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*Item 1: Cover Page*

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

**VECTORS RESEARCH MANAGEMENT, LLC**



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[Neil@vectorsresearch.com](mailto:Neil@vectorsresearch.com)

This brochure provides information about the qualifications and business practices of VECTORS RESEARCH MANAGEMENT, LLC. If you have any questions about the contents of this brochure, please contact us at: 804-217-9002, or by email at: [Neil@vectorsresearch.com](mailto:Neil@vectorsresearch.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.

While the Adviser has no formal minimum education and business requirements, personnel involved in investment advisory activities generally will possess experience in the areas of security analysis and corporate finance, with a demonstrated understanding of mortgage and debt markets, as well as some level of relevant college and graduate school education and/or have obtained the CFA designation.

Additional information about Vectors Research Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**March 31, 2015**

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***Item 2: Material Changes***

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**Item 2. A.**

**Annual Update**

The Material Changes section of this brochure will be updated annually, and when material changes occur. Since the previous release of the Firm Brochure on March 26, 2014, there have been no material changes to report.

**Item 2. B.**

**Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 804-217-9002 or by email at: [Neil@vectorsresearch.com](mailto:Neil@vectorsresearch.com).

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***Item 4: Advisory Business***

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**Item 4.A. Firm Description and Principal Owners**

Vectors Research Management, LLC (“VRM” or “The Firm”) is an SEC Registered Investment Advisor founded in August 2004. The firm currently manages institutional separate account portfolios and portfolios of high net worth individuals. VRM also provides investment analysis, valuation consulting, and risk management services to major financial institutions.

The Principals at VRM each have over 28 years of fixed income investment experience in both portfolio management and risk management. VRM also leverages the knowledge, experience and resources of Andrew Davidson and Co. who is a leading provider of risk analytics and consulting to major financial institutions..

**Item 4.B. Type of Advisory Services**

Vectors Research Management LLC (the "Adviser") provides fixed income investment management services on both a discretionary and non-discretionary basis to institutions and high net worth individuals. This makes up the significant majority of services provided.

Vectors Research Management also provides advisory services on a discretionary basis to Vectors Research Opportunities Fund, LP (The “Partnership” or The “Fund”). This is a private investment fund offered to high net-worth, financially sophisticated individuals and institutional investors.

In September 2006, the Advisor began providing separate account investment advisory services on a discretionary basis to Institutional Investors such as Pension Funds, Endowments and Foundations, Banks, and Insurance Companies (the “Accounts”).

In December 2007 the Advisor began providing independent asset valuation consulting services.

Investments across the Fixed Income market include US Treasury, Agency, Corporate, Agency and Non-Agency Mortgage Backed Securities, Asset Backed Securities, Municipal, High Yield and International.

**Item 4.C. Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Most clients choose to have VRM manage their assets in order to obtain ongoing in-depth advice and portfolio planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; investment management (including performance reporting); portfolio management tailored to the specific needs of the client, as well as the implementation of recommendations within each area.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Special reports: for the purposes of analyzing non-agency securities or similar securities issued by the housing agencies subject to credit risk, or by their successors, we may provide reports to investors analyzing the risk profile of these securities, including price or yield performance across a range of house price, interest rate and model shock scenarios, together with valuation and relative value analyses that may be used to help decide whether to invest and in what amount.

In institutional separate account management, The Advisor considers the investment objectives and constraints of the Account, and considers the overall macro environment and levels of interest rate risk, credit risk, and structure risk in assessing relative value in fixed income securities. The Advisor will allocate investments in US Government, Agency, Corporate, High Yield, Mortgage Backed, Asset Backed, Municipal, and other fixed income securities based upon a relative risk and return profile, and appropriateness of the investment depending upon investor objectives.

In assessing relative value, the Advisor uses proprietary and nonproprietary quantitative models to determine credit risk, interest rate risk and structure risk of various securities. The Advisor obtains information through internally generated research as well as research generated by the Broker/Dealer Community, as well as other public information in analyzing and evaluating credit risk of various securities. The Advisor uses market monitor and trading tools such as Bloomberg to analyze, evaluate, communicate and execute transactions. The advisor also negotiates verbally with Broker/Dealers to achieve best execution for clients.

The Adviser offers investment advice in the mortgage-backed securities (“MBS”) and asset-backed securities (“ABS”) markets. This includes securities of Agency MBS, non-Agency MBS, collateralized mortgage obligations (“CMOs”), home-equity loan securities, manufactured home loan securities, commercial mortgage-backed securities as well as other securities backed by mortgages, consumer loans and commercial loans. Additional financial instruments includes swaps, swaptions, Treasuries, Treasury options, futures contracts on financial instruments, and mortgage forward contracts known as TBAs.

The Adviser uses proprietary analytical tools that include prepayment, option-adjusted spread (“OAS”), credit OAS models and other advanced mortgage analytics and risk management tools. These tools include the Andrew Davidson & Co. Vectors® Analytics Suite.

The Adviser’s strategy related to hedge fund management is to invest in MBS and ABS securities that can produce high risk adjusted returns through long term income and capital appreciation. This is achieved through the core strategy and opportunistic strategy, respectively. The core strategy includes high grade and high yield Agency and Non-Agency MBS/ABS assets across sectors. Interest rates risks may be hedged and leverage may be applied. This core strategy mainly generates returns through income. The opportunity strategy takes advantage of event driven opportunities and market dislocations. These typically include assets with leveraged sensitivities to prepayments and credit. This strategy mainly generates returns through income and price appreciation.

A Client may terminate any of the aforementioned agreements at any time by notifying VRM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, VRM will refund any unearned portion of the advance payment.

VRM terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, VRM will refund any unearned portion of the advance payment.

#### **Item 4.D. Wrap Fee Programs**

The Adviser does not manage any Wrap Fee programs.

#### **Item 4.E. Asset Under Management**

As of December 31, 2014 VRM managed approximately \$76,936,832 in client assets on a fully discretionary basis, as described in the Funds’ offering documents. As of that date the firm also managed \$150,641,390 in client assets on a non-discretionary basis.

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***Item 5: Fees and Compensation***

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**Item 5.A. Fee Schedule**

VRM bases its fees on a percentage of assets under management.

For Institutional Accounts the basic fee schedule is as follows:

First \$10,000,000 in assets	.35%
Next \$10,000,000 in assets	.30%
Next \$10,000,000 in assets	.25%
Next \$20,000,000 in assets	.20%
Next \$20,000,000 in assets	.15%
Next \$30,000,000 in assets	.10%
Over \$100,000,000 in assets	.08%

The fee is paid in arrears based on total account value at the end of each quarter. The Management Fee will be prorated for any period that is less than a full fiscal quarter. The fees may be negotiable.

The basic fee schedule for the Fund is as follows: the Adviser receives a management fee from the Fund based on net assets under management of 1.5% annually (the "Management Fee"). The Management Fee is paid quarterly, in advance, based on the net assets of the Fund as of the beginning of each quarter adjusted for the current month's subscriptions and redemptions. The Management Fee will be prorated for any period that is less than a full fiscal quarter.

In addition, the Adviser (or its affiliate) receives performance compensation equal to 20% of the Fund's net profits, if any, subject to a "loss carryforward" provision (the "Performance Fee"). The Performance Fee is charged by the Adviser (or its affiliate) in compliance with Rule 205-3 under the Investment Advisers Act of 1940. The Management Fee and Performance Fee are negotiable. The Adviser, in its sole discretion, may waive or reduce the Management Fee and/or the Performance Fee with regard to investors that are employees or affiliates of the Adviser, relatives of such persons, and for certain strategic investors.

An investor in the Fund may, upon at least 45 days' prior written notice, withdraw all or any portion of its capital account as of the last day of each calendar quarter occurring on or after the one-year anniversary of the date of its initial investment; provided, however, that withdrawals may occur as of the last day of a calendar quarter occurring prior to the one-year anniversary of its initial investment but any such withdrawal will be subject to a withdrawal fee equal to an amount of up to 2% of the withdrawal proceeds, payable to the Funds.

The fees on asset valuation consulting services to financial institutions may be an hourly rate or fixed fee on a negotiated basis.

#### **Item 5.B. Fee Payment**

Investment management fees are billed quarterly, in arrears, meaning that the Adviser invoices the client after the three-month billing period has ended. Payment in full is expected upon invoice presentation. The advisor does not deduct fees from client accounts.

#### **Item 5.C. Other Fees**

VRM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Such charges, fees and commissions are exclusive of and in addition to VRM's fee, and VRM shall not receive any portion of these commissions, fees, and costs.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Where applicable, these fees are in addition to the fees paid by you to VRM.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

VRM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., "relationship pricing" for multiple accounts, historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

#### **Item 5.D. Prepaid Fees**

VRM does not require payment of fees in advance.

#### **Item 5.E. Compensation for Sale of Securities**

VRM, and its associated persons, do not receive compensation for the sale of securities or other investment products.



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

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VRM may receive performance incentive fees on separate accounts where appropriate and agreed upon, as well as on the Vectors Research Opportunities Fund.

Within the funds, the Adviser (or its affiliate) receives performance compensation equal to 20% of the Fund's net profits, if any, subject to a "loss carryforward" provision (the "Performance Fee"). The Performance Fee is charged by the Adviser (or its affiliate) in compliance with Rule 205-3 under the Investment Advisers Act of 1940. The Management Fee and Performance Fee are negotiable. The Adviser, in its sole discretion, may waive or reduce the Management Fee and/or the Performance Fee with regard to investors that are employees or affiliates of the Adviser, relatives of such persons, and for certain strategic investors. Similar arrangements also apply to certain separately managed accounts.

Performance based fee arrangements may create an incentive for VRM to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. VRM has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

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***Item 7: Types of Clients***

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VRM generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in size, scope, and length of service.

Generally, the minimum initial investment for separate account management is \$20,000,000. The Advisor reserves the right to require a different amount. Generally, the minimum initial investment in the Fund is \$250,000. The Fund reserves the right to require a different amount.

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***Item 8: Methods of Analysis, Investment Strategies and Risk of Loss***

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**Item 8.A. Methods of Analysis**

In institutional separate account management, The Advisor considers the investment objectives and constraints of the Account, and considers the overall macro environment and levels of interest rate risk, credit risk, and structure risk in assessing relative value in

fixed income securities. The Advisor will allocate investments in US Government, Agency, Corporate, Mortgage Backed, Asset Backed, Municipal, and other fixed income securities based upon a relative risk and return profile, and appropriateness of the investment depending upon investor objectives.

In assessing relative value, the Advisor uses proprietary and nonproprietary quantitative models to determine credit risk, interest rate risk and structure risk of various securities. The Advisor obtains information through internally generated research as well as research generated by the Broker/Dealer Community, as well as other public information in analyzing and evaluating credit risk of various securities. The Advisor uses market monitor and trading tools such as Bloomberg to analyze, evaluate, communicate and execute transactions.

The Adviser provides investment solutions across a series of strategies to cater to different investor objectives, including:

- Core Fixed Income: Separately managed accounts investing in Investment Grade Fixed Income Securities
- Multi-Sector Fixed Income: Separately managed accounts investing in Investment Grade, High Yield, International and Municipal Securities
- Low Volatility: Separately managed institutional accounts investing in Investment Grade Securities with lower exposure to changes in interest rates and credit risk
- Mortgage Only: Separately managed accounts investing in Agency and Non-Agency Mortgage Backed Securities, including Investment Grade, below Investment Grade, and Structured MBS
- Special Objective: Separately managed accounts and customized investment solutions focused on taxable or tax-exempt securities
- Consulting: Analysis and advise on risk management and investment strategies

VRM offers investment advice in the mortgage-backed securities (“MBS”) and asset-backed securities (“ABS”) markets. This includes securities of Agency MBS, non-Agency MBS, collateralized mortgage obligations (“CMOs”), home-equity loan securities, manufactured home loan securities, commercial mortgage-backed securities as well as other securities backed by mortgages, consumer loans and commercial loans. Additional financial instruments include swaps, swaptions, Treasuries, Treasury options, futures contracts on financial instruments, and mortgage forward contracts known as TBAs.

The Adviser uses proprietary analytical tools which include prepayment and option-adjusted spread (“OAS”) models and other advanced mortgage analytics and risk management tools.

The Adviser’s strategy related to hedge fund management is to invest in MBS and ABS securities that can produce high risk adjusted returns through long term income and capital appreciation. The core strategy includes high grade and distressed MBS/ABS assets across sectors. Interest rates risks may be hedged and leverage may be applied. This strategy mainly generates returns through income. The opportunity strategy takes

advantage of event driven opportunities and market dislocations. These typically include assets with leveraged sensitivities to prepayments and credit. This strategy mainly generates returns through income and price appreciation.

### **Item 8.B. & 8.C. Material Risks**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, prices of fixed income securities may fall.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Credit risk:** The risk that a borrower will default on any type of debt by failing to make required payments. The risk is primarily that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Use of Leverage:** Leverage, or having exposure to more than 100% of an assets value, will generate a higher level of change in an assets value in response to its market price change. For example, a holding that is "2 times levered" will have twice the value change than the asset itself.

- Hedging: the purpose of hedging an asset is to minimize the negative consequences of its change in market value due to adverse circumstances. There is no guarantee that a hedging strategy or an asset intended to counter an adverse consequence of an underlying asset will have its intended effect.

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***Item 9: Disciplinary Information***

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**Items 9.A., 9.B. and 9.C.**

VRM and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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***Item 10: Other Financial Industry Activities and Affiliations***

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**Item 10.A. & 10.B. Registration with Regulated Entities**

VRM and its associate persons are not registered with a broker dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

**Item 10.C. Affiliations**

Vectors Research Partners LLC, an affiliate of VRM, is the General Partner of Vectors Research Opportunity Fund LP.

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

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**Items 11.A., 11.B, 11.C & 11.D Code of Ethics**

The Adviser and its related persons may invest their personal funds in the Fund, and, therefore, such persons may hold the same securities as other investors in the Fund. Moreover, Vectors Research Partners LLC is the General Partner of the Partnership. In addition, certain employees of the Adviser may own securities in their personal accounts that are also recommended by the Adviser to the Fund or the Institutional Investors. The Adviser has established procedures intended to limit conflicts of interest in cases where the Adviser, a related person or any of their employees, buys or sells securities recommended by the Adviser to its clients.

The Adviser recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. All personnel of the

Adviser must put the interests of the Adviser's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of the Adviser must also comply with all federal securities laws.

The Adviser has adopted a Code of Ethics governing personal trading by its personnel. Among other requirements, the Code of Ethics requires personnel who have access to client portfolio information or the Adviser's non-public securities recommendations to report their personal securities transactions and holdings to the Adviser, and the Adviser is required to review such reports. Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Richard B. Scott (Chief Compliance Officer) by email at rich@vectorsresearch.com, or by telephone at 212-431-0856.

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***Item 12: Brokerage Practices***

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**Item 12.A. Brokerage Selection**

Except for the general investment guidelines set forth in the Fund's offering memorandum, and any specific separate account guideline restrictions, there are no limitations on the authority of the Adviser with respect to investment recommendations. The Advisor is authorized to determine the broker or dealer to be used for each securities transaction.

In placing orders, it is the Advisor's policy to obtain the best price and execution for its transactions. Where best price and execution may be obtained from more than one dealer, the Advisor may purchase and sell securities through dealers who provide research, statistical and other information, although the Fund or specific individual account may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research services provided.

Research and related services furnished or paid for by brokers may include, but is not limited to: (i) written information and analyses concerning specific securities, companies or sectors; (ii) market, financial and economic studies and forecasts; (iii) financial and trade publications; (iv) statistical and pricing services; and (v) discussions with research personnel and consultants. Research and related services obtained by the use of commissions arising from transactions may be used by the Advisor in its other investment activities.

In selecting brokers and negotiating commission rates, the Advisor will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the Fund may not, in any particular instance, be the direct or indirect beneficiary of the research services provided. The Advisor will also consider the brokers capability to provide liquidity, source securities, and execute transactions in each of the market sectors the Advisor is involved. Broker coverage is reviewed on an ongoing basis. The Advisor does not utilize soft dollars.

### **Item 12.B. Purchase Allocations**

When managing client accounts, the Advisor takes into consideration each of the individual client investment objectives. When similar strategies or securities are executed in market, all clients will be treated equally with respect to execution, including allocating security purchases and sales on a pro-rata basis when appropriate for all strategies.

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### ***Item 13: Review of Accounts***

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#### **Item 13.A, 13.B & 13.C. Periodic Reviews**

For clients, account reviews are performed quarterly by Neil Powers, Principal. Account reviews are performed more frequently when market conditions dictate. The quarterly client review is a written document and includes an analysis of the portfolio, including portfolio allocations and performance, along with an in depth review of the current market environment.

In addition to quarterly client reviews, the portfolios are reviewed on a weekly basis by the Adviser to monitor and track portfolio allocations, security selection, risk analysis and performance metrics.

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Account reviewers are members of the firm's Risk Management Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Additionally, the Adviser reviews the client guidelines on an ongoing basis to verify compliance with the Client agreement as a pre-trade screening process.

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### ***Item 14: Client Referrals and Other Compensation***

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#### **Item 14.A. Incoming Referrals**

VRM has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The advisor does not provide compensation to others for client referrals.

#### **Item 14.B. Referrals Out**

VRM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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***Item 15: Custody***

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VRM is deemed to have custody of client funds since its affiliate, Vectors Research Partners LLC, serves as General Partner of the Vectors Research Opportunity Fund.

As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Investment Advisers Act of 1940, all assets in the accounts of VRM's clients are held by a qualified custodian. On an annual basis, the Administrator delivers the audited financial statements to the investors in the Funds within 120 days of fiscal year-end. The custodian also provide account statements directly to clients at their address of record at least quarterly

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by VRM.

Investment performance is reported by VRM to clients at least quarterly, and in many cases monthly.

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***Item 16: Investment Discretion***

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In the case of Discretionary Advisory agreements, VRM accepts discretionary authority to manage securities accounts on behalf of clients. VRM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold, subject to client guidelines and restrictions.

In the case of Non-Discretionary Advisory Agreements, VRM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the fees paid to the custodian. VRM does not receive any portion of the fees paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in client accounts on their behalf so that VECTORS RESEARCH MANAGEMENT, LLC may promptly implement the investment policy that the client has approved in writing.

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***Item 17: Voting Client Securities***

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Unless the client designates otherwise, VRM votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of VRM's proxy voting policy is available upon request.

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***Item 18: Financial Information***

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**Item 18.A., 18.B. & 18.C Financial Condition**

VRM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

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***Item 19: Requirements for State Registered Advisers***

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This section is not applicable.



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*Item 1: Cover Page*

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**PART 2B OF FORM ADV: BROCHURE SUPPLEMENT**

**VECTORS RESEARCH MANAGEMENT, LLC**



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**Andrew Davidson**  
**Neil Powers**  
**Michel Tuteral**

This brochure supplement provides information that supplements the Vectors Research Management, LLC brochure. You should have received a copy of that brochure. Please contact us at 804-217-9002, or by email at: [Neil@vectorsresearch.com](mailto:Neil@vectorsresearch.com) if you did not receive Vectors Research Management, LLC's brochure or if you have any questions about the contents of this supplement.

**March 31, 2015**

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***Item 2: Educational Background and Business Experience***

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While Vectors Research Management, LLC has no formal minimum education and business requirements, any future personnel involved in investment advisory activities generally will possess several years of experience in the areas of security analysis and corporate finance, with a demonstrated thorough understanding of mortgage and debt markets, as well as some level of relevant college and graduate school education and/or have obtained the CFA designation.

Employees have earned certifications and credentials that are required to be explained in further detail.

**Chartered Financial Analyst (CFA):** Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

**Andrew Davidson – Principal**

Andrew Davidson, 55, is co-founder and CIO at Vectors Research Management, LLC. Mr. Davidson is also President and founder of AD&Co., a leading developer and provider of MBS/ABS analytical tools. AD&Co provides consulting advice on risk management, security valuation, and investment strategies for a broad range of financial institutions.

Prior to AD&Co he worked for six years at Merrill Lynch, where he was a Managing Director in charge of a staff of 60 financial and systems analysts. In this role, he developed sophisticated analytical tools, including prepayment and option-adjusted spread models, as well as sophisticated portfolio analysis tools. He initiated a comprehensive set of investor-oriented publications and established groups of specialized analysts to advise traders, sales people and investors. He has an extensive trading desk background and experience in risk management roles. Andrew began his financial career as an analyst in Exxon's Treasurer's Department. He received an MBA in Finance at the University of Chicago and a BA in Mathematics and Physics at Harvard.

**Neil Powers, CFA - Principal**

## Vector Research Management, LLC

Neil Powers, 53, is a co-founder and Portfolio Manager at Vectors Research Management, LLC. He has over 30 years of portfolio management experience within Fixed Income Institutional accounts and Mutual Funds.

Prior to Vectors, Mr. Powers served as the Head of Fixed Income for 7 years at Crestar Asset Management Co. and Co-Head of Fixed Income at Trusco Capital Management Co. Neil managed Institutional accounts and Mutual fund portfolios including Municipal, Government, Corporate and Mortgage funds, and created and managed the Multi-Sector Strategic Income Fund. That includes US Investment Grade, High Yield and International.

Mr. Powers also worked at Putnam Investments for 12 years, where he was a Senior Portfolio Manager for Core and Core Plus Institutional accounts and the Lead Portfolio Manager for the Putnam family of Multi-Sector Bond mutual funds. Institutional clients included Insurance Company, Corporate, Pension, State and County Government, and Financial Institution assets. He started at Putnam Investments as a quantitative analyst building yield curve and sector relative value models.

Neil is a CFA, and graduated from West Virginia University with a BS in Finance specializing in securities and investments.

### **Michael Tuterl, CFA – Analyst**

Michael Tuterl, 27, is an analyst at Vectors Research Management, LLC. He has 5 years of experience in the financial markets, with experience in both Equity Research and Fixed Income portfolio management.

Prior to joining Vectors, Michael worked as an Equity Research Analyst for Bank of America Merrill Lynch covering the Automotive Industry. After two and a half years of experience in the equity markets, Michael joined Vectors as a quantitative analyst responsible for analyzing and monitoring client investments and accounts.

Michael is a CFA and a graduated from Virginia Tech with a BS in Finance specializing in securities and investments.

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### ***Item 3: Disciplinary Information***

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There is no disciplinary information for Vectors Research Management, LLC's supervised persons. None of the supervised persons have been party to: a) a criminal or civil action in a domestic, foreign or military court; b) an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; c) a self-regulatory proceeding; or d) any other proceeding in which a professional attainment, designation, or license was revoked.

***Item 4: Other Business Activities***

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**Andrew Davidson**

Andrew Davidson is also President and founder of AD&Co., a leading developer and provider of MBS/ABS analytical tools.

**Neil Powers**

Neil Powers does not have any other business activities to disclose.

**Michael Tuteral**

Michael Tuteral does not have any other business activities to disclose.

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***Item 5: Additional Compensation***

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**Andrew Davidson**

Andrew Davidson does not receive any additional compensation from third parties for providing advisory services to Vectors Research Management, LLC's clients.

**Neil Powers**

Neil Powers does not receive any additional compensation from third parties for providing advisory services to Vectors Research Management, LLC's clients.

**Michael Tuteral**

Michael Tuteral does not receive any additional compensation from third parties for providing advisory services to Vectors Research Management, LLC's clients.

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***Item 6: Supervision***

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Vectors Research Management, LLC has in place written policies and procedures reasonably designed to detect and prevent violations of the securities laws, rules and regulations. Richard Scott is Vectors Research Management, LLC's Chief Compliance Officer and, as such, is the person responsible for administering the compliance program, monitoring the Firm's Code of Ethics, and supervising the activities of the Supervised Persons. Mr. Scott can be contacted at (212) 274-9075.

Vector Research Management, LLC

**Andrew Davidson**

Andrew Davidson is the co-founder and Partner of Vectors Research Management, LLC.

**Neil Powers**

Neil Powers is the co-founder and Partner of Vectors Research Management, LLC and reports to Andrew Davidson. Mr. Davidson can be reached at 212-431-0857

**Michael Tuterl**

Michael Tuterl is Quantitative Analyst of Vectors Research Management, LLC, and reports to Neil Powers. Mr. Powers can be reached at (804) 217-9002.