

QVR LLC
Part 2A of Form ADV
The Brochure

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This brochure ("*Brochure*") provides information about the qualifications and business practices of QVR LLC ("*QVR*"). If you have any questions about the contents of this Brochure, please contact us at 415.293.8071 or email benn@qvradvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("*SEC*") or by any state securities authority.

Registration as an investment adviser does not imply any particular level of skill or training in the investment advisory business.

Additional information about QVR is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure dated March 2020, was prepared as an annual amendment. Since the update to this brochure dated July 2019, we have made the following material changes:

- QVR added an additional client, a pooled investment vehicle. As a result, the following items have been updated to reflect this change:
 - Item 4: description of business to include additional client.
 - Item 5: description of fees related to new client.
 - Item 7: description of client types.

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Item 4: Advisory Business

QVR LLC (“**QVR**”), a Delaware limited liability company, was formed in April 2017 as an investment firm with a focus on alternative investments for sophisticated institutional investors. QVR manages data-driven, options-focused strategies across absolute return, risk premium and hedging. QVR’s principal place of business is in San Francisco, California.

The principal owner of the business is Dr. Benjamin Eifert. Benn Eifert is the managing member and Chief Investment Officer of QVR. He was previously co-founder and co-portfolio manager of Mariner Coria, a relative value hedge fund on the Mariner Investment Group platform, which was seeded with \$150 million by the Mariner Incubation Client. Before Coria, he was Head of Quantitative Research and Derivatives Trader for the Wells Fargo proprietary trading desk, which became Overland Advisors. He has taught extensively in the Masters in Financial Engineering program in the Haas School of Business at UC Berkeley, and started his career as an emerging markets macroeconomist at the World Bank. He holds a PhD in Economics from UC Berkeley and BA in Economics and International Relations from Stanford.

QVR provides investment advisory services on a discretionary basis to a private pooled investment vehicle, formed in the state of Delaware. QVR also provides investment sub-advisory services on a discretionary basis to an institutional segregated portfolio (the “**Clients**”) in a private pooled investment vehicle, formed in the Cayman Islands as a segregated portfolio company and managed by an SEC-registered investment adviser. The Client itself is also a pooled vehicle.

QVR manages the Clients in accordance with the Client’s strategies, restrictions and guidelines and does not tailor its services to the individual needs of any particular investor in the Clients. See “Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.”

Wrap Fee Programs

QVR does not participate in wrap fee programs.

Assets Under Management

As of the submission of December 31, 2019 QVR has \$738,080,559 in regulatory assets under management. QVR does not provide non-discretionary investment advice.

Item 5: Fees and Compensation

QVR receives a management fee for managing the private pooled investment vehicle. The General Partner will receive a monthly management fee from each LP’s capital account that is a blended rate equal to a percentage of the mandate size as of the first day of each calendar month, as follows: (a) 0.06% per annum up to and including \$1B; (b) 0.04% per annum over \$1B and up to and including \$3B; and (c) 0.02% per annum over \$3B. The Fund’s LPA includes additional details regarding fees.

QVR does not receive an asset-based fee for its sub-advisory services to the institutional segregated portfolio. It does, however, receive a monthly draw against performance fees and an annual 20% performance fee based on net profits, which is payable solely from the assets of the Client. The segregated portfolio company’s private placement memorandum includes additional detail regarding fees. All investors in the Client are either non-US investors or qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

Expenses

In addition to QVR’s investment management fees and incentive fees, the Clients also bear all expenses incurred in connection with its investment activities. Those expenses reduce investors’ returns. Expenses include brokerage and transactional fees; custodial fees; fees of

the Client's administrator; legal, accounting and audit fees and expenses; governmental fees and taxes; bookkeeping and other professional fees; directors' fees; and all other reasonable costs related to the management and operation of the Clients.

Please see "Item 12: Brokerage Practices" in this Brochure for further information on arrangements that may relieve QVR from certain costs and expenses.

Neither QVR nor any of its supervised persons accepts commissions or other compensation for the sale of securities or other investment products.

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

QVR manages accounts that pay performance-based compensation as described in Item 5 and accounts that do not pay performance-based compensation. QVR may have a conflict of interest if one fee structure would cause higher fees to QVR than the other fee structure, because QVR would have an incentive to favor the account that pays the higher fees. To address this conflict, QVR has policies and procedures to review client account investment allocations on a regular basis.

Item 7: Types of Clients

QVR has two Clients. QVR has discretionary authority to manage the private pooled investment vehicle on behalf of Clients pursuant to a grant of authority in the funds limited partnership agreement or a limited power of attorney in each client's account agreement. The Client is a 3(c)7 fund organized in the State of Delaware. Potential Client investors may read the eligibility criteria and minimum investment requirements in the fund's limited partnership agreement and subscription application. There is no minimum initial investment from its investors.

QVR also provides investment sub-advisory services on a discretionary basis to an institutional segregated portfolio. The Client generally requires a minimum initial investment of \$250,000 from its investors. The Client is a segregated portfolio of a Cayman Islands segregated portfolio company. Potential Client investors may read the eligibility criteria and minimum investment requirements in the segregated portfolio company's private placement memorandum and subscription application.

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

Investment Objective

QVR seeks to generate returns by taking exposure to various components of the volatility complex. Though there is discretion in implementation, the trades are model-driven and largely systematic in nature. Quantitative inputs concerning the microstructure of the volatility markets are analyzed and a set of trading signals (manifested as Vega targets) are produced and adjusted daily. Current strategies include: VIX exposure hedged with equity markets, VIX term structure trades, ETF relative value trades and long skew exposure.

Investment Strategy

QVR's investment strategy is a data-driven, options-focused strategy across absolute return, risk premium and hedging. The Clients may invest in U.S. and non-U.S. exposures through a variety of instruments available in both the U.S. and non-U.S. markets, including equities, listed options, exchange-traded funds ("ETFs"), American Depositary Receipts ("ADRs"), American Depositary Shares ("ADSs"), Global Depositary Receipts ("GDRs"), single-issuer equity swaps, futures contracts, currency forwards, Standard & Poor's Depositary Receipts ("SPDRs"). The Clients may also invest in over the counter ("OTC") derivatives. Specific

investment parameters and restrictions are set forth in the agreement among QVR, the Clients and its adviser.

Risk of Loss

All investing in securities involves a risk of loss. Clients investors should be prepared to bear losses on their Client investments. The Clients may produce gains and losses due to broader changes in the financial markets; however, gains and losses are also based on QVR's investment acumen and securities selections, and may be impacted by other factors including market volatility, corporate activity, regulatory oversight, trading volume and money flows. The Clients has significant fees and expenses that will reduce returns. QVR may use a variety of techniques and instruments, and the Clients may invest in a wide array of investments, each of which may have diverse associated risks, including geographic risk, counterparty risk, credit risk and liquidity risk. The Clients is not subject to the same regulatory and reporting requirements as SEC registered investment companies (*e.g.*, mutual funds).

QVR's portfolio management and trading decisions are based on quantitative models designed by QVR's professionals. The models are complex computer programs incorporating various signals and factors aimed at exploiting market trends, anomalies and pricing discrepancies with a view to selecting investments in pursuit of QVR's investment objectives.

Although QVR intends to use good faith efforts to design, maintain and implement the model correctly and to use it effectively, there can be no assurance that it will successfully do so. The process of designing and perfecting the model and its components, and the model's various versions used from time to time, are highly complex. QVR cannot guarantee that the model will indeed function as intended or that it will produce profits on investments as implemented. The quantitative strategies utilized by QVR have inherent limitations, including the possibility of human error in the design, data input or implementation process; imperfections of a model to fully match the complexity of the financial markets or to keep up with changes in the markets and the behavior of market participants over time. The risk of errors, malfunctions and anomalies is inherent in each component of the programming process, how those components function together, and how the program absorbs market data interpreted by QVR. QVR cannot guarantee that it will successfully identify the source of "programming" or "coding" errors, or any fault in the code components, on time or at all, or that it will successfully correct them. As a result, a significant number of trades may be adversely impacted, which could have a material adverse effect on performance.

The risks described above are not a complete list of risks involved with investing in the Clients – specific risks and conflicts of interest associated with an investment in the Clients are described in detail in the segregated portfolio company's private placement memorandum.

Item 9: Disciplinary Information

QVR and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

Neither QVR nor any of QVR's management persons are registered, or have an application pending to register as a broker-dealer or registered representative of a broker-dealer. QVR and the Client's adviser are not affiliated. QVR's non-managing members are investors in QVR; they are involved in multiple financial services and other business enterprises. The non-managing members have no voting rights or any say in QVR's business.

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

QVR has adopted a written Code of Ethics applicable to all personnel. Among other things, the code requires that QVR and its employees act in the clients' best interests, abide by all applicable regulations, not engage in insider trading, and pre-clear and report on many types of personal securities transactions. QVR's restrictions on personal securities trading apply to all employees employed by QVR, as well as employees' family members living in the same household. All employees are required to report all brokerage accounts in which they have a beneficial interest, as well as their securities holdings. QVR monitors all employees' securities transactions: employees must arrange for duplicate copies of their brokerage statements and trade confirmations to be sent to the Chief Compliance Officer or his delegate.

Clients or prospective clients and investors may obtain a copy of the Code of Ethics by contacting the Chief Compliance Officer, Scott Toyama, by telephone at 415.293.8073.

Item 12: Brokerage Practices

Selection Criteria. The Clients spend substantial amounts on brokerage commissions and other expenses for transactions in the portfolio. QVR has complete discretion to decide who executes transactions and how much the Clients will pay. Some broker-dealers (and other counterparties involved in portfolio transactions—collectively, “broker-dealers”) may provide QVR with information, services and other products beyond pure transaction execution.

In choosing brokers, QVR seeks “best execution” of the Client’s securities transactions. In evaluating whether a broker provides best execution, QVR considers a range of factors including, among others, historical net prices (after markups, markdowns and other transaction-related compensation); execution, clearance and settlement and error correction capabilities generally and in connection with securities of the type and in the amounts to be bought or sold; the size of the transaction; the availability of securities to borrow for short sales; the market for the security; and the nature, quantity and quality of research and other services and products provided. QVR is not required to select the broker that charges the lowest transaction cost, even if that broker can provide execution quality comparable to other brokers. The Clients expects at times to pay more than the lowest transaction cost available in order to obtain products other than the execution of securities transactions and may select brokers in recognition of the value of various services or products (“soft dollars”), beyond transaction execution that they provide to the Clients.

“Soft Dollars.” QVR may select broker-dealers in recognition of the value of various services or products, beyond transaction execution, that they provide to the Clients or QVR. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.” This is common in the professional management of securities portfolios. QVR may acquire services or products with the Client’s soft dollars.

A federal statute, Section 28(e) of the Securities Exchange Act of 1934, as amended, recognizes the potential conflict of interest involved in the use by an investment manager (such as QVR) of soft dollars but provides a “safe harbor” from breach of fiduciary duty claims if certain conditions and requirements are met. Under the safe harbor, soft dollars may be used to acquire “research” and “brokerage” services and products for which a Clients would not otherwise be required to pay. Services or products generally will qualify as “research” under Section 28(e) if they constitute advice, analyses or reports any of which express reasoning or knowledge as to the value of or investing in or trading securities, or as to issuers, industries, economic factors and trends, portfolio strategy or performance, but only to the extent QVR uses them for lawful and appropriate assistance in making investment decisions for the Clients. “Brokerage”

services and products are those used to effect portfolio transactions for QVR's clients (the Clients) or for functions that are incidental to effecting those transactions (such as clearance, settlement or short-term custody related to effecting clearing or settling transactions) or required in connection with transactions. Using soft dollars to pay for services and products other than research and brokerage is not protected by the safe harbor, but does not necessarily constitute a violation of any law or fiduciary duty. Similarly, use of non-commission soft dollars or otherwise failing to satisfy procedural elements of the Section 28(e) safe harbor are not protected but are not necessarily prohibited. Section 28(e) only protects commissions or commission equivalents on transactions in securities; markups and markdowns on many principal transactions, commissions paid to futures commission merchants on transactions in futures contracts, and compensation from transactions in swaps or other derivative instruments are not protected. If QVR uses the Client's soft dollars, it will do so in accordance with the Section 28(e) safe harbour.

Item 13: Review of Accounts

Review of Accounts

QVR's Chief Investment Officer reviews the Clients on at least a monthly basis to assure conformity with the investment objectives and guidelines of the Clients. In addition, all accounts are reviewed in light of emerging trends and developments.

Reporting

Investors receive monthly estimated Client performance and unaudited account statements, and annual audited financial statements from the Client.

Item 14: Client Referrals and Other Compensation

QVR has no client or investor referral agreements in place and does not pay third parties a fee or compensation for the referral of a client or investor to QVR. QVR does not receive any compensation or other economic benefit from any party other than any "soft dollar" benefits described in Item 12: Brokerage Practices.

Item 15: Custody

As a result of its affiliation with the private pooled investment vehicle, QVR is deemed to have custody of client funds and securities. The investment fund is subject to audit by independent accountants. Funds and securities of the investment funds, other than certain privately offered, non-certificated investments, are held by qualified custodians within the meaning of the applicable rules under the Investment Advisers Act of 1940. Investors in the investment fund receive monthly account statements directly from the funds' independent administrator. Investors in the investment funds should carefully review those statements.

QVR also provides investment sub-advisory services on a discretionary basis to an institutional segregated portfolio. The Client's assets are maintained in the custody of unaffiliated broker-dealers or banks, so called "qualified custodians," as required by Rule 206(4)-2 under the Investment Advisers Act. QVR has discretionary trading authority with respect to the Client's assets, but does not have a full power of attorney; QVR therefore has no "custody" of the Client's assets. The Client pays QVR's fees upon the instruction of the Client's adviser to the Client's custodian.

Item 16: Investment Discretion

QVR has discretionary authority to manage the private pooled investment vehicle on behalf of Clients pursuant to a grant of authority in the funds limited partnership agreement or a limited power of attorney in each client's account agreement.

QVR also provides investment sub-advisory services on a discretionary basis to an institutional segregated portfolio. QVR has full trading discretion over the Client, subject to supervision by the Client's adviser. The Client grants QVR that discretion through the execution of an investment management agreement. Except for the general investment guidelines and limitations set forth in the investment management agreement with the Client, there are no limitations on QVR's investment authority.

Item 17: Voting Client Securities

Proxy Voting Policy

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, QVR has adopted and implemented written policies and procedures governing the voting of client securities. QVR seeks to handle the voting of client proxies in the best interests of its clients. QVR reviews its proxy voting policy annually in order to determine if it is necessary to amend the current policy.

Item 18: Financial Information

QVR is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients. QVR has not been the subject of a bankruptcy petition.