

Quadrant Real Estate Advisors LLC

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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Quadrant Real Estate Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 404-558-2003 and/or lhoard@quadrantrea.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Quadrant Real Estate Advisors LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Quadrant Real Estate Advisors LLC is 138077.

Quadrant Real Estate Advisors LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Summary of Material Changes

On March 26, 2020 Quadrant submitted its annual updating amendment filing for the calendar year ending December 31, 2019. Material changes disclosed in this annual updating amendment filing for the calendar year ending December 31, 2020 are as follows:

Placement Advisor

Crossroads Capital Management Limited (“AIFM”), an unaffiliated third party incorporated under the laws of Ireland as the Alternative Investment Fund Manager for QREA Investment ICAV (“ICAV”) appointed Quadrant as Investment Manager and Distributor of the ICAV. The ICAV and its related sub-funds were approved for marketing in Ireland, United Kingdom, Germany, Denmark, Finland, Norway, and Sweden. In March 2019, Quadrant delegated its distributor functions to a third-party placement and structuring advisor (“Placement Agent”). The Placement Agent was entitled to a monthly flat fee (“Retainer”) and in the event an investor referred by the Placement Agent (“Sourced Investor”) committed capital to a sub-fund of the ICAV, the Placement Agent would be entitled to a fee based upon the cash revenue received by Quadrant as a result of the invested capital by such Sourced Investor. The Placement Agent Agreement was terminated in March 2020. Therefore, as of the date of this annual updating amendment, Quadrant is not under contract to directly or indirectly compensate any person for client referrals.

Paycheck Protection Program Loan

As a result of the COVID-19 crisis, during 2020 the U.S. federal government made the Payment Protection Program (“PPP”) available to small businesses to pay their employees and cover certain other core expenses. Subject to certain conditions, the loan is forgivable and was open to businesses with 500 or fewer employees. Borrowers certified that economic uncertainty made the loan necessary to support their ongoing operations and that the loan proceeds would be used to retain workers and pay other core expenses. The SEC issued guidance that registered investment advisers that participate in the PPP should disclose the circumstances leading the firm to seek a PPP loan.

As Quadrant’s fees are primarily based on the outstanding principal balance (less reserves for losses, if any), contributed and unreturned capital (adjusted downward for realized losses or reserves for losses, if any), or the market value of the account, the real estate market turmoil beginning in March of 2020 caused uncertainty regarding the future state of Quadrant’s revenue stream. Because of the ongoing uncertainty regarding the length and severity of the COVID-19 crisis, in order to ensure that there would be no interruptions in its ongoing operations Quadrant determined that it was in the best interest of its employees and clients to participate in the PPP. As a result, in April 2020, Quadrant applied for, and in May 2020, Quadrant received a PPP loan. The loan was used to pay staff compensation under the PPP guidelines.

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Advisory Business

Quadrant Real Estate Advisors LLC ("**Quadrant**") is registered with the Securities and Exchange Commission ("SEC") as an investment advisor pursuant to the Investment Advisors Act of 1940, as amended. Quadrant commenced operations in January 2006 as a result of a management buyout plan. Quadrant is owned by QCP, LLC (99.80%) and QCORP LLC (0.2%), a wholly owned subsidiary of QCP, LLC. QCP, LLC is owned 100% by Quadrant's Management Team with two members – Kurt Wright and Walter Huggins each owning 29.5% of QCP, LLC.

Quadrant's core business is focused on providing investment advisory services to third-party institutional investors.

Quadrant provides institutional investment advisory services with respect to investments in public and private real estate related instruments, which include commercial real estate mortgages (including construction-to-permanent commercial mortgage loans), mezzanine debt, private equity real estate, commercial mortgage-backed securities ("**CMBS**"), real estate investment trust ("**REIT**") common and preferred stock and unsecured REIT bonds in either a separate account or commingled fund basis focused primarily in the United States and Europe.

Quadrant's advisory services span the full investment cycle including investment plan and parameters, survey of market conditions, identifying investment opportunities, negotiating (for private transactions) and closing/settling transactions, asset management and surveillance, loan workouts, investment dispositions/sales, accounting and performance reporting.

Each of Quadrant's advisory client accounts are negotiated on an individual basis and fees vary based on the type of investments and strategy of the particular account. Each advisory contract includes investment guidelines and parameters as well as specific reporting requirements each of which are tailored specifically to the client's desired investment strategy, risk tolerance, and reporting and accounting guidelines.

Quadrant does not participate in wrap fee programs.

Below is Quadrant's regulatory assets under management at December 31, 2020:

Discretionary	\$694,358,339
Non-discretionary	\$629,203,726
Total Regulatory Assets Under Management	<u>\$1,323,562,065</u>

Fees and Compensation

ADVISORY FEES:

All of Quadrant's advisory client accounts are negotiated on an individual basis and fees vary based on the type of investments and strategy of the particular account.

Single Client Accounts and Privately Placed Commingled Fund Accounts Investing in Privately Placed Debt

Single client accounts and commingled fund accounts investing in privately placed whole loans, b-notes and/or mezzanine debt typically have a fee structure consisting of asset management fees and origination fees or asset management fees only.

Asset management fees are earned on the outstanding principal balance (less reserves for losses, if any); or contributed and unreturned capital (adjusted downward for realized losses or reserves for losses, if any).

Origination fees for assisting clients in identifying, negotiating and closing new commercial mortgage loans are earned at closing of the loan and are charged as a percentage of the original principal balance.

Single Client Accounts and Privately Placed Commingled Fund Accounts Investing in Multi-Strategy/Sector Securities

For certain single client accounts and commingled funds that utilize a relative value, sector rotation approach across two or more of the market quadrants (i.e. public, private, debt and equity), the typical fee is an annual asset management fee, which is determined as a percentage of the aggregate market value of the account or fund. There are no origination, subscription or acquisition fees. In these strategies, Quadrant has discretion to re-balance and re-allocate portfolios based upon its view of relative value.

All of the above fees are subject to negotiation with the client.

OTHER FEES:

Other types of fees that might be applicable to a particular investment advisory account and are individually negotiated with an advisory client are as follows:

Loan Processing Fees (at loan origination) – during the course of originating commercial mortgage loans on behalf of clients, Quadrant may charge the borrower for services related to processing the loan agreement(s). In relation to loans originated in the United States, these fees typically range between \$10,000 - \$50,000 depending on the complexity of the loan transaction. In relation to loans originated outside of the United States, a loan processing fee is typically 25 basis points of the total committed loan amount.

Loan Processing Fees (for loan modifications) – during the course of managing commercial mortgage loans on behalf of clients, Quadrant may charge the borrower for certain servicing accommodations and/or modifications to the loan agreement(s). Fees for these services on US loans are typically a fixed fee ranging between \$5,000 and \$50,000 depending on the level of work required to make such accommodations/modifications. A typical fee for non-US loans can be up to 10 basis points of the loan amount.

Initial Set-up Fee – Quadrant may negotiate to receive a one-time fee for initial set-up of a client account. (i.e. file scrubbing, loan status report preparation, etc.). This fee typically applies to an asset management takeover.

Servicing/Administration Fee – Quadrant may outsource certain functions such as loan servicing and/or accounting and reporting services. Such functions are outsourced to an unrelated third party and depending on the arrangement; the cost of such services may be borne by the client.

Custodial/Trustee/Bank Fees – Fees incurred on custodial or bank account(s) maintained by an unrelated third-party qualified custodian on behalf of the client or fund will typically be borne by the client.

Broker/Dealer Fees - Quadrant is not a broker-dealer nor is it affiliated with a broker-dealer organization; therefore Quadrant does not generate revenue from commissions or markups. Quadrant utilizes third-party broker-dealers to effect trades of securities on behalf of its clients and as such, brokerage and other transaction fees are incurred by the client for these transactions. Please refer to the “*Brokerage Practices*” section of this Brochure for more information.

Additional Expenses- The client is typically responsible for any reasonable, out-of-pocket fees, costs, and expenses incurred by Quadrant in their role as adviser in connection with the administration of investments, including:

- a) primary and special servicers authorized by the client;
- b) third-party legal fees;
- c) fees and expenses of other third-party professionals and service providers retained to perform services for which Quadrant is not compensated (e.g. appraisers, environmental and engineering consultants, brokers, auditors, tax consultants, independent fund director fees, etc.);
- d) out-of-pocket costs and expenses incurred in connection with loan servicing, administration and enforcement of lender rights with respect to an investment that are not reimbursed by the borrower as required by the loan documents; and
- e) any other third-party fees or expenses which Quadrant reasonably incurs on client’s behalf as allowed under the management agreement.

Each of Quadrant’s client accounts is negotiated on an individual basis and the fee payment method varies between accounts. Quadrant is amenable to both the ‘deduct fee’ or ‘direct bill’ fee payment methods and both formats are currently in use. Clients are typically billed, or fees are deducted in arrears on either a monthly or quarterly basis. In the instance that a client contract dictates a fee or any portion of a fee be paid in advance, the fee is not billed more than quarterly in advance and in the instance such contract is terminated before the end of the billing period, any prepaid fees would be reimbursed to the client on a pro-rata basis for the remainder of the service period.

Quadrant, nor any of its supervised persons accepts compensation directly related to the sale of securities or other investment products. While rare, should it be in the best interest of a client to sell a whole loan, b-note, or mezzanine position, it is Quadrant’s practice to advise the client to hire a third-party broker (unaffiliated with the client or with Quadrant) to secure a buyer. Quadrant does not feel this practice presents a conflict of interest nor provides incentive to recommend the purchase or sale of investment products based on compensation rather than client needs.

Performance-Based Fees and Side-By-Side Management

Quadrant does not currently manage any advisory accounts with performance-based fees.

Types of Clients

Quadrant provides investment services to, accredited investors as defined in Rule 501(a) of U.S. Securities Act of 1933 and qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 through both separately managed accounts and commingled funds. Clients include Pooled Investment Vehicles, Insurance Companies, and Government and Non-Government Pension Plans.

Depending on the investment strategy, commingled funds may have a minimum allocation/subscription requirement ranging from \$1 million to \$5 million (allocations/subscriptions of less than \$5 million may be accepted at Quadrant's discretion).

Methods of Analysis, Investment Strategies and Risk of Loss

Quadrant provides institutional investment advisory services with respect to investments in public and private real estate related instruments, which include commercial real estate mortgages (including construction-to-permanent commercial mortgage loans), mezzanine debt, private equity real estate, commercial mortgage-backed securities (“**CMBS**”), real estate investment trust (“**REIT**”) common and preferred stock and unsecured REIT bonds in either a separate account or commingled fund basis focused primarily in the United States and Europe. Depending on the clients’ investment strategy and risk tolerance level, Quadrant may invest in one or more of these types of real estate related instruments on behalf of any one of its clients.

In order to evaluate an investment for purchase or origination (in the case of commercial real estate mortgages) and ongoing asset management of such investment, Quadrant evaluates the national economic outlook relative to the various real estate debt and equity products offered to clients. Economic growth trends, employment trends, real estate supply/demand, movements in interest rates and other factors are evaluated to determine which real estate investment strategies are appropriate relative to the client's objectives. Macroeconomic trends are augmented with research material and information received from various unaffiliated real estate brokers as well as from unaffiliated leasing agents, property owners and developers. (See “*Brokerage Practices*” section of this Brochure for more details regarding receipt of research products from broker-dealers).

Market and sub-market data is analyzed including, among other things, rent and tenant allowance trends, sale comparables, capitalization rates, new construction activity, vacancy and absorption trends, and tenant and industry concentrations.

Individual real estate debt and equity investment opportunities are evaluated taking into account the above information as well as an assessment of the property's overall competitive stature in the market and sub-market, projected leases, projected cost of operation, third-party reports including environmental and structural analysis, pre- and post-acquisition appraisals, sponsorship, and site inspections.

The real estate capital markets are also analyzed and monitored to determine financing strategies as well as to continually assess the viability of various investment exit strategies.

A multi-sector investment strategy allows Quadrant to target investments and products that offer the best risk-adjusted returns throughout market cycles, the ability to re-balance the portfolio when opportunities emerge to improve yield or credit quality, and to use conservative leverage when accretive.

Investing in securities and originating loans involve varying degrees of risk that clients should be prepared to bear in the event of loss.

Risks include varying degrees of credit risk, interest rate risk, prepayment risk, market conditions, and other factors beyond the control of Quadrant.

The underlying real estate property of real estate related investments is directly impacted by the global economy in general and the credit markets in particular. These conditions can result in certain tenants experiencing financial difficulties and may adversely affect the operating results of real estate property collateralizing real estate related investments. As a result, this may affect the ability of some borrowers to remain current on principal and interest and/or their ability to refinance properties at maturity.

Disciplinary Information

Neither Quadrant nor any Quadrant management persons have been involved in any legal or disciplinary action that would affect one of Quadrant's client's or prospective client's evaluation of its advisory business or the integrity of its management.

Other Financial Industry Activities and Affiliations

Neither Quadrant nor any of its management persons are registered, nor have an application pending to register as a broker dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Quadrant owns 86% and acts as the managing member of QREA Europe LLP ("QREA Europe"). QREA Europe is a limited liability partnership registered in England and Wales and acts as an advisor to Quadrant, identifying and evaluating possible investment opportunities in the United Kingdom and Ireland, and making recommendations to Quadrant including negotiating and arranging for the acquisition and disposal of investments.

Quadrant does not view its relationship with QREA Europe as a conflict of interest with any of its clients.

Quadrant does not recommend or select other investment advisors to/for clients.

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

Code of Ethics

Quadrant's Code of Ethics is based on the principle that Quadrant's employees owe a fiduciary duty to its clients and must avoid activities, interests and relationships that might interfere or appear to interfere with making investment decisions in the best interests of any client. Among other things, the Code requires compliance with Quadrant's personal securities transactions procedures including pre-clearance of certain securities transactions, compliance with federal securities laws, and the reporting of personal securities transactions by all employees of the firm. In addition, all employees must comply with the conflict of interest policies which include ethical restraints relating to clients such as restrictions on gifts and entertainment with respect to clients or potential clients and restrictions on political contributions. On at least an annual basis, all employees are required to provide written acknowledgement of their receipt and understanding of the Code of Ethics and any amendments thereof. Any violations of Quadrant's Code of Ethics are required to be reported promptly to Quadrant's Chief Compliance Officer.

A copy of the firm's Code of Ethics, Personal Securities Transaction Procedures, and Conflict of Interest Policies are available to any client or prospective client upon request.

Interest in Client Transactions

Quadrant does not buy, sell, or hold a material financial interest in any securities recommended to or transacted for its client accounts.

Personal Trading

When Quadrant is actively investing in public securities on behalf of its clients, Quadrant's employees may from time to time purchase and sell public securities for their own personal accounts which could also be recommended to Quadrant's clients. The firm has instituted practices and policies intended to avoid and/or address possible conflicts of interest which may arise as a result of those transactions. Quadrant's personal trading policy requires all Quadrant employees owning covered securities or reportable funds to provide copies of brokerage or other statements displaying such account holdings to the Compliance Department initially, no later than 10 days after hire and on an ongoing basis, no less than quarterly unless the account has been approved as an exempt account by the Compliance Department. Any new accounts opened or existing accounts closed are to be reported to the Compliance Department. Finally, on an annual basis, each employee is required to provide to the Compliance Department a confirmation of all annual holdings.

Quadrant's Compliance Department maintains a "Pre-clearance Trading Required" list on the internal shared drive. This list is updated with securities in the event there might be the potential for a real or perceived conflict of interest due to information Quadrant receives or holds as a result of its advisory role. The "Pre-clearance Trading Required" list is re-distributed to all employees via email each time an update is made and no less frequently than quarterly in conjunction with the distribution of Employee attestation requests. Quadrant employees must seek pre-clearance trading approval by the Compliance Department prior to the purchase or sale of any securities in which that employee has beneficial ownership and Quadrant is actively engaged in trading, performing advisory services, or performing due diligence research with the receipt of non-public information. Additionally, all Quadrant Employees must obtain pre-clearance trading approval from the Compliance Department before directly or indirectly acquiring beneficial ownership in any security in an Initial Public Offering or in a Limited Offering.

To the extent any personal trading transactions result in actual or apparent conflicts of interest, appropriate disclosure will be made, and consent obtained, as required by applicable law.

Allocation Policy

It is possible for more than one of Quadrant's client accounts to have an overlap in investment objectives and guidelines. Quadrant adheres to its allocation policy providing for a fair and equitable allocation to each client.

Each investment opportunity is directed to clients based on the investment's characteristics and the following considerations:

- a. Suitability of the investment relative to the client's investment objectives;
- b. Discretionary/non-discretionary requirements of the borrower/seller/issuer;
- c. Ability of the client to meet the transaction's timing; and
- d. Assessment of whether the investment complements the client's existing portfolio.

In the event an investment opportunity is equally suited for more than one client the investment is allocated based upon the following:

- a. Cash or capital commitment availability and diversification requirements of each client.
- b. If more than one client has cash available, the investment is allocated on a pro-rata basis based upon the amount of cash each client has available, provided that the client may only co-invest with other Quadrant client accounts if the investment is made in the same transaction, at the same time, and on the same terms, subject to any tax, regulatory or legal consideration that may limit the account or type of investment by the client.
- c. If a client is not able or permitted to share investments or a conflict would arise from sharing such investment, the investment will be allocated on a rotational basis.

Investment opportunities that are sourced directly by Quadrant clients, and which satisfy that client's investment parameters, will be pre-allocated to the client and will not be subject to the Allocation Policy nor prejudice that client with respect to investment opportunities that would otherwise have been allocated to the client.

Cross Transactions

Quadrant may arrange for one client account to purchase a security (or a portion of a security) from another client account in an arms-length transaction.

Quadrant is not a broker-dealer and receives no compensation from cross transactions.

Quadrant directs cross transactions only when:

- a. The clients involved are not clients falling under the guidelines of Employee Retirement Income Security Act of 1974;
- b. The transaction meets the client objectives and is in the best interest of each affected client;
- c. The transaction does not disfavor any client; and
- d. Best execution can be achieved.

Additionally, all completed cross transactions are reported to the affected clients no less frequently than on a quarterly basis. Clients may notify Quadrant at any time should they determine they do not want Quadrant to make cross transactions on their behalf.

All cross transactions are subject to Quadrant's allocation policy (see Allocation Policy above).

Brokerage Practices

Quadrant evaluates and selects or recommends broker-dealers for client transactions based on factors including, but not limited to a broker-dealer's pipeline, product availability, execution capabilities, commissions to be paid, responsiveness, knowledge of the market, supply factors, trade settlement services, adequacy of capital and ability to handle large trades with limited liquidity. Each broker is evaluated based on the clients' interest in receiving the most favorable execution, and not Quadrant's interest in receiving research, other products or services, or client referrals.

When Quadrant is actively trading public securities, it maintains a firm-wide approved broker-dealer list that is reviewed at least annually to determine (i) whether all of the broker-dealers listed continue to demonstrate the ability and commitment to provide Quadrant with best execution and (ii) whether Quadrant should enter into a new or alternative broker-dealer arrangement.

When Quadrant is actively trading public securities, Quadrant's portfolio managers and traders evaluate each trade for the best available price at which a transaction can be executed, as well as speed, quality, and security characteristics including yield, commission rates, certainty of execution and quoted net price. When evaluating public security investments, the portfolio manager or trader values the market quotations by obtaining observable market data from third party sources (i.e. Bloomberg, IDC, etc.), to ensure the purchase/sale price is in-line with the market trading for the period starting when the order was placed to the time the order was filled.

Quadrant does not have formal soft dollar arrangements or use client commissions (or markups or markdowns) to acquire brokerage and research services. However, in connection with the execution of transaction orders through major broker-dealers, Quadrant does receive unsolicited research products from executing broker-dealers, whether or not Quadrant decides to execute any specific or minimum amount of trades with that broker-dealer.

Quadrant is generally granted unlimited discretion to select brokers and dealers to execute portfolio trades for client accounts. Subject to compliance with a written management contract which sets forth investment objectives and guidelines in connection with managing the client's account, for discretionary accounts, Quadrant will have discretion to determine the investments to be made, the amounts of investments to be made, and the price and timing of purchases and sales.

Quadrant does not and has not recommended broker-dealers in order to receive client referrals from a broker-dealer or third party.

In the case that a client directs Quadrant to effect transactions through specific brokers-dealers, under terms negotiated by the client with that specific broker-dealer, such direction may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Quadrant could negotiate commission rates or spreads freely, or select broker-dealers based on best execution. These and other consequences flow from a client's decision to direct Quadrant to use a specific broker-dealer. For example, to the extent possible and practical, when Quadrant is actively trading public securities, Quadrant will aggregate purchase and sale orders in the same security when placing an order for the same security for multiple clients. Typically, directed orders will not be included in that aggregated (or "bunched") order to the possible disadvantage of clients who direct Quadrant to use specific broker-dealers.

Moreover, placing multiple orders in the public market at the same time is not always possible and the sequence in which multiple orders are executed may impact the price obtained in the transaction. In the interest of being fair to all clients, when Quadrant is actively trading public securities, Quadrant will rotate the placing of multiple orders into the market so

that each client, including those whose orders are included in the bunched order and those who have directed brokerage instructions, has its order placed into the market as frequently as all other clients.

In addition, in the event that Quadrant is indicating interest for a security that is underwritten by a dealer, unless the directed brokerage client's directed broker-dealer is a member of the underwriting syndicate, that client may not be able to receive an allocation of the underwritten securities.

For these reasons, clients need to ensure that they understand all of the consequences of directing Quadrant to use a specific broker-dealer before so directing and Quadrant, in turn, will agree to a directed arrangement only if it believes it can seek to obtain best execution for the client notwithstanding.

Review of Accounts

Client account monitoring occurs on a transactional basis, and no less than monthly on an ongoing basis.

The purchase or origination of each investment is analyzed by Quadrant's Investment Committee and must be approved by unanimous agreement. Additionally, each investment is analyzed and approved by the Portfolio Manager and by the Chief Compliance Officer to ensure suitability, fair and equitable allocation, and fit with the client objectives and investment guidelines.

Dedicated asset managers are responsible for the ongoing monitoring of the investments. Typically, on a weekly basis but no less than monthly the members of Quadrant's Investment Committee meet with the assets managers to review investments. In addition, portfolio diversification and performance are reviewed no less than quarterly by the Client Reporting Department (overseen by the Chief Financial Officer) and the Portfolio Manager during the quarterly reporting process.

Reporting is customized based on the needs of each client. Quadrant's clients may receive monthly and/or quarterly unaudited financial reports and statements from Quadrant, and/or from the custodian, where applicable. Annually, the client and/or investors may receive audited financial statements as required by client contracts. In addition to the financial statements, clients and fund investors may also receive a management discussion letter regarding the results of operation, market environment conditions, transaction history, performance, and other matters on a monthly or quarterly basis.

Client Referrals and Other Compensation

Quadrant does not directly or indirectly compensate any person for client referrals.

Quadrant does not receive any economic benefits including sales awards or other prizes from a third party as a result of Quadrant providing advisory services to its clients

From time to time, Quadrant may be invited by outside entities to present specific topics at industry conferences in which senior members of Institutional Investors are present. When it participates, Quadrant pays for its own travel and lodging expenses and will, if asked, pay a proportionate amount of the total conference expenses and costs. While not a formal arrangement or understanding, participation at these conferences could be construed as an endorsement of Quadrant's advisory services by the sponsor of the conference.

Custody

In certain circumstances, under Rule 206(4)-2 of the Investment Advisers Act of 1940 (“the Custody Rule”), Quadrant is deemed to have custody of client funds and/or securities held by third-party qualified custodian(s).

In the case that Quadrant is deemed to have custody of funds or securities of a pooled investment vehicle, the pooled investment vehicle is subject to an annual audit by an independent public accounting firm registered with, and subject to, regular inspection by the PCAOB and the report is distributed to the investors of the pooled investment vehicle.

Unless otherwise exempt from the Custody Rule, the Client will receive account statements directly from the qualified custodian (i.e. broker-dealer, bank, etc.) on a quarterly basis at a minimum and the account would be subject to a surprise examination of client funds and securities performed by an independent public accounting firm registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board (“PCAOB”).

Clients should carefully review statements received from a qualified custodian and compare such statements with statements received from Quadrant. Any un-reconciled discrepancies between the statements received from Quadrant and the statements received from other qualified custodians handling clients’ cash and/or securities are advised to be brought to Quadrant’s attention immediately. Disclosures urging clients to engage in this comparison are included in the reports sent to Quadrant clients when applicable.

Investment Discretion

Quadrant manages securities accounts on behalf of clients on a discretionary basis. Upon engaging Quadrant to manage an account, an investment management agreement is executed which includes comprehensive detail of the account investment objectives, investment guidelines, and the powers of authority delegated to Quadrant by the client.

Quadrant, in its capacity as investment manager for a discretionary account, makes investment management decisions on behalf of the discretionary account (separate account client or commingled fund) providing such decisions fit within the client/ fund investment parameters.

If Quadrant were to recommend an investment outside of the pre-established guidelines included within the investment management agreement, specific written approval is sought from the affected client(s).

Voting Client Securities

Quadrant's clients may delegate to Quadrant the authority to vote proxies for shares they own in public securities. Quadrant has a duty of care and loyalty with respect to all services undertaken for clients, including proxy voting.

Quadrant votes proxies in a manner consistent with the clients' best interests and does not place its interests above those of its clients when doing so.

If Quadrant has been delegated authority to vote proxies on behalf of its clients, Quadrant's Proxy Voting Committee will oversee and administer the voting of proxies on behalf of its clients. The Proxy Voting Committee's responsibilities include reviewing and updating the Proxy Voting Policies as may be appropriate from time to time, identifying and resolving any material conflicts of interest on the part of Quadrant or its personnel that may affect particular proxy votes, evaluating and monitoring, on an ongoing basis, the analyses, recommendations and other services provided by an independent third party proxy service, if retained, to assist Quadrant in carrying out its proxy voting responsibilities, and where applicable, when deemed appropriate by the Proxy Voting Committee, consulting with portfolio managers and investment professionals on particular proposals or categories of proposals presented for vote, and determining when, how, and if client proxies should be voted in a manner other than in accordance with the general rules and criteria set forth in Quadrant's Proxy Voting Guidelines or with the recommendations of the independent proxy voting service retained by Quadrant in circumstances when a material conflict of interest exists.

In reviewing the proxy statements, any potential conflict of interest with Quadrant or its personnel should be identified first. A conflict of interest may be presented in certain situations, for example, where Quadrant maintains a significant business relationship with the company, or where Quadrant and/or its personnel have significant personal or family ties to the company. In instances where a member of the Proxy Voting Committee has a conflict, such member of the Proxy Voting Committee will not be permitted to participate in the vote for such proxy in which the conflict exists. In instances where Quadrant has a conflict of interest associated with the proxy, the Proxy Voting Committee will employ the services of an independent proxy voting service as deemed appropriate and will vote in accordance with such independent proxy service recommendation. If no conflict of interest is identified, Quadrant will vote the proxy in accordance with its Proxy Voting Guidelines outlined in its Proxy Voting Policy. Proxies will generally be voted in accordance with the public company's management recommendation, however, if through research, Quadrant determines that management is not acting in the best interests of the shareholders, Quadrant will vote against management recommendation and the stock is reviewed for possible sale.

A copy of the firm's Proxy Voting Policy and information about how a client's securities were voted is available to any client upon request.

Financial Information

Quadrant does not require or solicit prepayment of fees from its clients six months or more in advance.

Quadrant is not and has not been subject to a bankruptcy petition at any time.

As a result of the COVID-19 crisis, during 2020 the U.S. federal government made the Payment Protection Program ("PPP") available to small businesses to pay their employees and cover certain other core expenses. Subject to certain conditions, the loan is forgivable and was open to businesses with 500 or fewer employees. Borrowers certified that economic uncertainty made the loan necessary to support their ongoing operations and that the loan proceeds would be used to retain workers and pay other core expenses. The SEC issued guidance that registered investment advisers that participate in the PPP should disclose the circumstances leading the firm to seek a PPP loan.

As Quadrant's fees are primarily based on the outstanding principal balance (less reserves for losses, if any), contributed and unreturned capital (adjusted downward for realized losses or reserves for losses, if any), or the market value of the account, the real estate market turmoil beginning in March of 2020 caused uncertainty regarding the future state of Quadrant's revenue stream. Because of the ongoing uncertainty regarding the length and severity of the COVID-19 crisis, in order to ensure that there would be no interruptions in its ongoing operations Quadrant determined that it was in the best interest of its employees and clients to participate in the PPP. As a result, in April 2020, Quadrant applied for, and in May 2020, Quadrant received a PPP loan. The loan was used to pay staff compensation under the PPP guidelines.