

Form ADV Part 2

January 31, 2021



Quantitative Asset Management, LLC

Investment & Advisory Services

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This brochure has not been approved by the Commission or any state securities authority.
The title of Registered Investment Advisor does not imply a certain level of skill or training.

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Material Changes

Since the last report of material changes on the ADV Part2A plain English brochure dated August 31, 2019, there have been no material changes to the company.

For a complete copy of our brochure please contact Julie Farni at 952-476-7855.

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Advisory Business

Quantitative Asset Management provides clients with personalized investment advice. We manage investment portfolios for high net worth individuals, company pension and profit-sharing plans, corporations, trusts, estates, as well as for individuals just starting their investment programs. Our minimum account fee is \$2,500 per year. We currently have \$150,800,758.72 in assets under management.

We recognize that to preserve and to grow assets a portfolio must earn enough to outpace the dilution from taxes and inflation, thus producing real returns. We look to balance risk with real returns. Our approach is based upon value where we look to take advantage of structural weakness and opportunities within the broad investment market. In others words we look for assets that are undervalued, that overtime, in our belief, will produce strong growth. We look at economic trends when making investment decisions. We stay up to date with financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. We take time to look at company financial statements including cash flows, balance sheets and profit and loss statements. We also recognize that owning quality assets at too high a price will ultimately lead to poor performance and client disappointment. We believe that this discipline along with patience will lead to superior performance over time. With over thirty five years of investment experience we select from a broad spectrum of investment vehicles including stocks (exchange listed, over-the-counter, and foreign issues), corporate debt, commercial papers, certificates of deposit, municipal securities, warrants, options, REIT's (real estate investment trusts), oil and gas partnerships, mutual funds, and exchange trades funds that meet the goals, objectives and risk tolerance for our individual clients.

QAM's collective goal is to help every client determine and accomplish their financial objectives. We accomplish this by asking questions, listening, educating and delivering quality service. We recognize that every client is different with varying expectations. Our goal is customized services for each client according to their needs. Our approach with clients is to first understand your financial objectives, then develop a sound investment strategy that meets your personal needs and proceed to implementation of this strategy. We regularly review your situation to help ensure your financial objectives are being met.

Our Advisors

Jeffrey Farni Sr., President and Founder

Jeffrey received a BA in Economics from the University of Minnesota in 1970. He is a veteran of the financial services industry having advised clients for over 38 years. Jeff started his financial services career with Dean Witter in 1972. During his tenure at Dean Witter he was Regional Manager of the Dean Witter Tax Advantage Investment Department. In 1994 Jeff moved to RBC Dain Rauscher to open and manage RBC Dain Rauscher's first office in Wayzata,

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Minnesota. In 2005, Jeff retired from RBC Dain Rauscher and opened his own Investment and Advisory Services business – Quantitative Asset Management.

John C. Farni, Senior Vice President

John has been working in the investment business for the last 16 years. Prior to joining QAM, John spent over 13 years working as an Associate Vice President-Financial Advisor at RBC Wealth Management. In addition, John also spent 2 years working at Fidelity Investments in their Private Wealth Management Group in Boston. John graduated from Bowdoin College with a major in Economics and a minor in Government and Legal Studies. John currently sits on the Advisory Board of the Page Foundation. John lives in the Twin Cities with his wife Kirsten and three children: Ella, Olivia and William.

Fees and Compensation

Quantitative Asset Management charges a fee for investment advice and management. Fees are paid on the first day of each quarter and are based upon the market value of your assets under management on the last day of the preceding quarter. You are responsible for all custodial costs, trade commissions and other transaction fees. The following schedule is used to calculate fees which are, with your signed agreement, automatically deducted from your account on a quarterly basis. Fees are subject to negotiation at the discretion of the investment advisor.

QAM Fee Structure

- Requires a minimum of two thousand five hundred dollars (\$2,500) per annum:
- 1.0% on assets up to one million dollars (\$1,000,000.00)
- 0.85% on assets up to three million dollars (\$3,000,000.00)
- 0.75% on assets up to five million dollars (\$5,000,000.00)
- 0.65% on assets over five million dollars (\$5,000,000.00)

The fees charged by Quantitative Asset Management for mutual fund holdings are above and beyond any fees that mutual funds pay to their mutual fund investment advisors. As such, clients will pay both a direct management fee to QAM and an indirect management fee through their respective mutual fund holdings.

Performance-Based Fees and Side-By-Side Management

The fees we charge are based upon total assets under management and will therefore increase and decrease as performance varies. For fees discussion please reference “Fees and Compensation” section.

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Types of Clients

Our clients include high net worth individuals, company pension and profit-sharing plans, corporations, trusts, estates and individuals just starting their investment programs. Although, we do not specify a minimum account size, our minimum account fee is \$2,500 per year.

Methods of Analysis, Investment Strategies and Risk of Loss

Our methods of analysis consist mainly of fundamental analysis. We stay up to date with financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. We carefully study and review company financial statements looking at sales and earnings trends, margins, cash flow, competitive factors, insider trading, barriers to entry, industry trends, business ratios such as price to earnings and solvency. We overlay macro-economic trends (any economic weaknesses, financial crisis, jobs, employment, consumer and business spending, domestic and international threats/risks) and review technical characteristics including price and volume action, price vs. 50 moving average and 200 day moving average. For accounts that include an options strategy we buy and sell options that are intended to minimize any downside risk while adding performance. However, since options trading entails a high degree of risk it is recommended only for clients who understand this risk and have a greater risk tolerance. In addition, for certain accounts, margin (borrowed money) is used allowing you to purchase a greater amount of securities with your investing dollar. This also entails significant risk due to greater use of leverage and the vagaries of the market and is recommended only for clients who understand and are prepared to bear this risk of loss.

As with all investments whether they be equities, debt instruments or some combination there exists market and company risk. Any market shock or company surprise can significantly affect the price of a stock. We attempt to minimize this risk with asset allocation, where your investments are spread among several different investments so that any one event will have less of an impact on your overall portfolio as well as a value investing approach. However, even with careful analysis and asset allocation, investing in securities involves risk of loss which clients should be prepared to bear. Strategies involving frequent trading, which we do not recommend, can result in additional tax burdens as well as transaction fees. As a result, high frequency trading is generally higher risk than our preferred and recommended strategy of less frequent trading of securities.

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Disciplinary Information

There are no legal or disciplinary events to report over the last 10 years or at any time for Quantitative Asset Management LLC, the advisors Jeffrey Farni Sr. and John Farni or any management at our firm.

Other Financial Industry Activities and Affiliations

Currently, there are no additional financial industry activities or affiliations.

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

Quantitative Asset Management's Code of Ethics outlines the conduct that we expect of our personnel as well as the treatment of confidential information used to perform our day to day business. We strive to conduct business ethically, with integrity and honesty, and in compliance with the laws and regulations imposed under the Investment Advisors Act of 1940 including any recent amendments. We are mindful of our fiduciary duties to put the client first as well as the importance of confidentiality of all client information. A copy of our Code of Ethics is available upon request.

As an Investment Advisor we buy and sell securities at our discretion once you have authorized us to act on your behalf to buy, sell, short, tender, exchange, convert, write, exercise or trade in stocks, bonds, options contracts (subject to an options agreement) and any other securities on margin (if applicable) in accordance with the objectives and risk tolerance we have agreed to. And we do, with your agreement, select the broker- dealer to be used for purchases and sales of securities in your account (see "Brokerage Practices, page 9, for further information). We do not buy securities from your accounts or vice versa sell from our accounts and we do not execute cross trades where your securities are bought or sold from another client or brokerage customer. Nor do we recommend investments to you where we or any related person has ownership or other interest. However, we do recommend securities that we also buy and sell for ourselves.

Under the SEC's regulations and our code of ethics we are careful to execute all client transactions before we execute any personal transactions to avoid any conflict of interest. Sales of securities that are executed within 48 hours of client sales must take place after the client transactions are complete. As part of our ongoing policies and procedures our trades are reviewed internally to ensure that they are consistent with these policies.

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Brokerage Practices

In selecting a broker-deal for our clients, we consider several variables including client preferences. We prefer to limit the number broker-dealer relationships which allows for great efficiencies in managing accounts, navigating systems and the overall functioning of our business so as to better serve our clients. In selecting broker-dealer relationships we consider quality of overall execution services provided, creditworthiness and business reputation, research provided, promptness and accuracy of oral, hard copy or electronic reports of execution, ability and willingness to correct errors, ability to access various market centers, facilities including any software and support services provided, commission charged, reliability, and execution and operational capabilities of the broker-dealer. We prefer to work with large, well known broker-dealers that offer a depth of experience and well-established businesses. It is our belief that their significant histories and success stand as testimony to their reasonableness of services and brokerage commissions.

In working with broker-dealers, we receive research, educational services and events, technology consulting and other related services that are not typically available to their retail customers. The broker-dealer also makes available some support services that help us manage or administer our client's accounts or manage and grow our business. We receive no special research or services that are not part of the standard services broker-dealers supply to all of their investment advisory clients free of charge.

When appropriate, to secure the best execution, we group trades that are being bought or sold for multiple accounts. In such cases, each account receives the average share price for the group order on a given business day. Prior to or at the same time as entering the grouped trade, an allocation statement is prepared which specifies how the order is to be allocated by account to ensure equal and fair treatment of all accounts affected by the trade. In the event of a partial fill, orders are allocated based upon factors that we consider to be fair and equitable such as number of shares owned, concentration of similar equities in related industry groups and balancing of your objectives.

Although we take every effort to ensure accuracy of trades, in the event of a trade error, it is our policy to make the client "whole" from such errors. Any error will be immediately corrected and any additional fees and or losses resulting from this error will be credited to client's respective account. Any gains from such errors will be debited from client's account. As a best practice, we carry Errors and Omissions insurance to ensure that enough assets are available for any major errors.

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Review of Accounts

Accounts are reviewed by Jeffrey Farni Sr. or John Farni our investment advisors. Performance reports are sent to clients each quarter and accounts are reviewed weekly.

Client Referrals and Other Compensation

We do not offer or receive compensation for client referrals.

Custody

Quantitative Asset Management does not maintain custody of client funds or securities. All custody, of client funds or securities, is maintained at your qualified broker-dealer. Account statements are issued to you directly from your qualified custodian. You should always review the statements you receive from your qualified broker-dealer for accuracy reviewing such items as account transactions and advisory fee deductions. Since the SEC considers wire transfers and standing authorizations for third party money movement to be custody, we do not accept these standing authorizations. All requests for third party money movement need to be in writing.

Investment Discretion

Our client agreement authorizes Quantitative Asset Management to act on your behalf regarding management of your financial assets and grants power of attorney-in-fact to conduct trades on your behalf. Generally, clients prefer to give full discretion to Quantitative Asset Management to ensure consistency of investment objectives. In certain cases, clients may ask that certain limitations be placed on this authority such as but not limited to their ability to buy or sell specific securities of their choosing.

Voting Client Securities

Clients maintain their own proxy voting rights. Upon request, Jeff and/or John will provide advice regarding proxy voting that is in the best interest of the client.

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Financial Information



QUANTITATIVE ASSET MANAGEMENT, LLC
Investment & Advisory Services

Balance Sheet for the Year Ending 12/31/2020

Assets		Liabilities and Shareholder Equity	\$0
Current Assets		Current Liabilities	\$0
Cash and cash equivalent	\$3,373	Accounts payable	\$0
Accounts receivable	\$0	Notes payable	\$0
Inventory	\$0	Accrued expenses	\$0
Prepaid expenses	\$0	Deferred revenue	\$0
Investments	\$0	Total Current Liabilities	\$0
Total Current Assets	\$3,373		
		Long-term debt	\$0
Property and Equipment	\$0	Total Liabilities	\$0
Land	\$0		
Building and improvements	\$0	Shareholders' Equity	\$0
Equipment	\$0	Common stock	\$0
Less accumulated depreciation	\$0	Additional paid-in capital	\$0
Other Assets	\$0	Retained earnings	\$3,373
Intangible assets	\$0	Treasury stock	\$0
Less accumulated amortization	\$0		
Total Assets	<u>\$3,373</u>	Total Liabilities and Shareholders' Equity	<u>\$3,373</u>