

**Item 1: Cover Page for Part 2A of Form
ADV: Firm Brochure
March 2015**



**Quanta Finance SA
8 Rue des Charmilles
Geneva, 1203
SWITZERLAND
Phone: +41 22 321 42 40
Fax: +41 22 321 45 46**

**Firm Contact:
Francois Mauron
Chief Compliance Officer**

**Firm Website Address:
www.QuantaFin.com**

This brochure provides information about the qualifications and business practices of Quanta Finance SA ("QF"). If you have any questions about the contents of this brochure, please contact us by telephone at +41 22 321 42 40 or email info@quantaфин.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. The document is not, and is not intended to be, a marketing brochure, nor is it to provide detailed information about all aspects of Quanta's business. Additional information about QF also is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of QF and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

This brochure provides information for U.S. clients and prospective U.S. clients of QF. Most of the provisions of the Investment Advisers Act of 1940, as amended, and of this Brochure, do not apply to QF's non-U.S. clients.

Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure

QF is required to advise you of any material changes to its Firm Brochure ("Brochure") from its last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. QF must state clearly that it is discussing only material changes since the last annual update of our Brochure, and must provide the date of the last annual update of our Brochure.

Since our last annual amendment filing, no material changes have been made.

Item 3: Table of Contents

Item 1: Cover Page for Part 2A of Form ADV: Firm Brochure.....	1
Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees & Compensation.....	5
Item 6: Performance-Based Fees & Side-By-Side Management.....	7
Item 7: Types of Clients & Account Requirements.....	7
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss	8
Item 9: Disciplinary Information	11
Item 10: Other Financial Industry Activities & Affiliations.....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading	11
Item 12: Brokerage Practices	13
Item 13: Review of Accounts or Financial Plans.....	16
Item 14: Client Referrals & Other Compensation	16
Item 15: Custody	17
Item 16: Investment Discretion.....	17
Item 17: Voting Client Securities	17
Item 18: Financial Information.....	17

Item 4: Advisory Business

We specialize in Asset Management services. As of December 31, 2014, the total number of assets for which QF has relevant client mandates for is \$179,000,000.

A. Description of our advisory firm, including how long QF has been in business and our principal owner(s).

QF is dedicated to providing discretionary and non-discretionary asset management services to individuals, trusts, estates and other business entities. QF primarily provides services to clients not residing in the United States ("non-U.S. Clients") while occasionally providing services to clients who reside in the United States ("U.S. Clients").

QF is a corporation formed in Switzerland, and has been in business as an investment adviser since 2012. QF is owned wholly by Deutsche Finanz AG, which is own wholly by Mr. Francois Mauron. QF is also a member of the OAR-G and the GSCGI, which are Swiss self-regulatory organizations recognized by the Swiss Financial Market Supervisory Authority (FINMA) as professional associations empowered to issue rules of conduct in the contest of asset management.

B. Description of the Types of Advisory Services We Offer:

Asset Management:

QF emphasizes continuous and regular account supervision. As part of QF's Asset Management service, QF generally creates a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which QF determines to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, QF reviews the portfolio at least quarterly and if necessary, rebalances the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Discretionary Investment Mandate

QF offers discretionary asset management services whereby QF has the authority to supervise and direct the investments of and for each Client's account without prior consultation with the Client. QF determines the securities that are bought and sold for the Client's Account and the total amount of the purchases and sales. QF's authority may be subject to conditions imposed by individual Clients as set forth and agreed upon in the investment management agreement entered into between QF and the Client. For example, a Client may restrict or prohibit transactions in certain types of securities. QF seeks to obtain a rate of return consistent with the Client's objectives, risk tolerance, future liquidity requirements and potential tax and legal restrictions.

Non-Discretionary Investment Mandate

QF also offers investment advice in a nondiscretionary capacity whereby QF requires the Client's prior consultation and approval before purchasing or selling securities. QF works with

its nondiscretionary Clients to define the investment objectives of the Client and consults with each Client on a regular basis with investment suggestions in line with the defined objectives.

C. Explanation of whether (and, if so, how) QF tailors our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

QF offers individualized investment advice to clients utilizing our Asset Management services. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to QF's Asset Management services.

D. Participation in Wrap Fee Programs.

QF does not offer wrap fee programs.

E. Disclosure of the amount of client assets QF manages on a discretionary basis and the amount of client assets QF manages on a non-discretionary basis as of December 31, 2014.

QF manages¹ \$26,000,000 on a discretionary basis and \$153,000,000 on a non-discretionary basis.

Item 5: Fees & Compensation

QF is required to describe our brokerage, custody, fees, and fund expenses so you will know how much you are charged and by whom our advisory services are provided to you. QF's fees are generally negotiable. QF may waive, discount and/or negotiate fees at its discretion.

A. Description of how QF is compensated for its advisory services provided to you.

Asset Management:

Assets Under Management	Annual Percentage of Assets Charge
Assets Listed in Schedule A of QF's Discretionary or Non-Discretionary Mandate	Up to 1.0%

QF's fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of your account on the last day of the quarter. Fees will be adjusted for deposits and withdrawals. Fees will be charged in the reference currency chosen by the Client.

¹ Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "client assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

B. Description of whether QF deducts fees from clients' assets or bill clients for fees incurred.

Asset Management:

Fees will generally be automatically deducted from your managed account*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If QF sends a copy of our invoice to you, QF sends a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If QF sends a copy of our invoice to You, the invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.**

*In rare cases, QF will agree to direct bill clients.

**The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

C. Description of any other types of fees or expenses clients may pay in connection with QF advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from QF's fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which QF does not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. QF must disclose if client's advisory fees are due quarterly in advance. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

QF charges its advisory fees quarterly in arrears. If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel the advisory agreement. Upon receipt of your notice of termination, we will proceed to close out your account and charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

E. Commissionable Securities Sales.

QF does not sell securities for a commission. In order to sell securities for a commission, QF would need to have its associated persons registered with a broker-dealer. QF has chosen not to do so.

Item 6: Performance-Based Fees & Side-By-Side Management

Performance Fees

QF does not charge performance fees to its clients.

Side-by-Side Management

QF manages many Client accounts and results in differences in the fees charged on various accounts. QF has conflicts related to such side-by-side management of different accounts. For example, QF Advisors may manage more than one account according to the same or a substantially similar investment strategy and yet have a different fee schedule applicable to such account as a result of the respective Clients' assets under management ("AUM") with QF.

These potential conflicts also include the favorable or preferential treatment of an account or a group of accounts, conflicts related to the allocation of investment opportunities, particularly with respect to securities that have limited availability, such as initial public offerings, and transactions in one account that closely follow related transactions in a different account.

In addition, the results of the investment activities for one account may differ significantly from the results achieved for other accounts, particularly as a result of QF's practice to individually tailor each Client's investment portfolio.

QF has policies and procedures in place aiming to ensure that all Client accounts are treated fairly and equitably. QF endeavors to equitably allocate investment opportunities among relevant accounts over time.

In addition, investment decisions for each account are made with specific reference to the individual needs and objectives of the account. Accordingly, QF may give advice or exercise investment responsibility or take other actions for some Clients (including related persons) that may differ from the advice given, or the timing and nature of actions taken, for other Clients. Investment results for different accounts, including accounts that are generally managed in a similar style, also may differ as a result of these considerations.

Some Clients may not participate at all in some investments in which other Clients participate, or may participate to a different degree or at a different time.

Item 7: Types of Clients & Account Requirements

QF has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Corporations, Limited Liability Companies and/or Other Business Types

QF does not have requirements for opening and maintaining accounts or otherwise engaging us. QF, however, believes that a minimum amount of \$1,000,000 US permits adequate diversification of the Client's portfolios. QF may enter into agreements, at its discretion, with Clients that have different account sizes.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

QF's investment philosophy rests on the principle of stable returns. In this endeavor, we are committed to selecting only a very restricted number of traditional and alternative financial products, which we monitor at all times.

QF had developed its own financial models, allowing for a constant monitoring of international markets. These models take into account more than 150 bonds and stocks indices as well as over 1500 individual shares. QF advises its Clients based on anticipated movements in the market which can be analyzed by using QF's financial models.

Our product offering ranges from blended mandates, which are offered in three reference currencies (USD, EUR, CHF) to risk profiles: Conservative, Balanced, and Dynamic. Blended mandates are typically invested in a multi-asset-class approach.

In general, QF advises on the following investments:

- Equity securities (exchange listed, OTC, non-USD issuers);
- Warrants;
- Municipal securities;
- Commercial papers;
- Certificates of deposit;
- Mutual fund shares;
- Corporate debt securities; and
- United States government securities.

Furthermore, QF may also offers advice on investments such as:

- Non-US Government securities: A minimum rating of "investment grade" by S&P (BBB) and/or Moody's (Baa) is required for such investments, same as for other bond investments;
- Commodities: base metals, precious metals and other commodities, including instruments that derive their value from commodities and the securities of companies engaged in commodities-related activities; and
- Other investments, such as private equity vehicles, hedge funds and funds of hedge funds.

Investment Strategies We Use:

Investment techniques that may be applied by QF in managing Clients' portfolios include, inter alia:

- **Use of Leverage.** We may also use leverage but only by investing in certain exchange-traded products that provide leveraged exposure to their underlying indices. The use of leverage may affect portfolio values, which can rise or fall faster than when leverage is not applied. When using leverage, securities in an account will have to be liquidated when it might not be convenient or advantageous to sell in order to meet margin calls or maintain sufficient asset coverage.
- **Turnover.** QF can determine, at its discretion, to sell securities in Client accounts regardless of the length of time that they have been held and regardless of the resulting rate of portfolio turnover, provided that such changes promote the investment objectives and are consistent with the Client's instructions and limitations. Client accounts may therefore experience a rate of turnover higher than average. Turnover may lead to tax consequences

for both the account and the Client, to the extent that gains and losses are realized. Clients should therefore consult a tax specialist in this regard.

- QF may **sell a security within 30 days of its acquisition** if dictated by social, economic, political, and/or other market conditions, or if the Client notifies to QF that his/her objectives and restrictions have changed. QF may from time to time use hedging strategies to alter the bond, equity, and/or currency exposure of the Client portfolio, but without being required to, in order to protect the Clients' assets against any negative market events.

Material Investment Risks

Clients should bear in mind that investing in securities involves a risk of loss. Clients should be prepared to bear the risk of losing their investment in securities. Past performance is not an indication as to future results.

When managing a Client's portfolio, the principal risks of the investment strategies are:

- **Securities Selection Risk** – The value of Client's investments may decrease if QF's judgment is incorrect about the value, attractiveness or market trends affecting a particular security, sector or industry or about market movements.
- **Non-Diversification Risk** – If a Client's portfolio is not diversified, the portfolio may be more likely exposed to single adverse regulatory or economic events affecting one or several of these issuers and may experience increased volatility.

When managing a Client's portfolio, the principal risks of the types of securities QF may recommend are:

- **Credit Risk** – If the issuer of a security held by the Client fails to pay principal and/or interest due, and/or is in default, or is perceived to be less creditworthy, a security's credit rating is downgraded. Likewise, the value of the security will decline if the credit quality or value of any underlying assets decline.
- **Prepayment Risk** – When interest rates fall, certain obligations will have to be paid off by the debtor earlier than initially foreseen. The Client may therefore have to invest the proceeds in securities with lower yields.
- **Market Risk** – The securities markets are volatile, and the market prices of the Client's securities may decline overall. Based on variations in a company's financial condition, and/or general market and economic conditions, the price of securities may oscillate. The value of a particular security may decline due to various features affecting a specific industry, such as competitiveness, increase of production costs, labor shortages, or adverse economic conditions.
- **Extension Risk** – When interest rates rise, the value of these securities may fall since certain obligations will be paid by the debtor more slowly than predicted.
- **Non-U.S. Securities Risk** – Non-U.S. markets may be less liquid and more volatile (politically or economically) than U.S. markets, and may experience negative government actions, such as currency controls or seizures of private businesses or property. In some non-U.S. countries, a non-rigorous accounting and regulatory system may lead to a lack of information. Further, non-U.S. securities may be denominated or quoted in currencies other than the U.S. dollar. Therefore, changes in currency exchange rates may affect the value of non-U.S. securities.
- **Interest Rate Risk** – When interest rates rise, the value of a fixed income security generally falls. An interest rates change will not have the same impact on all fixed income securities. Generally, the longer the maturity or duration of a fixed income security, the greater the

impact of a rise in interest rates on the security's value. In addition, different interest rate measures (i.e. short-term / long-term interest rates and U.S. / non-U.S. interest rates), or interest rates on different types of securities or securities of different issuers, may not automatically change in the same amount or in the same direction.

- **Liquidity Risk** – This occurs when investments are difficult to purchase or sell. A Client's investment in illiquid securities may reduce returns because it may be difficult to sell the illiquid securities at an advantageous time or price. A Client investing in alternative investments or securities with substantial market and/or credit risk will tend to have greater exposure to liquidity risk.
- **Risk of Investment in Mutual Funds, Hedge Funds, Funds of Hedge Funds & Private Equity Vehicles, Exchange Traded Funds (ETF)** – Investments in pooled investment vehicles are subject to market and selection risk. In addition, a Client must bear its proportionate share of expenses in the pooled investment vehicle. Hedge fund investing may involve substantial investment, liquidity risk, derivatives risk, and other risks described in the offering memorandum of each fund. ETF's may also have the following risks: (i) a Correlation risk, (ii) a Counterparty risk, i.e. there is no guarantees that the chosen counterparties are and/or will remain solvent in the future, and (iii) a Credit risk, which means that a fund may lose money if the debt security issuer is not capable to meet its financial obligations and/or goes bankrupt.
- **Hedge Funds** – Their investment results can be volatile. Hedge funds and private equity vehicles are not subject to the same regulatory requirements as mutual funds.
- **Commodities Market Risk** – Investments in commodities can be volatile. The value of commodity-linked derivative investments may be affected by changes in the market, commodity index volatility, changes in interest rates, or a particular industry or commodity changes.
- **Derivatives Risk** – A Client's investment in derivatives may reduce returns and/or increase volatility. The fluctuations in the derivatives value may not correlate perfectly with the overall securities markets. Derivatives are also subject to counterparty risk, (i.e. the other party in the transaction will not fulfill its contractual obligations). The possible lack of a liquid secondary market for derivatives and the subsequent inability of QF to sell or close a derivatives position may expose the Client to losses. QF may also encounter difficulties when trying to predict correctly the direction of security prices, interest rates, and other economic factors, which may cause the Client's derivatives positions to lose value. When a derivative is used as a hedge against a position that the Client holds, any loss generated by the derivative generally should be substantially offset by gains on the hedged investment and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. There can be no assurance that the QF's hedging transactions will be effective.
- **Warrants** – If the price of the underlying stock does not rise above the exercise price before the warrant expires, the warrant generally expires without any value, and the Client loses any amount it paid for the warrant. Thus, investments in warrants may be riskier than investments in common stock. Warrants may trade in the same markets as their underlying stock. Nevertheless, the price of the warrant does not necessarily move with the price of the underlying stock.
- **U.S. Government Securities Risk** – Not all U.S. Government securities are fully supported and have the credit of the United States. Obligations of certain agencies, authorities, instrumentalities, and sponsored enterprises of the U.S. Government are backed by the full faith and credit of the United States. Other obligations are backed by the right of the issuer to borrow from the U.S. Treasury, by the discretionary authority of the U.S. Government to purchase an agency's obligations or by the credit of the agency, authority, instrumentality,

or sponsored enterprise issuing the obligation. No assurance can be given that the U.S. Government would provide financial support to any of these entities if it is not obligated to do so by law.

- **Municipal Securities Risk** – This include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes that may affect the market for and value of municipal securities. Certain municipal securities, including private activity bonds, are not backed by the full faith, credit, and taxing power of the issuer. Additionally, if events occur after the security is acquired that impact the security's tax-exempt status, the Client may become subject to tax liabilities.
- **Currency Exposure:** QF invests in securities and other investments that are denominated in currencies other than U.S. Dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. QF may seek to hedge the foreign currency exposure but such hedging strategies may not necessarily be available or effective and may not always be employed. Accounts managed by QF are routinely subject to foreign exchange risks and bear a potential risk of loss arising from fluctuations in value between the U.S. Dollar and such other currencies.
- **Non-U.S. Investments:** Investments in non-U.S. securities expose the Client's portfolio to risks that in addition to those risks associated with investments in U.S. securities. Such risks include, among other things, trade balances and imbalances, economic policies of various foreign governments, exchange control regulations, withholding taxes, potential for nationalization of assets or industries, and the political instability of foreign nations.

Please Note: Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

Item 9: Disciplinary Information

There are legal or disciplinary events that are material to the evaluation of QF's business or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

QF has determined we have nothing to disclose in this regard.

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

QF recognizes that the personal investment transactions of members and employees of the firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, QF believes that if investment goals are similar for clients and for members and employees of the firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, QF has in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts². In order to monitor compliance with QF's personal trading policy, each officer, director, and employee is required to comply with initial, quarterly, and annual reporting of their securities positions, as well as of the contract note/confirmation of each trade. In addition, each officer, director, and employee is required to sign a statement to acknowledge that they have received, read, and understand the Code and will comply with it, as well as confirming that they will not misuse inside information.

QF is an active member of the OAR-G and the Swiss Association of Independent Financial Advisors and has adopted the latter's Code of Ethics and attendant policies and procedures providing guidance and instruction to QF and its personnel on their ethical obligations in fulfilling its duties of loyalty, fairness and good faith towards the Clients.

The main areas covered by the QF Code of Ethics are:

- Independence of asset management;
- Dealing with conflicts of interest;
- Safeguarding and promotion of market integrity;
- Assurance of proper business conduct;
- Duty to inform;
- Protecting the confidentiality of Client information;
- Prohibition against the misuse of material non-public information;
- Establishing standards of behavior.

Furthermore, QF has established a Code of Ethics which applies to all of its associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. QF has a fiduciary duty to all clients. QF's fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. QF requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with QF's Code of Ethics. QF and its supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of QF's Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of QF may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, QF's related persons will place client interests ahead of their own interests and adhere to QF's Code of Ethics, a copy of which is available upon request.

Related persons of QF may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, QF's related

² For purposes of the policy, QF's associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

persons will place client interests ahead of their own interests and adhere to QF's Code of Ethics, a copy of which is available upon request. Further, QF's related persons will refrain from buying or selling the same securities within 48 hours prior to buying or selling for our clients. If related persons' accounts are included in a block trade, QF's related persons will always trade personal accounts last.

Item 12: Brokerage Practices

A. Description of the factors that QF considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

QF seeks to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. QF considers a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, QF has an arrangement with Bordier & Co and Pictet & Co ("Custodian"). Custodian offers to independent investment advisers non-soft dollar services which include custody of securities, trade execution, clearance and settlement of transactions. QF receives some non-soft dollar benefits from the Custodian through our participation in the program.

1. Research & Other Soft Dollar Benefits.

Custodian may make certain research and brokerage services available at no additional cost to QF. These services may be directly from independent research companies, as selected by QF (within specific parameters). Research products and services provided by Custodian may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-

making; and other products or services that provide lawful and appropriate assistance by Custodian to QF in the performance of our investment decision-making responsibilities.

QF does not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by QF to manage accounts for which we have investment discretion. Without this arrangement, QF might be compelled to purchase the same or similar services at its own expense.

As a result of receiving the services discussed, QF may have an incentive to continue to use or expand the use of Custodian's services. QF examined this potential conflict of interest when it chose to enter into the relationship with Custodian and it has determined that the relationship is in the best interest of its clients and satisfies its fiduciary obligations, including our duty to seek best execution.

Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Custodian enables QF to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Custodian commission rates are generally discounted from customary retail commission rates. The commission and transaction fees charged by Custodian may be higher or lower than those charged by other custodians and broker-dealers.

QF's clients may pay a commission to Custodian that is higher than another qualified broker dealer might charge to effect the same transaction where QF determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although QF will seek competitive rates, to the benefit of all clients, QF may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Although the investment research products and services that may be obtained by QF will generally be used to service all of its clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

QF does not acquire client brokerage commissions (or markups or markdowns).

Excluding the Safe Harbor provision outlined in Section 28(e) of the Securities Exchange Act of 1934, QF does not have any soft dollar relationships and do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data

services (including services providing market data, company financial data, certain valuation and pricing data and economic data); and advice from brokers on order execution.

Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

2. Brokerage for Client Referrals.

QF does not receive brokerage for client referrals.

3. Directed Brokerage.

In certain instances, clients may seek to limit or restrict QF's discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Clients may seek to limit QF's authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

QF provides appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, QF will inform you in writing that your trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

QF allows clients to direct brokerage. However, QF may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because QF may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

B. Discussion of whether, and under what conditions, QF aggregates the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If QF does not bunch orders when it has the opportunity to do so, QF is required to explain its practice and describe the costs to clients of not bunching.

QF performs investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the

same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when QF believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, QF attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13: Review of Accounts or Financial Plans

QF reviews accounts on at least a monthly basis for our clients who subscribe to our Asset Management services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only QF's Financial Advisors or Portfolio Managers will conduct reviews.

QF may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

QF does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to QF's Asset Management services.

Item 14: Client Referrals & Other Compensation

As a result of QF's relationship with Custodian, QF may receive a commission from Custodian when QF brings a Client to Custodian. The payment of this commission to QF creates a conflict of interest for QF as it receives a fee for recommending certain custodian banks to its Clients. QF seeks to ensure that all Client accounts are treated fairly and equitably. QF attempts to mitigate this conflict of interest by ensuring that the selection of custodian banks is made objectively and equitably after an independent and specific analysis of each particular case. QF requires that the custodian provides QF's Client with best execution. QF will only place an order with custodians with the best execution policy and procedures in place adequate to QF's Clients' needs. QF checks regularly with the custodian that they are in compliance with this policy.

QF may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of QF's investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, QF maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to QF will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If QF is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Item 15: Custody

Commercial banks serve as custodian of funds and/or securities so QF does not maintain physical possession of funds or securities. All of QF's clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, QF promptly notify the client in writing of the qualified custodian's contact information. If QF decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

QF encourages its clients to raise any questions with us about the custody, safety or security of their assets. The custodians QF does business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16: Investment Discretion

QF's clients need to sign a discretionary investment advisory agreement with QF for the management of their account. When Clients' accounts are managed on a discretionary basis, QF can determine, within a Client's specified investment objectives and guidelines, and without consultation with the Client, which securities are bought or sold and the total amount to be bought or sold. We always follow the investment policies and instructions as established in our Agreement. In some cases, Clients may also prevent certain securities from being purchased for their account. This type of agreement only applies to QF's Asset Management clients.

Item 17: Voting Client Securities

QF does not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. The custodian must ensure that all proxy materials are provided without delay to the Client, must act on Client instructions and inform QF and the Client of all activities. In the event that proxies are sent to QF, QF will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email QF to discuss questions they may have about particular proxy votes or other solicitations.

Item 18: Financial Information

QF is not required to provide financial information in this Brochure because QF does not require the prepayment of more than \$1,200 in fees and six or more months in advance, QF does not take custody of client funds or securities and QF does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

QF has never been the subject of a bankruptcy proceeding.