



## Registered Investment Advisor

185 Hudson Street, Suite 1620, Jersey City, NJ 07311

Phone: 201-377-2302

Email: [compliance@qplum.co](mailto:compliance@qplum.co)

This brochure provides information about the qualifications and business practices of QPLUM LLC (hereinafter "Qplum" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. 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. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

---

## 1| Summary

This brochure provides information about the qualifications and business practices of QPLUM LLC (hereinafter “Qplum” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. 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. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

---

## 2| Material Changes

Qplum has the following material changes to report. This list summarizes material changes to policies, practices or conflicts of interest that have occurred after the last Disclosure Brochure dated March 29th, 2018.

- **Item 4.** The Firm is owned by Sommet LLC. Sommet LLC has been converted into a corporation and is now known as Qplum, Inc.
- **Item 5.** Fees and Compensation has been clarified to more precisely describe Qplum's fee structure.
- **Item 6.** Performance-Based Fees to more precisely reflect potential conflicts of interest.
- **Item 8.** Methods of Analysis, Investment Strategies and Risk of Loss has been supplemented to describe Qplum's dynamic risk management methodologies and cybersecurity risks.
- **Item 10.** The Firm operates a separate commodity trading advisory product line for institutional investors under its CFTC and NFA permissions.

### 3| Table of Contents

<b>Item No</b>	<b>Description</b>	<b>Page No</b>
1	Summary	2
2	Material Changes	3
4	Advisory Business	5
5	Fees and Compensation	7
6	Performance-Based Fees and Side-by-Side Management	10
7	Types of Clients	12
8	Methods of Analysis, Investment Strategies and Risk of Loss	13
9	Disciplinary Information	21
10	Other Financial Industry Activities and Affiliations	22
11	Code of Ethics	23
12	Brokerage Practices	25
13	Review of Accounts	28
14	Client Referrals and Other Compensation	29
15	Custody	30
16	Investment Discretion	31
17	Voting Client Securities	32
18	Financial Information	33

## 4| Advisory Business

QPLUM LLC (“Qplum” or the “Firm”) is an online wealth management platform registered with the Securities and Exchange Commission (“SEC”). The Firm is a Delaware limited liability company founded in 2014 by principals Mansi Singhal and Gaurav Chakravorty. The Firm is owned by Qplum, Inc. which is owned by Ms. Singhal and Mr. Chakravorty.

Qplum offers technologically driven solutions for managing client assets. Using statistical methodologies, the Firm’s quantitative models construct optimally weighted portfolios designed to maximize risk-adjusted returns for the client. Prior to receiving any of the following advisory services, clients are required to enter into one or more agreements with Qplum setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

While this brochure generally describes the business of Qplum, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Qplum’s behalf and is subject to the Firm’s supervision or control.

---

## **Investment management service**

Qplum manages client investment portfolios on a discretionary basis by allocating client assets among various exchange-traded funds ("ETFs") and mutual funds in accordance with their stated investment objectives.

Qplum tailors its advisory services to meet the needs of its clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Qplum creates an Investment Management Action Plan for each client based on data gathered through online questionnaires. In certain cases, an investment professional also assists Qplum clients for an additional service fee to provide augmented account support and supplementary guidance. Using the client's profile, Qplum recommends a blend of strategies appropriate for that client. Each strategy contains up to 50 ETFs, and/or mutual funds. Clients are advised to promptly notify Qplum if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Qplum determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Sponsor of Wrap Program**

Qplum provides its investment management services as the sponsor of the Qplum Wrap Program (the "Wrap Program"). A wrap fee program is an arrangement in which brokerage commissions and transaction costs are absorbed by the Firm. Participants in the Wrap Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the Wrap Program is available in Qplum's Wrap Fee Program Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV.

---

## 5| Fees and Compensation

*Qplum offers services for fees based upon assets under management or advisement.*

### **Investment Management Fees**

Accounts for non-Qualified Clients are charged an annual flat fee. Qplum offers investment management services for an annual fee of 0.50% based on the amount of assets such clients hold in a Qplum managed account(s) under the Firm's management. See Section 6 for fees related to Qualified Clients as defined by the Investment Advisers Act of 1940, Section 205(a)(1).

For all accounts, the annual fee is prorated and charged monthly by our custodian, in arrears, based upon the market value of the assets being managed by Qplum on the last day of the billing period, adjusted for any contributions or withdrawals throughout the month.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the amount on which the fee is based is adjusted to reflect the interim change in portfolio value for the portion of the month that such assets were invested. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination.

The Firm may discount or waive investment advisory fees for certain clients at its sole discretion. Qplum may also offer free consultation via phone, email, online chat or in-person meeting to prospective or current clients. These consultations are designed to help prospective and/or current clients organize their personal financial data, current situation and identify needs and opportunities, evaluate a possible course of action or more, and determine whether and how Qplum can fit into their financial plans. Qplum will formulate any such advice on information provided by clients regarding, among other things, their age, marital and family status, annual income, expenses, employment status, liquid net worth, debt and other investments, investment goals and investment experience during the session.

---

Qplum may, in its sole discretion, offer fees to some accounts that differ from the standard fee schedule.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to Qplum, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include and are not limited to custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, transfer taxes, wire transfer and electronic fund fees, paper statement fees, non-sufficient funds fee (NSF), and other fees and taxes on brokerage accounts and securities transactions. Clients pay these additional fees and Qplum does not provide reimbursements except in scenarios described below.

Qplum will offer a one-time reimbursement of up to \$150 per account for fees incurred only during a client's transfer of brokerage account to Qplum's advisory services. This reimbursement applies to all accounts and is subject to the Firm's discretion. The reimbursement of brokerage transfer fee will take effect only after client has kept their account (which had incurred the brokerage fees) opened with Qplum for a minimum of 12 months. This reimbursement of fees also extends to annual IRA maintenance fee charged by the Firm's broker, Apex. This reimbursement of fees will be directly credited into the client's brokerage account. In some cases, it might be sent electronically to client's bank account. The Firm's brokerage practices are described at length in Item 12, below.

### **Direct Fee Debit**

Clients provide Qplum with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodians for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Qplum.

---

Where required, Qplum also sends to clients a written invoice itemizing the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to Qplum's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to Qplum, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Qplum may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, charges by the custodial firm, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or may have tax ramifications.

---

## 6 | Performance-Based Fees and Side-by-Side Management

Qplum does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets) with the exception of Qualified Clients as explained below.

### **Performance Based Fees**

Qualified Clients as defined by the Investment Advisers Act of 1940 Section 205(a)(1) Rule 205-3, will pay an annual flat fee in the range of 0% to 1.5% of assets under management along with a performance fee in the range of 15% to 35% based on capital appreciation. If the portfolio rises in value, then the Qualified Client will pay the agreed upon performance fee % on that increase in value, but if the portfolio drops in value, then the Qualified Client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark".

In addition, executives of Qplum ("Relevant Qplum Executives") may have their accounts managed by Qplum along side the advisory clients of Qplum. For further information, see "Item 11—Code of Ethics, Participation or Interest in Client Transactions and Personal Trading— Participation or Interest in Client Transactions". The above relationships pose potential conflicts of interest in transactions that involve both affiliated company and relevant Qplum Executive advisory clients and other advisory clients, because Qplum could, in some instances, be viewed as having an incentive to favor affiliated clients. Such conflicts are directly and purposefully mitigated by Qplum's allocation policies and procedures described in the response to Item 6, which provides that Qplum accounts must be allocated in a fair and equitable manner.

Qplum is also affiliated with other investment financial trading companies that are not material to Qplum's business. Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Code of Ethics and Personal Trading. Qplum has adopted a Code of Ethics ("Code") and Insider Trading Policy to comply with Rule 204A-1 under the Advisers Act. The Code includes procedures and limitations that govern the business conduct and personal securities trading

---

of persons associated with Qplum. The Code is based upon the principle that Qplum's [www.qplum.co](http://www.qplum.co) employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions and private investments, in a manner intended to avoid: (i) serving their own personal interests ahead of clients; (ii) taking inappropriate advantage of their position with the firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of responsibility. Additionally, persons associated with Qplum are subject to policies and procedures regarding confidential and proprietary information, information barriers, private investments, outside business activities, political contributions and personal trading. Subject to the provisions of the Code described above, Qplum and its related persons may from time to time buy or sell, for their own accounts, securities they buy or sell for, or recommend to, Qplum clients. Such trading is performed independently of the trading activities in client accounts.

Related persons may make investments for their own account in securities that are not offered or available to SMAs. Qplum and persons associated with Qplum are not permitted to trade on securities with respect to which any of them obtains material non-public information ("MNPI"). If Qplum receives MNPI about any issuers, such issuers will be placed on the restricted list. The restricted list is a list of issuers in which Qplum and its employees are restricted from trading. Accordingly, the placement of issuers' securities on the restricted list has the potential to affect Qplum's exercise of discretion over and the performance of client accounts.

---

## 7| Types of Clients

Qplum offers services to individuals, corporations and business entities. The minimum portfolio size for opening an account is USD\$10,000 for individual and joint accounts and USD\$1,000 for retirement accounts like Traditional IRA, Roth IRA, SEP IRA etc. Qplum may choose to waive this minimum in its sole discretion.

---

## 8| Methods of Analysis, Investment Strategies and Risk of Loss

Qplum brings an engineering-based approach to all aspects of individual and institutional investment management. Through transparent systems and online educational features the Firm aims to demystify the investment process and remove client fear and paralysis. Qplum achieves this by quantifying client goals and concerns, and uses this data in algorithmic models designed to produce optimal portfolios built on statistically driven investment decisions. Qplum automates the trading of this portfolio while allowing the client as much or as little interaction as they are comfortable with. The Firm's Investment Committee monitors investment advice given by reviewing the effectiveness of methods and strategies discussed herein as well as reviewing testing of algorithmic models to confirm they are operating as intended.

At the core of Qplum's philosophy are the following tenants:

Data-driven investments customized to the *investor*

- Quantitative risk management and scenario-based risk mitigation
- Machine learning methods and robustness of optimization
- Multi-level strategic rebalancing and smart trade execution
- Tax-based optimization

### **Customized to the Client**

The investor is central to the Qplum recommendation process. Rather than starting with an off-the-shelf portfolio and attempting to contort it to fit the individual needs of the investor, Qplum's recommendation engine translates investor goals and fears, assets and liabilities into parameters that drive the strategy selection process. The resulting bespoke portfolio of strategies is tailored to address the individual's specific stated investment mandate.

Key to this process is the Investment Management Action Plan or "IMAP". A lot of information for the IMAP is collected from the client using a free form input tool, also referred to as the "chatbot". The IMAP is a roadmap to help the Qplum client navigate their financial future and achieve their investing

---

goals. Each IMAP is built on the set of data gathered from that client and drives his or her investing experience. The IMAP is a plan of action designed to cover a variety of scenarios relating to financial markets and personal situations. It is created for the user based on responses to questions on the Qplum website regarding factors such as risk tolerance, investing goals, tax situation, immediate and recurring financial needs, pre-existing investments, and general financial health. These responses are the biggest determinants of the portfolio of strategies Qplum recommends for an investor. The more detailed and thorough the client is in answering the questions, the more robust the IMAP will be. Clients are encouraged to provide thoughtful and comprehensive responses.

Investment mandates vary significantly from client to client. Most institutional investors start with a thorough understanding of the liabilities and goals of the institution and from there come up with an investing plan of action. The goal at Qplum is to get all investors, individuals and institutions alike, thinking in terms of clear-cut investment mandates. The chatbot is used as a tool designed to help clients define their investment mandate. The client is also encouraged to create a risk mandate using the “qRisk” tool. Along with other inputs from the client, these tools and data sets form the basis of the IMAP that will be used to build a portfolio of strategies with the best chance of achieving the client’s goals.

## **Risk Management**

Qplum takes a manifold approach to risk, considering and evaluating risk at each level of the investment process. At the strategy level, Qplum uses scenario-based risk mitigation techniques. For some strategies, cutting losses might result in higher net returns in the long run; for others, such cuts could amount to missed opportunities – locking in losses just as the portfolio is poised to bounce back. Sophisticated back-testing methodologies are used to evaluate the performance of strategies over a variety of macroeconomic scenarios covering a broad range of large price events. Profitability is estimated under each such scenario allowing Qplum to recommend a portfolio of strategies best suited to protect the client from major risk events.

---

Just as risk mitigation is a core part of the strategy construction process, creating an appropriate client risk profile is essential to successful investment management. Before any trading takes place, Qplum guides the client through a risk analysis process designed to help the client discover and quantitatively define their risk tolerance. The chatbot and qRisk are offered as free services both to existing clients and to those simply interested in better understanding their investing goals. Using these tools the investor can experiment and quantify the degree of risk they are comfortable with in their IMAP.

Each investor will react differently to a decrease in the value of their portfolio. Some will see a buying opportunity, others will want to limit downside. Through the qRisk and chatbot tools, these personal preferences can be modeled and built into the client's IMAP. The more detailed and thorough the client is, the more accurately the risk tolerance parameter can be set. The more accurately the risk tolerance parameter is set, the better chance the IMAP has of producing optimal recommendations.

Risk management is defined at the portfolio level by the client's risk tolerance. Rather than allow for emotional reactions in times of market stress, using the Qplum risk tool, the client can pre-determine at what drawdown levels they wish to reduce market exposure and by how much. Once set, the risk management plan will automatically sell off positions at periodic intervals as long as the portfolio is trending down. After a cooling off period, in an effort to capture upside, the risk management plan staggers reinvestment back into the market, periodically buying back into positions as long as the market has reversed its downward trend. While having partial stop-loss limits set on the portfolio will not eliminate all market risk, having dynamic risk management in place can help clients avoid the worst losses in down-trending markets and remove the guesswork involved in timing re-entry back into the market.

In an effort to develop a complete and accurate picture of a client's aggregated risk exposures, Qplum offers, also free of charge additional services to both clients and interested investors. The service allows the user to add information about their existing external brokerage accounts to the Qplum platform. Utilizing this service has two benefits. First, the augmented data feeding results in

---

more accurately tailored, risk-weighted portfolio recommendations. Second, the client [www.qplum.co](http://www.qplum.co) can now evaluate held away assets along with assets managed by Qplum on the same platform.

## **Robustness**

The Achilles heel of data-science methodologies is a lack of robustness. Models can only be optimized on available data, but those models will be measured based on data not yet available. Qplum arduously focuses on robustness of optimization. The Firm employs a number of methods to achieve this goal. Rather than optimizing on in-sample data (the data on which the model was built), Qplum uses rolling analytical methods, testing on series of data sets designed to cover a wide range of possible data points. Where appropriate, Qplum may use regularization, out-of-sample testing or other robustness overlays. Qplum also creates hypothetical data sets derived from actual market data and optimizes on these. Doing so allows Qplum to avoid parameter overfitting and eliminate strategies that may be profiting from idiosyncrasies of the data unlikely to manifest in the future.

Qplum's overall approach to modeling is to learn features from unlabeled historical data that are highly likely to persist in the future and to build directed strategies based on those features. Using unlabeled data eliminates inherent biases and forces the model to re-prove (or potentially disprove) "commonly held wisdom." . Depending on the nature of the strategy, Qplum may employ a number of machine learning methods to achieve optimization. Among these are methodologies such as linear regression, logistic regression, support vector methods, principal component analysis, deep learning neural networks, random forests and boosting.

## **Multi-level Strategic Rebalancing**

Maintaining an optimally balanced portfolio involves strategic rebalancing not just at the strategy level but also at the portfolio level. Qplum borrows from recent advances in online convex optimization studies to come up with methods of recommending weights for each strategy within an investor's portfolio. In addition to traditional methods that allocate in equal weights then optimize on a metric, Qplum uses alternative allocation methods in an effort to produce returns most likely to outperform.

---

While the temptation may be to simply weight the portfolio primarily in the strategy that performed best in the past, allocation among strategies is itself a strategic investment decision and an optimized portfolio of diverse strategies has a better chance of outperforming any single strategy over the long run.

Sustaining an optimal balance requires having the flexibility to trade frequently and intelligently. Qplum uses a number of in-house and external smart trade execution algorithms in an effort to minimize slippage and obtain the best price while minimizing market impact. Different strategies benefit from different methods of execution and Qplum continually analyzes trade results in an effort to best match strategy to execution methodology. Rather than treating it as an afterthought, the Firm considers efficient and effective trade execution to be an integral part of a world-class investment management offering.

### **Tax Optimization**

Qplum highlights the impact of taxes when showcasing the performance of any strategy or portfolio by showing “pre-tax” and “post-tax” returns. The tax situation of each investor will vary and the extent to which a client can take advantage of the Qplum platform to achieve tax efficiency depends on the level of tax-related information shared by the client. Qplum does not offer any explicit tax-related advice. However, there are a number of tools available to clients investors to allow them to optimize their tax-adjusted returns. Qplum has done research on the impact of cost basis computation and efficient choice of disposal methods and is continually working to enhance its tax optimization tools. At a very basic level, tax efficiency works by carefully tracking purchases and sales and computing which specific lots should be sold to achieve the highest tax-adjusted returns. If the client has used a tool to link external accounts to the Qplum platform and has supplied the relevant information, Qplum is able to take into account more elements of the client’s taxable portfolio to compute the optimal course of action.

## **Risk of Loss**

### **Market Risks**

Investing inherently involves risk, including the potential loss of principal, and all clients should be guided accordingly. The profitability of a significant portion of Qplum's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Qplum will be able to predict those price movements accurately or capitalize on any such assumptions.

### **Mutual Funds and ETFs**

An investment in a mutual fund or ETF involves risk, including the potential loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual value fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from its actual value during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to the underlying assets. Please refer to the specific mutual fund prospectus for more information such as risks, fees and expenses.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively

---

managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares. Please refer to the specific ETF prospectus for more information such as risks, fees and expenses.

### **Cybersecurity Risks**

Qplum's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Qplum has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Qplum may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Qplum's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Qplum's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of Qplum's information, technology or security systems could have an adverse impact on its ability to manage Client accounts.

### **Agency Cross Transactions**

Qplum does not typically cross mutual fund or ETF investments. If there was a situation where Qplum decided a cross trade was prudent, it may, with a client's specific consent, engage in agency cross

---

transactions pursuant to which the Firm may effect transactions between a client's account and the accounts of other individuals and/or entities which may include clients of Qplum (i.e., arranging for the client's securities trades by "crossing" these trades with securities transactions of other advisory and non-advisory clients). The Firm will only engage in agency cross transactions when it believes that such transactions are beneficial to the client. Qplum will provide written confirmation to the client of each agency cross transaction, as well as an annual summary of all such transactions. The client may revoke Qplum's agency cross transaction authority at any time upon written notice.

---

## 9 | Disciplinary Information

Qplum has not been involved in any legal or disciplinary events.

---

## 10 | Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Proprietary trading**

Qplum owners are passively invested in a company, Toque LLC, that in turn is an owner of a proprietary trading firm that does not invest in ETFs and mutual funds.

Qplum operates a separate commodity trading advisory product line for institutional investors. Qplum does not provide SEC registered investment advice as described herein to these managed futures-only accounts. As such, Qplum is registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity trading advisor (“CTA”) and a Member of the National Futures Association (“NFA”).

No affiliate or related party of Qplum currently trades any ETFs or mutual funds, the asset classes that Qplum trades for clients. Therefore, there is no apparent or direct conflict of interest with the existence of the proprietary trading firm. All investment decisions made by the Firm, its owners and personnel are based upon the Firm's code of ethics described below and policies described herein.

---

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

Qplum has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Qplum’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Qplum’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the client transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including

---

repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

### **Recommendation of Broker/Dealers for Client Transactions**

Clients must typically open an account at a broker-dealer with whom Qplum has an Administrative Account. At present, Qplum recommends that clients utilize the brokerage and clearing services of Apex Clearing Corporation (“Apex”), Interactive Brokers LLC (“IB”) and/or TD Ameritrade for investment management accounts (collectively “Brokers”). At Qplum’s discretion, Qplum may accommodate other brokerage and clearing arrangements.

Factors that Qplum considers in recommending Brokers or any other broker-dealer to clients include their respective financial strength, reputation, execution capabilities, pricing, expenses, alignment with Qplum business needs, technology and service. The commissions and/or transaction fees charged by Brokers may be higher or lower than those charged by other Financial Institutions. Qplum may benefit from discounted pricing from some or all of the Brokers, these arrangements will be operated in alignment with its fiduciary and best execution obligations. Key to the success of the Qplum business model is its capability to render its online services to its clients. The capacity to support and integrate with those services is a key factor in Qplum’s deciding to recommend a broker-dealer to its clients.

Qplum’s trade execution procedures are designed to obtain best possible execution via the facilities available to the Firm. “Best execution” means the best overall qualitative execution, not necessarily the lowest possible commission rates. The Wrap Program fees paid by the client may be higher than unbundled commissions offered by another qualified Financial Institution to effect the same transaction. Qplum will periodically survey the Financial Institution community to evaluate the overall reasonableness of brokerage commissions paid on client transactions by the Firm. In seeking best execution, Qplum takes into consideration the full range of services including among others: execution capability, commission rates, responsiveness, reputation, the quality of application programming interfaces and technology. Qplum does not engage in any “soft dollar” practices involving the receipt of research or other brokerage services or products in relation to client commissions or transactions. Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services.

---

Should an account make use of prime brokerage, the client may be required to sign an additional agreement, and additional fees are likely to be charged.

Qplum periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

Qplum receives computer software and related systems support, which allow Qplum to monitor and manage client accounts maintained at Brokers. Qplum receives the software and related support because it utilizes Brokers. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Qplum, but not its clients directly. In fulfilling its duties to its clients, Qplum endeavors at all times to put the interests of its clients first. Any cost for the software and support is paid by Qplum since the Firm expects to exclusively provide services through its wrap program.

### **Brokerage for Client Referrals**

Qplum does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third parties.

### **Trade Aggregation**

It is Qplum's goal, when possible and beneficial to the client, to combine or "batch" client orders to obtain best execution and reduce costs. The Firm believes that by purchasing or selling the same securities for several clients at approximately the same time Qplum will be able to negotiate more favorable commission rates and to reduce costs. Under this procedure, transactions will generally be averaged as to price and allocated among Qplum's clients pro rata to the purchase and sale orders placed for each client on any given day. When aggregate client orders for the purchase or sale of securities include securities in which Qplum's Supervised Persons may invest, the Firm would follow

---

applicable rules promulgated under the Advisers Act and no-action guidance provided [www.qplum.co](http://www.qplum.co) by the staff of the U.S. Securities and Exchange Commission. Qplum does not receive any additional compensation or remuneration as a result of order aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one account when another account has limitations in its investment guidelines which prohibit it from purchasing said securities. In such a case, the Firm will endeavor to purchase different securities which are expected to produce similar investment results and are not prohibited by the account; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Account Reviews**

Qplum monitors client portfolios on an ongoing basis through its quantitative proprietary software. There are also processes in place to quarterly/annually check all accounts to ensure they are being managed pursuant to the agreed upon strategies. All investment advisory clients are encouraged to update their needs, goals and objectives with Qplum and to keep the Firm informed of any changes thereto.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Qplum and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. In accordance with several states' securities laws, the Firm also sends certain clients duplicate fee statements, as discussed in Item 5. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Qplum or an outside service provider.

---

## 14 | Client Referrals and Other Compensation

The firm does not currently provide compensation to any person who is not advisory personnel for client referrals. As discussed in Item 5, under Fees & Compensation, the Firm may discount or waive investment advisory fees for certain clients at its sole discretion.

---

## 15 | Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize Qplum to debit client accounts for payment of the Firm's fees only and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Qplum. Where required, Qplum also sends to clients a written invoice itemizing the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

In addition, as discussed in Item 13, Qplum may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Qplum.

---

## 16 | Investment Discretion

Qplum is given the authority to exercise discretion on behalf of clients. Qplum is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Qplum is given this authority through a power-of-attorney included in the agreement between Qplum and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Qplum takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

---

## 17 | Voting Client Securities

### **Declination of Proxy Voting Authority**

Qplum generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

---

## 18 | Financial Information

Qplum is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.