



Part 2A of Form ADV Disclosure Brochure

March 21, 2016

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This disclosure brochure provides information about the qualifications and business practices of QA Investment Services, LLC (“QAIS”). If you have any questions about the content of this brochure, please contact QAIS at 800-397-4002 or compliance@QAglobal.net. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor with the SEC does not imply any specific level of skill or training.

Additional information about QAIS is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This summary of material changes identifies, and briefly discusses, only the material changes to the disclosure brochure of QA Investment Services, LLC (“QAIS”) since its last annual update on March 30, 2015. The summary includes references to Quantitative Advantage, LLC (“QA”), QAIS’s parent company. To see all changes since the last annual update, please review the entire disclosure brochure.

Item 4 – Advisory Business

We have updated the description of our advisory business.

Item 5 – Fees and Compensation

We have updated the description of our fees and compensation.

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

We have revised the disclosures relating to QA’s Tactical All Market strategy, as well as disclosures relating to the Retirement Allocation Program model portfolios, including the Flex model portfolios.

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

We have updated the disclosures regarding our Code of Ethics.

Item 12 - Brokerage Practices

We have updated the disclosures regarding our brokerage practices, including disclosures regarding QA and QAIS’s participation in the institutional advisor program offered by TD Ameritrade Inc. (“TD Ameritrade”).

Item 13 – Review of Accounts

We have updated the disclosures regarding the review of accounts.

Item 14 - Client Referrals and Other Compensation

We have updated disclosures regarding conflicts of interest in connection with gifts, business entertainment and business events.

In addition to disclosures regarding the TD Ameritrade institutional advisor program, we have added disclosures regarding QA’s participation in the TD Ameritrade Advisor Direct client referral program.

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Item 4 - Advisory Business

Clients are advised that they should review this entire disclosure brochure carefully. In addition, clients should also review QA's entire disclosure brochure carefully. QAIS and QA are investment advisors registered with the Securities and Exchange Commission.

Founded in 2004, QAIS is a wholly-owned subsidiary of QA, and is a limited liability company organized in the state of Minnesota.

QAIS provides two principal types of non-discretionary investment advisory services in connection with the investment advisory and management services provided by QA:

- Investment advisory services provided to clients in connection with managed accounts; and
- Investment advice in connection with model portfolios and related investment recommendations provided by QA regarding securities available under certain employer-sponsored retirement plans.

QAIS provides non-discretionary investment advisory services to its clients, but does not provide financial planning or other services.

QAIS's investment advisory services rely principally on QA's investment advisory and management services.

QA's investment advisory and investment management services are based primarily on its proprietary Global Investment System, a quantitative research resource which analyzes relative price trends in various securities, including investment styles, sectors, international equities, and alternative and fixed income investments. QA's portfolio management team evaluates research generated by the Global Investment System in light of other available political, financial, economic and market information when making investment decisions. QA also weighs other considerations when making investment decisions, including without limitation diversification, turnover and transaction costs.

QA utilizes exchange-traded funds ("ETFs") and mutual funds extensively in its investment strategies, and does not provide investment advice with respect to any other types of investments, including publicly-traded equity securities (other than ETFs), private placement securities and individual debt securities. However, financial plans provided to financial planning clients may include within their scope other types of securities owned or subsequently acquired by the clients. You will find additional information about QA's investment strategies and their underlying investments in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss).

As of December 31, 2015, QAIS provided non-discretionary advisory services to approximately \$921 million in client assets. These client assets advised by QAIS are included in the client assets managed or advised by QA and reflected in QA's disclosure brochure.

Managed Accounts

QA makes its discretionary managed account services available directly to clients, with related non-discretionary investment advisory services provided either by QA, or by QAIS, its wholly-owned subsidiary. These services are provided by QA and/or QAIS under the QA Wealth Management brand name

As a wholly-owned subsidiary of QA, QAIS has an incentive to recommend QA over other investment advisors and managers. Historically, QAIS has not recommended investment advisors or managers other than QA, and does not presently plan to do so. As such, QAIS recommends that its clients use QA's investment advisory and management services.

In those cases where QAIS provides the related non-discretionary investment advisory services in connection with discretionary managed accounts, QAIS' Wealth Management Advisors will determine whether QA Wealth Management's services are suitable for the directly managed account client and, if so, assist the client in selecting one or more suitable QA investment strategies. In order to make suitable recommendations regarding investment strategies (which are made on a non-discretionary basis), the Wealth Management Advisor will typically require the client to complete an investor questionnaire, profile or similar document. The Wealth Management Advisor will also inquire whether the client wishes to impose any reasonable restrictions on the management of the account. It is the client's responsibility to promptly notify QA or QAIS regarding any change in the client's financial and investment needs, goals and objectives. Investment strategy changes must be provided in writing.

QA's portfolio management team is responsible for managing client accounts in accordance with the investment strategy or strategies selected by the client, subject to any reasonable restrictions the client may impose. QA cannot apply restrictions to securities held within ETFs or mutual funds. If QA cannot accommodate a client's restrictions, or in its sole discretion determines the restrictions are unreasonable, QA or QAIS will notify the client. Unless the client's restrictions can be modified, QA may not be able to accept its appointment as investment manager. Client-imposed restrictions may have an impact, perhaps materially so, on account performance.

The client enters into a combined Client Agreement with both QA and QAIS. Client Agreements will generally be executed and dated as soon as practicable following receipt of all required documentation and information, and QA will thereafter commence trading, unless the client instructs QA or QAIS otherwise in writing.

Upon request, QA will vote proxies of client securities in accounts over which QA has investment discretion.

The client also appoints a custodial broker-dealer to maintain custody of assets in the client's account and to execute securities transactions for the client's account (the "Broker-Dealer/Custodian"). The client is generally required to select one of the two primary Broker-Dealer/Custodians available to QA Wealth Management clients. QA effects all securities transactions for the client's account with or through the client-appointed Broker-Dealer/Custodian. You will find additional information regarding brokerage in Item 12 (Brokerage Practices).

Variable Annuity Policies

QAIS also makes QA's discretionary investment management services available with respect to the sub-accounts available in variable annuity contracts clients own. In so doing, QA allocates client assets among the various fund sub-accounts available for investment under the contracts.

QAIS is not accepting any new variable annuity contract clients.

Employer-Sponsored Retirement Plans

Through its Retirement Allocation Program (RAP), QA makes available a range of equity and balanced model portfolios to retirement plan participants in certain employer-sponsored retirement plans. RAP participants can select (with the assistance of their QA or QAIS Wealth Management Advisor) a model portfolio depending on their investment objectives and risk tolerance. Following the client's model portfolio selection, RAP participants receive QA's mutual fund recommendations (which are based on updates to the model portfolio) regarding selected mutual funds available as investment alternatives under the retirement plans. RAP participants generally receive notification of QA's mutual fund recommendations at the beginning of each month (following updates to the model portfolio at the end of the previous month), depending on their selected model portfolio. RAP participants (and not QA or QAIS) exercise full investment discretion and are responsible for implementing the mutual fund recommendations to the extent they choose to do so.

QA provides confidential advance notification of its recommendations to the sponsors of mutual funds available as investment alternatives under the plans to facilitate management of the resulting cash flows into and out of the funds, on condition that the sponsors of the mutual funds keep this information confidential and use it only for this limited purpose.

QA also provides monthly model portfolios free of charge to QA and QAIS employees regarding the securities available under the QA-sponsored 401(k) plan.

Miscellaneous

QA and QAIS at all times seek to act in a timely manner in response to client instructions, directions and requests. However, the various steps QA and/or QAIS needs to take to implement any instruction, direction or request require time, which results in delay before the required action is complete. The length of the lead time varies, depending on the nature of the instruction, direction or request, the volume of other activity QA and/or QAIS is required to undertake in the same time frame, and all the circumstances of the particular instance. QA and QAIS are not responsible for movements in the securities markets or any other development affecting clients or their accounts pending completion of any required actions.

Clients with specific instructions, directions or requests concerning their accounts should contact QA or QAIS.

Item 5 - Fees and Compensation

Managed Accounts

QAIS and QA will generally charge the client a combined annual fee for their investment advisory and management services based on a percentage of the market value of the assets held in the client's account (the "Management Fee"). The Management Fee is typically payable quarterly, in advance, based upon the market value of the assets in the client's account on the last day of the previous quarter.

The Management Fee for the initial quarter is generally calculated on a pro rata basis commencing on the day QA first places one or more trades for the account. The Management Fee for other partial billing periods is prorated based on the number of days in the calendar quarter the account is open. The client typically receives a pro rata refund of the Management Fee if services are terminated during a quarter.

In addition to the Management Fee, the Broker-Dealer/Custodian will generally charge the client brokerage fees or commissions for its services (the "Brokerage Fee"). In some cases, the client may choose to pay either an annual asset-based fee equal to a percentage of the market value of the assets in the client's account which covers all transactions the Broker-Dealer/Custodian effects for the account or per-transaction commissions.

Which of these alternatives will be more advantageous to a client will depend on various factors, including the size of the client's account, the volume of transactions made in the account, the types of securities traded in the account and the asset-based brokerage fees or commission rates and other amounts charged by the Broker-Dealer/Custodian. The per-transaction commission option may be advantageous to clients with large accounts, accounts holding no-transaction fee mutual funds and/or clients selecting investment strategies with lower turnover. Clients are responsible for choosing which Brokerage Fee alternative (asset-based fee or per-transaction commissions) their Broker-Dealer/Custodian will charge them. No portion of the brokerage fee or commissions is paid to QA or QAIS. Please see the account agreement with your Broker-Dealer/Custodian, as well as any other documents provided by your Broker-Dealer/Custodian, for more information about Brokerage Fees and other charges.

The client's QAIS Wealth Management Advisor is available to consult with the client at any time regarding their choice of Broker-Dealer/Custodian and/or brokerage payment option. Upon request, QAIS will provide clients with advice to help them make this choice at the time clients open their accounts. If a client requests QAIS to do so, the client's Wealth Management Advisor will also advise the client at any time the client wishes to reconsider his or her choice. However, QA and QAIS will not monitor a client's account to determine whether the client's choice remains most favorable to him or her.

In general, Brokerage Fees and transaction costs will not be imposed in accounts where the investment strategy is implemented solely with no-transaction fee mutual funds or in a variable annuity fund sub-account. The various Broker-Dealer/Custodians determine their own charges, so Brokerage Fees will vary depending on the Broker-Dealer/Custodian the client uses.

You will find additional information regarding brokerage in Item 12 (Brokerage Practices).

Typically, clients authorize QA and/or QAIS to invoice the Broker-Dealer/Custodian for the Management Fee, and the Broker-Dealer/Custodian to deduct these fees directly from the client's account. The client will receive one or more statements, at least quarterly, indicating all amounts disbursed from the client's account, including the Management Fee and the Brokerage Fees. It is the client's responsibility to verify the accuracy of the calculation of the Management Fee and Brokerage Fees.

QA generally implements clients' investment strategies by investing the account assets in ETFs and mutual funds. In addition to the Management Fee and Brokerage Fee, clients will also have to pay any sales loads, redemption fees and the like, as well as bear their proportionate share of the management fees and other expenses incurred by the funds. These sales loads, fees and expenses are disclosed in the funds' prospectuses, which are required to be delivered to investors at the time of purchase.

The following tables provide the standard fee schedule for QA Wealth Management managed account clients.

Equity, Balanced, Flex and Alternative Investment Strategies:

<u>Market Value of Assets in Account:</u>	<u>Annual Management Fee:</u>
First \$250,000	1.50%
Next \$250,000	1.25%
Over \$500,000	1.00%

Fixed Income Investment Strategy:

<u>Market Value of Assets in Account:</u>	<u>Annual Management Fee:</u>
First \$250,000	1.00%
Next \$250,000	0.85%
Over \$500,000	0.70%

QA and QAIS may in their sole discretion household accounts for billing purposes.

The Management Fee covers both investment management and investment advisory services. QA and QAIS share equally in the Management Fee.

In general, QA and QAIS's standard Management Fee schedule is not negotiable, although in certain circumstances, e.g., households with large amounts of managed account assets invested with QA, QA and QAIS may provide their services for a lower fee.

QA and QAIS also provide their services for a lower fee to some long-standing clients of the firms' principals, as well as friends, family and others with special relationships with QA.

Additionally, QA and QAIS provide investment advisory and/or management services to their employees and certain immediate family members free of charge.

Variable Annuity Policies

Some variable annuity contracts may require a portion of the client's assets to be held in a fixed account, the amount of which varies depending on various factors, including market conditions. If assets are moved into the fixed account, this decreases the amount of assets available for management by QA, which may adversely affect the performance of the client's account. In general, QA and QAIS do not charge fees on assets held in the fixed account because QA and QAIS are not actively advising on or managing these assets. However, if assets are moved to the fixed account during a quarter, the client will pay fees on these assets, as QA and QAIS charge their fees in advance based on assets under management at the beginning of each quarter.

Variable annuity contract clients will typically not incur any Brokerage Fees or commissions, but will have to pay any sales loads, redemption fees and the like, as well as bear their proportionate share of the management fees and other expenses incurred by the fund sub-accounts in which they invest. These loads, fees and expenses are disclosed in the funds' prospectuses, which are required to be delivered to investors at the time of purchase.

Employer-Sponsored Retirement Plans

Through the Retirement Allocation Program, QA and/or QAIS receive a fixed quarterly fee of \$350, paid in advance, for an annual total fee of \$1,400 (the "Program Fee"). For the initial quarter, the Program Fee is calculated on a monthly pro rata basis commencing at the beginning of the month the client receives QA's initial investment recommendations. In the event the Retirement Allocation Program Client Agreement is terminated for any reason, the client will receive a pro rata refund of the Program Fee.

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

QAIS does not enter into performance-based fee arrangements.

Item 7 - Types of Clients

QAIS generally provides investment advisory services to individuals, trusts, retirement accounts and corporations or other business entities, as well as to participants in retirement plans.

For QA Wealth Management managed account clients, the investment minimum for QA's investment strategies is generally \$100,000, although the investment minimum in certain investment strategies is \$50,000.

In the case of variable annuity contracts, the insurance company may determine the minimum account balance.

In its sole discretion, QA may allow accounts of any type with smaller balances, either systematically or in specific cases.

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

QAIS's investment advisory services rely principally on the investment advisory and management services provided by QA.

In making its investment decisions, QA's portfolio management team reviews information generated by QA's proprietary Global Investment System, a quantitative research resource which analyzes relative price trends in various securities, including investment styles, sectors, international equities and alternative and fixed income investments. QA's Global Investment System analyzes a large amount of price information which QA obtains from third parties. QA does not guarantee the accuracy of this information or that it will be correctly captured or analyzed by the system. Any errors in the information, its capture or the analytical process may result in different system output, which may influence or cause QA to make different investment decisions. QA will not be liable for investment decisions resulting from inaccurate price information or errors in capturing or analyzing information.

The QA portfolio management team evaluates research generated by the Global Investment System in light of other available political, financial, economic and market information when making investment decisions. The portfolio management team also weighs other considerations when making investment decisions, including diversification, turnover and transaction costs.

In addition to the portfolio management team, QA has an Investment Committee which plays an important role, focusing on higher level portfolio management matters, such as review, discussion and approval of new investment strategies, enhancements to existing strategies and determining the overall strategic priorities of the portfolio management team. Along with the portfolio management team, the Investment Committee includes QA's Chief Executive Officer and Chief Operating Officer, Chief Compliance Officer and General Counsel, with other employees participating by invitation as needed.

QA's investment strategies, like most investment strategies, involve the risk of loss of principal that clients should be prepared to bear. In all cases, investment returns and principal value will fluctuate and are subject to market volatility, so that a client's investment, when sold, may be worth more or less than the original cost. Various types of investments involve different kinds of risk, and there is no assurance that any investment strategy will be profitable. There is no guarantee that QA's investment philosophy, Global Investment System and investment strategies will be successful or that the opinions expressed by QA will prove to be true. All holdings within QA's investment strategies are subject to change at any time without notice. Asset allocation does not ensure a profit or protect against a loss.

Past performance of QA's investment strategies is not a guarantee of future performance results. You should not assume that future performance results will be profitable or equal to QA's past performance. Some of QA's investment strategies have a limited performance history. The use of QA's investment strategies may be appropriate for certain investors as part of their overall investment strategy. However, the use of investment strategies is not a substitute for personalized investment advice and investors should consult with their advisors before implementing any investment strategy. No strategy assures a profit or protects against a loss.

QA's investment strategies are often implemented using ETFs, which are subject to risks similar to those of other publicly-traded shares, including loss of principal, price volatility, competitive industry pressures, possible trading halts and global, political and economic developments. These risks may be magnified in funds with concentrated holdings. In other cases, QA's investment strategies invest in mutual funds, which share many of these risks. While mutual funds are not traded on an exchange, and are therefore not subject to possible trading halts, investments in mutual funds do involve risks including loss of principal, price volatility, competitive industry pressures, delays in payments of redemption proceeds for up to seven days and global, political and economic developments.

In addition, many ETFs and mutual funds in which QA's investment strategies may invest are exposed to various other risks often associated with index funds, including the use of derivatives, potential for high turnover, securities lending, index tracking error and other risks. While index funds are designed to provide investment results that generally correspond to their underlying indices, index funds may not be able to exactly replicate the performance of the indices because of fund-related expenses and other factors. Index ETFs may also trade at a premium or discount to their net asset values, which may give rise to additional differences relative to their underlying indices.

QA's investment strategies focus on total return. In line with this, QA does not generally take tax considerations into account in making investment decisions. In addition, QA's investment strategies (especially the QA Flex strategies) involve a high level of portfolio turnover, which may increase transaction costs, lower returns and have negative tax consequences in taxable accounts.

Please note that the ETFs and mutual funds utilized in QA's investment strategies are subject to change at any time without prior notice.

The sections below covering QA's Equity, Balanced, Fixed Income, Flex and Alternative investment strategies relate to QA's managed account strategies (other than variable annuity strategies), which in some cases are also made available as model portfolios on model strategist platforms.

Equity Investment Strategies:

QA Global Equity
QA International Equity
QA US Equity
QA US Sector
QA Sector Opportunity
QA Global Style

Balanced Investment Strategies:

QA Global Balanced 80/20 (80% Equity, 20% Fixed Income)
QA Global Balanced 60/40 (60% Equity, 40% Fixed Income)
QA Global Balanced 40/60 (40% Equity, 60% Fixed Income)
QA Global Balanced 20/80 (20% Equity, 80% Fixed Income)

Fixed Income Strategy:

QA Tactical Bond

QA's Global Equity and Global Balanced strategies seek long-term growth of capital by investing in a portfolio of global equity holdings. Portfolio holdings typically include a focused portfolio of investments providing global exposure through investments in US style, US sector and international ETFs. QA's Global Balanced strategies also seek to reduce the higher volatility associated with equity investments by strategically allocating a percentage of the portfolio to fixed income. Up to 50% of the portfolios may be invested in ETFs targeting an allocation to international markets.

QA's Global Equity and Global Balanced strategies tactically adjust the allocation of domestic and international exposures within each strategy's respective equity holdings. The neutral allocation for each strategy's equity holdings is 60% domestic and 40% international (as represented by the benchmark for each strategy's equity component). Through the use of momentum-based research and analysis, QA's portfolio management group determines whether to overweight either the domestic or international equity allocation, relative to the neutral benchmark weights, and underweight the remaining region. It is expected that in most market environments the allocation between each strategy's domestic and international equity exposures will reflect a tactical positioning differing from the neutral benchmark weights.

The QA International Equity strategy seeks long-term growth of capital by investing in a concentrated equity portfolio of international securities. The strategy typically holds three ETFs, all international positions.

The QA US Equity strategy seeks long-term growth of capital by investing in a concentrated equity portfolio of US style and sector securities. The strategy typically holds six ETFs, including one US style and five US sector positions.

The QA US Sector strategy seeks long-term growth of capital by investing in a focused selection of US sector securities. The strategy typically holds five sector ETFs.

The QA Sector Opportunity strategy seeks long-term growth of capital by investing in a focused selection of US sector securities. The strategy typically holds five sector mutual funds.

The QA Global Style strategy seeks long-term growth of capital by investing in a focused equity portfolio of US style and broad-based US or international index securities. The strategy typically holds two ETFs consisting of one US style investment and one US or international index position.

The QA Tactical Bond strategy seeks to maximize total return consistent with outperforming the Barclays Capital U.S. Aggregate Bond Index. The strategy typically includes a focused portfolio of ETFs which may include, but are not limited to, domestic and/or international government and corporate fixed income securities.

QA's Global Equity, International Equity, US Equity, Global Style and Global Balanced strategies may make small-cap investments, which are subject to greater volatility than those in other asset categories. The illiquidity of the small-cap market may adversely affect the value of these investments.

QA's Global Equity, US Equity, US Sector, Sector Opportunity and Global Balanced strategies may invest in sector funds, which may be adversely affected by the performance of the specific sector or group of industries on which they are based.

QA's Global Equity, International Equity, Global Style, Global Balanced and Tactical Bond strategies may make international investments, which are subject to additional risks, such as heightened sovereign credit, downgrade and default risk, currency fluctuation, confiscatory policy, political instability or potential illiquidity, including investing in emerging markets, which may accentuate these risks. While even the sovereign debt of the US is subject to credit, downgrade and default risk, these risks are typically greater in the case of countries outside the US, especially in the case of governments with heavy sovereign debt burdens, as well as emerging market nations. In light of these risks, these investments may not be suitable for all investors.

QA's Global Balanced and Tactical Bond strategies may invest in fixed income investments, which are subject to various risks, including variations in market value, changes in interest rates, illiquidity, credit, downgrade and default risk, prepayments and extensions, corporate events, tax ramifications and other risks.

In all cases, bonds are subject to availability, change in price, and market and interest rate risk if sold prior to maturity. Bond values generally decline as interest rates rise.

US government bonds and Treasury bills are guaranteed by the US government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

US Treasury inflation-protected securities (TIPS) help mitigate inflation risk, as the principal is adjusted semi-annually for inflation based on the Consumer Price Index, while providing a real rate of return guaranteed by the US government. However, even the sovereign debt of the US is subject to credit, downgrade and default risk, with major credit rating agencies lowering the long-term sovereign credit rating of the US in 2011.

In addition to general bond risks, agency mortgage-backed securities are subject to credit, downgrade and default risk, prepayment risk and extension risk.

As a general matter, corporate bonds are considered higher risk investments than US government bonds, but normally offer a higher yield. In addition to market and interest rate risk, corporate bonds are subject to credit, downgrade and default risk, as well as risks based on the quality of the issuer, corporate events, coupon rate, and maturity and redemption features. International corporate bonds are also subject to the additional risks associated with international investments described above. High yield or “junk” bonds are not investment grade securities, involve heightened risks and generally should only be used on the advice of your Wealth Management Advisor as part of a diversified portfolio.

Flex Investment Strategies:

QA Global Equity Flex

QA Global Balanced Flex – Growth

QA Global Balanced Flex – Moderate

QA Global Balanced Flex - Conservative

QA Global Style Flex

QA’s Global Equity Flex and Global Balanced Flex strategies seek long-term growth of capital by investing in a portfolio of global equity holdings. Portfolio holdings typically include a focused portfolio of investments providing global exposure through investments in US style, US sector and international ETFs. QA’s Global Balanced Flex strategies also seek to reduce the higher volatility associated with equity investments by strategically allocating a percentage of the portfolio to fixed income. Up to 50% of the portfolios may be invested in ETFs targeting an allocation to international markets.

QA’s Global Equity Flex and Global Balanced Flex strategies tactically adjust the allocation of domestic and international exposures within each strategy’s respective equity holdings. The neutral allocation for each strategy’s equity holdings is 60% domestic and 40% international (as represented by the benchmark for each strategy’s equity component). Through the use of momentum-based research and analysis, QA’s portfolio management group determines whether to overweight either the domestic or international equity allocation, relative to the neutral benchmark weights, and underweight the remaining region. It is expected that in most market environments the allocation between each strategy’s domestic and international equity exposures will reflect a tactical positioning differing from the neutral benchmark weights.

The QA Global Style Flex strategy seeks long-term growth of capital by investing in a focused equity portfolio of US style and broad-based US or international index securities. The strategy typically holds two ETFs consisting of one US style investment and one US or international index position.

In addition, the Flex analysis seeks to provide a measure of downside protection in each of QA’s Flex strategies by tactically managing the overall range of equity exposure.

The overall equity exposure in Flex strategies is based on individual position-by-position analysis. The equity exposure will fall within a range, depending on individual position decisions. The range of equity exposure (and corresponding range of exposure to fixed income, cash and cash equivalents) in the Flex strategies is:

<u>QA Flex Strategies:</u>	<u>Equity Exposure Range:</u>
QA Global Equity Flex	50% to 100%
QA Global Balanced Flex – Growth	40% to 80%
QA Global Balanced Flex – Moderate	30% to 60%
QA Global Balanced Flex – Conservative	20% to 40%
QA Global Style Flex	50% to 100%

The risks described above in this Item 8 in connection with the QA Global Equity strategy also apply to the QA Global Equity Flex strategy. The risks described above in this Item 8 in connection with QA’s Global Balanced strategies also apply to QA’s Global Balanced Flex strategies. The risks described above in this Item 8 in connection with the QA Global Style strategy also apply to the QA Global Style Flex strategy. Since the proceeds of Flex actions may be invested in short term fixed income securities, the risks described above in this Item 8 relating to investments in fixed income securities also apply to all QA’s Flex strategies.

Given the focused nature of the QA Global Style Flex strategy (it typically holds two equity positions at any time consisting of one US style investment and one US or international index position), the occurrence, timing and magnitude of any reductions in equity allocation may differ from a strategy with a larger number of holdings.

While QA will generally execute Flex actions on its regular monthly trade days, QA retains full discretion to affect trades in Flex accounts at any time. As with all Flex strategies, the maximum reduction in equity exposure is 50% of normal levels. The proceeds from any Flex-related reductions in equity holdings are typically invested in short-term fixed income ETFs and/or cash or cash equivalents.

In QA’s view, it is not possible to fully “time” the market, either generally or with respect to any individual position, always entering at the “low” or selling at the “top”. QA Flex analysis is therefore not intended to prevent all losses in client accounts, and will not do so. It also does not aim to reduce the risk of losses in normal equity market corrections.

While Flex analysis is designed to reduce the magnitude of losses in equity market declines, there can be no guarantee that it will successfully do so. If QA does not correctly identify price trends in the equity markets, client investment portfolios may not receive the measure of protection Flex analysis is designed to provide, and may also forego potential gains in rising equity markets. In addition, each of the Flex strategies will at all times maintain some equity exposure (see Equity Exposure Range above), and will therefore at all times remain invested in, and exposed to the risks associated with, the equity markets.

QA’s Global Investment System is designed to identify long-term price trends, while seeking to avoid short-term movements in prices that are not in line with long-term trends. As a result, some investment losses will typically occur in an equity market decline before QA selectively reduces the equity exposure in client accounts. In the same way, the system will by design generally not suggest re-entering the market or an individual position in response to the early stages of a recovery, so that there will typically be a period of time before client accounts benefit, or fully benefit, from rising equity prices.

Alternative Investment Strategies:

QA Tactical All Market
QA Stable Growth
QA Stable Growth Opportunity

QA Tactical All Market

QA's Tactical All Market strategy seeks long-term risk-adjusted growth of capital with reduced volatility relative to the global equity markets and a low correlation to the returns of traditional asset classes, by investing in a variety of traditional and alternative asset classes.

The risks described above in this Item 8 relating to investments in small-cap, sector, international and fixed income securities also apply to the Tactical All Market strategy.

In addition, the Tactical All Market strategy may also make investments in a variety of asset classes which are subject to potentially greater risks than other asset categories. Some ETFs in which the strategy invests may have limited liquidity. This strategy may also invest in commodity funds, which may be subject to volatility in the value of futures contracts and other instruments relating to underlying commodities, together with fluctuations in the prices of the underlying commodities themselves, as well as leverage, liquidity, counterparty and credit risks; currency funds, which are subject to similar risks as international investments, including fluctuations in exchange rates; and real estate funds, which are subject to the risks of changing economic conditions, declines in the value of real estate, increasing vacancies or declining rents, and liquidity, counterparty and credit risks. Investments in precious metal funds are subject to substantial price fluctuation and potential loss.

This strategy may invest in inverse funds which seek to deliver the opposite of the performance of the indices they track, where the divergence may be significantly greater than traditional index funds. Similar to index funds, inverse funds may not be able to exactly replicate the performance of the indices because of ETF-related expenses and other factors. In addition, inverse funds seek to track the inverse of their indices only on a daily basis, which means significant divergence can occur over time, especially when the effect of compounding is taken into account. Inverse funds pursue their investment objectives by investing in various financial instruments, including derivatives, which are subject to leverage, liquidity, counterparty and credit risks. Inverse funds may engage in short selling in order to emulate the inverse performance of a particular index.

Although many ETFs are registered under the Investment Company Act like traditional mutual funds, some ETFs, in particular those that invest in commodities and currencies, are not registered as investment companies under the Investment Company Act. The Tactical All Market strategy typically includes investments of this type. These types of ETFs may be formed as limited partnerships or grantor trusts and may have unique tax consequences. The tax reports and information with respect to holdings of this type may include Form 1099s, Schedule K-1s, and/or other information, such as grantor trust tax reporting statements. Clients should consult with their tax advisors regarding these matters before investing in these types of ETFs.

QA Stable Growth

The QA Stable Growth strategy seeks long-term growth of capital by investing in a selection of US sector and alternative securities. The strategy typically holds fifteen funds, including five sector ETFs and ten alternative mutual funds.

The risks described above in this Item 8 relating to investments in sector securities also apply to the QA Stable Growth strategy.

Investments in alternative asset classes are subject to potentially greater risks than other asset categories, including limited liquidity. See the section on the Tactical All Market strategy above for a general description of some of the risks often associated with various types of alternative investments. The risks described above in this Item 8 relating to investments in small-cap, international and fixed income securities may also apply to the QA Stable Growth strategy. The QA Stable Growth strategy invests in mutual funds utilizing a wide variety of alternative strategies, and which make a wide range of alternative and other investments, with each of these strategies and investments involving its own specific risks. These risks are described in the prospectuses for the alternative mutual funds in which the strategy invests, which are required to be delivered to investors at the time of purchase, and are also available from the sponsors of the alternative mutual funds.

QA Stable Growth Opportunity

The QA Stable Growth Opportunity strategy seeks long-term growth of capital by investing in a selection of US sector and alternative securities. The strategy typically holds fifteen mutual funds, including five sector mutual funds and ten alternative mutual funds.

The risks described above in this Item 8 relating to investments in sector securities also apply to the QA Stable Growth Opportunity strategy.

Investments in alternative asset classes are subject to potentially greater risks than other asset categories, including limited liquidity. See the section on the Tactical All Market strategy above for a general description of some of the risks often associated with various types of alternative investments. The risks described above in this Item 8 relating to investments in small-cap, international and fixed income securities may also apply to the QA Stable Growth Opportunity strategy. The QA Stable Growth Opportunity strategy invests in mutual funds utilizing a wide variety of alternative strategies, and which make a wide range of alternative and other investments, with each of these strategies and investments involving its own specific risks. These risks are described in the prospectuses for the alternative mutual funds in which the strategy invests, which are required to be delivered to investors at the time of purchase, and are also available from the sponsors of the alternative mutual funds.

Restricted Investment Strategies

QA manages the restricted versions of its Equity, Balanced, Fixed Income, Flex and Alternative managed account strategies using different securities to those used in the standard versions of the strategies, due to investment restrictions imposed by a non-affiliated third party which limit the strategies' investment choices. These investment restrictions may arise from the identity of the sponsor, the holdings or other factors, characteristics or considerations relating to the ETFs or mutual funds, and are determined by the non-affiliated third party in its sole discretion. Please note that the investment restrictions imposed by the third party are subject to change at any time without prior notice.

These investment restrictions are not imposed on the standard versions of QA's Equity, Balanced, Fixed Income, Flex and Alternative investment strategies. For this reason, the restricted and standard versions of the strategies will hold different securities, and their investment performance results, portfolio turnover and transaction costs will also vary relative to each other.

Variable Annuity Policies

In the case of variable annuity policies, QA allocates client assets among the various fund sub-accounts available for investment under the variable annuity contracts. These fund sub-accounts are in many respects similar to mutual funds, and the risks associated with mutual funds described elsewhere in this Item 8 also apply to fund sub-accounts.

The fund sub-accounts available for investment vary from one variable annuity contract to another, and the risks associated with these fund sub-accounts also differ from one another. As a general matter, the risks associated with different types of investments described elsewhere in this Item 8 also apply to similar investments QA may make in variable annuity accounts. Clients will find disclosure regarding the specific risks associated with the sub-accounts available for investment in their variable annuity contract in their prospectuses, which are required to be delivered to investors at the time of purchase and are also available from or through the insurance company issuing the variable annuity contract.

QA's ability to implement any selected investment strategy in a variable annuity account may depend on various factors beyond QA's control, including the sub-accounts available for investment in the variable annuity contract from time to time, variable account contract riders selected by the client or limitations, requirements or actions imposed or taken by the insurance company issuing the variable annuity contract. In these circumstances, QA seeks to exercise its investment discretion in a manner that approximates to the extent reasonably possible the asset allocation of the selected investment strategy, subject to the various factors described above.

Employer-Sponsored Retirement Plans

Through its Retirement Allocation Program (RAP), QA makes available a range of equity and balanced model portfolios to retirement plan participants in certain employer-sponsored retirement plans. RAP participants can select (with the assistance of their QA or QAIS Wealth Management Advisor) a model portfolio depending on their investment objectives and risk tolerance. Following the client's model portfolio selection, RAP participants receive QA's mutual fund recommendations (which are based on updates to the model portfolio) regarding certain mutual funds available as investment alternatives under the retirement plans. RAP participants generally receive notification of QA's mutual fund recommendations at the beginning of each month (following updates to the model portfolio at the end of the previous month), depending on their selected model portfolio. RAP participants (and not QA or QAIS) exercise full investment discretion and are responsible for implementing the mutual fund recommendations to the extent they choose to do so.

QA's model portfolios made available through RAP are generally implemented using mutual funds, which involve risks including loss of principal, price volatility, competitive industry pressures, delays in payments of redemption proceeds for up to seven days and global, political and economic developments. These risks may be magnified in mutual funds with concentrated holdings. In addition, QA's model portfolios may invest in index mutual funds, which are subject to various other risks often associated with index funds, including the use of derivatives, potential for high turnover, securities lending, index tracking error and other risks. While index funds are designed to provide investment results that generally correspond to their underlying indices, index funds may not be able to exactly replicate the performance of the indices because of fund-related expenses and other factors.

RAP Equity and Balanced Model Portfolios:

QA Ultra Growth

QA Growth

QA Balanced 80/20 (80% Equities, 20% Fixed Income)

QA Balanced 60/40 (60% Equities, 40% Fixed Income)

QA Balanced 40/60 (40% Equities, 60% Fixed Income)

QA Balanced 20/80 (20% Equities, 80% Fixed Income)

The QA Ultra Growth model portfolio seeks aggressive long-term growth of capital by investing in a portfolio of domestic, international and/or specialty equity mutual funds. The model portfolio is highly focused, typically holding five mutual funds, and may exhibit high volatility. The QA Growth model portfolio seeks long-term growth of capital by investing in a portfolio of domestic, international and/or specialty equity mutual funds. The model portfolio is more diversified than QA Ultra Growth, typically holding ten mutual funds.

The QA Balanced model portfolios seek long-term growth of capital by investing in a portfolio of domestic, international and/or specialty equity mutual funds, while also seeking to reduce the higher volatility associated with equity investments by allocating a percentage of the portfolio to domestic, international and/or specialty fixed income mutual funds. The model portfolios typically hold ten equity mutual funds and up to four fixed income mutual funds. The QA Balanced 20/80 model portfolio is no longer available for current selection, but is maintained for participants who selected it in the past.

RAP Flex Model Portfolios:

QA Ultra Growth Flex
 QA Growth Flex
 QA Balanced 80/20 Flex
 QA Balanced 60/40 Flex
 QA Balanced 40/60 Flex

In addition to the investment objectives of the Growth and Balanced model portfolios described above, the Flex versions of these model portfolios seek to provide a measure of downside protection by managing the overall range of equity exposure. The overall equity exposure in Flex model portfolios is based on individual position-by-position analysis. The equity exposure will fall within a range, depending on Flex decisions regarding individual positions. The range of equity exposure (and corresponding range of exposure to fixed income, cash and cash equivalents) in the Flex model portfolios is:

<u>RAP Flex Model Portfolios:</u>	<u>Equity Exposure Range:</u>
QA Ultra Growth Flex	50% to 100%
QA Growth Flex	50% to 100%
QA Balanced 80/20 Flex	40% to 80%
QA Balanced 60/40 Flex	30% to 60%
QA Balanced 40/60 Flex	20% to 40%

QA may make reductions in equity exposure in its model portfolios through either partial or complete sales of equity mutual fund holdings, and will typically invest the proceeds in cash or cash equivalents, such as a money market mutual fund. While QA will generally take Flex actions in its model portfolios in its regular monthly update, QA retains full discretion to take Flex actions at any time. As with all Flex model portfolios, the maximum reduction in equity exposure is 50% of normal levels.

In QA's view, it is not possible to fully "time" the market, either generally or with respect to any individual position, always entering at the "low" or selling at the "top". QA Flex analysis is therefore not intended to prevent all losses in client accounts, and will not do so. It also does not aim to reduce the risk of losses in normal equity market corrections.

While Flex analysis is designed to reduce the magnitude of losses in equity market declines, there can be no guarantee that it will successfully do so. If QA does not correctly identify price trends in the equity markets, client investment portfolios may not receive the measure of protection Flex analysis is designed to provide, and may also forego potential gains in rising equity markets. In addition, each of the Flex model portfolios will at all times maintain some equity exposure (see Equity Exposure Range above), and will therefore at all times remain invested in, and exposed to the risks associated with, the equity markets.

QA's Global Investment System is designed to identify long-term price trends, while seeking to avoid short-term movements in prices that are not in line with long-term trends. As a result, some investment losses will typically occur in an equity market decline before QA selectively reduces the equity exposure in model portfolios. In the same way, the system will by design generally not suggest re-entering the market or an individual position in response to the early stages of a recovery, so that there will typically be a period of time before client accounts benefit, or fully benefit, from rising equity prices.

Additional Risk Information

The description of risks identified above is limited and does not identify or fully describe all risks and information associated with the investments which QA's investment strategies and model portfolios may make. You will find disclosure regarding the specific risks associated with the ETFs and mutual funds in which QA invests in their prospectuses, which are required to be delivered to investors at the time of purchase, and are also available from the sponsors of the ETFs and mutual funds.

Global Investment Performance Standards

QA claims compliance with the Global Investment Performance Standards ("GIPS®"). To receive QA's complete list of composites, composite descriptions, and/or a presentation that complies with the GIPS® standards, contact QA by calling 800-397-4002, or write to 10400 Yellow Circle Drive, Suite 303, Minnetonka, MN 55343, or compliance@QAglobal.net. For the purposes of determining firm assets and firm-wide compliance with the GIPS® standards, the firm is defined as all accounts managed on a discretionary or non-discretionary basis by QA, excluding insurance products.

Item 9 - Disciplinary Information

QAIS has no disciplinary information to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

QA

QAIS is a wholly-owned subsidiary of QA, a registered investment advisor and one of the channels through which QA makes its investment advisory and management services available to clients.

As an affiliate of QA, QAIS has an incentive to recommend QA over other investment advisors and managers. Historically, QAIS has not recommended investment advisors or managers other than QA, and does not presently plan to do so. As such, QAIS recommends that its clients use QA's investment advisory and management services.

QA also provides advice to QAIS clients regarding the investment alternatives available under certain employer-sponsored retirement plans.

Generally, QA and QAIS share equally in all fees from these clients.

QA also provides various management, financial, legal, compliance, marketing and administrative services to QAIS, for which QAIS pays QA an administrative fee.

TD Ameritrade Institutional Advisor Panel

QA's Chief Executive Officer serves on the TD Ameritrade Institutional Advisor Panel (the "Panel"), and a Senior Managing Director of QA and QAIS may participate in his place when QA's Chief Executive Officer is not available. The Panel consists of approximately thirty (30) independent investment advisors that advise TD Ameritrade Inc. ("TD Ameritrade") on issues relevant to the independent advisor community. The Panel meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel for three-year terms by TD Ameritrade senior management. An investment advisor may serve longer than three years if appointed to additional terms by TD Ameritrade senior management. At times, Panel members are provided confidential information about TD Ameritrade initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade does not compensate Panel members. However, TD Ameritrade pays or reimburses the Panel members for travel, lodging and meal expenses incurred while attending Panel meetings. The benefits received by the Panel or their personnel do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As described below in Item 12 and Item 14, QA and QAIS have other relationships and arrangements with TD Ameritrade through which QA may receive client referrals and QA and QAIS receive other benefits from TD Ameritrade. Clients should be aware that the receipt of economic and other benefits by QA, QAIS or their related persons creates a potential conflict of interest and may indirectly influence QA or QAIS's choice or recommendation of TD Ameritrade for custody and brokerage services. However, QA and QAIS's receipt of these economic and other benefits and the resulting conflict of interest does not diminish QA or QAIS's duty to act in the best interest of their clients, which requires them to make recommendations regarding custody and brokerage services based on their analysis of the client's best interests, regardless of any benefits that they receive

Benefits from Sponsors of ETFs and Mutual Funds

QA receives various benefits from sponsors of ETFs and mutual funds, which QA uses exclusively in its investment strategies. These benefits may include business consulting services, access to investment, regulatory and marketing expertise, trading advice and support, marketing opportunities and other benefits.

These benefits create a conflict of interest and may compromise QA's independence and objectivity in selecting the ETFs and mutual funds available for investment in QA's investment strategies. QA seeks to manage this conflict of interest, and to select for inclusion in its investment universes those securities that QA believes will be in the clients' best interests regardless of any benefits that QA receives, by using a disciplined, multi-factor due diligence process in evaluating and selecting the ETFs and mutual funds available for investment in QA's investment strategies.

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

As required by the Investment Advisers Act, QA and QAIS have adopted a Code of Ethics to set forth the standards of conduct expected of governors, officers and employees and to require compliance with the federal securities laws. It also includes general principles to guide all of our governors, officers and employees in the conduct of our business. Among other matters, the Code describes various fiduciary duties, requires the maintenance of confidentiality of client information, provides for the detection and prevention of insider trading, addresses gifts, business entertainment and business events and includes provisions relating to outside business activities. The Code also covers the personal securities trading activities of governors, officers and employees to avoid transactions that could be, or appear to be, in conflict with the best interest of our clients, and requires the periodic reporting of personal securities transactions and holdings in accordance with the Investment Advisers Act.

QA may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that QA buys or sells the same securities for QA and QAIS governors, officers and employees who are also clients, or at or about the same time that QA and QAIS governors, officers and employees buy or sell the same securities for their own accounts. Similarly, QA may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that QA recommends the same securities to participants in the QA 401(k) plan.

The Code of Ethics ensures that these practices do not create a conflict of interest by generally prohibiting governors, officers and employees from buying, selling or holding exchange-traded products in their own accounts, since QA uses exchange-traded funds (ETFs) extensively in its investment strategies. However, governors, officers and employees may open client accounts with QA, in which case QA may buy, sell or hold ETFs in their accounts, with the accounts of governors, officers and employees participating in trades along with all other client accounts utilizing the same investment strategy. QA generally aggregates orders for the accounts of governors, officers and employees with those for other client accounts. In this way, QA ensures that the accounts of governors, officers and employees are not benefited at the expense of other client accounts.

These practices do not create conflicts of interest when investing in mutual funds, the other type of security which QA may recommend to clients or buy or sell for client accounts, because mutual funds (unlike ETFs) are not traded on securities exchanges. As a result, QA recommending mutual funds to governors, officers or employees, or buying, selling or holding mutual funds in their client accounts, does not have any impact on the price of mutual funds which QA may recommend to other clients or buy or sell for their accounts, or otherwise disadvantage other clients in any way. Similarly, QA and QAIS governors, officers and employees buying or selling mutual funds for their own accounts does not disadvantage other clients in any way.

In addition, the Code requires governors, officers and employees to place the interests of clients first at all times and to avoid any actual or potential conflicts of interest, including while engaging in personal securities transactions.

Additional provisions related to personal securities transactions and other matters are included in the Code of Ethics. Upon request, QA and QAIS will provide any client or prospective client with a copy of the Code.

Item 12 - Brokerage Practices

General

Clients who access QA's discretionary investment management services through QA Wealth Management may select either of the two primary Broker-Dealer/Custodians currently utilized by QA in managing client accounts, namely TDA Ameritrade or Fidelity Investments ("Fidelity"). In some cases, the client may be limited in their choice of Broker-Dealer/Custodian by virtue of restrictions imposed by the client's employer.

Benefits from Broker-Dealer Custodians

QA does not use client brokerage commissions (or markups or markdowns) to pay for research or other products or services received by QA or QAIS from Broker-Dealer/Custodians or third parties in connection with client securities transactions, commonly referred to as "soft dollar benefits". However, QA and QAIS may receive various publications, communications, access to information or other benefits (some of which may include research) from Broker-Dealer/Custodians used to provide custody and trade execution services to client accounts.

QA and QAIS participate in the institutional advisor program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors and their clients services which include custody of securities, trade execution, clearance and settlement of transactions. QA and QAIS receive economic and other benefits from TD Ameritrade through their participation in the program. In addition, QA may receive client referrals from TD Ameritrade through its participation in the TD Ameritrade AdvisorDirect program. Please see the additional disclosures under Item 14 below.

QA and QAIS may also receive economic and other benefits from Fidelity through their clients' use of Fidelity Investments, or from other Broker-Dealer Custodians utilized by clients.

These various benefits, including client referrals, may create a conflict of interest, since they could indirectly influence QA or QAIS's choice or recommendation of one Broker-Dealer/Custodian over another, rather than the client's best interest in receiving most favorable execution. However, in all circumstances in which QA or QAIS recommends a broker-dealer to a client, it makes its recommendation based on its analysis of the client's best interests, having regard to brokerage pricing, the quality of client service, where any other existing accounts of the client are custodied, the client's preferences and any other relevant considerations, regardless of any benefits QA or QAIS receives. As noted in Item 14 below, QA has agreed not to solicit clients referred to it through the TD Ameritrade AdvisorDirect program to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so.

Brokerage Discretion

QA and QAIS do not have discretion to determine which broker-dealer will be used to execute transactions in client accounts, the commission rates paid by client accounts or, if applicable, the client's election to pay asset-based brokerage fees or per-transaction commissions or select any other brokerage account options available to clients. However, in the case of the Broker-Dealer/Custodians available to clients who access QA's services through QA Wealth Management, QA seeks to negotiate with the Broker-Dealer/Custodians to make competitive asset-based fee schedules and commission rates available to QA Wealth Management clients.

In all cases where QA is responsible for trading, QA effects all securities transactions for the client's account with or through the client's appointed Broker-Dealer/Custodian. In this regard, clients are required to direct QA to execute all transactions through the client's Broker-Dealer/Custodian. These types of brokerage arrangements, commonly referred to as "directed brokerage", may prevent QA from obtaining the most favorable execution of client transactions and may cost clients more money due to the potential of higher commissions, greater spreads or less favorable net prices. You should note that not all investment advisers require clients to direct brokerage.

Upon request, QA or QAIS may recommend one of the Broker-Dealer/Custodians available to clients who access QA's discretionary investment management services through QA Wealth Management, namely TD Ameritrade or Fidelity. In all circumstances in which QA or QAIS recommends a broker-dealer to a client, it makes its recommendation based on its analysis of the client's best interests, having regard to brokerage pricing, the quality of client service, where any other existing accounts of the client are custodied, the client's preferences and any other relevant considerations. As noted in Item 14 below, QA has agreed not to solicit clients referred to it through the TD Ameritrade AdvisorDirect program to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so.

Bunched Trades

QA will frequently purchase or sell the same security at the same time for a number of clients using the same Broker-Dealer/Custodian. In these cases, trades in the same security for clients using the same Broker-Dealer/Custodian will be "bunched" in a single order in an effort to obtain the best execution available with or through the Broker-Dealer/Custodian, or to allocate equitably among QA's clients differences in prices and commissions or other transaction costs that might have been obtained or incurred if client orders were individually placed. In bunched trades, all transactions (including any partial fills) executed through the same Broker-Dealer/Custodian will be averaged as to price (including transaction costs) and allocated among QA's clients participating in the bunched trade in proportion to the purchase and sale orders placed for each client on any given day. QA will bunch trades for accounts of clients using the same Broker-Dealer/Custodian, including accounts of QA, QAIS and their governors, officers and employees, provided no client is favored by QA over any other client. QA and QAIS do not receive any additional compensation in connection with bunched trades.

Trade Rotation Policy

To ensure fairness among its clients, QA rotates the order in which it places bunched trades with the principal Broker-Dealer/Custodians its clients use. However, bunched trades placed with Broker-Dealer/Custodians with lower levels of QA client assets do not participate in the rotation, because the limited trading volume associated with these trades means they are unlikely to have any market impact. In an effort to avoid clients using these Broker-Dealer/Custodians being systematically disadvantaged by the large bunched trades which may affect the market price, QA initiates the smaller bunched trades before the large bunched trades. QA initiates trading with the Broker-Dealer/Custodians with lower levels of QA client assets at approximately the same time as each other, although the timing of execution of trades may vary depending on the responsiveness of the Broker-Dealer/Custodians' trading desks.

QA generally disseminates model portfolio updates to the program sponsors or overlay managers on the same day QA places trades for its managed account clients. QA will typically deliver model portfolio updates to those program sponsors or overlay managers that allow for advance queuing of the trades and/or model portfolio allocations on their systems, as well as those that allow for delivery by email transmissions which can be prepared in advance, at approximately the same time as QA commences trading in its managed accounts. For model strategist platforms that do not allow a queuing of the trades and/or model portfolio allocations on their Internet portals, or allow for delivery by email transmissions which can be prepared in advance, QA will typically submit these instructions after submission to the first group, and will do so in a manner that considers the timing of trading and/or deadlines imposed by the platform sponsors or overlay managers. However, QA does not guarantee that it will be able to meet any deadlines imposed by the platform sponsors or overlay managers. The model strategist program sponsors or overlay managers generally place trades for their client accounts on either the same day or the next trading day following receipt of the model portfolio updates.

Trade Error Policy

In all cases, it is QA's policy to address trade errors equitably, although the specific procedures available to correct trade errors may vary from one Broker-Dealer/Custodian to another.

In general, QA seeks to correct the trade error outside the client account so that the client account is not affected by the error in any way.

In the case of errors that cannot be corrected outside the client account, QA seeks to correct the trade error in the client account. In these circumstances, the client will receive the benefit of any net gain resulting from the error. If QA is responsible for a trade error resulting in a net loss, QA seeks to place the client as nearly as possible in the same financial position the client would have been in had the error not been made.

In all cases, if the Broker-Dealer/Custodian is responsible for a trade error, QA will request the Broker-Dealer/Custodian to correct the error.

Item 13 - Review of Accounts

QA's portfolio management team, as a group, generally reviews QA's investment strategies (which determine the holdings in client accounts) on a monthly basis, with ongoing evaluations throughout the month as needed.

QA's portfolio operations team reviews client managed accounts throughout the month as needed, including daily reconciliation to client custodial accounts, with heightened review in connection with trades or other account activity, as well as review in the course of regular month end procedures.

QA Wealth Management managed account clients are periodically invited to schedule a review with their Wealth Management Advisor. However, it is up to each client to decide whether they wish to schedule a review, so that the frequency of reviews varies. QA and QAIS also periodically remind QA Wealth Management managed account clients to notify their Wealth Management Advisor if there is any change in their financial and investment needs, goals and objectives, and if a client does notify QA or QAIS of a change, this will typically result in a review. Reviews may also take place at various times at the request of the client or when the client is otherwise in contact with their Wealth Management Advisor.

Managed account clients will receive an account statement from their Broker-Dealer/Custodian, at least quarterly, indicating all amounts disbursed from the client's account, including all Management and Brokerage Fees. In addition, account statements will typically include account values, holdings and transaction history, and may include other information provided by the Broker-Dealer/Custodian. QA also provides quarterly account statements to QA Wealth Management managed account clients, which include information regarding account values, holdings and performance, as well as information regarding QA's fees. QA Wealth Management managed account clients are encouraged to compare the account statements they receive from their Broker-Dealer/Custodian with those they receive from QA.

Clients participating in QA's Retirement Allocation Program (RAP) may request a review at any time, with informal reviews often taking place when clients consult with their Wealth Management Advisor regarding the implementation of updates to their selected model portfolio. QA and QAIS do not have access to RAP participant retirement accounts on the plan administrator's platform, and is therefore not able to directly review or provide statements regarding the accounts. However, participants receive statements providing information regarding their accounts from the plan administrator.

Item 14 - Client Referrals and Other Compensation

TD Ameritrade Programs

As disclosed under Item 12 above, QA and QAIS participate in TD Ameritrade's institutional advisor program and QA and QAIS may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between QA and QAIS's participation in the program and the investment advice they give to their clients, although QA and QAIS receive economic and other benefits through their participation in the program that are typically not available to TD Ameritrade retail investors. These benefits may include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving QA and QAIS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to QA and QAIS by third-party vendors. TD Ameritrade may also pay for business consulting and professional services received by QA and QAIS's related persons. QA, QAIS and their clients also receive dedicated service and support from the Elite Service Team at TD Ameritrade.

Some of the products and services made available by TD Ameritrade through the program may benefit QA and QAIS but may not benefit their client accounts. These products or services may assist QA and QAIS in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help QA and QAIS manage and further develop their business enterprises. The benefits received by QA, QAIS or their personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

In addition, QA may receive client referrals from TD Ameritrade through its participation in the TD Ameritrade AdvisorDirect program. The participation in AdvisorDirect is likely to expand distribution of QA's investment strategies, give QA access to new categories of clients and could significantly increase new client relationships for QA. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, QA may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade, including client accounts advised by QAIS.

QA's participation in AdvisorDirect raises potential conflicts of interest, including for QAIS. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, QA and QAIS may have an incentive to recommend to clients that the assets under management by QA be held in custody with TD Ameritrade, and QA may have an incentive to place transactions for client accounts with TD Ameritrade.

For additional information regarding the TD Ameritrade AdvisorDirect program, please review QA's Form ADV disclosure brochure which is available at www.QAglobal.net, or upon request from QA by telephone at 800-397-4002 or by e-mail to compliance@QAglobal.net.

As part of their fiduciary duties to clients, QA and QAIS endeavor at all times to put the interests of their clients first. Clients should be aware, however, that the receipt of economic and other benefits by QA, QAIS or their related persons from TD Ameritrade described above creates a potential conflict of interest and may indirectly influence QA or QAIS's choice or recommendation of TD Ameritrade for custody and brokerage services.

Other Broker-Dealer Custodian Platforms

QA, QAIS or their related persons may also receive similar economic and other benefits from other Broker-Dealer/Custodians utilized by clients, including Fidelity Investments, except that QA does not participate in any referral programs sponsored by Broker-Dealer/Custodians other than TD Ameritrade. The receipt of economic and other benefits by QA, QAIS or their related persons from such other Broker-Dealer/Custodians creates a potential conflict of interest and may indirectly influence QA or QAIS's choice or recommendation of such other Broker-Dealer/Custodians for custody and brokerage services.

Gifts, Business Entertainment and Business Events

In accordance with QA and QAIS's gifts, business entertainment and business event policy and procedures, QA and QAIS may provide, receive or participate in gifts, business entertainment and business events to, from or with fund sponsors, investment advisors, broker-dealers or other third parties with whom QA or QAIS has an ongoing or prospective business relationship.

QA and QAIS employees may be invited by third parties to participate in business events they are sponsoring or hosting, which may include travel, board and lodging. It is QA and QAIS's policy to allow employees to attend such events if it is expected to enhance QA or QAIS's services to third parties, advisors and clients. As noted above, QA may also reimburse third-party investment advisors, broker-dealers and their representatives for their travel, board and lodging incurred in connection with meetings sponsored by QA for due diligence, education or training purposes.

Gifts, business entertainment and business events provided or sponsored by third parties may create a conflict of interest for QA and QAIS by providing an incentive to select or recommend funds, products or services offered by the third parties. Similarly, gifts, business entertainment and business events provided or sponsored by QA and QAIS may create a conflict of interest for third parties by providing an incentive to select or recommend services offered by QA or QAIS.

It is QA and QAIS's policy that employees may not provide, receive or participate in gifts, business entertainment or business events that may compromise the ongoing business judgment of either party or the ongoing or prospective business relationship of QA or QAIS. In line with this, all gifts, business entertainment and business event activities must be professional, of reasonable value and consistent with industry standards and practices.

Item 15 - Custody

Securities and cash in client accounts are held by a Broker-Dealer/Custodian. QA and QAIS are not affiliated with any such Broker-Dealer/Custodian. At no time will QA or QAIS ever intentionally hold client securities or cash. By virtue of directly deducting fees from certain client accounts, QA and QAIS are deemed to have custody in certain instances. With respect to these client accounts, QA and QAIS will comply with the custody rules under Rule 206(4)-2 of the Advisers Act as follows:

- a. The clients will be required to maintain such clients' assets with a "qualified custodian" as defined in Rule 206(4)-2 of the Advisers Act in separate accounts maintained under the respective names of such clients; and
- b. QA and QAIS will take adequate measures to form a reasonable belief that the custodians send account statements (identifying the amount of funds and securities in the clients' accounts as of the end of such period and that sets forth all of the transactions in such accounts during such period) directly to clients no less frequently than quarterly.

In addition, clients may receive account statements from QA. Clients should carefully review and compare all account statements and contact their Broker-Dealer/Custodian, QA or QAIS with any questions.

Item 16 - Investment Discretion

QAIS does not exercise investment discretion.

In many cases, QA manages client accounts on a discretionary basis. In these cases, clients may impose reasonable restrictions on the management of their accounts. Account restrictions must be provided to QA or QAIS in writing. Clients are advised that QA cannot apply restrictions to securities held within ETFs or mutual funds. If QA cannot accommodate a client's restrictions, or in its sole discretion determines the restrictions are unreasonable, QA or QAIS will notify the client. Unless the client's restrictions can be modified, QA may not be able to accept its appointment as investment manager. Client-imposed restrictions may have an impact, perhaps materially so, on account performance.

Before QA assumes discretionary authority to manage securities on its client's behalf, a signed Client Agreement must be received indicating the selected investment strategy. Investment strategy changes must be provided to QA or QAIS in writing by the client.

Item 17 - Voting Client Securities

QAIS does not provide advice regarding proxies or vote proxies for clients.

Upon request, QA will vote proxies of client securities over which QA has investment discretion. In these cases, QA votes all proxies in accordance with its Proxy Voting Policy. QA will not take instructions from clients regarding how to vote any proxy.

Item 18 - Financial Information

QAIS has no financial information to disclose.