



**Quantech Solution Partners North America Inc.
Form ADV Part 2A – Disclosure Brochure (“Brochure”)**

Item 1: Cover Page

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This Brochure provides information about the qualifications and business practices of Quantech Solution Partners North America Inc. (“QSP or the “Firm”). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any State Securities Authority. The use of the term “registered investment adviser” and description of QSP and/or our associates as “registered” does not imply a certain level of skill or training. Additional information about QSP is also available on the SEC’s website at www.adviserinfo.sec.gov. Should you have any questions about the contents of this Brochure, please contact us at the telephone number listed above.

Item 2: Material Changes

This Brochure provides information about the qualifications and business practices of QSP. You will receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of QSP's fiscal year, which is on December 31st. QSP will provide you with a new Brochure as necessary based on changes or new information, or at any time, without charge by contacting QSP. Since the last update in February 2023, there have been no material changes.

You are encouraged to review this Brochure in its entirety and the Form ADV Part 2B Brochure Supplements for additional information regarding the qualifications of our investment adviser representatives.

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Brochure Supplement(s) are provided separately to Clients.

Item 4: Advisory Business

QSP is a Delaware corporation headquartered in New York City. QSP was organized on June 11, 2021, and is wholly owned by QSP Holdings Sarl, a Luxembourg based holding company. The ultimate beneficial owners of QSP Holdings Sarl are Hichem Souli and Cedric van der Haert. Please refer to Schedule A of our Form ADV Part I for additional details.

QSP is an alternative asset management firm which specializes in advising institutional investors through quantitative investment strategies and swaps using equity derivatives instruments. Through thorough research, alternative data insights, human skill and quantitative analysis, QSP provides investment advice on a variety of securities and instruments in accordance with the agreed upon investment objectives and strategies of its clients.

QSP develops and manages customized and systematic derivatives-based strategies on behalf of its clients and relies on investment banks for best execution of market transactions. Therefore, QSP engages with two parties: investment banks and QSP clients.

Generally, QSP provides clients with the investment advice through:

1. Asset Management: QSP specializes in the development of systematic and outcome-based investments by using liquid and transparent derivatives instruments.
2. Client Specific Strategies: QSP will work with clients to develop additional investment strategies specific to the clients' investment objectives on an individualized basis upon request.

QSP's proprietary investment process is based on quantitative analysis, thorough research, and alternative data insights with a discretionary qualitative overlay. In its investment strategy, QSP endeavors to take advantage of market conditions and seek to manage liquidity, diversification, and risk while generating returns. QSP implements systematic strategies based on historical patterns and its understanding of volatility surface dynamics.

QSP provides clients with access to bespoke investment vehicles based on a defined set of strategies through customized mandates tailored to the individual needs of its clients. QSP monitors the dynamics of structured products through its proprietary processes and interpretation of alternative data sets. QSP seeks to take advantage of different market environments utilizing a combination of "Beta", "Carry" and "Hedging" strategies. QSP's strategies and investment process are more thoroughly described in Item 8 below.

Types of Clients

QSP's services are geared towards sophisticated institutional clients including corporations, limited liability companies and/or other types of businesses; not-for-profit entities such as charitable, educational organizations and endowments, pension and profit-sharing plans, family offices and other money managers or financial institutions. QSP also provides sub-advisory

services, consulting and technical support services on a wholesale fee basis to investment advisory firms. QSP does not offer its services to individuals or retail clients.

Investment Advisory Agreement

Prior to engaging QSP to provide any services, clients will be required to enter into a written advisory agreement (“Agreement”) setting forth the terms and conditions under which QSP shall render its services.

Regulatory Assets Under Management

As of December 31, 2022, QSP managed swap assets of USD \$429,393,820.

Item 5: Fees and Compensation

QSP’s investment advisory fees are subject to negotiated agreements with clients and are based on a number of factors including, but not limited to, asset size, the investment strategy employed, client servicing requirements, special circumstances, and/or other factors that are relevant to any particular engagement.

Unless agreed to otherwise, QSP’s annualized fees are 1.50% of a client’s assets under management. Annual fees are invoiced in arrears based on the notional asset value of each client account. QSP’s advisory fees are billed monthly or as agreed to with the client and will be prorated for transactions that begin or terminate during the billing period.

QSP is a fiduciary and maintains policies and procedures that ensure that all clients are treated in a fair and equitable manner. In certain instances, QSP’s annualized fees for providing certain strategies may be higher or lower than what is shown above. QSP may waive, adjust or rebate fees in certain situations. QSP advisory fees may be subject to adjustment as circumstances warrant and as set forth in the advisory or other relevant agreements. Certain clients may enter into fee arrangements that are more beneficial to QSP. This presents a potential conflict of interest in that QSP may be incentivized to give these clients preferential treatment. This potential conflict is managed in accordance with the Firm’s Code of Ethics and other applicable policies and procedures to mitigate or ameliorate the impact of any such conflict in keeping with QSP’s fiduciary duties.

Other Fees and Expenses

QSP’s advisory fees are exclusive of brokerage commissions, transaction fees, and other costs or expenses incurred by the client. In addition to QSP’s advisory fees, clients will generally incur certain charges imposed by custodians, brokers, or other third parties. These costs include but are not limited to brokerage and other transaction and settlement related costs, custodial fees, wire transfer and electronic funds fees, record keeping fees, legal and tax costs and other fees

and taxes on brokerage accounts and securities transactions. Certain brokerage and other transaction-related costs may be included in the net settlement costs/proceeds of the trade.

QSP will generally recommend the use of leverage and/or option transactions. Client accounts that utilize leverage and margin strategies will also incur interest charges in addition to the fees and expenses related to the securities involved. The amount of QSP's fee is based on the assets under management as defined in the Agreement (which may include the notional value of any recommended derivative instruments) or as determined by the custodian(s).

Termination

The Agreement may be terminated as defined by each individual written agreement, upon written notice of termination by any party to the other parties. Upon notice of termination pro-rata advisory fees for services rendered up to the point of termination will be charged and QSP will promptly refund any unearned advisory fees.

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

This item is not applicable. At this time, QSP does not charge performance-based fees.

Item 7: Types of Clients and Account Requirements

As noted, QSP does not offer its services to individuals or retail clients. QSP's services are tailored to sophisticated institutional clients including but not limited to:

- Corporations, limited liability companies and/or other types of businesses;
- Not-for-profit entities such as charitable, educational organizations and endowments;
- Pension and profit-sharing plans; and
- Family offices, money managers, hedge funds and other financial institutions.

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

Investment Process

QSP's investment process utilizes quantitative and research-based analyses, innovative uses of technology and data, and combines these efforts with practical market experience. QSP implements process-driven, quantitative investment advisory approach, generally by performing mathematical analysis to build systematic strategies that rely on patterns inferred from historical prices and other data in evaluating prospective investment strategies. QSP's expertise in derivative instruments permits an understanding of volatility surface dynamics resulting from macroeconomic and fundamental drivers. The large amount of traditional data underlying these dynamics are investigated and analyzed in depth by QSP's professionals. Separately, QSP believes that volatility surface second order behaviors result from the issuance of structured derivatives with esoteric dynamics. While QSP's investment process is based on quantitative analysis resulting in the implementation of systematic strategies, QSP will employ discretion on behalf of its clients in order to, among other things, manage certain risks and take advantage of

the sentiment of market participants or perceived or predicted market events. In other words, the investment process is quantitative based with a discretionary qualitative overlay.

Investment Strategies Used

QSP seeks to take advantage of different market environments utilizing a combination of “Beta,” “Carry,” and “Hedging” strategies.

Beta Strategy - The QSP “Beta” Strategy seeks to enhance traditional long-only constant beta investments strategies by replacing these with systematic strategies providing access to a dynamic and evolving beta profile. The primary goal of the dynamic beta is to positively skew the distribution of returns of the underlying benchmark index, typically, the S&P 500 Index or the NASDAQ Index or other equity and other asset class indices benchmarks. Systematic strategies will be used to seek to capture opportunities within the volatility surface of equity options and by operating an on-going intraday monitoring of market risk.

Carry Strategy - The QSP “Carry” Strategy seeks to identify price dislocations within the option and volatility markets and capture these opportunities by implementing relative value trades designed with an embedded defensive bias. The primary objective of each individual systematic strategy is to sell what QSP perceives as an asset with an expensive implied volatility, and simultaneously buy an asset with a perceived cheaper implied volatility. These dislocations and carry opportunities will primarily be captured within the US and EU equity derivatives space, by trading options and futures on the S&P 500 Index, the S&P 500 Index’s constituents, the Cboe Volatility Index and the Euro Stoxx 50 Index.

Hedging Strategy - The QSP “Hedging” Strategy seeks to provide investors with portfolio tail hedging with respect to global markets. Generally, tail hedging implies spending a certain amount of protection premium with the objective to generate substantial hedging returns during a “major” sell-off. These hedging returns are, when successful, designed to offset the negative performance suffered by equity markets.

QSP may offer advisory services and recommend investment strategies not specifically described in this Brochure. QSP’s strategies may evolve over time, based on a number of factors including but not limited to, changing industry regulations, practices, or trends, technological advancements and product innovations. The investment strategies QSP uses involve a high degree of risk and there can be no assurance that the strategies will be successful.

Material Risks of QSP’s Strategies

The strategies employed by QSP involve a high degree of risk of loss that investors should be prepared to bear. Below is a general summary of some of the material risks associated with the strategies managed by QSP. This summary does not purport to be a complete description of all risks associated with QSP strategies. The Term Sheets, Product Risk Disclosures, Confidential Information Memorandums or other documents contain more complete descriptions of the risks

associated with a particular strategy pursued by QSP. In general, the risks associated with the Firm's strategies include, but are not limited to:

Overall Investment Risk - All investments involve the risk of loss of capital. The investment techniques and strategies and the nature of the securities and/or instruments to be purchased and traded by QSP may increase these risks. There can be no assurance that investors will not incur substantial or total losses, including, when leverage is employed, the loss of more than the initial investment.

Systemic Risk - All investments involve a risk of loss. Investors are exposed to the capital markets which includes broad systemic risk due to uncontrollable or unexpected events. Markets are influenced by, among other things, changes in the macroeconomic environment, such as: interest rates, inflation, currency exchange rates, general economic conditions, changing supply and demand relationships, strikes, labor disputes, political events and trends, government policies and programs, national and international political and economic events and policies, changes in regulatory policy or tax laws, natural disasters or weather events, pandemics, terrorist acts, wars and may other factors and unforeseeable events outside the control of QSP, could result in significant price fluctuations and substantially and adversely affect investment performance.

Gap Risk - This is the risk that the underlying security's investment's price will move significantly, instantaneously, or over a very short amount of time, creating price gaps and exposing investors to losses due to the inability to quickly adjust a portfolio's positioning.

Equity (Stock) Market Risk - Stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value based on market perceptions regarding the issuer's growth prospects and profitability. Positions in stock or stock equivalents are generally deemed to be riskier than preferred stocks or debt obligations of the issuer. When investing in stocks, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk. These are inherent risks that a company or industry will perform poorly or experience a decrease in value based on factors specific to that company or its industry.

Credit/Counterparty Risk - Each party of a contract may not fulfill its contractual obligations and client accounts may be adversely affected. The possibility that the issuer or guarantor of a derivative contract structured product, or a bank, counterparty, or issuer of a security will default on its obligation which could result in a loss to the investor. QSP develops and manages customized and systematic derivatives-based strategies on behalf of its clients and relies on investment banks for best execution of market transactions. As such, the investment banks carry internal risks that cannot be controlled by QSP, including the risk that these third parties will be unable to meet their obligations to QSP or its clients.

Leverage - Many of the strategies in which QSP engages will be highly leveraged. Most derivative instruments, including options and futures contracts, are inherently leveraged. QSP's strategies

may employ leverage through the use of margin and/or derivatives and other non-fully funded instruments. QSP may make investments that in the aggregate have notional exposure substantially greater than QSP's equity. The use of leverage creates an opportunity to increase profits and generate greater total returns but also increases the potential for significant losses, including losses in excess of the capital invested, and exposure to counterparty risks.

Margin Calls - The risk that positions will be marked against the strategy and require additional margin to be posted, including more than what may be available in the unencumbered cash of the strategy.

Short Sales - A short sale involves selling a security which the seller does not own. The short seller must borrow the security it sold short to make delivery to the buyer. The short seller is obligated to replace that security it borrowed at the prevailing market price and must also pay to the lender of the security any dividends or interest payable during the borrowing period. Theoretically a short seller is subject to unlimited risk of loss because there is no limit to how high the price of the security may rise before the short position is closed out. Furthermore, there can be no assurance that the securities will be available for purchase by the seller. Short positions are also subject to a "short squeeze" by groups of investors that may coordinate to drive up the price of a heavily shorted position, causing the holders of such a position to close out of such positions incurring significant losses.

Options Risks - An option gives the holder the right, but not the obligation, to buy or sell a specific security or futures contract at a strike price on or before the option's expiration date. Options pricing involves a wide variety of factor including the price and volatility of the underlying asset, the time to the expiration date, interest rates and general market sentiment. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. To the extent options are recommended as part of any client strategy, the client will be presented with a detailed description of the risks of the proposed options component of the strategy.

Volatility Risk - The degree to which the daily movements of a security's price deviates from its mean. The higher the volatility, the more uncertain the price of the asset. Trading any type of security in volatile market environments increases the likelihood of prices received or paid being less advantageous than in calmer markets with lower volatility. Trading volatility involves complex quantitative strategies and can result in significant losses if volatility assumptions are incorrect.

Derivatives - A derivative is a security or financial instrument that derives its value from the performance or expected future price movement of another instrument, or index. Derivative products include swaps, futures contracts, options, forward contracts, structured notes and other over-the counter instruments. OTC swap, forward and option contracts are not traded on exchanges and are not standardized, can be extremely complex and may involve leverage. Derivative instruments in general typically involve a high degree of leverage and prices tend to be

highly volatile. Investors in derivatives are subject to a significant number of risks, including but not limited to market, counterparty and credit risks, liquidity, settlement, documentation, legal and systems risks. Further, swaps may terminate early per contract and may result in termination damages which will cause them to become less profitable or not profitable at all.

Arbitrage - Arbitrage strategies generally involve execution of two or more simultaneous transactions. Separate costs are incurred on both sides of an arbitrage transaction. If transactions are not executed simultaneously at the desired prices, losses may be incurred on both sides of the transaction. A volatility arbitrage strategy seeks to exploit perceived inefficiencies in the price of volatility implied in the pricing of different but related derivatives. There can be no assurances that QSP's volatility assumptions will be accurate or successful.

Hedging - QSP may attempt to create hedged positions consisting of investments in a number of different instruments. The valuation models and trading techniques used to determine the hedged position are complex and involve different components and variables that if not forecast correctly could result in a position being over hedged or under hedged. Additionally, the series of transactions required to create the hedged position can be difficult to execute and could result in a position remaining temporarily unhedged.

Liquidity Risk - The liquidity of the securities in which QSP trade can decrease sharply and unexpectedly. A security that becomes illiquid may have reduced returns because investors are not able to sell at the desired time for an acceptable price or may not be able to sell at all and therefore may be forced to hold the position despite adverse price movements. QSP invests however in the most liquid securities. Market disruptions could lead to securities becoming temporarily not tradable and cause significant price swings in securities positions in client portfolios which could result in substantial losses. Custodians may not be able to accurately value investor's interests in certain derivatives and over-the-counter securities due to lack of liquidity.

Management Risk - QSP's assessment of the intrinsic value and potential direction of a particular security may be incorrect and may not perform as anticipated or fail to produce the intended result exposing investors to significant losses.

Operational and Implementation Risk - Operational risk can arise from many factors ranging from routine processing mistakes to systems failures. Investors may suffer losses arising from failures in internal processes, people, or systems.

Proprietary Investment Process, Systematic Errors and Trading Methods Risk - QSP's investment strategies and processes are complex and rely on quantitative models and analytics. The models utilize various assumptions based on the historic correlation and volatility structure of the market to predict the effect of market movements in a portfolio. There are no assurances that the results will be as forecasted by the model, particularly during significant market events. Due to the proprietary nature of QSP's methodologies, investors will not be able to fully evaluate all details of QSP's processes. The models may have hidden biases, flaws or errors and investors should be aware that this is an inherent risk in QSP's models. QSP has no control over systematic errors

in third party software or systems and there are no assurances that once an error is discovered, it will be resolved promptly or favorably. Systematic errors may increase trading risks and expose investors to significant losses.

Software Technology and System Failure Risks - QSP relies on software or technology licenses and service agreements with third parties. QSP's ability to trade, manage, or monitor accounts may be substantially impaired in the event that any of the systems, analytical tools, data or software becomes unavailable or fails to operate properly. While QSP seeks to ensure, whenever possible, that it has in place adequate backups, there is no guarantee that its efforts will be successful. Backup systems may fail to operate properly, particularly when used for extended periods. These failures would impact QSP's ability to trade for or monitor client accounts and would likely result in investors incurring significant losses.

Cybersecurity Risk - QSP utilizes electronic communication networks and electronic mediums to maintain information regarding its clients and its business. This creates the potential for cybersecurity incidents or cyber-attacks that may result in the inadvertent disclosure of confidential sensitive information to unintended parties, unauthorized access to confidential sensitive information, or operational disruptions by malicious hackers. QSP has in place policies and procedures regarding information technology security, maintains technical and physical safeguards and takes other reasonable precautions to safeguard the confidentiality of sensitive information and internal data. However, despite reasonable precautions, the risk remains that cybersecurity incidents may occur. If such an event, were to occur, QSP will promptly notify the affected parties and take all necessary appropriate actions.

Legal, Tax, and Regulatory Changes - Legal, tax, and regulatory changes could adversely affect investors by among other things restricting their ability to implement investment strategies.

While QSP implements such measures to minimize potential losses, there can be no assurance that its strategies will be successful, particularly in the short-term. Clients may lose all or a substantial portion of their assets. Investment performance of any kind is not guaranteed, and past performance is not an indication of future results. Additional product and risk disclosures will be provided, as appropriate, when investments are made.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of QSP's advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

Neither QSP nor its management or investment adviser representatives are registered or have any other application pending to register with the SEC as a broker-dealer, or registered representative of a broker-dealer, investment advisor, investment company, or with the Commodity Futures Trading Commission ("CFTC") as a Futures Commission Merchant ("FCM"), Commodity Pool Operator ("CPO"), or Commodity Trading Advisor ("CTA").

Affiliated Entity Under Common Control

QSP is affiliated through common ownership with QuanTech Solution Partners SAS, (“QSP FR”), a Paris based, alternative asset management firm currently pending registration with the Autorite des Marches Financier (AMF). Conflicts of interest may arise in allocating management time, services or functions between QSP NA and QSP FR or other entities for which management, employees or associated persons may provide services. Firm policy provides that such individuals attempt to resolve any conflicts of interest in a manner consistent with their fiduciary duties to the respective entities with which they are affiliated.

Other Financial Industry Activities

As an independently owned and operated investment advisor, QSP is not affiliated with any bank, custodian execution broker-dealer or counter party and does not receive direct compensation from banks, execution brokers or from investment managers or investment products that it may recommend or which its clients may use. However, certain banks, brokers or counterparties provide QSP with a number of benefits. These benefits include, but are not limited to: custody, clearing and reporting services; access to an institutional trading desk; investment-related research; pricing information and market data; computer hardware and/or software; risk analytics and access to a wide range of products and services that assist QSP in monitoring and/or servicing client accounts for which QSP would otherwise have to pay. These benefits may also include, marketing support, introductions that provide QSP with an opportunity to solicit new clients and/or obtain client referrals, invitations to educational conferences and events, and other benefits useful to QSP.

The receipt of economic benefits from certain banks, brokers or counterparties may create a potential conflict of interest. It may serve as an incentive for QSP to recommend the bank, broker or counterparties in order to decrease its expenses and receive other benefits, instead of based on its clients receiving the most favorable pricing or services for their transactions. Clients are not obligated to use any custodians, brokers or counterparties recommended by QSP. Also see discussion of brokerage practices in Item 12 below.

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

QSP has a fiduciary duty to act in its clients’ best interest. To manage any potential conflicts of interest that may arise from such affiliations or arrangements as described above, QSP has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”) that describes QSP’s fiduciary duty to its clients and the high standard of conduct expected of its employees, associated persons and Access Persons. QSP’s Code of Ethics defines Access Persons as: employees or supervised persons with access to nonpublic information regarding a clients’ purchase or sale of securities; who are involved in making securities recommendations to clients or has access to recommendations that are nonpublic; or are designated as such by the Chief Compliance Officer.

QSP requires all employees and “Access Persons” to conduct business with high ethical standards and to comply with all federal and state securities laws. QSP and its employees/Access Persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. It is unlawful for any employee, associated person or Access Person to directly or indirectly engage in any fraudulent, deceptive, or manipulative practice. The Code of Ethics includes, among other things, provisions relating to:

- the unlawful use of material, non-public information;
- a prohibition on insider trading;
- trading procedures that require putting client’s interests first;
- reporting of certain gifts, business entertainment items and political contributions;
- restrictions on the acceptance of significant gifts and
- procedures for maintaining the confidentiality of client information.

Upon employment with QSP, and at least annually thereafter, all QSP employees and Access Persons are required to acknowledge receipt, understanding and compliance with the Code of Ethics.

In order to prevent conflicts of interest, QSP has established procedures for reporting of transactions effected by our employees and Access Persons for their personal accounts. In order to monitor compliance with its personal trading policy, QSP has pre-clearance requirements for certain types of transactions such as initial public offerings, or limited offerings and quarterly and annual securities transaction reporting requirement for all of our Access Persons and accounts of their immediate family members (spouses and children or other family members residing in the same household).

These requirements are not applicable to:

- U.S. government securities;
- municipal bonds;
- money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, and other high-quality short-term debt instruments, including repurchase agreements;
- mutual funds and money market funds;
- ETFs and unit investment trusts that are invested exclusively in one or more open ended funds;
- employee accounts managed by a third-party manager.

Neither QSP nor any employees or Access Persons may recommend, buy or sell for client accounts, securities in which QSP or an employee or Access Person has a material financial interest without prior disclosure to the client. QSP employees and Access Persons may buy or sell securities and other investments that QSP also recommends to clients.

Additionally, neither QSP nor its management team are restricted from engaging in other business activities that may involve substantial time and resources away from QSP or may be in competition with QSP clients. In order to minimize this conflict of interest, our employees and Access Persons are required place client interests ahead of their own interests and adhere to QSP's Code of Ethics. The Code of Ethics provides that at all times employees and Access Persons must act in the client's best interests and client orders must always take precedence. Failure to abide by the Code of Ethics may subject the Access Person to sanctions including termination of employment.

This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a prospective client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request by contacting us at the number listed on the cover page of this Brochure.

Item 12: Brokerage Practices

In selecting third party executing brokers, QSP will consider a number of factors including trading costs, electronic order transmission capabilities, latency, operational efficiency, the broker's ability to maintain confidentiality, reputation in the industry, financial strength and credit worthiness and access to research, or other products or services.

Although QSP will seek to obtain competitive rates to the benefit of all clients, QSP may not necessarily obtain the lowest possible commission rates for specific transactions. Clients may pay a fee or commissions that is higher than another broker may charge to affect the same transaction. QSP may have an incentive to select brokers or counterparties providing research, instead of obtaining the most favorable price, or lowest fees for its clients. QSP manages this conflict through disclosure, so that clients can make an informed decision and through policies and procedures that require it to act in its client's best interests. To the extent QSP receives research, QSP will use it to benefit all clients.

QSP will periodically review commission charges and transaction fees to ensure they are reasonable in relation to the value of the brokerage, research and overall services provided by the executing broker or counterparty. In seeking best execution, SEC guidance indicates that the determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the executing broker or counterparties' services, including the institution's financial strength, reputation, soundness, execution capability, commission rates, and responsiveness. As part of its evaluation, QSP will consider the institution's overall capabilities, financial strength, reputation, soundness and responsiveness and the quality and cost of services available from alternative brokers or venues.

Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934 permits the use of soft dollars arrangements under which broker-dealers provide investment advisors with research, software, computers, or

other benefits that assist the investment adviser in its investment decision-making responsibilities in exchange for the advisor directing execution of client trades to the broker. QSP currently has no formal soft dollar arrangements. Although QSP is not a party to a formal soft dollar arrangement, QSP's receipt of research and other benefits from executing brokers or counterparties, as described in Item 10 above, could be deemed to be soft dollars. To the extent QSP receives research or other benefits from brokers or counterparties, it will be used to benefit all clients.

Directed Brokerage

A client may direct QSP in writing to use a particular broker or a financial institution to execute some or all transactions for the client. In a directed brokerage arrangement, the client may pay higher commissions or fees or receive less favorable prices because QSP may not be able to achieve the most favorable execution of the client's transactions, negotiate commissions, obtain volume discounts, or take other steps to reduce transaction costs. The client will sign the Agreement containing the clause addressing potentially higher fees if they choose a particular firm for some or all transactions.

Trade Aggregation and Allocation

Transactions for each client generally will be affected independently, unless QSP determines to purchase or sell the same securities for several clients at approximately the same time. In such instances, QSP may, at its sole discretion, combine or "batch" such orders to seek to obtain best execution, achieve economies of scale, or negotiate more favorable commission rates. All participants in an aggregated trade will receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. As a result, aggregated trades could be either advantageous or disadvantageous to the participants. In the event that an order is not filled completely so that there are not sufficient shares to allocate among all the clients equally, shares will be allocated on a pro rata basis, or in a manner that is deemed equitable to the client accounts involved.

Whenever any two or more clients intend to trade into or out of the same positions on a particular day, QSP's policy is to allocate such trades in a fair and equitable manner, to the extent practicable, consistent with the client's investment strategies and guidelines.

Trade Randomization

When deemed appropriate, QSP will send randomized orders to electronic trading platforms. This may result in certain trades in the same security for certain clients receiving more or less favorable prices or terms than other clients; or in subsequent orders not being filled entirely or at all. QSP believes that over time, the randomization process does not result in one set of clients being favored over another.

Principal and Cross Trades

QSP does not engage in principal trades, or effect agency cross transactions for clients.

Trade Errors

Clients should be aware that although QSP makes reasonable efforts to reduce the likelihood of material errors occurring during the implementation of its quantitative investment process, it is not possible to completely eliminate the risk of errors related to the portfolio management and trading implementation. QSP seeks to identify and rectify trade errors as quickly as possible. QSP's trade error procedure requires supervisory personnel to review and approve trade corrections and conduct a root cause analysis.

Item 13: Review of Accounts

Client accounts and markets are monitored on an ongoing basis based on market and conditions, predetermined volatility and risk levels or other factors determined by the client. Monitoring includes value-at-risk computations, stress tests, or other analysis, as deemed appropriate. Based on these assessments, individual client positions may be terminated, scaled back or neutralized.

QSP manages investments based on the investment guidelines and strategy selected by each client. On occasion, QSP managing different strategies for different clients may have opposing views on the same securities, markets or investment instruments. It is possible that QSP recommends the purchase of a security in which other clients pursuing different strategies have a short position or have implemented an investment strategy expressing an opposing outlook for the same or similar securities. QSP has policies and procedures to ensure that accounts are managed consistent with the strategy selected and the client's investment objectives and guidelines.

Item 14: Client Referrals and Other Compensation

QSP has not entered into solicitor or referral agreements with independent Promoters, previously referred to as solicitors, for the referral of clients to QSP, but may do so at any time in accordance with the provisions in Advisers Act Rule 206 (4)-1 and applicable state laws. Any clients referred by Promoters to us will be given full written disclosure describing the terms and fee arrangements between QSP and the Promoter(s). Clients introduced by Promoters will not pay higher management fees as a result of the referral arrangement.

Item 15: Custody

QSP does not maintain physical custody of client assets. Client assets must be maintained by the client's Qualified Custodian as defined by the SEC. QSP does not have authority to instruct the client's custodian(s) to deduct its advisory fee from their accounts or engage in activities that will subject the Firm to Rule 206(4)-2 of the Advisers Act (the Custody Rule).

As an accommodation to clients, QSP may assist clients in identifying potential custodians, or other third-party service providers. QSP does not receive compensation from custodians or other third-party service providers for recommending their services and shall not be responsible for and will have no liability for the actions or inactions of such custodians or other third-party service providers.

Client's will receive periodic account statements, at least quarterly prepared by their respective custodian(s). The account statements will reflect all activities and amounts disbursed from the client's accounts, including the amount of investment advisory fees paid to QSP. Clients should carefully review the statements received from the custodians and should promptly notify QSP of any inconsistencies, or if they have not received their account statements.

QSP may from time to time send supplemental reports and other information in accordance with the Agreement with the client. QSP urges clients to compare the information on account statements received from their custodian(s) to the information on any reports received from QSP and promptly inform us of any errors or discrepancies.

Item 16: Investment Discretion

Clients have the option of providing QSP with investment discretion on their behalf, pursuant to an executed Agreement. By granting investment discretion, QSP is authorized to execute securities transactions, determine the specific securities and amounts to be bought and sold without client approval prior to each transaction. A client may limit QSP's discretionary authority by providing QSP with its restrictions and guidelines in writing.

QSP generally provides non-discretionary services to clients. Non-discretionary advisory services require QSP to obtain the client's specific consent to each transaction. Clients in all cases make the final decisions regarding transactions, even in cases where QSP facilitates the communication with their custodian or prime broker. Non-discretionary clients may forego a particular recommended transaction, or a particular transaction may be delayed, if QSP cannot obtain the client's prior consent.

Item 17: Voting Client Securities

As a matter of general policy, QSP will not vote client proxies or provide advice with regard to any proxies solicited by the issuers of securities in which assets of an account are managed by QSP or held in client accounts. Additionally, except to the extent required by law, QSP will not vote or provide advice on corporate actions, or tender offers, or with respect to legal proceedings, including bankruptcies and class actions, or their issuers, which do not require a proxy, or are not solicited via a proxy.

Clients will receive their proxies and other solicitations or correspondence directly from the issuer or a third party assigned by the issuer, as instructed by the custodian that holds the security. Due to the nature of QSP's advisory services, the strategies employed primarily use quantitative

valuation models and a systematic approach to trading. Such strategies are generally not correlated with a given industry or sector, and generally are not dependent upon the outcome of proxy contests. QSP will provide a copy of its Proxy Policy to clients or prospective clients upon request, by contacting us at the number listed on the cover page of this Brochure.

Item 18: Financial Information

QSP has not been the subject of any bankruptcy proceeding and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Item 19: Requirements for State-Registered Advisors

This item is not applicable. QSP is registered with the SEC.