary and requires employees to place the interests of clients above their own interests and the interests of QSS. The Code also sets forth certain reporting, exemptions, and pre-clearance requirements for outside business activities, gifts and entertainment, political contributions and with respect to certain personal investments by Access Persons. In addition, the Code seeks to ensure the protection of non-public information about QSS activities.

Access Persons must provide QSS’s Chief Compliance Officer with a list of their reportable personal investment accounts and an initial holdings report for reportable securities within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with the Investment Advisers Act of 1940 Rule 204A-1.

All Access Persons are generally prohibited in participating in initial public offerings that are Reportable Securities and investments in private placements including investments in hedge funds, private equity funds or similar pooled investment vehicles unless written pre-clearance is obtained by the Chief Compliance Officer.

QSS does not engage in principal transactions with the client Accounts, but if it did so in the future, QSS would obtain applicable client consent and provide all relevant disclosures in compliance with applicable regulations. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys from or sells any security to any advisory client.

## **ITEM 12 - BROKERAGE PRACTICES**

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QSS is responsible for all decisions with respect to the purchase and sale of securities for the Accounts, including the selection of brokers and dealers to effect transactions and the negotiation of brokerage commissions. As a result, QSS has a fiduciary and professional obligation to its clients to act with the care, diligence, and skill that a prudent portfolio manager would exercise when executing transactions for client portfolios and in accordance with the terms of the client’s investment management agreement.

All broker-dealers are reviewed and assessed initially upon engagement, and thereafter quarterly, for best execution purposes. A decision to enter any service level agreement with a broker-dealer counterparty is decided by senior management.

The Accounts will be subject to the risk of the inability of a broker-dealer counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy, or other causes, which could subject them to substantial losses. To mitigate such risks, QSS attempts to limit transactions to broker-dealer counterparties which it believes are established, well capitalized and credit worthy and to engage with top-tier service providers.

QSS has a duty to obtain best execution and execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances for any securities transactions made for clients. "Best execution" does not necessarily mean obtaining the lowest possible price for any particular transaction but also a review of all relevant circumstances and factors including the availability of securities, buyers, and sellers in the market and quality of a broker-dealer's services.

The Accounts pay all brokerage and transaction costs associated with their activities, including but not limited to research, if any, brokerage commissions, dealer spreads, financing charges, and related transactional fees and expenses, interest expenses, and dividends payable with respect to securities sold short. QSS does not have any soft dollar agreements in place, nor does it have soft dollar credits currently received from currencies transactions or futures transactions.

QSS currently does not have any arrangements to receive any client referrals with the engagement of any broker-dealer that effect transactions for Accounts.

On a quarterly basis, QSS's policies and procedures requires a "best execution" review of the broker-dealers that effect transactions for the Accounts, to ensure that commission rates being paid are reasonable and commensurate with the services received; although, commission rates are not the only factor involved when assessing best execution. QSS best execution policies consider other qualitative factors when assessing best execution.

QSS trades for clients are categorized in two primary groups as defined on Page 4: (a) the "Segregated Accounts"; and (b) the "Other Accounts". QSS attempts to aggregate the purchase and sale of orders for all Accounts, subject to the investment guidelines, restrictions, and the terms of the investment management agreement and other factors relevant to the trading strategies, that are applied when those orders are generated or placed in the marketplace at the same time and when such aggregation is beneficial for the client. Some QSS clients utilize trading strategies that generate orders that are placed in the marketplace at times that are distinct from other QSS clients, and in those cases, aggregation of client orders does not take place. Furthermore, aggregating orders may not be beneficial to a client if it involves additional fees. For those clients that do not participate in the aggregation of orders, the client may receive a different price than other clients, but in most cases, QSS seeks to execute the order at the closing price.

Changes to the allocation after the final execution of the original order is permissible on trade date for legitimate reasons and subject to the approval by the Chief Compliance Officer. The order may be re-allocated on a basis different from that specified on the order record and the reason for the change must be documented on the order record. Re-allocations after this period may be treated as a trade error.

The Firm also recognizes occasional trading errors are inevitable and has addressed resolution of trading errors in its Compliance Manual.

Due to the nature of QSS's execution process, QSS may be precluded from aggregating a client's Account. In such a case, and subject to the terms of the client's investment management agreement, clients may pay a higher commission rate or other transactions costs than other clients.

QSS's trade aggregation and allocation practices as disclosed were created to ensure that no one client is favored over any other client. There is no allocation to a client Account or set of client Accounts based on account performance or the amount or structure of management fees.

### **ITEM 13 - REVIEW OF ACCOUNTS**

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Review of Accounts - The Managing Member of QSS meets with or contacts its clients periodically to review the investment portfolios and client objectives. Should a client wish to make an additional investment to their Account(s), the dollar amount of the contribution will be ascertained by the Managing Member. The Firm will then verify continuity of the representations and warranties made upon the initial contribution relating to the client's current financial position and/or material adverse changes in financial condition thereof. All client contributions will be processed through the administrator of the Account, and re-screened against the OFAC database ([www.treas.gov/ofac](http://www.treas.gov/ofac)), for ongoing account monitoring and maintenance.

*Reviewer*

Edward Raha, President

### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

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QSS does not participate in any arrangements whereby it receives compensation from persons other than the client for providing advisory and portfolio management services to clients.

QSS may enter written arrangements with promoters for certain investment strategies. To the extent QSS engages a third-party promoter, all such referral activities will be conducted in accordance with Rule 206(4)-1 under the Investment Advisers Act of 1940, where applicable.

### **ITEM 15 – CUSTODY**

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It is the general policy of the Firm not to accept custody of client funds or securities. For the Accounts, custody is generally maintained at qualified custodians that provide statements at least quarterly. Investors should always compare information received from the custodian and/or fund administrators to any information received from QSS and contact the Firm with any questions.

### **ITEM 16 - INVESTMENT DISCRETION**

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QSS customarily accepts discretionary authority to manage securities accounts on behalf of clients. The only restrictions on such authority are those established by the terms of the applicable client contract. For the existing Accounts, authority is granted by a signed investment management agreement.

## **ITEM 17 - VOTING CLIENT SECURITIES**

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QSS has the authority to vote, tender, or non-tender client securities held in the Accounts.

QSS receives proxy materials from issuers, custodians, or broker dealers via email and through the trading platform with respect to any voteable shares held in client Accounts. The Chief Compliance Officer establishes a file for each vote opportunity, and reviews potential conflicts of interest, including situations where employees may have a direct or indirect pecuniary interest in any issue presented for voting, or any relationship with the issuer.

If any material conflict of interest is identified, the Chief Compliance Officer will decide whether to seek the informed direction of the client or seek the recommendation of an independent third party. Steps will be taken to evidence that the proxy vote or abstention was in the best interest of the clients and not the product of any material conflict.

QSS generally will vote in favor of proposals that are a standard and necessary aspect of business operations and that it believes will not have a significant effect on the value of the investment. Factors considered in reviewing these proposals include the financial performance of the company, attendance and independence of board members and committees, and enforcement of strict accounting practices. Proposals that change the status of the corporation, its individual securities, or the ownership status of the securities will be reviewed on a case-by-case basis.

QSS generally will vote against any proposal that attempts to limit shareholder democracy in a way that could restrict the ability of the shareholders to realize the value of their investment and will support proposals that maintain or expand shareholder democracy.

Clients may request information concerning how proxies were voted on client securities. The Chief Compliance Officer will respond to such requests showing how client securities were voted on issues. However, if a client requests that a vote is cast in a specific way on a specific issue, the President will advise the client that the request cannot be accommodated.

The following records are maintained with respect to proxy votes:

1. Proxy statements received regarding client securities.
2. Records of votes cast on behalf of a client, including each security to which votes were cast, the number of shares voted and how they were voted on each issue.
3. Records of requests by clients for proxy voting information and responses to such requests.
4. Documents used by the Firm that were material to how a proxy was voted or that memorialized the basis for the voting decision.

## **ITEM 18 - FINANCIAL INFORMATION**

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QSS does not solicit or require prepayment of fees by clients. QSS does not have custody of client funds or securities in Accounts managed for clients.

There are no financial conditions that are reasonably likely to impair QSS's ability to meet its contractual commitment to its client. QSS has not been the subject of a bankruptcy petition at any time since its inception in 2012.