

Form ADV Part 2A: Firm Brochure

October 27, 2020



**875 N. Michigan Avenue, Unit 3216
Chicago, IL 60611**

(312) 872-7281 Phone

(312) 872-7134 Fax

www.VSQM.com

info@vsqm.com

This Brochure provides information about the qualifications and business practices of V-Square Quantitative Management LLC (“VSQM” or the “Adviser”). If you have any additional questions about the contents of this Brochure, please contact us at (312) 872-7281 or info@vsqm.com. 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. VSQM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended. Registration as an investment adviser does not imply any level of skill or training.

Additional information about VSQM is available on the SEC’s website at <https://adviserinfo.sec.gov/>. Also, free and simple tools are available to you to review VSQM and its financial professionals at Investor.gov/CRS, which also provides free educational materials about broker-dealers, investment advisers, and investing.

Item 2 – Material Changes

This Brochure, dated October 27, 2020, represents the initial Brochure upon registration with the SEC.

A current brochure may be requested, free of charge, by contacting us at (312) 872-7281 or info@vsqm.com. It is also available on our website www.vsqm.com. Additional information about VSQM is available via the SEC's websites adviserinfo.sec.gov and Investor.gov/CRS. The SEC's websites also provide information about individuals affiliated with VSQM who are registered as investment adviser representatives of VSQM.

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Item 4 - Advisory Business

V-Square Quantitative Management LLC (“VSQM”, “Adviser”, “we” or “our”), located in Chicago, Illinois, is an investment adviser founded in 2020 and registered with the SEC under the Investment Advisers Act of 1940. Mamadou-Abou Sarr and Habib Moudachirou serve as the President and Chief Investment Officer, respectively, and they are responsible for the day-to-day management of VSQM.

VSQM is a quantitative global asset manager with a focus on sustainability at its core. VSQM provides investment advisory services to individuals and institutional clients (each a “Client”, together the “Clients”) through separately managed accounts. VSQM seeks to provide efficient market exposure for investors, integrating sustainability throughout our investment process – seeking “better value for longer”. Advisory services are developed in consultation with the Client and are tailored to meet client-specific investment objectives, risk tolerance, and other guidelines. VSQM considers a range of Client-specific factors that can impact the advisory process, including risk tolerance, investment time horizon, current and future cash needs and other relevant circumstances. Investment mandates are typically identified from a top-down assessment of a prospective client’s overall asset allocation, and portfolios are developed to target one or more investment markets, focused primarily on listed equity securities of domestic and foreign companies. Clients may impose reasonable restrictions on investing in certain securities or types of securities. VSQM then implements a quantitative approach to apply relevant economic, sustainability and market variables in building a portfolio. Once the portfolio is built, VSQM continues to monitor the Client’s portfolio to ensure it remains consistent the stated objectives, with VSQM having full discretion over investment selection and trading.

VSQM currently does not sponsor or participate in any wrap fee programs.

As of October 1, 2020, the Firm managed approximately \$3,000,000 in regulatory assets on a discretionary basis and zero assets on a non-discretionary basis.

VSQM is primarily owned by a Valor Management L.P. and Mamadou-Abou Sarr, the President of the Adviser. Antonio J. Gracias is the ultimate majority owner and control person of Valor Management L.P. Specifically, Valor Funds Group LLC is the general partner of Valor Management L.P., and Mr. Gracias is the managing member of Valor Funds Group LLC. In addition, through his direct holdings and as the sole shareholder of Valor Holdings Corp., Mr. Gracias owns the majority of both Valor Management L.P. and Valor Funds Group LLC.

Item 5 - Fees and Compensation

VSQM is typically compensated for investment advisory services based on fees calculated as a percentage of assets under management, subject to an investment management agreement executed with each Client. Fees for separately managed accounts may be up to 1.25% per annum of assets under management depending on the complexity and level of service provided, the number of different accounts and the total assets under management for a Client and related persons, or other circumstances VSQM deems relevant. Fees are generally deducted from client accounts quarterly, in advance or in arrears, subject to the terms and conditions that are detailed in each Client’s investment management agreement with VSQM. Alternative frequency of payments and/or methods of calculation may be available at VSQM’s discretion, where appropriate and upon Client request. If the investment

management agreement is executed at any time other than the first day of a fee calculation period or terminated prior to the end of a fee calculation period, the advisory fees will apply on a pro rata basis. Any prepaid but unearned fees will be refunded by VSQM. The investment management agreements typically contain written authorization permitting the advisory fees to be paid directly from each Client's account. In such cases, VSQM will send the Client and relevant qualified custodian an invoice showing the amount of fees due along with the account value on which the fee is based and how the fee was calculated. The qualified custodian holding the Client's funds and securities will deduct the advisory fee directly from such account to pay VSQM.

In certain circumstances, fees may be subject to negotiation, and fees may be modified or waived for certain Clients. Certain accounts of persons affiliated with the Adviser or its affiliates may be managed without fees or at reduced fees. VSQM's investment management fees do not include other expenses incurred by Clients in connection with our investment advisory services such as brokerage, administrative and custodial costs. Additional information regarding VSQM's brokerage practices is described in Item 12.

Investment management agreements between VSQM and its clients are generally terminable at any time, subject to any required notice depending upon the specific circumstances and needs of clients. In the event of termination, advisory fees will be prorated over the period during which investment advisory services were provided.

Asset-based fees subject VSQM to a potential conflict of interest in that the more assets there are in your advisory account, the more you will pay in fees, and thus the firm has an incentive to encourage you to increase the assets in the account. The flexibility to negotiate fee rates and other terms introduces an incentive to favor higher-paying accounts in the allocation of investment opportunities. VSQM has adopted policies and procedures designed to address the fair allocation of investment opportunities. Neither VSQM nor its supervised persons receive compensation, including asset-based sales charges or service fees from mutual funds, for the sale of securities or other investment products.

VSQM's advisory fees are exclusive of, and Clients will incur certain other fees and expenses, including brokerage commissions, banking fees, interest, custodial fees, transaction fees, and other investment-related costs and expenses, including research expenses (such as computer software, news and information services and licensing costs which benefit our clients). Brokerage commissions, custodial fees and other transaction expenses and fees are typically imposed by broker-dealers, custodians and other third parties. Please refer to Item 12 for a description of the factors we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs reduce the amount of money you can make on your investments over time.

Item 6 – Performance-Based Fees

VSQM does not currently charge performance-based compensation – i.e., fees based on a share of capital gains on, or capital appreciation of, Client assets.

Item 7 – Types of Clients

VSQM offers personalized investment management to various client types, including individuals, family offices, charitable organizations, corporations, and small businesses. New accounts are typically subject to a one million dollar (\$1,000,000) minimum market value at inception. Adviser, in its sole discretion, may waive or reduce this minimum based upon various criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

VSQM may in the future provide advisory services to other types of clients, including, but not limited to, public and/or private investment vehicles, pension and profit-sharing plans, state or municipal government entities, insurance companies, charitable organizations, investment advisers, corporations and other business entities, model portfolio providers and other financial intermediaries.

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

Methods of Analysis, Investment Strategies

VSQM seeks to provide efficient market exposure for investors, integrating sustainability throughout the investment process – seeking “better value for longer”. Advisory services are developed in consultation with the Client and tailored to meet client-specific investment objectives, risk tolerance, and other guidelines. VSQM then implements a quantitative approach to apply relevant economic, sustainability and market variables in building a portfolio by applying a proprietary Sustainable Investing Statement focusing primarily on four main factors: materiality, climate change, human capital, and governance. We seek to identify data related to material factors in each category and integrate these metrics into our investment decision-making process. A copy of the Sustainable Investing Statement is available on VSQM’s website, www.vsqm.com. VSQM acknowledges that certain environmental, social and governance (“ESG”) factors may have both direct and indirect impacts on corporate profitability, long-term performance, and risk. VSQM uses ESG data from numerous sources, including both established ESG data providers and alternative sources derived from ‘big data’, satellite imagery and/or artificial intelligence (AI). VSQM also partners with various organizations from around the globe to help identify the latest thinking related to sustainability, science, and quantitative models. This includes the Sustainability Accounting Standards Board Alliance, Institutional Investors Group on Climate Change, and the International Corporate Governance Network Global Stewardship Principles. In addition, VSQM has elected to conform its investment process to certain voluntary principle-based investment philosophies, for example, the UN-supported Principles for Responsible Investment (PRI). VSQM is a signatory of the United Nations-supported PRI.

VSQM applies its quantitative approach to a broad range of asset classes. Typical strategies involve domestic and international equities, but VSQM can also provide portfolios incorporating fixed income, real assets, and private equity replication as well as multi-asset strategies. Additionally, VSQM can incorporate specialized strategies including ESG risk parity, multi-asset climate-aware, and overlay strategies.

Risks

Investing in securities involves risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify

market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Each investment strategy also is subject to risks unique to itself. The risks below may apply depending on strategy type. Past performance is in no way an indication of future performance. Some of the principal risks that could adversely affect your investment are set forth below.

Economic & Market Conditions. Changes in economic and market conditions, including, for example, interest rates, exchange rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect portfolio investments. None of these conditions will be foreseeable or within the control of Adviser.

Inflation Risk. When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Inflation risk reflects the risk that returns on an investment, despite having a positive absolute return, do not suffice to maintain the purchasing power of the initial investment.

Currency Risk. Purchasing instruments denominated in foreign currencies or engaging in currency trading has certain risks, including illiquidity, blockages by governments, political unrest, failure or inability to deliver, pressures from speculators, and other factors that can result in losses with respect to such instrument and currencies, notwithstanding any nominal returns or value. In addition, to the extent that currency risk is not hedged, changes in the values between the denominated currency of a client account and other currencies can increase or reduce the actual returns from investments denominated in other currencies. Client accounts may at times have significant currency exposure. Therefore, market movements in the underlying currencies could result in substantial losses.

Environmental, Social and Governance Criteria. A client's or a strategy's ESG criteria may exclude securities of certain issuers for nonfinancial reasons and therefore the client's account or strategy may forgo some market opportunities available to portfolios that do not use an ESG criteria. Stocks of companies with ESG practices may shift into and out of favor with stock market investors depending on market and economic conditions, and the client's or strategy's performance may at times be better or worse than the performance of accounts or strategies that do not use an ESG criteria.

Equity Investments. Stocks and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "Equity securities" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts, partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. Equity securities fluctuate in value, and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that a client holds may decline over short or extended periods.

Stock Market Risk. There is a risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Fixed Income Securities. Fixed income securities are subject to credit risk and interest rate risk. *Credit Risk* refers to the likelihood that an issuer will default in the payment of principal and/or interest on an

instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations which are rated by rating agencies are often reviewed and may be subject to downgrade. *Interest rate risk* refers to risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of adjustable rates). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending on reset terms, among other factors). Interest rate sensitivity is generally more pronounced with lower-rated and longer-term debt and becomes less predictable in instruments with uncertain payment schedules.

Reinvestment Risk. Investments are subject to the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (e.g., interest rate) due to different market conditions. This primarily relates to fixed income securities

Concentration. VSQM may at times concentrate its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, although this concentration will not occur under normal market conditions. To the extent VSQM concentrates a client's investments in any of these ways, the overall adverse impact on the client of adverse developments in the business of such issuer, industry, sector, country or region could be considerably greater than if they did not concentrate their investments to such an extent.

Foreign Investments. Foreign investments require consideration of risks typically not associated with investing in U.S. securities including, among other things, trade balances and related economic policies, currency exchange rate fluctuations, changes in regulation by the U.S. or foreign governments, U.S. and foreign withholding taxes, limitations on the removal of funds or other assets, changes in foreign policies with respect to nationalization of their industries, political difficulties, and economic or political instability in foreign nations. There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the U.S. and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. These risks may be more pronounced in smaller and less stable emerging market countries.

Quantitative Investing. Adviser employs quantitative models in certain investment strategies. Although quantitative models are tested, no assurance can be made that such models will perform consistently in the future. Model-driven strategies employed by others have resulted in substantial losses in a short period of time.

Natural Disasters, Epidemics, Pandemics and Terrorist Attacks. Areas in which Adviser has an office or where it otherwise does business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect Adviser's investment program and its ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which Adviser invests or could affect the areas in which Adviser has offices or where its otherwise does business. Other acts of war (e.g.,

invasion, other hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which Adviser invests.

Cybersecurity Risk. VSQM and its service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting VSQM and its service providers may adversely impact clients. For instance, cyber-attacks may interfere with the processing of transactions, cause the release of private information about clients, impede trading, subject clients and VSQM to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which clients may invest, which could result in material adverse consequences for such issuers and may cause VSQM's investment in such issuers to lose value.

Tax Implications. Our strategies and investments may have unique and significant tax implications, including tax consequences specific to investments in non-U.S. investments. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of client assets. Regardless of client account size or any other factors, we strongly recommend that clients regularly consult with a tax professional prior to and throughout the investing of their assets.

Non-U.S. Investments. Investments in securities of non-U.S. issuers and the governments of non-U.S. countries involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, difficulty in repatriating funds, social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States, and such markets may not provide the same protections that are available in the United States. With respect to certain countries, there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties, tariffs or other protectionist measures, various laws enacted for the protection of creditors, and greater risks of nationalization or diplomatic developments that could materially adversely affect investments in those countries. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by a client. Investment in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce the investment returns. Non-U.S. markets may also be affected, directly or indirectly, by trade disputes or tariffs, the effect of which may be difficult to predict. All of these non-U.S. risks are typically greater in less developed or emerging market countries.

Item 9 – Disciplinary Information

VSQM has no applicable legal or disciplinary information to report.

Item 10 – Other Financial Industry Activities and Affiliations

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

Related persons and affiliates of VSQM historically have engaged, and expect to continue to engage, in financial services, including (i) providing investment advisory services to private funds focused on investments in private companies and (ii) making investments in or providing services with respect to real estate-related assets and ventures. The investment activities of VSQM's related persons and affiliates are separate and distinct from VSQM's advisory business. In conjunction with their investment activities, VSQM's related persons and affiliates have established a number of affiliated entities that function as investment vehicles, holding companies and general partners or managing members to such investment vehicles and holding companies. Specifically, VSQM's related adviser, Valor Management LLC (d/b/a Valor Equity Partners), is a private equity firm that is registered with the Securities and Exchange Commission as an investment adviser. With respect to Valor Equity Partner's advisory business, these affiliates are listed separately in Part 1A of Valor Equity Partner's Form ADV. VSQM maintains policies and procedures designed to manage and monitor the conflicts of interests presented to VSQM and its clients by the investment activities of VSQM's related persons and affiliates.

Certain employees of Valor Equity Partners serve on the board of managers of VSQM. Upon request, Valor Equity Partners may provide VSQM with access to certain resources and non-investment personnel of Valor Equity Partners, including members of the finance, human resources, technology, and compliance team. VSQM maintains policies and procedures designed to manage and monitor the conflicts of interest presented to VSQM and its clients in connection with the resources and services received from Valor Equity Partners.

In addition to the activities discussed above, certain related persons of VSQM are involved in other outside business activities, including investment-related activities for unaffiliated institutional investors, ownership interests in unaffiliated investment advisers and serving on the boards of various institutions, charities, public companies, private companies, investment advisers and investment funds. While related persons of VSQM may have conflicts of interest in allocating their time and activity between VSQM and other ventures with which they are associated, it is not currently anticipated that the outside investment-related business activities of such related persons will conflict with the investment activities of VSQM or its clients. VSQM maintains policies and procedures designed to manage and monitor the conflicts of interests presented to VSQM and its clients by these activities.

Identifying potential conflicts of interest is complex and fact-intensive, and it is not possible to foresee every conflict of interest that may arise. VSQM may in the future identify additional conflicts of interest that are not currently contemplated, as well as conflicts of interest that arise or increase in materiality as VSQM and its related persons and affiliates engage in additional activities or develop new business lines.

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

VSQM has adopted a Code of Ethics (the “Code”) that establishes a standard of business conduct that must be followed by executives and employees of VSQM (collectively “Supervised Persons”). The Code incorporates the following general principles, which all Supervised Persons are expected to uphold: act in the best interests of VSQM Clients; conduct personal securities transactions in a manner consistent with the Code, which seeks to address certain conflicts of interest in this regard; avoid taking any inappropriate advantage of one’s position at VSQM; and maintain confidentiality of information concerning VSQM’s investment recommendations, portfolio holdings and transactions. VSQM believes that these general principles not only help VSQM fulfill its obligations as an investment adviser, but also protect VSQM’s reputation and instill in Supervised Persons VSQM’s commitment to honesty, integrity, and professionalism.

The Code also provides guidelines for Supervised Persons regarding adherence to securities laws generally, and transactions in personal accounts involving public and private securities. For example, the Code requires that all Supervised Persons report all transactions in their personal accounts. In addition, the Code requires that all Supervised Persons report Code violations. VSQM’s Chief Compliance Officer is responsible for various aspects of the Code’s administration, including without limitation the monitoring and review of personal securities transactions of Supervised Persons, and is available for any questions Supervised Persons have regarding the Code. VSQM will provide a copy of the Code to any Client or prospective Client upon request by contacting us, by phone at (312) 872-7281 via email at info@vsqm.com.

VSQM permits its Supervised Persons to trade for their own accounts and requires pre-approval before trading in securities including participation in initial public offerings and private placements. Thus, Supervised Persons can buy or sell specific investments and securities for their own accounts based on their personal investment considerations, regardless of whether VSQM recommends the investments for Clients. Other than fulfilling its fiduciary duty to manage Client accounts in accordance with their investment mandates, VSQM has no obligation to recommend for purchase or sale by Clients any investments that VSQM, its affiliates or its Supervised Persons may purchase for themselves or for any other Client.

VSQM has designed internal compliance and operational procedures to help ensure that its investment activities are conducted in accordance with applicable laws and regulations and conflicts of interest are identified and appropriately mitigated and disclosed.

A number of the activities can present potential conflicts of interest where VSQM and its Supervised Persons may have incentives to put their interests ahead of VSQM Clients. These activities can include for example, allocating investment opportunities between Client accounts, sponsoring other investment vehicles (including those with investment objectives similar to or overlapping with those of current Clients), making investments for their own accounts, or engaging in other lines of business. VSQM believes it has adequate policies and procedures in place to monitor these conflicts of interest and ensure that VSQM and its Supervised Persons adhere to the Code and applicable securities laws.

Item 12 – Brokerage Practices

For a separately managed account, the Client will select the custodian to hold its assets. If a Client does not have a relationship with a custodian, VSQM will recommend a custodian that is used by existing Clients in order to expedite the account opening process.

Pursuant to an investment management agreement between the Adviser and each Client, VSQM has full discretionary authority to manage Client assets, including the authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the broker-dealers to be used for a particular transaction, and the amount of brokerage commissions paid.

In selecting broker-dealers to execute transactions, VSQM need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not expected that VSQM will negotiate “execution only” commission rates, thus Clients may be deemed to be paying for research, brokerage or other services provided by the broker-dealer which are included in the commission rate. VSQM does, however, seek to obtain the most favorable terms reasonably available under the circumstances by taking into consideration relevant qualitative and quantitative factors, including the following: the financial stability and reputation of brokerage firms, the size and type of the transaction, the difficulty of execution, the broker-dealer’s expertise with the particular financial instrument, ability to handle a block order and the research, brokerage or other services provided by such broker-dealers.

VSQM will only execute trades with approved broker-dealers. VSQM may add and/or replace broker-dealers from time to time in its discretion without notice. VSQM periodically evaluates and changes when necessary its order execution practices. VSQM monitors broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of Clients. In selecting broker-dealers, VSQM does not consider whether VSQM or a related person receives Client referrals from that broker-dealer or its affiliates.

Soft Dollars. As permitted under Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), an adviser may engage in the industry practice of paying higher commissions to broker-dealers who provide brokerage and research services than it does to broker-dealers who do not provide such research services, if such higher commissions are deemed reasonable in relation to the value of research services provided.

Research services are generally used in a manager’s investment decision-making process. These types of transactions are commonly referred to as “soft dollar transactions.” The use of client brokerage commissions to obtain research or other products or services acts as a benefit to the adviser because the adviser does not have to produce or pay for the research, products or services. Examples of research services that may be provided by broker-dealers can include economic, industry or company research reports or investment recommendations; subscriptions to financial publications or research data compilations; compilations of securities prices, earnings, dividends and similar data; computerized databases; quotation services; research or analytical computer software and services; and discussions with research personnel.

VSQM does not currently use soft dollars. Except where routinely provided by broker-dealers to facilitate account maintenance and trading, all research and software maintenance is paid for by VSQM and such research and software is used to service Client accounts.

Brokerage for Client Referrals. VSQM does not direct brokerage in exchange for or recognition of Client referrals.

Directed Brokerage. Where a Client direct brokerage to a particular broker-dealer, VSQM will not seek to negotiate commission rates for the client, as these have been pre-negotiated between the Client and the broker-dealer. As such, Clients who direct brokerage should consider that they: (i) may pay higher commissions on some transactions than may be attainable by VSQM, or may receive less favorable execution of some transactions or both; (ii) may forego any benefit on execution costs that could be

obtained for Clients through negotiated volume discounts on bunched transactions; (iii) may not be able to participate in the allocation of a new issue, if the new issue shares are provided by another broker; (iv) may receive execution of a particular trade after the execution of such trade for Clients who have not directed the brokerage for their accounts; and (vii) may not experience returns equal to clients who have not directed brokerage for their accounts.

Trade Aggregation & Allocation. Aggregation, or blocking, of Client transactions is used when possible in an effort to reduce overall transaction costs and is consistent with meeting our fiduciary responsibility to maximize the value of Client portfolios. Aggregation is utilized only when VSQM reasonably believes that it is advantageous to Clients to do so. The allocation process for aggregated trades incorporates the specific guidelines and constraints of each of our Clients. The allocation process must not advantage or disadvantage any Client. The allocation decision is determined by myriad factors including, but not limited to, the position size and liquidity, rating, maturity, duration, structure, the appropriateness of a particular investment in the context of a portfolio review, and the availability of funds. Clients for whom an investment is appropriate are allocated in a pro-rata fashion within the constraint of quantities prudently deemed to support liquidity.

Cross Trades. To the extent permitted by applicable law and the applicable governing documents, VSQM can effect “cross transactions” between client accounts. VSQM will only recommend such transactions if it reasonably believes that such transactions are consistent with the best interests of each Client involved and at prices that VSQM believes constitutes a fair valuation.

Item 13 – Review of Accounts

VSQM provides continuous portfolio management for Client accounts. VSQM conducts an in-depth review at engagement and on an annual basis thereafter for as long as a client has an account managed by the firm. Informal update discussions may take place on a quarterly or semi-annual basis. Clients can request interim reviews at any time to discuss their investment account. Other conditions that can trigger an account review are changes in the investment landscape, significant economic events, and changes in a Client's own situation.

VSQM provides the owners of the separately managed accounts it manages with quarterly, unaudited reports containing performance, a summary of holdings, and a buy / sell report. Clients should expect statements at least quarterly from their qualified custodian that details holdings and activity in the Client's account. VSQM urges all Clients to carefully review the custodian's statements and compare the official custodial records to VSQM reporting. Adviser statements may vary from custodial statements based on various factors described below in Item 15 - Custody.

Item 14 – Client Referrals and Other Compensation

No one who is not a Client of VSQM provides any economic benefit to VSQM for providing advisory services to Clients. Or, stated another way, the only compensation VSQM receives for providing advisory services to clients are the fees paid by those advisory clients.

Currently, neither VSQM nor any related person directly or indirectly compensates any person who is not a Supervised Person of VSQM for client referrals. Should VSQM enter into a compensation arrangement for client referrals, such arrangements will be consistent with SEC Rule 206(4)-3 covering payments for

client solicitations and will be structured so that compensation paid to third parties is paid from VSQM's fee.

Item 15 – Custody

VSQM does not provide custodial services and requires clients to work with a qualified custodian to hold their assets. VSQM is considered to have custody of client assets to the extent that VSQM has authority granted to it by clients to directly deduct Adviser's fees from Client custodial accounts.

Clients should receive account statements at least quarterly from their custodian. While VSQM reports are reconciled to ensure that all transactions are properly recorded, *VSQM urges all Clients to carefully review the custodian's statements and compare the official custodial records to VSQM reporting.* Adviser statements may vary from custodial statements based on accounting procedures, reporting dates, unsupervised (non-fee paying) assets held by the qualified custodian, or valuation methodologies of certain securities. Especially with regard to cost basis, VSQM recommends that Clients rely on the statements of their qualified custodian. If you have a question about an entry on an Adviser report, please contact VSQM at (312) 872-7281 or via email to info@vsqm.com.

Item 16 – Investment Discretion

VSQM accepts discretionary authority to manage securities accounts on behalf of Clients subject to an executed investment management agreement. The Agreement authorizes VSQM to determine whether and in what amount securities are to be purchased for and sold from the account without prior instruction or authorization from the Client. On a case by case basis, Clients may negotiate certain risk and/or operating guidelines that VSQM will adhere to when exercising our discretionary authority. Such risk and/or operating guidelines are described in each Client's investment management agreement.

Item 17 – Voting Client Securities

Pursuant to its investment management agreement with each client, VSQM has the authority and responsibility to exercise proxy voting authority with respect to those client accounts over which VSQM has been delegated proxy voting discretion. Clients may retain proxy voting discretion for all or selected portfolio securities subject to the terms of their investment management agreement or by written request. VSQM has adopted proxy voting policies and procedures pursuant to SEC Rule 206(4)-6.

VSQM has a fiduciary responsibility to make investment decisions that are in our Clients' best interests in the context of Client investment objectives. These investment objectives are expected to include, among other considerations, certain environmental, social and governance (ESG) factors in targeting long-term value. As a result, the votes cast by VSQM on behalf of its Clients can incorporate more than just immediate financial or economic factors and will be guided by the core tenets of accountability, stewardship, transparency, and sustainability. We believe that by focusing on these areas of responsible governance globally, voting decisions are likely to promote long-term shareholder value creation and risk mitigation at portfolio companies. Although VSQM will generally vote against proposals that are

anticipated to have a negative near-term impact on Client portfolio securities, it may vote for such a proposal if there are compelling long-term reasons to do so.

Absent special circumstances, VSQM generally will exercise its proxy voting discretion in accordance with its Proxy Voting Policies, which provides that VSQM will review on a case-by-case basis each proposal submitted for vote to determine its impact on each Client individually. As a result, VSQM may vote a particular proxy differently across Clients. VSQM believes that voting proxies in accordance with the following guidelines generally is in the best interests of its clients:

- Generally vote in favor of routine proposals where no corporate governance issues are implicated, including election of directors, selection of auditors, and increases in or reclassification of common stock.
- Generally vote against proposals that make it more difficult to replace members of the board, including proposals to stagger the board, cause management to be overrepresented, introduce cumulative voting or unequal voting rights, and create supermajority voting.

In light of its fiduciary duty to Clients and given the complexity of the issues that may be raised with proxy votes, VSQM has retained a reputable independent proxy voting service provider (the “Proxy Service Provider”) to assist it in coordinating, administering (including the maintenance of required records), processing, and voting of client proxies. These services also include proxy voting recommendations and research. VSQM does not delegate voting authority to the Proxy Service Provider and may vote against any recommendation from the Proxy Service Provider if it determines that doing so is in the best interests of the relevant Client and otherwise is consistent with VSQM’s Proxy Voting Policy.

Certain directors, officers, and employees of VSQM’s related persons and affiliates, including members of VSQM’s board of managers, have served on the board of directors of public companies and are expected to do so in the future. To the extent that a Client of VSQM is invested in the securities of a company for which one of these individuals serves on the board of directors, VSQM may have a conflict of interest when voting on such company’s proxy.

The proxy voting decisions of VSQM are subject to oversight by the investment persons responsible for monitoring each of VSQM’s investments. In order to address conflicts of interest in the proxy voting process, VSQM requires (a) anyone involved in the decision-making process disclose to VSQM’s Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (b) Supervised Persons involved in the decision-making process or vote administration not reveal how VSQM intends to vote on a proposal in order to reduce any attempted influence from interested parties.

Clients can obtain a copy of the VSQM’s Proxy Policy on our website www.vsqm.com, by calling (312) 872-7281 or via email to info@vsqm.com. Clients also can obtain information from VSQM about how VSQM voted any proxies on their behalf by making a written request to the Chief Compliance Officer at the address on the cover page of this Brochure.

Item 18 – Financial Information

VSQM does not have any financial impairment that would preclude the firm from meeting its contractual commitments to clients.