

**FORM ADV, PART 2A  
FIRM BROCHURE**

**Jacobs Levy Equity Management, Inc.**

**March 31, 2021**

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**This brochure provides information about the qualifications and business practices of Jacobs Levy Equity Management, Inc. (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at (973) 410-9222. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.**

**Additional information about Jacobs Levy Equity Management, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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**Item 3. Table of Contents**

*[Please note that Item 2  
appears at the end of  
this Brochure.]*

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#### **Item 4. Advisory Business**

Jacobs Levy Equity Management, Inc. (the “Adviser” or “Jacobs Levy”), a New Jersey corporation, was founded in September 1986. The Adviser registered as an investment adviser with the SEC in October 1986. Its principal place of business is in Florham Park, New Jersey. Bruce I. Jacobs and Kenneth N. Levy are the owners of the Adviser.

Jacobs Levy’s core business activity is managing U.S. equity portfolios on a discretionary basis for its clients, which include institutions with separately managed accounts, registered investment companies, and pooled investment vehicles intended for sophisticated, institutional investors. Jacobs Levy also provides model portfolios to certain clients and may accept other non-discretionary mandates. Jacobs Levy manages both long equity and long-short equity portfolios. The Adviser provides advice only with respect to U.S. equity portfolios.

Prior to accepting client assets in 1990, principals Bruce Jacobs and Ken Levy (the “Principals”) devoted over three years to researching numerous inefficiencies in the U.S. stock market and developing the Adviser’s proprietary approach to managing U.S. equity portfolios. They have now devoted over 30 years to this research.

The cornerstone of their approach is a proprietary process known as “disentangling.” Disentangling examines numerous market inefficiencies in a multifactor framework and seeks to identify “pure” return effects of each factor. The Adviser uses a multidimensional and dynamic approach to investing that combines human insight and intuition, finance and behavioral theory, and quantitative and statistical methods. The objective of the Adviser’s investment process is to achieve outperformance relative to underlying benchmarks or to achieve absolute returns through exposures to many different potential market opportunities at the same time.

Jacobs Levy provides advice to client accounts based on specific investment objectives and strategies. To the extent consistent with its investment processes, the Adviser will generally tailor advisory services to the individual needs of clients by customizing the investment guidelines of their portfolios, including restricting investment in certain securities or certain types of securities upon request.

As of December 31, 2020, Jacobs Levy had approximately \$13,920,386,170 assets under management. As of that date, the Adviser managed approximately \$13,920,386,170 on a discretionary basis and \$0 on a non-discretionary basis.

#### **Item 5. Fees and Compensation**

##### *ASSET-BASED COMPENSATION*

The Adviser charges each client an investment management fee based on the value of the client’s assets under management. Fixed fees based on a percentage of net assets under management are generally charged quarterly, in arrears. Quarterly charges are typically calculated as one-quarter of the applicable annual fee percentage of the ending asset balance for the preceding quarter.

Fixed fees are prorated for any partial quarters. If a new client account is established during a quarter or a client makes an addition to its account during a quarter, the investment management fee with respect to the new account or additional assets, as applicable, will generally be prorated for the number of days remaining in the quarter. If a client’s investment management agreement is terminated or a withdrawal is made from a client account during a quarter, the fee payable to the Adviser with respect to the terminated account or withdrawn assets, as applicable, will generally be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the quarter in which the investment management arrangement was in effect or such amount was in the account (as applicable). For certain investment vehicles, the fixed fee may accrue daily and be paid monthly in arrears.

#### *PERFORMANCE-BASED COMPENSATION*

Jacobs Levy manages long equity and long-short accounts with a performance adjusted fee, where the basic asset-based fee is adjusted based on annualized trailing 12 quarter returns relative to the annualized benchmark return. In the event such an account is terminated during the first full fiscal year, the fee will be the prorated basic fee. The Adviser is also paid performance-based compensation based on structures which differ from the one described above.

#### *PAYMENT OF FEES AND EXPENSES*

Except in the case of certain pooled investment vehicles, the Adviser does not deduct the investment management fee (and/or performance fee, if applicable) from client accounts. Rather, the Adviser bills clients, who pay such fees directly (or certain clients may self-remit payment of the fees). For certain pooled investment vehicles, the administrator calculates the management fee due and the Adviser instructs the custodian to make payment.

In addition to paying investment management fees (and, if applicable, performance-based fees), client accounts may also be subject to other investment expenses such as brokerage fees and commissions, stock loan fees, custodial fees, bank service fees, clearing and settlement fees, taxes, duties and other governmental charges, and other expenses related to the investment or transmittal of portfolio assets. If client assets are invested in pooled investment vehicles, the client will additionally bear its pro rata share of the vehicle's operating and other expenses including organizational expenses, legal expenses, accounting, audit and tax preparation expenses, administrator expenses, and other professional expenses. Under certain circumstances, client assets may be invested in exchange-traded funds ("ETFs"), in which case the client will bear its pro rata share of the investment management fee and other fees of the ETF, which are in addition to the investment management fee paid to the Adviser. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

#### *FEES GENERALLY*

Fees (asset-based and performance-based) vary based on the investment strategy, the type and size of the account or relationship, and other factors. Fees may be negotiable for certain clients.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

The Adviser and its investment personnel provide investment management services to multiple clients. The Adviser is entitled to be paid performance-based compensation by certain of its client accounts and may also receive a performance-based fee from private pooled investment vehicle clients. Bruce Jacobs and Ken Levy, who are the portfolio managers for all client accounts, including those that are charged performance-based fees and those that are charged only asset-based fees, are compensated primarily through their equity share in the Adviser, and the Adviser's revenue may be increased by its receipt of performance-based fees. In addition, certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When the Adviser and its investment personnel manage more than one client account, a potential exists for one client account to be favored over another client account. The Adviser and its investment personnel may have an incentive to favor client accounts that pay the Adviser performance-based compensation or higher fees.

Jacobs Levy has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including the allocation of investment opportunities. The Adviser reviews statistical allocation reports periodically to determine whether accounts are treated, in its view, fairly. The performance of similarly managed accounts is also compared periodically to determine whether there are any unexplained significant discrepancies. In addition, the Adviser has adopted the following procedures, which, in its view, are reasonably designed to create a fair and equitable allocation of investment opportunities over time among its clients.

Each trading day before the market opens, trade orders are determined for each account (client and proprietary) taking into account investment guidelines, current security holdings, and cash availability. Orders for all accounts for the same security, where possible, are generally aggregated and traded

throughout the day through one or more brokers. The Advisor generally prioritizes long sales over short sales in the day's trading. Uncompleted orders are not carried over to the next trading day.

If an aggregated order is fully executed, then each account receives the pre-determined allocation. For aggregated orders that are not fully executed, the executed trades are allocated across participating accounts pro rata, subject to rounding rules and adjustment based on specific practical factors (some of which are described below), and a priority for long sales over short sales and for short covers over long purchases. Except in certain specific circumstances, allocations, including these adjustments, are made by the Adviser's automated allocation algorithm (the "allocator") after the market's close.

The allocator is designed to reduce the number of small trade tickets. This design feature seeks to reduce commissions and custodial ticket charges paid by clients. The allocator will seek to adjust pro rata allocations so that no account is allocated an amount below a predetermined threshold. These adjustments are conducted randomly by the allocator and may result in certain accounts receiving no allocation.

The allocator also aims to avoid low and negative cash balances and high cash balances in accounts by either allocating more buy trades (or a portion thereof) to randomly chosen accounts with a high cash balance and fewer to randomly chosen accounts with a negative cash balance (reducing the cash deficit for the negative cash account), or allocating more sell trades (or a portion thereof) to randomly chosen negative cash accounts and fewer to randomly chosen high cash accounts (generating cash for the negative cash account). This design feature seeks to accommodate client investment guidelines that generally require that the Adviser manage accounts on a fully invested basis, and where applicable, with a specific balance of long and short positions (e.g., 100-100 or 130-30).

The allocator does not assign shares of a trade to an account in excess of the number of shares indicated before the initiation of the order. Allocations may be adjusted without the use of the allocator in certain specific circumstances, such as to satisfy client-directed cash flows to or from their account, or to prevent an account from having a negative cash balance.

The Adviser believes that its allocation process over time will result in a fair and equitable distribution among all accounts based on its evaluation of certain statistical reports, although for any single trade this may not mean identical treatment of all participating accounts.

There may be instances when orders are traded on an individual, rather than an aggregated basis, such as when an account's guidelines permit or require the use of swap instruments to execute the investment strategy or the account requires a shorter settlement period. Please see Item 12 for further information.

Jacobs Levy provides model portfolios to one or more of its clients for which Jacobs Levy does not have investment discretion. Jacobs Levy may execute trades for its other accounts that utilize the same investment strategy as the model(s). Since Jacobs Levy does not have discretion to execute trades for its model portfolio client(s), it is possible that trading based on the model portfolio will occur at different times for Jacobs Levy's discretionary clients and for its model portfolio client(s), and therefore that trading conducted for one client will impact the value at which the relevant securities trade for another client.

Jacobs Levy typically does not invest for its clients in limited opportunity offerings such as initial public offerings (IPOs) and private placements. In the event the Adviser purchases shares in an IPO or private placement, the Adviser will consider, among other things, each client account's investment restrictions, risk profile, asset composition and cash levels to determine whether to allocate any portion of the investment to the account.

These areas are monitored by the Adviser's Chief Compliance Officer. Please refer to Item 16 for further information regarding the factors that may give rise to differences among client portfolios. Please refer to Item 12 for further information regarding the Adviser's brokerage practices.

## **Item 7. Types of Clients**

Jacobs Levy's clients consist of institutional investors such as public and private pension and profit sharing plans, Taft-Harley plans, endowments, foundations, and other charitable organizations, banks and thrift institutions, sovereign wealth funds, investment companies, private funds, corporations, and other business entities.

The Adviser generally requires that a client invest a minimum of \$25,000,000 for separate accounts. With respect to any pooled investment vehicle that is managed by the Adviser, initial and subsequent subscription minimums are disclosed in the offering memorandum. Separate account and pooled investment vehicle investment minimums may vary based on investment strategy and client relationship.

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

Jacobs Levy's stock selection process entails modeling of a large number of stocks and proprietary factors. The Adviser uses internally scrubbed data for a broad universe of about 3,000 U.S. equities. Modeling across a wide range of stocks and a variety of factors results in a multidimensional security selection process that the Adviser believes offers breadth of inquiry and depth of analysis. The Adviser's strategies may use leverage (e.g., 130-30 long-short and absolute return), generally limited to levels disclosed to the client or determined in advance in consultation with the client.

The Adviser employs an investment process that combines finance and behavioral theory, quantitative and statistical methods, and human insight and judgment. The Adviser's models are based on reasonable, intuitive relationships between stock prices and both fundamental and behavioral factors. Proprietary model building uses the Principals' disentangling techniques, which allow for the simultaneous analysis of numerous proprietary factors. Disentangling aims to identify "pure" returns (that is, return effects of each proprietary factor), which Jacobs Levy believes are more predictive than the estimates from simple single-factors. The Adviser makes adjustments to the stocks selected by its investment process for, among other things, company, industry, sector, and market-wide events or in response to, among other things, security data issues, breaking news, and changes in the regulatory or market environment.

The Adviser's valuation models are developed in-house and are owned by the Adviser. Models are maintained internally by the Adviser's research and investment technology staff. New insights are modeled by research and investment technology staff, and tested before being incorporated into the security selection and portfolio optimization processes.

Jacobs Levy offers its clientele a variety of investment strategies, which include, but are not limited to:

- Large Cap Core, Growth, and Value Portfolios seek to produce value added relative to large cap benchmarks, such as the S&P 500, Russell 1000, Russell 3000, Russell 1000 Growth and Value, and Russell 3000 Growth and Value indexes.
- Mega Cap Core, Growth, and Value Portfolios seek to produce value added relative to the S&P 100, Russell Top 200, and Russell Top 200 Growth and Value indexes.
- Midcap Core, Growth and Value Portfolios seek to produce value added relative to midcap benchmarks, such as the S&P 400, Russell Midcap 800, and Russell Midcap Growth and Value indexes.
- Small Cap Core, Growth, and Value Portfolios seek to produce value added relative to small cap benchmarks, such as the S&P 600, Russell 2000, Russell 2500, Russell 2000 Growth and Value, and Russell 2500 Growth and Value indexes.
- Defensive Equity Portfolios seek to produce value added relative to the Russell 1000 Defensive, Russell 2000 Defensive, and Russell 2500 Defensive indexes.
- Dynamic Equity Portfolios seek to produce value added relative to the Russell 1000 Dynamic, Russell 2000 Dynamic, and Russell 2500 Dynamic indexes.

- Enhanced Active 130-30 Long-Short Portfolios seek to produce value added relative to the S&P 500, Russell 1000, Russell 2000, Russell 3000, Russell 1000 Growth and Value, Russell 1000 Defensive, Russell 1000 Dynamic, Russell 2000 Defensive, and Russell 2000 Dynamic indexes. These portfolios invest approximately 130% of capital long and 30% of capital short, maintaining approximately 100% net equity exposure. The short positions permit meaningful underweights of securities the Adviser expects to underperform.
- Absolute Return Portfolios seek to produce absolute returns by profiting from both long and short positions, with either investments of approximately equal dollar amounts in long and short positions or with modest net equity exposure.

The Adviser primarily invests in publicly-traded equity securities; if requested by the client, portfolios may include swaps whose underlying asset is an equity security or a basket of equity securities.

The methods, strategies, and investments (and investing in securities in general) involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment. Separate account clients that use short sales, swaps or leverage must be prepared to bear losses in excess of the amounts invested.

*MARKET RISKS.* The performance of client portfolios depends to a great extent upon the Adviser correctly assessing the future course of price movements of specific securities and other investments. There can be no assurance that the Adviser's models will be able to predict accurately these price movements. At times, the securities markets may experience great volatility and unpredictability. In particular, changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities of smaller to mid-sized, less well-known issuers can be more volatile than that of larger issuers. Smaller and mid-sized issuers can have more limited product lines, markets, or financial resources and this may adversely impact the value of their securities. Additionally, the securities the Adviser purchases on behalf of clients are generally liquid when they are acquired but may become illiquid after investment, such as in the case of a security being delisted. This could impact the value of the securities and price at which they are sold.

*EQUITY SECURITIES.* The value of equity securities may fluctuate in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, growth stocks can react differently from value stocks, and dynamic stocks can react differently from defensive stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism, related geo-political risks as well as public health issues (including viral outbreaks such as the COVID-19 coronavirus) have led, and may in the future lead, to increased market volatility and may have adverse long-term effects on world economies and markets generally.

*SHORT SALES.* Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on client portfolios. A short sale involves transaction costs, including interest expenses in connection with opening, maintaining and closing the position. A short sale also involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and an unlimited loss. There is the risk that the securities borrowed by a client in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at a disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

*LEVERAGE.* For certain strategies, the Adviser utilizes leverage, including margin borrowing, in pursuit of a client's investment objective. Leverage can increase returns to a client if the client earns a greater return on leveraged investments than the client's cost of such leverage. However, the use of leverage exposes a client to additional risk including (i) greater losses from investments than would otherwise have been the

case had the client not used leverage to make the investments, (ii) margin calls or interim margin requirements may force premature liquidations of investment positions, and (iii) losses on investments where the investment does not earn a return that equals or exceeds the client's cost of leverage related to such investment. In the event of a sudden, precipitous drop in value of the client's assets, the Adviser, on behalf of the client, might not be able to liquidate assets quickly enough to repay borrowings, further magnifying the losses incurred by the client.

*PORTFOLIO TURNOVER.* Certain strategies offered by the Adviser may require a potentially high level of turnover relative to invested assets. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. There can be no guarantee that the profits from the strategy will be sufficient to compensate for the costs associated with this turnover.

*COUNTERPARTY AND SETTLEMENT RISK; PRIME BROKERAGE ARRANGEMENTS.* To the extent the Adviser engages in over-the-counter transactions (such as swaps) or in securities lending, a client will incur a credit risk with regard to parties with whom it trades and will also bear the risk of settlement default. These risks differ materially from those entailed in exchange-traded transactions. Also, it may not always be possible for the securities and other assets deposited with custodians or brokers (including swap counterparties) to be clearly identified as being assets of a particular client, and the client may be exposed to a credit risk in those situations. In addition, losses could arise from a default, insolvency, or bankruptcy of certain third parties, including brokerage firms, swap counterparties, prime brokers and banks with which a client or the Adviser does business, or to which securities have been entrusted for custodial purposes, or from an inability of such parties to perform their obligations or otherwise, or from the misconduct by counterparties and third-party service providers, such as misappropriating assets or violating legal or contractual obligations including improper use or disclosure of a client's confidential information.

For certain strategies, a client or the Adviser on behalf of a pooled investment vehicle may enter into arrangements with prime brokers, under which the prime broker has the right to identify certain assets held by it for the account as collateral and to pledge, repledge, hypothecate and rehypothecate such collateral as well as all or certain of the remaining assets held by it for the account from time to time. Under such arrangement, legal and beneficial title to such assets may be transferred to the prime broker with the account holder having only a contractual right to the return of assets equivalent to those of the relevant assets, and the account's claim with respect to such assets would rank no higher than those of other unsecured creditors of the prime broker. In the event of the insolvency or bankruptcy of the prime broker, the client might not be able to recover such equivalent assets in full or at all.

*REITs.* Real Estate Investment Trusts, or "REITs", in which the Adviser invests client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

*SWAPS - GENERALLY.* At the request of a client, the Adviser may use over-the-counter equity swaps to implement the relevant investment strategy (rather than investing in the underlying assets directly). When swaps are used to gain exposure to underlying equity positions (i.e., long or short equity positions), such instruments will often contain the same risks as the underlying stock positions as described in this Form ADV. In addition, swaps may be considered illiquid investments since they may not be available for investment at a given time, and it may be difficult or impossible to replace swap agreements that have been terminated early due to counterparty default or other reasons. It also may be difficult or impossible to terminate a swap prior to its stated termination date, even if the swap has lost value. Finally, the regulation of derivatives is an evolving area of the law. Developments in the swaps market, including government regulation, could result in the Adviser being unable to use swap contracts to implement certain investment strategies or have an adverse impact on the profit potential of a client account that uses swaps.



*SWAPS - CREDIT RISK AND COLLATERAL.* Over-the-counter swap agreements are privately negotiated with financial institutions (the counterparty) and, as such, these swaps will not be traded through a futures commission merchant or cleared through a clearinghouse. Therefore, an account that holds swaps will bear credit risk, that is, the risk of loss of the amount expected to be received under the swap agreement in the event of the default or bankruptcy of the swap counterparty. These risks differ materially from those entailed in exchange-listed transactions, which generally are backed by clearing organization guarantees, daily marking-to-market, daily settlement, segregation and minimum capital requirements applicable to intermediaries. Further, swap agreements require the posting of collateral to a counterparty, the amount of which may fluctuate based on the value of the swap. Assets posted as collateral are not available for investment, and the Adviser may be required to liquidate assets at inopportune times in order to meet the collateral requirements. Furthermore, collateral may not be held at a diverse number of custodians, brokers or dealers, subjecting the account to concentrated credit risk with a small number of such parties (or one such party).

*SWAPS - LEVERAGE.* Swaps may involve leverage. For example, a swap that is not fully funded provides exposure to potential gain or loss from a change in the level of the market price of a security (or a basket of securities) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the swap contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the swap.

*QUANTITATIVE STRATEGIES AND TRADING.* The Adviser uses quantitative models that rely on patterns inferred from historical prices and other financial and economic data in evaluating prospective investments, making predictions, and in implementing its strategies. Changes in underlying market conditions and unanticipated events can significantly impact the performance of those models. The Adviser applies judgment in the implementation of its models, and may adjust the weight of or exposure to its various models in its sole discretion, which may improve or detract from results. It is also possible that errors in incorporating and processing the historical prices and other financial and economic data could occur. As market dynamics shift over time, quantitative models may become outdated. Additionally, other market participants may rely on models similar to those used by the Adviser, which could result in other market participants taking similar action with respect to an investment around the same time as the Adviser. Mispricings, even if correctly identified, may not be corrected by the market within a time frame over which it is feasible for any given portfolio to maintain a position. Any of the foregoing factors could give rise to material losses or result in the portfolio's investment objective not being met.

*STATISTICAL MEASUREMENT AND DATA ERROR.* The trading strategies employed by the Adviser rely on patterns inferred from historical prices and other financial and economic data. Even if all the assumptions underlying the models were met exactly, the models can only make a prediction, not afford certainty. There can be no assurance that future performance will match the prediction. Further, no statistical predictions can fully match the complexity of the financial markets and as such, results of their application are uncertain. Changes in underlying market conditions and unanticipated events can adversely affect the performance of a statistical model. In addition, financial and economic data used in the models may prove to be inaccurate, misleading, or incomplete. Decisions made in reliance on such data exposes the portfolio to potential risks, including the risks that certain investments may be purchased at prices that are too high, other investments may be sold at prices that are too low, and/or favorable opportunities may be missed altogether.

*RELIANCE ON THIRD PARTY TECHNOLOGY.* The Adviser's financial, accounting, data, and trading systems are reliant in part on technology, including hardware, software, telecommunications, and other electronic systems. Significant parts of the technology used by the Adviser are provided by third parties and are therefore beyond the Adviser's direct control. The Adviser seeks, on an ongoing basis, to ensure adequate backups of hardware, software, telecommunications, and other electronic systems when possible but there is no guarantee that the Adviser's efforts will be successful. Further, to the extent that hardware, software, telecommunications or other electronic systems malfunction or a problem is caused by a defect, virus or other unforeseeable circumstance, clients may be materially adversely affected.

*RELIANCE ON AUTOMATION AND COMPUTERIZATION.* The Adviser's models, forecasting, trade execution, trade allocation, data gathering, risk management and accounting activities all entail a high degree of automation and computerization and are reliant on the software that supports those functions. In developing the proprietary software the Adviser uses, it seeks to reduce the incidence of software errors through internal testing and seeks to reduce the impact of any such errors through the use of independent safeguards in the applicable software code. Nevertheless, software errors may occur, including instances of code being inputted or omitted in a way or with a consequence that the coder did not intend. Software errors may result in any or all of: the execution of unanticipated trades; the failure to execute anticipated trades; the failure to properly allocate trades among clients; the failure to properly gather and organize available data; and the failure to take risk reducing actions. Any of these errors may adversely impact client accounts. These errors may be difficult to detect and can potentially degrade or impact results over a long period of time. When a software error is detected, the Adviser will in its sole discretion determine the materiality of the potential impact of such error and whether to rectify the error, and if it is to be rectified, how to rectify it. Clients, and investors in clients, should assume that software errors and their ensuing risks are an inherent part of investing with an investment manager, such as the Adviser, that relies on automation and computerization.

*CYBERSECURITY.* The information and technology systems, networks, and devices used by the Adviser and its service providers to carry out routine business operations may be vulnerable to potential damage or interruption from computer viruses and other cybersecurity attacks, network failures, computer and telecommunication failures, infiltration by unauthorized persons, usage errors, power outages, and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes, and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached, rendered inoperable for extended periods of time, or cease to function properly. Such an event that impacts the Adviser or its service providers may cause business disruptions, impact business operations, and/or impede trading, potentially resulting in financial losses to clients, as well as the inadvertent release of confidential information.

#### **Item 9. Disciplinary Information**

This Item is not applicable.

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

The Adviser is not registered, and has no application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

The Adviser is not registered, and has no application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Jacobs Levy has no material conflicts of interest relating to other investment advisers.

The Adviser acts as the manager of limited liability companies in which the Adviser solicits client investments. Further, certain related persons of the Adviser invest in these limited liability companies. These practices create a conflict of interest because the Adviser and related persons have an incentive to recommend securities to clients based on their own financial interests, rather than solely the interests of a client.

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

Jacobs Levy has adopted a Code of Ethics (the "Code") to promote the interests of its clients and require employees to act honestly and fairly in dealings with clients. The Adviser insists on strict adherence to fiduciary standards and compliance with all applicable federal and state securities laws. Jacobs Levy

adheres to the CFA Institute Code of Ethics and Standards of Professional Conduct regarding fair dealings with clients in taking investment actions, and requires that all employees who trade for their own personal accounts abide by such code and standards regarding conflicts of interest.

All employees must abide by the Adviser's Code. Jacobs Levy's Code is based upon the principle that it and its employees have a fiduciary duty to place the interests of Jacobs Levy's clients ahead of their own. Under the Adviser's Code, employees of the Adviser are required to obtain pre-approval from the Chief Compliance Officer (or its designee) before purchasing or selling certain securities in a personal account. The Chief Compliance Officer will generally not grant such pre-approval if the security in question is part of the Adviser's actual active purchasing or selling program for that particular day. Further, employees are required to report certain personal securities transactions on a quarterly basis and their holdings of covered securities on an annual basis. These quarterly and annual reports are reviewed by the Chief Compliance Officer and compared with pre-cleared transactions. Employees are additionally required to provide periodic compliance certifications. Clients or prospective clients may obtain a copy of the Code by contacting Jason M. Hoberman, General Counsel & Chief Compliance Officer, by email at [jason.hoberman@jlem.com](mailto:jason.hoberman@jlem.com), or by telephone at (973) 410-9222.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material nonpublic information that, if disclosed, might be material to a decision to buy, sell, sell short, buy to cover, or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser acts as the manager of limited liability companies in which the Adviser solicits client investments. Further, certain related persons of the Adviser invest in these limited liability companies. These practices create a conflict of interest because the Adviser and related persons have an incentive to recommend securities to clients based on their own financial interests, rather than solely the interests of a client.

In addition, the Adviser manages proprietary accounts for its related persons. These accounts may invest in the same securities that the Adviser recommends to or buys or sells for clients, in which case orders for these accounts may be aggregated with orders for clients and traded simultaneously with orders for clients. It should be noted that the Adviser or its related persons may have different investment objectives and/or different strategies, and may employ investment strategies that differ from those employed on behalf of clients. These different strategies, together with particular tax considerations and investment objectives, may result in decisions that are not necessarily consistent with the decisions made regarding client investments.

These practices present a conflict where, because of the information the Adviser has, the Adviser or its related persons are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. Procedures designed to address these potential conflicts of interest are described below.

In the regular course of business, the Adviser may enter simultaneous trade orders in a given security for a number of accounts, which may include proprietary accounts that the Adviser manages for its related persons.

When entering these orders, the Adviser has determined the full allocation to each participating account at the time the orders are placed. Account allocation of shares purchased, sold, sold short or purchased to cover short positions is provided to the broker(s) at the end of the day's trading, as often the entire order is not completed in a single day. In the event an aggregated order is only partially completed, the executed trades through each broker are allocated across participating accounts in accordance with the allocation practices described in Item 6 above, at the average price executed with the broker for the day. When selling a single security for more than one account on the same day, if at least one sale constitutes a long sale and at least one sale constitutes a short sale, priority will be given to all long sales on that day. Conversely, when buying a single security for more than one account on the same day, if at least one purchase constitutes a long buy and at least one purchase constitutes a short cover, priority will be given to all short covers on that day. The Adviser believes that its trade allocation process over time will result in a fair and equitable distribution among all accounts based on its periodic evaluation of certain statistical reports, although for any single trade this may not mean identical treatment of all participating accounts.

Unless otherwise directed by a client, the Adviser votes all client proxies in accordance with the Adviser's Proxy Voting Policies and Procedures, regardless of whether the Adviser or a related person or any of their employees own securities that the Adviser also recommends to clients. Please refer to Item 17 for further information regarding the Adviser's Proxy Voting Policies and Procedures.

The Adviser or a related person from time to time recommends securities to clients, or buys, sells, sells short, or buys to cover securities for client accounts, at or about the same time that the Adviser or related person buys, sells, sells short, or buys to cover the same securities for its own account in accordance with the procedures described in this Item 11 in order to mitigate the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its related person to the detriment of the client.

## **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, the available liquidity and other current market conditions, the actual executed price of the security and the broker's commission rates, the size and type of the transaction, the difficulty of execution and the ability to handle difficult trades, the operational facilities of the broker-dealers involved (including back office efficiency), the ability to handle a block order for securities, the ability to maintain confidentiality of the Adviser's trading program, and the financial stability of the broker. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Accordingly, in selecting a broker based on the foregoing factors, the Adviser may cause a client to pay a higher rate of commission to a broker than the rates of commission charged by one or more other brokers. The Adviser's Trading/Best Execution Committee meets periodically to evaluate trade execution and the broker-dealers used by the Adviser.

It is the Adviser's policy not to enter into soft dollar arrangements through which client commissions are used to purchase products or services from brokers or third parties (other than execution) or where there is an agreement to direct trades to the broker-dealer based on their provision of products or services. The Adviser receives access to broker-created (sell side) research and other products and services (other than execution) from broker-dealers that execute client transactions. Such products and services include broker-dealer-provided interfaces to communicate, transmit, and execute trades as well as electronic trading, order routing, and algorithmic trading services. The Adviser also receives access to economic data and may attend educational conferences. Individual clients may or may not receive the benefit of any or all products and services. In addition, the receipt of products and services has the potential to incentivize the selection of a broker-dealer based on an interest in receiving products or services, rather than solely on an interest in receiving the most favorable execution. The Adviser does not cause clients to pay higher commissions (or markups or markdowns) in return for the products or services provided by broker-dealers. Further, it is the Adviser's practice to use a broker-dealer for client transactions if the Adviser believes that such broker-

dealer and its commissions satisfy the criteria described in the previous paragraph, irrespective of the provision of such research, products and services.

Under certain circumstances, the Adviser may permit clients to direct the Adviser to execute the client's trades with a specified broker-dealer. When a client directs the Adviser to use a specified broker-dealer to execute all or a portion of the client's securities transactions, the Adviser treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion the Adviser would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account. Although the Adviser attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so. Transactions in the same security for accounts that have directed the use of the same broker will be subject to the Adviser's aggregation practices. When the directed broker-dealer is unable to execute a trade, the Adviser will select broker-dealers other than the directed broker-dealer to effect client securities transactions. A client who directs the Adviser to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because the Adviser may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain small capitalization or illiquid securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions. By permitting a client to direct the Adviser to execute the client's trades through a specified broker-dealer, the Adviser will make no attempt to negotiate commissions on behalf of the client and, as a result, in some transactions such clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of shares, and the market for the security. The commissions charged to clients that direct the Adviser to execute the client's trades through a specified broker-dealer may in some transactions be materially different than those of clients who do not direct the execution of their trades. Clients that direct the Adviser to execute trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on aggregated transactions that may otherwise be available to other clients of the Adviser.

The Adviser often purchases, sells, sells short, or purchases to cover the same security for many accounts at or near the same time. It is the Adviser's practice, when appropriate, to aggregate account orders for the purchase, sale, short sale, or purchase to cover of the same security submitted at or near the same time for execution using one or more executing brokers. Such brokers may fill the orders at different prices and may charge different commission rates; executed trades through a particular broker are assigned to participating accounts randomly by the allocator. If an aggregated order at a particular broker is filled (or partially filled) at different prices through multiple trades throughout a day, each participating account will receive the average price and pay the average commission for that broker.

Trade aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, when the client has negotiated the commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade. When trading or investment restrictions are placed on a client's account, the Adviser may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate and/or receive less favorable prices than clients that are able to participate in an aggregated order. When an aggregated order is completely filled, the Adviser allocates the securities purchased, sold, sold short, or purchased to cover among the participating accounts based on the order. If an aggregated order is only partially filled, the executed portion is generally allocated across participating accounts pro rata, subject to rounding rules and adjustment based on specific practical factors, as described in Item 6 above. The Adviser's procedures provide that the partially filled order is to be allocated in a manner that the Adviser believes will result in a fair and equitable distribution among all accounts over time, as described in Item 6 above.

The Adviser, at times, may need to shorten the settlement of certain trades to prevent an account from having a negative cash balance or for client-directed cash flows. In certain limited cases, a short-settled trade may not be aggregated with other accounts. Further, equity swap transactions in an underlying

security are not able to be aggregated with orders for the same security executed on an exchange. Since swap transactions are not aggregated with non-swap transactions, it is possible that swap and non-swap transactions may receive different allocations and be filled at different prices and times throughout the trading day. It is possible that this may result in similarly managed accounts having significantly different exposures and/or performance, although the Adviser seeks to mitigate such differences through its trading practices. Finally, given the differences in trading stocks on an exchange and engaging in swaps, costs and expenses of each type of trading will differ.

In addition, the Adviser manages proprietary accounts for its related persons. These accounts may invest in the same securities that the Adviser recommends to or buys or sells for clients, in which case orders for these accounts will be aggregated to the extent possible with orders for clients and traded simultaneously with orders for clients. Please see Item 11 for more details.

### **Item 13. Review of Accounts**

The Adviser reviews rates of return daily for each strategy and weekly for each account. Every discretionary account's holdings are reviewed daily by the Adviser's portfolio 'optimizer', resulting in a trading program which is reviewed by the portfolio engineers and approved by a senior portfolio engineer or a portfolio manager. Portfolio characteristics are reviewed by the portfolio managers daily for each strategy and by the head of portfolio engineering or a portfolio manager weekly for each account, to confirm that they are consistent with each client's objectives and investment strategy. The portfolio managers are Bruce I. Jacobs and Kenneth N. Levy. There are no individual account assignments for portfolio management. All discretionary accounts are electronically monitored daily and reviewed by the Compliance staff for compliance with account guidelines and restrictions.

Significant market events affecting the prices of one or more securities in client accounts or changes in the investment objectives or guidelines of a particular client may trigger reviews of client accounts on other than a periodic basis.

Each separate account client will receive written reports at least quarterly discussing investment strategy, portfolio positioning, and performance of the account. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser. Additional reports may be provided to clients upon their reasonable request.

Investors in pooled investment vehicles receive written reports from the manager pursuant to the terms of each vehicle's offering memorandum or as otherwise described in the offering document of the vehicle.

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

This Item is not applicable.

### **Item 15. Custody**

Separate account clients should receive account statements from their broker-dealer, bank or custodian and clients should carefully review those statements. Private fund investors will receive account statements from the Adviser, and will receive audited financial statements of the private fund within 120 days of the end of the private fund's fiscal year. Private fund investors should carefully review those statements.

The Adviser also sends quarterly statements directly to clients. Clients should compare any quarterly statements they receive from their broker-dealer, bank or custodian with those received from the Adviser.

## **Item 16. Investment Discretion**

The Adviser provides investment advisory services to its clients on a discretionary basis based on specific investment objectives and strategies. To the extent consistent with its investment processes, the Adviser will generally tailor advisory services to the individual needs of clients by customizing the investment guidelines of their portfolios, including restricting investment in certain securities or certain types of securities upon request.

Prior to assuming discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased, sold, sold short, or purchased to cover for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased, sold, sold short, or purchased to cover for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, cash flows, tax status and other criteria, there may be differences among clients in invested positions and securities held in client portfolios, and decisions made in relation to such portfolios, and the performance resulting from such decisions, may differ from portfolio to portfolio. A senior portfolio engineer or a portfolio manager reviews the trades recommended by the Adviser's portfolio optimizer, and submits daily orders to the Adviser's trading desk. The Adviser may consider the following factors, among others, in making investment decisions for clients: (i) a client's investment objectives and strategies; (ii) risk profiles; (iii) restrictions placed on a client's portfolio by the client; (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.

If it is determined that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that a trade error is caused by the Adviser, is allocated to a client account and results in a loss to the client, the Adviser generally reimburses the client for such loss. It is the Adviser's policy that clients will keep any gains allocated to their account(s) that result from any trade error caused by the Adviser. The Adviser has discretion to resolve a particular error in any manner it deems appropriate and consistent with the above stated policy, and subject to the investment management agreement with the affected client.

Each pooled investment vehicle for which the Adviser serves as investment manager has and/or may in the future enter into agreements, or "side letters," with certain prospective or existing investors, whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the vehicle. Any such arrangements are solely at the discretion of the Adviser or its related persons, and may, among other things, be based on the size of the investor's investment, or the length of the relationship between such investor and the Adviser.

## **Item 17. Voting Client Securities**

To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its Proxy Voting Policies and Procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients. Generally, the Adviser will vote proxies in accordance with the recommendations of Institutional Shareholder Services ("ISS"), a third party provider of proxy analyses and voting recommendations; however, the Adviser has also identified specific proxy issues with respect to which it will vote with or against management as provided in its Proxy Voting Policies and Procedures. The Adviser generally votes in favor of routine corporate governance proposals, such as electing directors and selection of auditors. The Adviser's policy is generally to vote against proposals that act to entrench management. There are other circumstances in which Jacobs Levy may vote in a manner which differs from ISS's recommendation. The Adviser does not typically make case-by-case judgments regarding how a proxy vote will affect a particular investment.

The Adviser's clients may provide or request tailored proxy voting guidelines for their account, such as guidelines that address environmental and social issues in a specific manner. The Adviser's clients are also permitted to direct their votes in a particular solicitation. A client that wishes to direct its vote in a particular solicitation shall give reasonable prior written notice to the Adviser indicating such intention and provide written instructions directing the Adviser's vote in regard to the particular solicitation. Where such prior written notice is received, the Adviser will vote proxies in accordance with such written instructions received from a client, provided that such instructions are provided to the Adviser in a timely manner.

If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or to take some other appropriate action.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Jason M. Hoberman (General Counsel & Chief Compliance Officer) by email at [jason.hoberman@jlem.com](mailto:jason.hoberman@jlem.com) or by telephone at (973) 410-9222.

#### **Item 18. Financial Information**

This Item is not applicable.

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

This Item is not applicable.



**Exhibit: Item 2. Material Changes**

This Brochure dated March 31, 2021 reflects the Adviser's annual update to Form ADV Part 2A since its last annual update dated March 30, 2020. The following summarizes material, routine, and/or clarifying updates to the Brochure. Item 1 has been updated to reflect our new office address. Items 4, 7, 8 and 13 have been updated with respect to the description of our business, clients, strategies and reporting practices. Items 6, 11 and 12 update our description of our trading, brokerage and allocation practices. Item 8 includes an update to the risk factors regarding swaps and cybersecurity. The description of our proxy voting policy in Item 17 has been updated.

**BROCHURE SUPPLEMENT  
(PART 2B OF FORM ADV)**

**Bruce I. Jacobs**

**March 31, 2021**

Jacobs Levy Equity Management, Inc.  
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4<sup>th</sup> Floor East  
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Tel: (973) 410-9222  
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**This brochure supplement provides information about Bruce I. Jacobs that supplements the Jacobs Levy Equity Management, Inc. brochure. You should have received a copy of that brochure. Please contact Jason M. Hoberman, General Counsel & Chief Compliance Officer, if you did not receive Jacobs Levy Equity Management, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Bruce I. Jacobs is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

Bruce I. Jacobs was born in 1950. His educational background includes a B.A. from Columbia College (1972), an M.S. in Operations Research from Columbia University's School of Engineering and Applied Science (1973), an M.S.I.A. from Carnegie Mellon University's Graduate School of Industrial Administration (1974), an M.A. in Applied Economics from the University of Pennsylvania's Wharton School (1979), and a Ph.D. in Finance from the Wharton School (1986). From 1976 until December, 1981, Bruce was on the finance faculty of the Wharton School. He was also a consultant to the Rand Corporation. He joined the Pension Asset Management Group at Prudential Insurance Company of America in January 1982 and rose to Managing Director. He was elected First Vice President of Prudential Insurance Company, and served as Senior Managing Director of a quantitative equity management affiliate of the Prudential Asset Management Company. Since September 1986, he has been Principal, Co-Chief Investment Officer, Portfolio Manager and Co-Director of Research of Jacobs Levy Equity Management, Inc.

**Item 3. Disciplinary Information**

This Item is not applicable.

**Item 4. Other Business Activities**

This Item is not applicable.

**Item 5. Additional Compensation**

This Item is not applicable.

**Item 6. Supervision**

As noted above, Bruce I. Jacobs is a principal of the Adviser. All supervised persons of the Adviser are subject to its compliance policies and procedures. Jason M. Hoberman, General Counsel & Chief Compliance Officer, is responsible for administering the Adviser's compliance program, and can be reached by email at [jason.hoberman@jlem.com](mailto:jason.hoberman@jlem.com) or by telephone at (973) 410-9222.

**Item 7. Requirements for State-Registered Advisers**

This Item is not applicable.

**BROCHURE SUPPLEMENT  
(PART 2B OF FORM ADV)**

**Kenneth N. Levy**

**March 31, 2021**

Jacobs Levy Equity Management, Inc.  
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Florham Park, New Jersey 07932-0650  
Tel: (973) 410-9222  
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**This brochure supplement provides information about Kenneth N. Levy that supplements the Jacobs Levy Equity Management, Inc. brochure. You should have received a copy of that brochure. Please contact Jason M. Hoberman, General Counsel & Chief Compliance Officer, if you did not receive Jacobs Levy Equity Management, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Kenneth N. Levy is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

Kenneth N. Levy was born in 1952. His educational background includes a B.A. in Economics from Cornell University (1974), an M.B.A. from the University of Pennsylvania's Wharton School (1976), an M.A. in Business Economics from the Wharton School (1982), and all requirements short of dissertation for a Ph.D. from the Wharton School. In addition, he is a CFA charterholder.\* Ken joined Prudential Equity Management Associates at Prudential Insurance Company of America in May 1982 and was responsible for quantitative equity research. From December 1985 until September 1986, he was Managing Director of a quantitative equity management affiliate of the Prudential Asset Management Company. Since September 1986, he has been Principal, Co-Chief Investment Officer, Portfolio Manager and Co-Director of Research of Jacobs Levy Equity Management, Inc.

\* The Chartered Financial Analyst (CFA) charter is a graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm their adherence to, the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **Item 3. Disciplinary Information**

This Item is not applicable.

## **Item 4. Other Business Activities**

This Item is not applicable.

## **Item 5. Additional Compensation**

This Item is not applicable.

## **Item 6. Supervision**

As noted above, Kenneth N. Levy is a principal of the Adviser. All supervised persons of the Adviser are subject to its compliance policies and procedures. Jason M. Hoberman, General Counsel & Chief Compliance Officer, is responsible for administering the Adviser's compliance program, and can be reached by email at [jason.hoberman@jlem.com](mailto:jason.hoberman@jlem.com) or by telephone at (973) 410-9222.

## **Item 7. Requirements for State-Registered Advisers**

This Item is not applicable.