

**Part 2A**

**Item 1 – Brochure Cover Page**

SQ Advisors, LLC  
1400 Gulfshore Boulevard North  
Suite 184  
Naples, FL 34102  
(239) 213-9393

May 9, 2011

This Brochure provides information about the qualifications and business practices of SQ Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (239) 213-9393 or [dtrapani@sqadv.com](mailto:dtrapani@sqadv.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.

SQ Advisors, LLC is a registered investment adviser. Registration of an Investment Adviser with the Securities and Exchange Commission or with any state securities authority does not imply any level of skill or training. Our oral and written communications are intended to provide you with information which you may use to determine to hire or retain us to provide investment advice.

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

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Brochure is materially different in structure and requires certain new information that our previous brochure did not require.

Item 17: Voting Client Securities – There was a revision to our proxy voting guidelines on May 9, 2011 to state that we will exercise proxy voting rights and take such shareholder actions in the best interest of our Clients and in accordance with our proxy voting guidelines where applicable. Our proxy voting guidelines will be furnished to our Clients upon request.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Dolores Trapani, Managing Director, at (239) 213-9393 or [dtrapani@sqadv.com](mailto:dtrapani@sqadv.com). Our Brochure is available free of charge.

Additional information about SQ Advisors, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with SQ Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of SQ Advisors, LLC.

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## **Item 4 – Advisory Business**

SQ Advisors, LLC (“we” or “us” or “our” or “SQ Advisors”) was founded on August 4, 2010 and has been registered with the SEC since December 21, 2010.

SQ Advisors is located in Naples, Florida and is privately owned. Mr. Louis A. Simpson and Kimberly K. Querrey each owns 50% of SQ Advisors.

As of March 24, 2011, SQ Advisors had approximately \$ 200,000,000 Client assets under management. As of that date, SQ Advisors managed \$ 200,000,000 on a discretionary basis and \$ 0 on a non-discretionary basis.

Louis A. Simpson and Kimberly Q. Querrey are the Managers of SQ Advisors and Mr. Simpson serves as the portfolio manager of SQ Advisors. SQ Advisors is owned by Louis A. Simpson and Kimberly K. Querrey. Mr. Simpson has more than 48 years of research and portfolio management experience. Kimberly has more than 28 years of executive experience. Prior to forming SQ Advisors, Mr. Simpson held a variety of portfolio management and executive positions and Ms. Querrey held a variety of executive positions.

SQ Advisors provides investment supervisory services and investment advice for Clients which include individuals, trusts, estates, endowments and charitable organizations. SQ Advisors will manage portfolios of publicly traded securities, which consist primarily of common stocks, but may also include other securities, such as preferred stocks, bonds, debentures, warrants, and options and interests in partnerships in oil and gas and/or real estate. Our primary strategy is to use fundamental research to identify securities issued by attractive businesses, whose affairs are managed by sensible and talented owners, and where those securities are selling at a reasonable price. Our strategy is not formally limited by industry, sector, or market capitalization. Our investment horizon is long-term and we expect relatively low portfolio turnover.

As a general rule, we seek Clients who are long-term investors. Client accounts may sometimes hold significant balances in cash or similar securities if we are unable to find investments we believe satisfy our investment criteria. In addition, we may purchase securities other than common stocks as part of our investment strategies as described above and in greater detail in Item 8.

Our investment strategy is focused, and accordingly, we prefer to accept the management of accounts without restriction. We do, however, consider a Client’s needs and goals and may, in our sole discretion, consent to restrictions on how an account may be invested. For example, an officer of a public company may ask that we not purchase shares of that company for his/her account without specific permission in advance, or may request that his/her account not be invested in the shares of companies that directly compete with his employer. We will normally accommodate such requests and will maintain a “restricted” list of accounts we have agreed to manage with limits on our

discretion. All such permanent restrictions must be set forth in writing in the Investment Advisory Agreement (the “Agreement”) between us and our Client.

SQ Advisors uses Schwab & Co. as the broker and custodian for most of its Clients’ accounts. Clients who elect to hold securities or transact at a broker/custodian other than our primary broker/custodian will pay our investment management fee and bear their own transaction and custody expenses. These Clients may be subject to higher or lower overall costs and transactions for these Clients may be executed at prices that are higher or lower than our broker/custodian may charge other accounts. We do not negotiate transaction fees for Clients that select a broker/custodian other than our primary broker/custodian, and while we will attempt to achieve favorable trading costs, we are not able to guarantee “best execution” of trades placed for those accounts.

SQ Advisors has adopted procedures to ensure that trades are allocated appropriately so that all accounts, regardless of size or different advisory fees are not treated better than or worse than any other separate account under management. Equitable and fair treatment of all Client accounts is one of our core principles. Please see Item 11 below which describes our Code of Ethics governing the behavior of SQ Advisors’ portfolio manager and employees with respect to the equitable treatment of all accounts.

## **Item 5 – Fees and Compensation**

SQ Advisors charges its Clients a 1% investment management fee on an annual basis based on assets under management which is billed quarterly.

The specific manner in which fees are charged by SQ Advisors is established in a Client’s Investment Advisory Agreement with SQ Advisors. SQ Advisors will generally bill its fees on a quarterly basis. One quarter of the annual fee will be payable at the end of each calendar quarter. Each quarterly payment shall be calculated based on the market value of the Assets at the end of each calendar quarter. The Client’s Investment Advisory Agreement authorizes the automatic payment of quarterly fees from the Client’s account to the Manager on the first business day following the end of each calendar quarter.

Accounts may be initiated or terminated at the beginning of each calendar quarter. Client Accounts are subject to a quarterly lockup.

SQ Advisors’ fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Our Clients may also incur charges imposed by custodians, brokers, and other third parties, including but not limited to, fees charged by managers, custodial fees, deferred sales charges, odd-lot differential charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All of these types of fees and commissions are in addition to our fees, and we do not receive any portion of these commissions, fees, and costs.

Such charges, fees and commissions are exclusive of and in addition to SQ Advisors' fee, and SQ Advisors shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that SQ Advisors considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

For the purpose of calculating our advisory fees, we may consent, in our sole discretion, to combine the assets of related accounts (e.g. family total assets under management).

Agreements may be terminated by either us or a Client upon written notice, without penalty or liability, but a Client must pay us any accrued but unpaid advisory fees for the quarter in which it terminates its account with SQ Advisors. Neither our managing principals nor our employees receive compensation for the sale of securities or investment products. We do not receive commissions or sales fees and only charge fees for investment advice pursuant to an investment advisory relationship.

Please see Item 12 for a description of the factors that we consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

SQ Advisors does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client). All fees are calculated as described in Item 5 and are not charged on the basis of income or capital gains on capital appreciation.

## **Item 7 – Types of Clients**

SQ Advisors provides investment advice and portfolio management services primarily to high net worth individuals, trusts, estates, endowments, charitable organizations, foundations, corporate pension and profit-sharing plans, financial institutions, and other corporations.

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

**Investing in securities involves risk of loss that Clients should be prepared to bear.**

Certain of our strategies may result in greater volatility and greater risk of loss than other more diversified strategies. All of our strategies will expose Clients to various risks, including, but not limited to, concentration risk, market risk, interest rate risk, stock selection risk, and illiquidity risk.

## Methods of Analysis

Our primary method of analysis is fundamental research. Generally, we believe that identifying a significant difference between the market value of a security and the intrinsic value of that security is what defines an investment opportunity. We define intrinsic value as the amount that would accrue to the owners of a security if the underlying company were sold to a rational and well-informed buyer, or the company was liquidated with the proceeds distributed to security holders, or where the particular security sells at a price that would yield no better than a security considered ultra-safe, such as a U.S. Treasury note or bond. We also believe that the market performance of a share of common stock, over an extended period of time, is likely to follow the business performance of the underlying company. Accordingly, our favorite type of investment will be a common stock that is significantly undervalued where we expect future corporate performance to be significantly positive compared to its present position. Often, such securities are not well known by the investing public, or have been the subject of considerable negative publicity. We are not constrained by geography, sector, industry, or market capitalization in seeking these investment opportunities.

Our portfolio manager attempts to understand the long-run dynamics of specific companies by performing extensive fundamental research to review candidates for investment. Normally, this research involves scrutinizing corporate reports, press releases, and financial statements, and reviewing documents filed with the SEC or other regulatory entities, court filings, newspaper, magazine, and internet articles, audio or transcripts of conference calls, presentations, and a variety of additional sources. The portfolio manager may also seek to meet with management to attempt to better understand the long-term strengths and weaknesses of the industry or the conditions under which the company operates.

Our investment strategies are generally long-term and intended to have relatively low portfolio turnover. We are not interested in short-term corporate results except to the extent we believe such results have a bearing on our long-term expectations for growth and profitability of a business, and most of our investment strategies do not contemplate short term trading. We may, however, pursue other value investing strategies involving securities that require more frequent purchases or sales such as those related to risk arbitrage, spin-offs, and companies in bankruptcy. These types of strategies may carry additional costs and risks.

## Other Risks

We have no control over and cannot predict the day to day fluctuations of the stock and bond markets. While we believe that volatility can sometimes lead to favorable investing conditions, every Client is at the risk of loss from adverse movements in general security prices, which have been substantial in recent years and which could continue for a prolonged period. Moreover, a Client's overall investment gain or loss may be significantly influenced by the market prices and conditions at the time of the opening or closing of an account.

Most securities represent claims against the cash flows or earnings power of a business. To the extent that interest rates increase significantly or that inflation begins to become widespread, the value of both stocks and bonds could decline and remain depressed for an extended period of time. Many businesses may be permanently impaired if inflation becomes significant and stock and bond prices will generally decline if interest rates move up and could suffer large declines if interest rates move up rapidly.

To the extent we buy securities for our Clients that are thinly traded or illiquid, it may be difficult or impossible to sell a position during times of market stress, leading to significant potential capital loss.

To the extent we own illiquid securities based on a business whose fundamentals become impaired, we may not be able to sell all or a portion of our investment and may incur significant losses as a result.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SQ Advisors or the integrity of SQ Advisors' management.

SQ Advisors has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

SQ Advisors has no information applicable to this Item.

## **Item 11 – Code of Ethics**

We believe that the interests of Clients and our portfolio manager are best served when they are similarly aligned. One of our core principles is that our portfolio manager should be willing to invest in the same securities he recommends or purchases for Clients. As such, our portfolio manager may purchase or sell securities for his own accounts or those of related persons that are later purchased or sold by Clients and our portfolio manager's personal holdings are expected to significantly overlap holdings of securities in Client portfolios.

SQ Advisors has adopted a Code of Ethics (the "Code") designed to address and prevent potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act. Our Code for all Supervised Persons describes our high standard of business conduct and our fiduciary duty to Clients. The Code includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other topics. All of our Supervised Persons must acknowledge the terms of the Code annually, or when it is amended. A copy of our Code will be provided upon request.



Our employees and persons associated with us are required to follow the Code. Subject to the Code and applicable laws, our members, officers, directors and employees may trade for their own accounts. The Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our Clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code, and our procedures are designed to reasonably prevent conflicts of interest between our principals, our employees, and our Clients.

Pursuant to the Code, we have adopted trading policies and procedures to promote fairness and uniformity in our dealings with Clients. However, due to different Client objectives, strategies, restrictions, and cash holdings, not all Clients will participate in a particular trade and the fact that a security has been purchased for or held by one Client does not mean it will be purchased by or held by another Client. Similarly, a security sold for one Client does not automatically mean that the same security will be sold by another Client in similar amount or at all based on the above potential differences and restrictions. Due to market conditions and other factors, it is possible that we may purchase or sell a security on behalf of some Clients that we have sold or purchased on behalf of others. We expect to apply a pre-approved allocation methodology depending on the nature of the order, the size of the trade, the nature of the order, the number of accounts participating and the aggregate dollar value of the trade. We use the following types of allocation methodologies: pro-rata allocation.

We require Access Personnel to “pre-clear” trades in securities that we hold for Clients. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated using one of the pre-approved methods. Any exceptions will be explained on the order.

Pursuant to the Code, we have adopted procedures to ensure that all Clients are treated equitably and that none are materially disadvantaged by the investing activities of our staff.

It is the SQ Advisors’ policy that neither SQ Advisors, any person in a control relationship with SQ Advisors nor any Supervised Person of SQ Advisors shall effect transactions as a principal with any Client of SQ Advisors unless such transactions are in compliance with the provisions of Advisers Act Rule 206(3)-2. It is SQ Advisors’ policy that SQ Advisors will not effect any agency cross securities transactions for Client accounts without obtaining the specific consent of the Client of the conditions of Rule 206(3)-2 have been met.

Principal transactions are generally transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. An agency cross transaction is generally a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction.

SQ Advisors' Clients or prospective Clients may request a copy of the SQ Advisors' Code of Ethics by contacting Dolores Trapani, Managing Director, at (239) 213-9393 or by e-mailing her at [dtrapani@sqadv.com](mailto:dtrapani@sqadv.com).

## **Item 12 – Brokerage Practices**

### **Investment or Brokerage Discretion.**

SQ Advisors has discretionary authority to execute transactions on behalf of its Clients. Therefore, SQ Advisors generally determines the securities and quantities to be bought and sold for each Client's account, as well as the broker(s) to be used for such transactions. SQ Advisors uses Schwab & Co. as the broker and custodian for most of its Clients' accounts.

SQ Advisors follows procedures intended to provide reasonable assurance of best execution, taking into consideration such factors as the ability of brokers to effect the transactions with minimal information leakage and market impact, the broker's recent history of effecting transactions for the securities in question, price, brokerage commission, timing, the brokers' stability and capital strength, capability of traders and floor brokers, reliability and accuracy of communications and settlement processing, etc. To the extent that SQ Advisors Clients direct brokerage, SQ Advisors cannot be responsible for achieving best execution.

SQ Advisors does not use "soft-dollar services" whereby we will receive research or other services from a broker-dealer in return for directing Client commissions.

For situations where there is more than one broker-dealer in the marketplace, SQ Advisors will consider various factors for best execution, including, but not limited to, securities availability, speed of showing appropriate securities, price competitiveness, operational efficiency, idea generation, dealing and operational flexibility, strength of bids, capability to commit capital, timeliness and ability to handle a difficult trade, prior involvement of a broker-dealer with a security, current market and security conditions and overall commitment to SQ Advisors.

SQ Advisors conducts periodic reviews of SQ Advisors' brokerage and best execution practices.

## Aggregation and Allocation

SQ Advisors' security transactions are generally aggregated and allocated among Clients taking into consideration a number of factors including, but not limited to, the available cash, tax or regulatory considerations, or different investment programs that focus on particular strategies, timing or sectors.

SQ Advisors, at its discretion, may aggregate orders in the same security for Clients transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) on an average price basis among the Clients in the order.

SQ Advisors believes that by aggregating orders, commission rates and transaction costs may be reduced as a result of such aggregation. However, in certain instances, average pricing may result in higher or lower total net execution price than otherwise obtainable by effecting Client transactions separately. SQ Advisors believes that aggregating orders contribute to seeking best execution.

Other than as described above, we do not expect to receive any benefits as a result of directing brokerage to any particular broker.

## Trade Errors

From time-to-time, SQ Advisors may cause a trade error to occur. For example, trade errors may happen as a result of effecting the incorrect amount of securities (e.g., 10,000 bonds were purchased when the intention was to purchase 1,000 bonds), transactions were effected in the wrong Client account, the order was to buy bonds but bonds were sold, and for other reasons. When trade errors occur, SQ Advisors' policy is to correct the error promptly. In the event that SQ Advisors caused the error, SQ Advisors will make the Client whole for the loss unless the equities of the situation may cause an unjust enrichment for the Client. If the Client caused the error (e.g., the Client advised SQ Advisors that a certain amount of funds would be wired to the account on a certain day but a substantially smaller amount was wired or the funds were not wired and the SQ Advisors acted upon the Client's advice), the Client will bear the error. If a third-party caused the error (e.g., SQ Advisors properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), SQ Advisors will take steps to collect from the third-party the amount of the error; however, there is no guarantee that SQ Advisors will be successful recuperating such funds in which case the Client will bear the loss.

### **Item 13 – Review of Accounts**

The investment professionals listed herein generally review Client accounts and portfolios frequently, but at a minimum, on a monthly basis. One or more designated employees of SQ Advisors are responsible for reviewing daily any transactions made on behalf of its Clients and determining that any such transactions have been correctly recorded into Client accounts. The nature and frequency of reports to Clients are determined mainly by the particular needs of each Client. SQ Advisors will provide reports including information on portfolio holdings, investment performance, etc. on a quarterly basis.

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

SQ Advisors does not have any arrangements under which we compensate anyone specifically for referring Clients to us. We do not have any cash solicitation arrangements.

### **Item 15 – Custody**

SQ Advisors does not intend to have custody of Client assets. Most Client assets will be held in brokerage accounts with Schwab & Co. under which our Clients will grant us discretion to place trades. We provide quarterly reporting on Client accounts, including a Statement of Investments, a Performance Report and a Billing Statement. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains Client's investment assets. SQ Advisors urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

After consultation with a potential Client regarding their objectives and understanding of SQ Advisors' investment philosophy and strategy, SQ Advisors will enter into an Investment Advisory Agreement with the Client which explicitly grants SQ Advisors discretionary authority from the Client a limited power of attorney to select the identity and amount of securities to be bought or sold. In all cases, we exercise our investment discretion in a manner consistent with the Client's investment objectives for the particular account. Clients may request that we invest the account in accordance with specific investment guidelines and restrictions. We may decline to manage accounts if these proposed investment guidelines or restrictions conflict with our investment philosophy or strategies or for any reason we deem appropriate.

SQ Advisors usually receives discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account. Clients may request that we invest the account in accordance with specific investment guidelines and restrictions. We may decline to manage accounts if these proposed investment guidelines or restrictions conflict with our investment philosophy or strategies or for any reason we deem appropriate.

Investment guidelines and restrictions must be provided to SQ Advisors in writing.

Please see Item 4 for a description of any limitations Clients may place on the SQ Advisors' discretionary authority.

When selecting securities and determining amounts, SQ Advisors observes the investment policies, limitations and restrictions of the Clients for which it advises.

Unless otherwise instructed or directed by a discretionary Client, the SQ Advisors has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. SQ Advisors' portfolio manager submits an allocation statement to SQ Advisors' trading desk describing the allocation of securities to (or from) Client accounts for each trade/order submitted. SQ Advisors' portfolio manager may consider the following factors, among others, in allocating securities among Clients: (i) Client investment objectives and strategies; (ii) Client risk profiles; (iii) tax status and restrictions placed on a Client's portfolio by the Client or by applicable law; (iv) size of the Client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is SQ Advisors' policy to allocate investment opportunities to eligible Client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the portfolio manager to allocate securities to Client accounts in varying amounts. Even Client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

## Item 17 – Voting Client Securities

SEC Rule 206(4)-6 of the Investment Advisers Act of 1940 imposes a number of requirements on registered investment advisers that have voting authority with respect to securities held in their clients' accounts. An investment adviser with voting authority has a fiduciary duty to monitor corporate actions and vote the proxies in a manner consistent with the best interests of its clients, and must never put its own interests above those of its clients.

Investment advisers that exercise voting authority over client proxies must therefore adopt and implement written policies and procedures that are reasonably designed to ensure that they (i) vote proxies in the best interest of clients; (ii) disclose to clients how they may obtain information on how the adviser voted their proxies; (iii) maintain certain records relating to proxy voting; and (iv) address material conflicts between its interests and those of their clients with respect to proxy voting.

SQ Advisors has the authority to vote all securities held by each of its Clients. SQ Advisors has adopted proxy voting policies and procedures consistent with Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended. The general policy is to vote proxy proposals in a way that SQ Advisors believes will cause the related investment to increase the most or decline the least. In limited circumstances, SQ Advisors may refrain from voting proxies where it believes that abstaining from voting would be in the applicable Client's best interest.

SQ Advisors' legal and compliance personnel, in coordination with SQ Advisors' Portfolio Manager and an independent proxy voting service: receive proxy voting materials; determine each Client's holdings as of the record date; identify and address any material conflicts between SQ Advisors' interests and those of its Clients, or among its Clients; determine how to vote, or whether, in limited situations, to abstain from voting; submit proxy votes and keep proxy voting records. If a conflict of interests is identified, SQ Advisors will not vote the proxy on behalf of its Clients until it has determined that the conflict is not material or has agreed upon, implemented and documented a method for resolving the conflict.

Clients may obtain a copy of SQ Advisors' proxy voting policy, and information regarding how client securities have been voted, by contacting Dolores Trapani at (239) 213-9393 or at [dtrapani@sqadv.com](mailto:dtrapani@sqadv.com).

Control Persons of SQ Advisors who own portfolio securities of companies which they also recommend to their Clients may vote those proxies. Any proxy vote on such portfolio securities by Control Persons of SQ Advisors must be reported to and formally documented by the Chief Compliance Officer.

SQ Advisors will maintain a record of the voting for any securities of a Control Person that are also owned by Clients of SQ Advisors.

## **Item 18 – Financial Information**

Item 18 requires SQ Advisors to provide you with certain financial information or disclosures about our financial condition.

SQ Advisors does not have any financial commitment that impairs our ability to meet our contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisers**

This item does not apply to us.

**Part 2B**

**Item 1 - Cover Page**

Louis A. Simpson  
SQ Advisors, LLC  
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(239) 213-9393

May 9, 2011

**This Brochure Supplement provides information about Louis A. Simpson that supplements the SQ Advisors, LLC Brochure. You should have received a copy of that Brochure. Please contact Dolores Trapani, (239) 213-9393 or at [dtrapani@sqadv.com](mailto:dtrapani@sqadv.com) if you did not receive SQ Advisors' Brochure or if you have any questions about the contents of this supplement.**

**Additional information about SQ Advisors and Louis A Simpson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



## **Item 2 - Educational Background and Business Experience**

Louis A. Simpson is a Founder and Chairman of SQ Advisors, LLC. He was born in 1936 and earned a B.A. degree in 1958 from Ohio Wesleyan University and a M.A. degree in Economics from Princeton University in 1960.

Prior to founding SQ Advisors, Mr. Simpson was the President and Chief Executive Officer of Capital Operations at GEICO from 1993 to 2010, and previously served GEICO as Vice Chairman (1985 to 1993) and Senior Vice President and Chief Investment Officer from 1979 to 1985. Prior to joining GEICO, Mr. Simpson served as President and Chief Executive Officer of Western Asset Management from 1970 to 1979, Vice President and Portfolio Manager of Shareholders Management in 1969 and was a Partner of Stein, Roe & Farnham from 1962 to 1969. Mr. Simpson has more than 48 years of experience in securities research and portfolio management across a wide range of companies and industries.

Since 2005, Mr. Simpson has served as a Member of the Board of Directors of VeriSign. From 1992 to 2002 and from 2006, Mr. Simpson has served as a Member of the Board of SAIC. Mr. Simpson has been a Life Trustee of Northwestern University since 2006 and has been a Director of the Investment Company of Princeton University since 2007.

## **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. SQ Advisors has no information to disclose in response to this Item.

## **Item 4 - Other Business Activities**

Not Applicable.

## **Item 5 - Additional Compensation**

SQ Advisors does not have any revenue sharing or cash compensation arrangements with any person to refer business to the adviser.

## **Item 6 - Supervision**

Mr. Simpson is part of a two-person team of investment professionals at SQ Advisors, LLC, which monitors investment activities. Regular account supervision is performed under the direction of Kimberly K. Querrey, the Chief Compliance Officer of SQ Advisors, LLC, who may be reached at (239) 213-9395. Ms. Querrey is responsible for maintaining a system of policies and procedures governing the conduct of supervised persons, including, but not limited to, a Code of Ethics, and a number of codified oversight procedures, including, among others, regular review of accounts (periodically

but not less than monthly), account trading activity (daily), and account statements (monthly), review of access to critical customer information (ongoing), review of employee trading records and account statements (daily and monthly respectively), disaster recovery procedures (periodically), and other information or behavior considered material to the good conduct of employees and the proper functioning of an investment advisory firm. Ms. Querrey is responsible for overseeing any conflicts between Mr. Simpson and SQ Advisors.

**Part 2B**

**Item 1 - Cover Page**

Kimberly K. Querrey  
SQ Advisors, LLC  
1400 Gulfshore Boulevard North  
Suite 184  
Naples, FL 34102  
(239) 213-9393

May 9, 2011

**This Brochure Supplement provides information about Kimberly K. Querrey that supplements the SQ Advisors, LLC Brochure. You should have received a copy of that Brochure. Please contact Dolores Trapani, (239) 213-9393 or at [dtrapani@sqadv.com](mailto:dtrapani@sqadv.com) if you did not receive SQ Advisors' Brochure or if you have any questions about the contents of this supplement.**

**Additional information about SQ Advisors and Kimberly K. Querrey is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 - Educational Background and Business Experience**

Kimberly K. Querrey is a Founder, President and Chief Compliance Officer of SQ Advisors, LLC. She was born in 1961 and earned a Bachelor's Degree of Science from West Virginia Institute of Technology in 1983 and a M.S. Degree in Safety Engineering and Health from Murray State University in 1984

From 2000 to 2010, Ms. Querrey was the President of Querrey Enterprises. From 1995 to 2000, Ms. Querrey served as the Director of Operations for IMCO Recycling, Divisional Director of Occidental Chemical Corporation from 1990 to 1995 and a Director of Environmental, Health and Safety at Western Michigan University from 1984 to 1990. Ms. Querrey has more than 26 years of corporate experience. Currently, Ms. Querrey serves as a Member of the Board of Mekong Capital (Vietnam), Member of the Board of International Dispensing, Executive Committee Member of the Tamiami Angel Fund, Trustee and Executive Committee Member of the Field Museum, Director and Executive Committee Member of After School Matters, and Director and Executive Committee Member of the Chicago Council on Global Affairs.

## **Item 3 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. SQ Advisors has no information to disclose in response to this Item.

## **Item 4 - Other Business Activities**

Not Applicable.

## **Item 5 - Additional Compensation**

SQ Advisors does not have any revenue sharing or cash compensation arrangements with any person to refer business to the adviser.

## **Item 6 - Supervision**

Regular account supervision is performed under the direction of the Chief Compliance Officer of SQ Advisors, LLC. Ms. Querrey also serves as Chief Compliance Officer and can be reached at (239) 213-9395. As Chief Compliance Officer, Ms. Querrey is responsible for maintaining a system of policies and procedures governing the conduct of supervised persons, including, but not limited to, a Code of Ethics and a number of codified oversight procedures, including, among others, regular review of accounts (periodically but not less than monthly), account trading activity (daily), and account statements (monthly), review of access to critical customer information (ongoing), review of employee trading records and account statements (daily and monthly, respectively), disaster recovery procedures (periodically), and other information or

behavior considered material to the good conduct of employees and the proper functioning of an investment advisory firm. Louis A. Simpson, President of SQ Advisors, LLC, is responsible for overseeing any conflicts between Ms. Querrey and the SQ Advisors.