

# Full Disclosure

October 2019

## General Disclosures

Quantrader™ LLC ("Quantrader") is a SEC-registered investment adviser.

Quantrader and its affiliates operate a website at [www.Quantrader.com](http://www.Quantrader.com) (our "Site" (which includes our blog), or "Quantrader"). Quantrader is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.

Quantrader provides investment advisory services to our advisory clients, but does not provide personalized financial planning to investors, such as estate, tax, or retirement planning. Nothing on our Site should be construed as a solicitation or offer, or recommendation, to buy or sell any security. Advisory services are only provided to investors who become advisory clients of Quantrader ("Clients") pursuant to a written Advisory Client Agreement, which investors are urged to read and carefully consider in determining whether such agreement is suitable for their individual facts and circumstances. (Part 2A of Quantrader's Form ADV is available at: <https://quantrader.ai/wp-content/uploads/2019/10/20190827-ADV-Part-2A-Quantrader-LLC.pdf>.)

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS, AND ANY EXPECTED RETURNS OR HYPOTHETICAL PROJECTIONS MAY NOT REFLECT ACTUAL FUTURE PERFORMANCE. FURTHERMORE, PAST RETURNS MAY REFLECT THE PERFORMANCE OF ASSETS FOR A FINITE TIME, OR DURING A PERIOD OF EXTREME MARKET ACTIVITY. ALL INVESTMENTS INVOLVE RISK AND MAY LOSE MONEY. There can be no assurance that an investment mix or any projected or actual performance shown on the Site will lead to the expected results shown or perform in any predictable manner. It should not be assumed that Clients will experience returns in the future, if any, comparable to those shown or that any or all Clients actually experienced such returns.

Quantrader's investment strategies, including portfolio rebalancing can lead to high levels of trading. High levels of trading could result in (a) bid-ask spread expense; (b) trade executions that may occur at prices beyond the bid ask spread (if quantity demanded exceeds quantity available at the bid or ask); (c)

trading that may adversely move prices, such that subsequent transactions occur at worse prices; (d) trading that may disqualify some dividends from qualified dividend treatment; (e) unfulfilled orders or portfolio drift, in the event that markets are disorderly or trading halts altogether; and (f) unforeseen trading errors.

As part of transferring your account to Quantrader, we will apply our algorithms to sell your transferred account, seeking to minimize any potentially negative tax impact and optimizing for other factors, and invest the proceeds into a Quantrader portfolio. Liquidating your transferred account may cause, among other things, realized capital gains or losses in specific securities, surrender fees, and redirection of declared dividends or distributions. Also be aware that selling down securities prior to transfer could subject you to the same risks.

All product names, logos, and brands are property of their respective owners. Use of these names, logos, and brands is for identification purposes only, and does not imply endorsement or affiliation.

## Quantrader Process

Quantrader's methodology is based on trading strategies developed by our proprietary fully-automated AI Trader™ algorithm. It is considered state-of-the-art portfolio modeling, but is only one possible way to invest. Clients should be aware that Quantrader's process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. Although Quantrader seeks multiple asset classes for its Clients in order to diversify portfolios, it is possible that different or unrelated asset classes may all exhibit similar price changes in similar directions. This correlation of price behavior may adversely affect a Client, and may become more acute in times of market upheaval or high volatility.

## ETF and Individual Security Selection Disclosures

The securities employed in Client accounts are a combination of individual equity market securities ("Securities"), and exchange-traded funds or other publicly registered funds ("ETF's"). ETF's are generally registered investment companies under the Investment Company Act of 1940.

- Although Quantrader believes its selection process identifies Securities with high liquidity, Quantrader's selection process does not guarantee the

- quality of a particular Securities or that it will 1) be profitable, 2) trade in a liquid fashion, or 3) trade at or above its publicly-posted net asset value.
- Although Quantrader believes its selection process identifies ETF's with high liquidity, low expenses, and low tracking error, Quantrader's selection process does not guarantee the quality of a particular ETF or that it will 1) be profitable, 2) properly track any comparable index, 3) trade in a liquid fashion, or 4) trade at or above its publicly-posted net asset value

Quantrader reserves the right to change at any time the selection of Securities and ETF's that it recommends if, in Quantrader's sole discretion, any Security or ETF does not meet requirements for continued listing on the platform. Clients should be aware that changes in the selection of Securities and ETF's employed by Quantrader's investment management service may result in the sale of their existing holdings and may subject them to additional tax liability.

Securities and ETF's are the types of securities products Quantrader invests in, and Quantrader generally does not make available to Clients other types of securities products that an investor may wish to consider as part of his or her overall financial plan. Other Securities, ETFs or investment products may provide different performance.

## ETF Fee and Performance Disclosure

An ETF typically includes embedded expenses that may reduce its net asset value, and therefore directly affect its performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. These expenses may include management fees, custodian fees, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. Quantrader discloses each ETF's current information, including expenses, on the Site. ETF tracking error and expenses may vary.

Furthermore, ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF incurs expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

Certain ETF strategies may from time to time include fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses could be higher than otherwise charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that in some limited instances it may be difficult or impossible to trade the Clients' securities. This liquidity risk may be caused by numerous factors, including but not limited to: 1) extreme market volatility, 2) a decision by exchange participants to withhold some or all of their quoted market bids, 3) exchange technical issues or exchange closure, 4) delisted or halted securities, and/or 5) a position across Client accounts that is large relative to the average daily trading volume of the security.

## Performance Disclosures

Performance information is presented net of all management fees and expenses unless marked otherwise. For all periods the performance information includes the reinvestment of dividends and interest unless otherwise noted.

Any comparison to traditional financial advisors is based on an evaluation of average fees and returns. Actual results may be different for each investor and there can be no guarantee of enhanced returns due to additional diversification, security selection, or the use of Quantrader's investment management service.

Projected and/or hypothetical performance is intended to show only an expected range of possible investment outcomes based on historical average returns and standard deviation of each investment type contained in the investment mix recommended by Quantrader, but does not take into consideration the effect of taxes, changing risk profiles, or future investment decisions. Projected and/or hypothetical performance does not represent actual Client accounts or actual trades and may not reflect the effect of material economic and market factors. The actual transaction costs in Client accounts may be different.

Actual investors that become Clients may experience different results from any hypothetical results shown. There is a potential for loss, as well as gain, that is not reflected in the hypothetical information portrayed. The hypothetical performance results shown do not represent the results of actual trading using client assets but were achieved by means of the retroactive application of a model designed with the benefit of hindsight. Investors should carefully review

the additional information presented by Quantrader as part of any hypothetical comparison.

ANY COMPARISONS TO INDICES ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY. AN INDEX IS A BROADLY DIVERSIFIED, UNMANAGED GROUP OF SECURITIES, WHICH MAY INCLUDE ONLY LARGE CAPITALIZATION COMPANIES OR COMPANIES OF A CERTAIN SIZE. BROADLY BASED INDICES MAY BE SHOWN ONLY AS AN INDICATION OF THE GENERAL PERFORMANCE OF THE FINANCIAL MARKETS DURING THE PERIODS INDICATED. BECAUSE OF THE DIFFERENCES BETWEEN THE CLIENT ALLOCATIONS AND ANY INDICES SHOWN, QUANTRADER CAUTIONS INVESTORS THAT NO INDEX IS DIRECTLY COMPARABLE TO THE PERFORMANCE SHOWN SINCE EACH INDEX HAS ITS OWN UNIQUE RESULTS AND VOLATILITY, AND SUCH INDICES, IF SHOWN, SHOULD NOT BE RELIED UPON AS AN ACCURATE COMPARISON

The return, composite and performance information shown on the Site uses or includes information compiled from third-party sources, including independent market quotations and index information. Quantrader believes the third-party information comes from reliable sources, but Quantrader does not guarantee the accuracy of the Site information and may receive incorrect information from third-party providers. Unless otherwise indicated, the information on the Site has been prepared by Quantrader and has not been reviewed, compiled or audited by any independent third-party or public accountant.

## Fee and Account Disclosures

Recommendations and fees may vary for each Client. Advisory fees are calculated based upon the amount of assets being managed (as detailed further in Quantrader's Form ADV Part 2A).

Quantrader does not make any representations regarding the execution quality of orders placed with our executing broker-dealer partner. However, Quantrader does monitor the execution quality of transactions to ensure that Clients receive the best overall trade execution pursuant to regulatory requirements.

## Business Continuity Statements

SEC Rules require investment advisers to create and maintain a business continuity plan.

In accordance with these rules QuantTrader has developed a plan that is intended to permit us to continue critical business operations during natural disasters, power outages, or other significant events. While there can be no assurance that service will continue without interruption in all circumstances, the plans do address actions that the firms intend to take in the event that there is a significant disruption. Account access is planned to be restored as the first step, which would be followed by other critical business operations. If there is a local disruption to the operating facilities of either firm, the respective business continuity plans call for the affected firm to establish operations at an alternate location. We maintain data backup records, located well away from our primary facility so that they would not be affected by a regional disruption. We intend for account access to be available through these records should the primary data center suffer a disruption. Our plan will be reviewed, updated, and tested periodically.