

QUANTUM CAPITAL ADVISORS, L.L.C.

SEC File Number: 801 – 77003

BROCHURE

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This brochure provides information about the qualifications and business practices of Quantum Capital Advisors, LLC the “Registrant”. If you have any questions about the contents of this brochure, please contact us at (609) 677-4949 or jhughes@quantumadv.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 Quantum Capital Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Quantum Capital Advisors, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since Quantum Capital Advisors, LLC's last Annual Amendment filing on March 28, 2020, we have moved our main office to Utah. There have been no further material changes made to this Brochure.

Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions that an existing or prospective client may have regarding this Brochure

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Item 4 **Advisory Business**

- A. Quantum Capital Advisors, LLC (the “Registrant”) is a limited liability company formed on March 5, 2007 in the state of Delaware. The Registrant became registered as an Investment Adviser Firm in July 2012. The Registrant is principally owned by John J. Hughes. John J. Hughes is the Registrant’s Managing Member. Giridhar Reddy is a member of the Registrant.

B.

INVESTMENT MANAGEMENT SERVICES

The Registrant provides discretionary investment advisory services on a *fee-only* basis, primarily to institutions, endowments and family offices relative to their investment in the *QSV SMid-Cap Equity*TM strategy.

The *QSV SMid-Cap Equity*TM Strategy (“QSCE”) is a focused domestic equity strategy. QSCE’s managers invest in small and mid-capitalization companies. The strategy is designed to complement an overall asset allocation construct and generate excess returns over complete market cycles.

The Registrant’s annual investment management fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management.

IMPLEMENTATION THROUGH AN AFFILIATED INVESTMENT ADVISER

Other than providing discretionary investment management services to certain clients relative to their investment in the QSCE Strategy and services rendered to the *affiliated private fund*, the Registrant generally does not provide investment supervisory, investment management, investment reporting, or investment implementation services. Rather, in the event that individuals and/or institutions desire to implement investment advisory services on a *fee-only* basis, the Registrant may recommend Quantum Capital Management, LLC (SEC No. 801-57840) an affiliated SEC registered investment adviser firm, to provide investment advisory services (*See* Item 10.C below).

General Partner of The Quantum Strategic Value Fund, LP

The Registrant serves as the General Partner of, and provides discretionary investment management services to, *The Quantum Strategic Value Fund, LP* (the “*affiliated private fund*”). The *affiliated private fund* is offered to qualified investors in accordance with the terms and conditions of the *affiliated private fund*’s offering documents.

The Registrant makes the *affiliated private fund* available to investors through introductions from such investor’s investment adviser. As such, other than confirming that the prospective investor qualifies for either of the *affiliated private fund* per the responses set forth on the *affiliated private fund* subscription documents, the individual’s investment advisor (**not** the Registrant) maintains initial and ongoing responsibility to counsel its investor client as to the suitability of the *affiliated private fund* and any of its underlying investment strategies.

MISCELLANEOUS

No Financial Planning or Non-Investment Consulting/Implementation Services. The Registrant does not provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. The Registrant does not serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance implementation services. Accordingly, we **do not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.).

The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives. If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not the Registrant, shall be responsible for the quality and competency of the services provided.

Sub-Advisory Engagements. The Registrant may serve as a sub-advisor to unaffiliated investment advisors according to the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisers that engage the Registrant's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for the Registrant's designated investment strategies and/or programs. If the custodian/broker-dealer is determined by the unaffiliated investment adviser, Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, clients of the unaffiliated investment adviser may pay higher commissions or other transaction costs, greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Registrant. Higher transaction costs adversely impact account performance.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure and Client Relationship Summary, as set forth in Part 2 of Form ADV and Form CRS respectively, shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

Additional Disclosures Related to The Quantum Strategic Value Fund, LP

Affiliated Private Fund. As discussed above, the Registrant serves as the General Partner of, and provides discretionary investment management services to the *affiliated private*

fund. The terms and conditions for participation in the *affiliated private fund* including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each investor for review and consideration. Unlike liquid investments that an investor may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, pursuant to which the investor shall establish that they are qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Conflict Of Interest: Because the Registrant earns compensation from the *affiliated private fund*, the recommendation that an individual or institution become an investor in the *affiliated private fund* presents a **conflict of interest**. **The Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions regarding this conflict of interest.**

The investment advisor of the participants in the *affiliated private fund* (**not** the Registrant) maintains initial and ongoing responsibility to counsel its client as to the suitability of the *affiliated private fund* and any of its underlying investment strategies.

- C. The Registrant provides investment advisory services to institutions, endowments and family offices relative to their investment in the QSCE strategy. Prior to providing investment advisory services to these clients, an investment adviser representative (or in the instance where the Registrant has been engaged as a Sub-Advisor – the engaging investment adviser) will ascertain each individual client's investment objective(s) to determine whether their participation in the QSCE strategy is appropriate. Thereafter, the Registrant shall determine the client's allocation to the QSCE strategy. The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.

To the extent that the Registrant provides investment advisory services to the *affiliated private fund*, those services are specific to the needs of the *affiliated private fund* and the Registrant shall allocate investment assets consistent with the designated investment objective of the *affiliated private fund*.

- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2020, the Registrant had \$141,734,249 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT MANAGEMENT SERVICES

The Registrant's annual investment management fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$100 million	1.00%
Next \$150 million	0.90%
Over \$250 million	0.75%

The Quantum Strategic Value Fund, LP

As the investment adviser to the *affiliated private fund*, the Registrant shall receive compensation in the form of management fee and/or incentive fees.

As reimbursement for the management and administration of the *affiliated private fund*, the *affiliated private fund* will pay the Registrant management fees monthly. The Registrant, as the General Partner of the *affiliated private fund* may also receive a special allocation based upon the return of each limited partner's capital account. Each limited partner will be charged for the special allocation attributable to their capital account.

For further information pertaining to the calculation of the Registrant's management fee and/or any incentive fees please review the *affiliated private fund*'s subscription documents and private placement memorandum.

- B. Clients may elect to have the Registrant's investment management fee deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice.

The *affiliated private fund* allows for the Registrant to deduct its fees directly from fund assets in compliance with regulatory procedures. In the limited event that the Registrant bills the *affiliated private fund* directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill the *affiliated private fund* monthly in advance, based upon the Net Asset Value of the portfolio.

In the event that an *affiliated private fund* does not have sufficient liquid assets to pay the Registrant's fee, the fee shall accrue until such time that the *affiliated private fund* has sufficient liquid assets, at which time the Registrant shall collect the full amount of its fee.

- C. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the clients will also incur, relative to all mutual fund

and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. With the exception of the Registrant's relationship with the *affiliated private fund*, the Registrant shall generally deduct fees and/or bill clients quarterly in arrears, based upon the market value of the client's asset under management as of the last business day of the previous quarter, plus any accrued interest. The Registrant's quarterly fees are adjusted based upon inflows and outflows during the quarter.

The Registrant generally requires a minimum asset level of \$25,000,000 for those clients utilizing the QSCE Strategy. The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be managed, etc.) and/or waive its minimum asset level requirements.

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall be due a pro-rated portion of its advisory fee, based upon the number of days remaining in the billing month.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Rule 205-3 of the Investment Advisers Act of 1940 permits a registered investment adviser to enter into a performance fee agreement with certain sophisticated clients who have the capacity to bear the potential additional risks of such a fee arrangement. An adviser can rely on Rule 205-3 only if the performance fee agreement is with "eligible" clients. Eligible clients are defined in the Rule as natural persons and companies that have *either* at least \$1,000,000 under management with the Registrant immediately after entering into a performance fee agreement *or* a net worth at the time the agreement is entered into in excess of \$2,100,000 (i.e. a natural person's net worth may include assets held jointly with a spouse).

Consistent with the parameters of Rule 205-3 of the Investment Advisers Act of 1940 (to the extent Rule 205-3 is applicable), the Registrant (and/or Registrant's affiliated entities) may also receive, from clients, incentive or performance fee compensation on a fully disclosed written basis.

The Registrant has an incentive to take additional risks in the management of a client account and to offer investments that the Registrant believes will be more profitable to clients with performance fee relationships in order to earn additional compensation. The Registrant seeks to address these conflicts of interest by emphasizing its duty to place the interests of our clients first. In those instances where the Registrant charges performance fees to an account, the Registrant treats these accounts like other client accounts with similar investment objectives.

The Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions regarding this conflict of interest.

Item 7 Types of Clients

The Registrant provides discretionary investment advisory services on a *fee-only* basis, primarily to institutions, endowments and family offices relative to their investment in the QSCE strategy as well as to the *affiliated private fund*.

The Registrant generally requires a minimum asset level of \$25,000,000 for those clients utilizing the QSCE Strategy.

The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be managed, etc.) and/or waive its minimum asset level requirements.

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

- A. The Registrant shall utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every

investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend – short selling, the use of margin and options. These strategies have a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the ***conflict of interest*** whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated

with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for their accounts.

For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>

Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.

- C. Currently, the Registrant primarily allocates the *affiliated private fund's* assets and the assets of those clients utilizing the QSCE Strategy among various, individual equity (stocks), debt (bonds) and fixed income securities, exchange traded funds ("ETFs") (including inverse ETFs that are designed to perform in an inverse relationship to certain market indices), and separately managed accounts, on a discretionary basis in accordance with the client's designated investment objectives.

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Inverse/Enhanced Market Strategies. Relative to the Registrant's management of the *affiliated private fund*, the Registrant may utilize long and short exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Other Investment Adviser Firm** The Registrant's Managing Member, John J. Hughes owns Quantum Capital Management, LLC ("*QCM*"), an affiliated SEC Registered investment advisor firm (SEC No. 801-57840). The Registrant may refer certain individuals/institutions to *QCM* for investment management services. **The Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. As disclosed above, the Registrant has a financial interest in the *affiliated private fund*. The terms and conditions for participation in the *affiliated private fund*, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents.

The Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions regarding the above arrangement and any corresponding conflict of interest.

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons".

The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with quarterly reports, detailing personal transactions during the previous quarter, as well as written annual report of the Access Person's current securities holdings; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Soft Dollar Arrangement

In return for effecting securities transactions through a particular broker-dealer, Registrant receives certain investment research products or services which assist the Registrant and its affiliates in its investment decision making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a "soft-dollar" arrangement). Investment research products or services received by Registrant may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Although the investment research products or services that may be obtained by Registrant will generally be used to service all of Registrant's clients and its affiliates clients', a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. More specifically, the Registrant's affiliate Quantum Capital Management, LLC will generally share in the use of soft dollar products, services and research that is generated by the Registrant and vice versa.

With respect to investment research products or services obtained by the Registrant through soft dollar arrangements that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Registrant shall make a reasonable allocation of the cost of the product or service according to its use - the percentage of the product or service that provides assistance to the Registrant's investment decision-making process will be paid for with soft dollars while that portion which provides administrative or other non-research assistance will be paid for by the Registrant with hard dollars. The brokerage commissions or transaction fees charged by the designated broker dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.

The Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.

Non Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant receives from a broker-dealer/custodian without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to a specific custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation. In the event that trades are

placed for all Registrant's affiliates on the same day and the trades cannot be bundled, the Registrant will place trades on a rotational basis.

It is Registrant's policy not to effect cross-transactions between client accounts. Registrant generally will not buy a security for any client within four hours of selling the same security for another client.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant's supervised persons, at least annually. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person, telephonically or video meeting) are encouraged to review their investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A above, the Registrant receives an economic benefit from particular broker-dealers/custodians. The Registrant, without cost (and/or at a discount), receives support services and/or products from particular broker-dealers/custodians.

There is no corresponding commitment made by the Registrant to a particular broker-dealer/custodian or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

The Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.

- B. Neither the Registrant nor its Representatives compensate non-supervised persons for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written

transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Custody Situations: The Registrant shall have the ability to have its advisory fee debited by the *affiliated private* fund's custodian on a monthly basis. An independent public accountant audits the affiliated private funds annually and audited financial statements are distributed to the individual investors of the *affiliated private funds*.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies (**However**, except for the *affiliated private fund*, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Registrant will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall

maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200 per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

The Registrant's Chief Compliance Officer, John J. Hughes, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.