

# **Lombard Odier Transatlantic Limited Partnership**

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Member FINRA & SIPC

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## **FORM ADV PART 2 - BROCHURE**

### **Item 1 Cover Page**

This Brochure provides information about the qualifications and business practices of Lombard Odier Transatlantic, L.P. If you have any questions about the contents of this Brochure, please contact us at (514) 847-7745. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Lombard Odier Transatlantic, L.P. is a registered investment adviser. Registration of an Investment Adviser does not imply any particular level of skill or training.

Additional information about Lombard Odier Transatlantic, L.P is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

Lombard Odier Transatlantic, L.P. ("Registrant") amended this document at Item 15 to indicate that a related person may act as custodian for the Registrant's client's accounts.

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## **Item 4 Advisory Business**

Lombard Odier Transatlantic, organized as a limited partnership, started its business activities in 1969 in Montreal, Canada, where it has operated as a US-registered broker-dealer serving institutional clients since that time. Registrant is newly registered as an investment adviser in the United States.

Registrant is ultimately owned by the same members (or partners) of Lombard Odier Darier Hentsch & Cie, a private bank headquartered in Geneva, Switzerland, that specializes in asset management services.

Registrant offers investment advisory services primarily to high net worth individuals, although applicant also will manage accounts for institutions, which may include pension plans, corporate accounts, foundations, trusts, etc. Registrant seeks to achieve the investment objectives of each client primarily through long - and short-term investments in securities issued by US and non-US corporate issuers, and derivatives related to such securities.

Client investment objectives, guidelines and restrictions negotiate on a case-by-case basis and are memorialized in a signed written document referred to as *Investment Policy Rules*, which is established for each account in accordance with the client's risk tolerance, objectives, restrictions and expected returns.

Registrant manages assets on both a discretionary basis and non-discretionary basis. As of July 1, 2011, Registrant had zero assets under management.

Under a discretionary mandate, the Registrant is authorized to manage the client's assets on a fully discretionary basis, according to the client's investment needs, objectives and restrictions as described within the *Investment Policy Rules*. Under this mandate, the Registrant will be responsible for the determination of the account's asset allocation, subject to any restrictions imposed by the client. The Registrant will review the discretionary account's asset allocation and holding on a regular basis, depending on the market, economic and political conditions.

Under a non-discretionary mandate, the Registrant will provide investment advisory services and will respond to the client's telephone calls within a reasonable time frame whenever the client seeks to obtain Registrant point of views and recommendations concerning financial instruments and investment strategies and opportunities. Registrant may also contact the client, from time to time, with recommendations that he believe may be in line with client's investment profile and the *Investment Policy Rules*. Under this mandate, the Registrant will not have discretionary authority over the client's account and the client will be responsible for making all final investment decisions. The Registrant will review the non-discretionary account's asset allocation and holding on a regular basis, to best meet individual risk tolerance and objectives based on the client's *Investment Policy Rules*.

As of December 31<sup>st</sup>, 2011, we managed approximately \$27,000,000 on a discretionary basis and \$11,500,000 on a non-discretionary basis for a total of approximately \$38,500,000.

## **Item 5 Fees and Compensation**

All Clients receive and sign at the opening of their account an advisory fees schedule. Those fees are calculated on a quarterly basis in arrears based on the market value of the account on the last business day of the quarter. The fees are paid at the end of the months of March, June, September and December unless otherwise notified. The fee schedule is applied after giving effect to the total aggregate market value of all of the accounts that are related to the client. The minimum quarterly management fee is **\$2,125**.

### **Pricing scale :**

Discretionary and non discretionary mandate

<b>Ranges</b>	<b>Market value in \$US</b>			<b>Annual rates</b>	<b>Effective annual rates</b>
<b>Range 1</b>	0	-	1,000,000	0.85%	
<b>Range 2</b>	1,000,000	-	3,000,000.00	0.70%	From 0.85 to 0.75%
<b>Range 3</b>	3,000,000	-	5,000,000.00	0.65%	From 0.75 to 0.71%
<b>Range 4</b>	5,000,000	-	10,000,000	0.55%	From 0.71 to 0.63%
<b>Range 5</b>	10,000,000	-	20,000,000	0.45%	From 0.63 to 0.54%
<b>Range 6</b>	Over 20,000,000	-		0.35%	From 0.54 to 0.35%

These standard fee rates are negotiable and we reserve the right to negotiate fees with the clients.

Clients who invest in a mutual fund or other investment product managed by Registrant or a related party will have an equivalent amount excluded from their asset base when calculating the management fees or will receive a credit for management fees paid at the fund / product level so that they are not charged a duplicative fee in connection with management of their account(s).

Brokerage fees typically will be charged to the client account for the execution of buy or sell orders for securities to any dealer or other market intermediary, including affiliates of Registrant, having the required registrations or authorizations in the relevant jurisdictions, and to negotiate commissions payable on such transactions in accordance with applicable legislation. Please refer to Item 12 of this Brochure for more details.

In addition to the advisory fees, clients are required to pay custodial fees. For more information on fees charged by the custodian of your account, including any charges relating to foreign exchange transactions or how your custodian executes foreign exchange transactions for your account, you should contact your custodian or refer to any agreement you have entered into with your custodian.

Client may incur other charges such as exchange fees, stamp duties and taxes on securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to advisory fees above.

### **Item 6 Performance-Based Fees**

Not applicable

## **Item 7 Type of Clients**

Registrant offers investment advisory services primarily to high net worth individuals, although Registrant will also manage accounts for institutions, which may include pension plans, corporate accounts, foundations, trusts, etc.

Registrant requires a minimum account size of US \$1,000,000. In its sole discretion, Registrant may waive the minimum account size, under certain circumstances

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

Registrant uses a variety of methods of analysis and investment strategies as follows, including, for example, fundamental and technical securities analysis methods, applying information gathered from financial news publications, research materials prepared within the firm, by related persons, and by unrelated third parties, corporate rating agencies, annual reports, prospectuses and other filings with the Securities and Exchange Commission, and corporate press releases. Investment strategies used by Registrant to implement advice given a Client depend on the Client's overall financial situation, including: risk tolerance, goals, suitability and other criteria. Investing in securities involves a risk of loss that Clients should be prepared to bear.

Although Registrant primarily relies on the research capabilities of its staff, Registrant also may obtain research and analyses prepared by various institutions; contacts with representatives of issuers, banks, brokers, governments and others; financial, economic and business publications; and other public documents containing information concerning securities issuers.

Lombard Odier Darier Hentsch (Canada), Limited Partnership, a Canadian Investment Advisor affiliated to Registrant, may furnish Registrant with research services including statistical and other factual information, and with advice regarding international economic, financial and monetary factors and sector trends that Registrant may use in making investment decisions. Registrant may from time to time also receive research services from other related entities.

Investment in equity securities presents a risk of loss of that may result in the loss of all or part of an investment. Investment in fixed income securities presents a smaller risk of loss than investment in equity securities because fixed income securities typically include a claim(s) against the issuers assets that priority over the interest held by equity owners. Investment in cash equivalents (e.g. money market funds) may present a lower risk of loss, and investment in certain government issued securities (e.g. Treasury bills) may present the smallest risk of loss.

Other material risks associated with discretionary and non-discretionary mandates:

### ***General Market Risk***

General market risk is the risk that equity markets will go down in value, including the possibility that equity markets will go down sharply and unpredictably. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. All investments are subject to general market risk.

### ***Foreign Market Risk***

Foreign investments are affected by global economic factors. There is often less information available about foreign companies and many countries have less stringent accounting, auditing and reporting standards than we do in USA. Some foreign stock markets have less trading volume, which may make it more difficult to sell an investment or make prices more volatile. Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. Different financial, political and social factors could hurt the value of foreign investments. As a result, foreign investments may experience larger and more frequent price changes in the short term.

### ***Credit Risk***

Credit risk is associated with the uncertainty in a company's ability to meet its debt obligations. Debt securities rated below investment grade or unrated securities offer a better yield but are generally more volatile and less liquid than other debt securities. There is also a greater likelihood that issuers of below investment grade or unrated debt securities may default, which may result in losses. The market for lower rated debt securities can also be affected by many other factors, including adverse publicity toward the high yield bond markets, which can impact prices of such securities. The value of a portfolio that holds these securities may rise and fall substantially.

### ***Liquidity Risk***

Liquidity refers to the speed and ease with which an asset can be sold and converted to cash. Most securities owned can be sold easily and at a fair price. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, certain features, like guarantees or a lack of buyers interested in the particular security or market. Difficulty in selling securities may result in a loss or reduced return.

## ***Currency Risk***

For investments denominated or traded in currencies other than the US dollar, changes in foreign currency exchange rates will affect the value of the investments. Generally, when the US dollar rises in value against a foreign currency, your investment is worth fewer US dollars. Similarly, when the US dollar decreases in value against a foreign currency, your investment is worth more US dollars. This is generally known as "currency risk", which is the possibility that a stronger US dollar will reduce returns for clients investing outside of USA, and a weaker US dollar will increase returns for clients investing outside of USA.

## ***Derivative Risk***

A derivative is a type of investment whose value is derived from the performance of other investments or from the movement of interest rates, exchange rates or market indices. For example:

- derivatives can drop in value just as other investments can drop in value
- sometimes derivative prices are affected by factors other than the price of the underlying security. For example, some investors may speculate in the derivative, driving the price up or down
- the price of derivatives tends to change more than the price of the underlying investment
- there might not be a market for over-the-counter options and forward contracts, making it difficult to make a profit or limit a loss by selling the derivative when necessary
- if trading in a substantial number of stocks in an index is interrupted or stopped, or if the composition of the index changes, it could adversely affect derivatives based on that index
- it may be difficult to unwind an option position, because the options exchange imposes a temporary trading limit, or because a government authority often imposes restrictions on certain transactions
- the other party in a derivatives contract may not be able to fulfil a promise to buy or sell the derivative, or settle the transaction, which could result in a loss to the fund.

## ***Risk of Interest Rate Changes***

Changes in interest rates can affect the performance of some investments. Bonds, for example, tend to fall in value when interest rates rise. Money Market investments, however, tend to earn less when interest rates fall. Central banks may change interest rates at various times during the business cycle, which may affect interest income and performance.

## ***Fiduciary Deposits***

Fiduciary Deposits and other investments with counterparties may be exposed to a risk of counterparty default, with the possible consequence that the Client could lose all or part of his/her investment.

## ***High Yield Risk***

Lower quality debt securities are riskier, speculative and involve greater risk of default. Lower quality debt securities, known as "junk bonds" is a less than investment grade quality.

## ***Investments in alternative investment funds such as hedge funds, funds of hedge funds, private equity funds, offshore funds and real estate funds (the "Alternative Funds")***

### **1- Description of Alternative Funds**

- **Hedge funds** are pooled investment vehicles which, irrespective of their legal form of organization, country of incorporation and investment strategy, use unconventional investment techniques such as short selling and investing in derivatives and/or leveraged instruments. As a general rule, such funds employ significant leverage.
- **Funds of hedge funds** are pooled investment vehicles which, irrespective of their legal form of organization and country of incorporation, invest in hedge funds.
- **Private equity funds** are pooled investment vehicles which, irrespective of their legal form of organization and country of incorporation, invest in companies that are not listed on a stock exchange or traded in another organized market and that are not liquid.
- **Offshore fund** are funds which, irrespective of their legal form of organization and investment policy, are established in countries that do not have the same supervisory framework for investment funds as USA.
- **Real estate funds** are investment vehicles which, irrespective of their legal form of organization and country of incorporation, invest, directly or indirectly, in real estate.

### **2- Risks**

The principal risks include the following:



- **Economic risk:** Alternative Funds require a high minimum investment and involve substantial financial risks, including the risk of losing all of the assets invested. The fee structure of such funds is generally more complex, and the fees themselves are higher than for conventional investments. Past performance is not a guarantee of future performance.

Moreover, Alternative Funds may not realize positive returns. They may be highly exposed to changes in technology, commodity prices and the environment in which they operate. Certain Alternative Funds may therefore never generate any profit from their activities, and they may lose all the funds made available to them.

Alternative Funds are also generally smaller and less established than listed companies. They often face major issues with respect to management, human resources, intellectual property and the economic environment. Such funds are therefore more dependent on the skills and commitment of a limited number of persons and are vulnerable to market fluctuations. The Client's attention is drawn to the fact that only a limited number of such funds may reach a stage of profitability and maturity sufficient to enable them to carry on their activities in the medium or long-term.

- **Legal risk / Lack of supervision:** Alternative Funds may be established in jurisdictions where there is very little, if any, regulatory supervision and where accounting and transparency requirements are weak or non-existent, with the result that protection of investor interests is less effective. In addition, some Alternative Funds require substantial guarantees from investors prior to any investment.
- **Operational risk:** The operating systems and control procedures implemented with respect to certain Alternative Funds may be inadequate or unsuitable and may therefore lead to losses. There may also be risks due to a lack of transparency regarding portfolio investments. Where the investment is indirect, counterparty risks (fund administrator, depositary and prime broker) must also be considered.
- **Liquidity risk:** Alternative Funds generally have lengthy subscription and redemption periods, as well as lock-up periods during which their units are not redeemable. In some instances, specifically in the case of private equity funds, the lock-up period can extend over many years.
- **Valuation Risk:** Valuation of some Alternative Funds is a delicate matter and appraisals are necessarily subjective given the absence of a real market for the securities of such funds. As a result, valuation of the securities, even undertaken with due diligence and in accordance with standard practice, may prove to be inaccurate.

- **Limited diversification risk:** An investment in Alternative Funds is based on one-off investment opportunities, which increases the risks inherent in such an investment by increasing the portfolio's exposure to adverse changes in certain economic sectors and/or geographical areas.
- **Call for funds:** In Alternative Funds, the Client may be exposed to calls for additional funds (call backs). Commitments to satisfy such call backs can span over several years. The Client's commitments are not limited to its initial investment. If the Client defaults on a call back, it will generally forfeit all or part of its rights.

## Item 9 Disciplinary Information

Not applicable

## Item 10 Other Financial Industry Activities and Affiliations

Registrant may share office space and certain administrative and legal or compliance support from an entity that is a related party pursuant to one more Service Level Agreements that may be entered into from time to time.

Registrant's Chief Executive Officer and Chief Compliance Officer are both persons registered as officers of the dually registered broker-dealer, Lombard Odier Transatlantic, L.P.

Registrant generally will place orders for stocks traded on non-U.S. markets or exchanges with its related broker that is registered in Canada, Lombard Odier Darier Hentsch Securities (Canada) Inc. Also, Registrant is dually registered as a U.S. broker-dealer, and thus Registrant generally will place orders for stocks traded on U.S. markets or exchanges through itself in its capacity as a broker. Use of itself or an affiliated broker to execute client trades, raises a potential conflict of interest that Registrant may benefit from excessive trading ("churning") through higher commission revenues earned by itself or its affiliated broker. Registrant will not charge a client a greater fee on a transaction than would otherwise be available through a non-affiliated broker. Furthermore, Registrant initiates a trade only when Registrant believes that it will further the client's interests and Registrant will not initiate a trade for a client's account solely to generate additional brokerage commissions.

Clients may direct Registrant to use a broker other than Registrant or its related person as broker to execute their transactions. However, in such cases, clients may pay higher commission rates. For example, if Registrant is unable to avail itself of discounts available to batched orders that receive volume discounts.

Registrant may share employees and research with its Canadian investment advisory affiliate. Consequently, employees who are "Access Persons" of either entity are subject to the Code of Ethics of the other, and also to any conflict of interest policies that may apply to either investment adviser entity.

Registrant has in place an allocation policy that requires that similarly situated clients of either advisory entity be treated equally regarding investment opportunities that may be suitable for both clients. Conflicts related to investment allocation decisions are escalated to Registrant's Compliance Officer and senior management to determine how to resolve the conflict.

The Registrant does not have direct custody of client assets. Clients may select Lombard Odier Darier Hentsch & Cie ("LODH&Cie"), a related entity, to provide custodial services for client's account or another custodian. If so, clients will enter into a separate custodial arrangement directly with LODH&Cie or the other custodian. LODH&Cie may also provide other non-investment related services to Registrant's clients, including clearing, matching and settlement of trades into client accounts, valuation of assets and provision of monthly statements, pursuant to separate agreements between each client and LODH&Cie. Where an independent custodian is selected by a client, we will work with that client and custodian to ensure that the custodian sends directly account statements to Registrant's clients.

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

Registrant has a Code of Ethics in place that imposes certain restrictions on personal trading activities in any employee account or any account in which an employee has control or a beneficial interest. Specifically, certain transactions, such as the acquisition of IPOs or short sales, are strictly prohibited, and Registrant's policy requires all staff to maintain accounts within the Group or to arrange duplicate confirmations and account statements for all personal securities accounts.

Registrant has established procedures including policies that restrict trading related to proprietary or inside information and has adopted procedures to address conflicts of interests that may arise between the Registrant or a representative and a Client. Furthermore, Registrant and related entities of the LODH Group generally discourage and at times prohibit employees from serving as Directors of public companies. Registrant also requires at least an annual disclosure of all personal securities accounts from all of its employees, unless an employee's personal accounts are maintained solely within LODH. Registrant reviews at least quarterly employee's personal securities transactions for potential conflicts of interest. Employees who maintain outside accounts must arrange to have duplicate confirmations and account statements sent to the Registrant.

Registrant does not engage in any principal or agency cross transactions. Registrant may recommend to its Clients investments in an investment vehicle in which Registrant's affiliates have a financial interest as investment manager. However, in any case whereby the Registrant's affiliates typically receives a fee, Registrant will reimburse the full amount of any investment vehicle management fees for Client accounts that are also subject to an investment advisory fee.

Registrant may not buy or sell securities for itself and does not maintain proprietary accounts.

Transactions at a time when an employee intends, or know of another's intention, to purchase or sell that same security (or a related security) on behalf of a client are prohibited. This prohibition applies whether the securities transaction is in the same (e.g., two purchases) or the opposite (a purchase and sale) direction of the transaction of the client. This prohibition becomes effective the moment the employee learns that he Registrant is considering or intends to purchase or sell such security, to recommend its purchase or sale or is in fact purchasing or selling the security. The aforementioned prohibition continues to apply until twenty-four (24) hours after the recommendation has been rejected or the purchase or sale has been completed or cancelled.

The Registrant and other affiliates impose a twenty-four (24) hours Blackout to all employees and their Related Accounts, which are accounts of a member of a Staff Member's Immediate Household. Immediate Household includes a Staff Member's spouse, children, relatives or others living with a Staff Member, whose investment holdings and accounts the Staff Member controls or derives a financial benefit and over whose investment decisions the Staff Member exercises control.

The Registrant does not engage in agency cross trading.

## **Item 12 Brokerage Practices**

As discussed in Item 10, Registrant is registered as a broker-dealer with the U.S. Securities and Exchange Commission, and is also a member of FINRA. For client transactions in securities traded on U.S. markets, Registrant will generally select itself to act as broker as disclosed in, and in accordance with, terms contained within each portfolio management agreement. In other cases, for markets outside the U.S., Registrant may select a related entity or affiliate to act as broker. In all cases in which an affiliate or related person acts as broker for a client transaction, Registrant will seek to obtain "best execution" available at the time and under the circumstances.

Clients may direct that Registrant execute transactions through a specified broker-dealer. Note that not all advisers require or permit their clients to direct brokerage. By directing Registrant to use a particular broker, Registrant may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

For example, in a directed brokerage account, the client may pay higher brokerage commissions because Registrant is not able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Generally, in accordance with Registrant's standard Discretionary Portfolio Management Mandate, the portfolio manager will have full authority over the account, regarding both the selection of investments as well as brokerage, and thus clients are generally not able to direct brokerage to the firm of their choice.

Registrant may select a broker that costs more on a per-share basis than available from another broker, if the additional charges are paid in exchange for execution services. Registrant generally will not "pay up," i.e. select a broker and pay more for execution than is otherwise available in exchange for the receipt of research materials (e.g. research reports or analysis) or third-party provided services (e.g. Bloomberg terminals). Together, the aforementioned practices are commonly referred to as "soft dollar payments," and Registrant currently has no formal soft dollar arrangements.

Registrant does not consider, in selecting or recommending broker-dealers, whether it or a related person receives client referrals from a broker-dealer or third party.

Registrant will generally aggregate, when practicable, the purchase or sale of securities for various client accounts into the same *batched* trade, to realize efficiencies of scale and possible volume reduction in transaction charges.

### **Item 13 Review of Accounts**

The Chief Compliance Officer monitors each Client's *Investment Policy Rules*, on a periodic basis in consultation with the Portfolio Manager responsible for the account. Each review generally include consideration of the following matters: performance, compliance with account restrictions, consistency with account objectives, total brokerage commissions incurred by the account, and any conflicts of interest that may exist in light of the account's investments (e.g., investments in or fees charged for products offered by related entities).

Apart from the regular monthly statement, Registrant provides an investment management review written report to clients as often as agreed with such client, but no less frequently than annually. The reports highlight the Economic Outlook, the Portfolio Performances, the Review of Investment Mandates (investment profile, base currency, investment universe, investment horizon, and client objectives and constraints) and the market and currency performances, and will include a Portfolio Summary.

## **Item 14 Client Referrals and Other Compensation**

Not applicable

## **Item 15 Custody**

All clients will receive from Applicant at least a quarterly account statement that includes such data as the value of total assets at quarter-end, and the quarterly performance of their account(s). Applicant or a related party provides Custody services to certain or all clients, and complies with US regulation regarding investment advisers with self-custody as described in the Custody Rule.

Clients may choose as their Custodian an entity that is also related party to the Applicant. All Clients will retain a Custodian of their choice and in such cases they should carefully review the account statement they receive from the broker-dealer, bank or other qualified custodian. All Clients are urged to compare the account statement they receive from their Custodian with those statements they receive from Applicant.

## **Item 16 Investment Discretion**

Registrant typically is granted full discretionary authority to manage Client accounts, including the authority to purchase or sell any security, or any derivative related to such security, consistent with the Client's investment objectives and restrictions described in the *Investment Policy Rules*. Registrant is typically also granted authority to direct the Client's custodian to pay Registrant's quarterly investment management fee.

## **Item 17 Voting Client Securities**

Registrant does not vote securities held in Client accounts. Clients retain responsibility for voting all securities maintained in their accounts. This same policy applies to solicitations regarding corporate actions and other similar solicitations.

## **Item 18 Financial Information**

Not applicable



**Form ADV Part 2B  
Brochure Supplement**

*Lombard Odier Transatlantic, Limited Partnership  
1000 Sherbrooke St. West, Suite 2260  
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Tel.: (514) 847-7745*

This Form ADV Part 2B, also called the "brochure supplement" provides information about the following supervised persons employed by Lombard Odier Transatlantic, Limited Partnership "LOT", and the information contained herein supplements Transatlantic's Form ADV Part 2 Brochure "Firm Brochure".

**Thomas Maxwell, Head of Wealth Management, U.S.A. and member of the Investment Committee**

Direct telephone no. 1-514-847-7602

**Andrew Kost, Senior Portfolio Manager and Chairman of the Investment Committee**

Direct telephone no. 1-514-847-7609

**Mario Zaccardelli, Portfolio Manager and member of the Investment Committee**

Direct telephone no. 1-514-847-7647

**Martin Chapados, Portfolio Manager and member of the Investment Committee**

Direct telephone no. 1-514-847-7644

The information about the above named supervised persons, set forth below, supplements the LOT "Firm Brochure". You should have received a copy of that brochure. Please contact the Business Development Department or Chief Compliance Officer if you did not receive LOT's "Firm Brochure" or if you have any questions about the contents of this brochure.

"Supervised persons" within LOT covered by the Brochure Supplement are identified as persons who: (i) formulate investment advice for clients and have direct client contact; or (ii) make discretionary investment decisions for clients' assets, even if the supervised person has no direct client contact. Hence, this Brochure Supplement provides information on LOT Portfolio Managers (who have the daily client contact) and members of the LOT Investment Committee (which makes the investment decisions for Managed Accounts and decides on recommendations for Advisory Accounts). Your account may be managed by any or all of the individuals identified in this Form ADV Part 2B Supplement.

In the information about each supervised person provided below:

"Educational background" refers to the supervised person's post-high school education. "Business background" refers to the supervised person's business experience for the last 5 years.

"Disciplinary information" refers to legal or disciplinary events that are material to your evaluation of the supervised person, such as civil lawsuits, proceedings before a government or self-regulatory agency relating to investment activity, or criminal proceedings.

"Other business activities" refers to whether the supervised person is actively engaged in any investment-related business or occupation other than his or her employment by LOT.

"Additional compensation" refers to whether the supervised person receives an economic benefit for providing investment advice other than his or her regular salary and regular bonus from LOT.

"Supervisor" refers to the person at LOT who supervises the supervised person's investment activities on behalf of the firm. The supervision takes place in various forms: attending client meetings and seminars, listening to the supervised persons' telephone conversations with clients, regular meetings with the supervised persons and handling client complaints. In addition, there are a number of internal controls related to the supervised persons where reporting is made to the President/CEO.

The information in this brochure has not been approved or verified by the U.S. Securities (the SEC) and Exchange Commission or by any state securities authority.



**Supervised Person: Thomas Maxwell**

Business address: 1000, Sherbrooke st. West, Suite 2260 - Montréal (Quebec) - H3A 3R7 – Canada - T +514-847-7602

Year of birth: 1968.

Education background: Bachelor in Laws from the University of Geneva and Certified International Investment Analyst (CIIA) charter holder.

Business background: Joined LOT in July 2011. Current position: Head of Wealth Management U.S.A. and member of the Investment Committee. Previously Trust Officer and Senior Client Relationship Manager for Lombard Odier Darier Hentsch & Cie, October 1999-July 2011.

Disciplinary Information – None to report

Business Activities – None to report

Additional Compensation – None to report

Supervised by: Mr. Forestier. Mr. Forestier is responsible to oversee and supervise the investment advisory activities of Mr. Maxwell. Mr. Forestier monitors the advice Mr. Maxwell provides to clients by reviewing on at least a quarterly basis during a meeting with Mr. Maxwell the following factors: trades executed and other investment activity that occurred during the prior quarter, the suitability of the recommendations provided to the client in light of the client's objectives and any restrictions, amount of clients assets included under the advisory relationship, fees schedules and rates charged to each client for reasonableness in light of services provided, and in light of rates and rates charged to the Firm's similarly situated clients.

**Supervised Person: Andrew Kost**

Business address: 1000, Sherbrooke st. West, Suite 2260 - Montréal (Quebec) - H3A 3R7 – Canada - T +514-847-7609

Year of birth: 1965.

Education Background: Bachelor es Science, Major Economics, Minor Finances from Hautes Études Commerciales Montreal and CFA charter holder, passed the following Canadian Securities Institute courses: Options licensing Course and Canadian Securities Course.

Business background: Joined LOT in 2011. Current position: Senior Portfolio Manager and Chairman of the Investment Committee. Mr. Kost also acts as Senior Portfolio Manager and Chief Strategists for Lombard Odier Darier

Hentsch (Canada) since March 2007, an affiliated advisor in Canada for non-US clients. Fund manager December 2004-March 2007 and Senior International Portfolio Manager, April 2002-March 2007 for Lombard Odier Darier Hentsch & Cie. Head Strategist, November 1998-April 2002 and Analyst Equities October 1997-November 1998 for Credit Commercial de France (Suisse) S.A.

Disciplinary Information – None to report

Other Business Activities – None to report

Additional Compensation – None to report

Supervised by: Mr. Forestier. Mr. Forestier acts as the Chairman of the Board and is responsible to oversee and supervise the investment Management activities of Mrrs. Kost, Chapados and Zaccardelli. On a day-to-day basis, Mr. Kost also supervises the investment management activity of Mr. Chapados and Mr Zaccardelli.

Mr. Forestier monitors the discretionary investment advice we provide to clients by reviewing on at least a quarterly basis during a meeting with Mr. Kost the following factors: portfolio performance, portfolio turnover rates during the prior quarter, the appropriateness of the recommendations provided to the client in light of the client's objectives and any account or portfolio restrictions, the total amount of assets managed on behalf of the client, including any related accounts, fees schedules and rates charged to each client for reasonableness in light of services provided, and in light of rates and rates charged to others of the Firm's similarly situated clients.

**Supervised Person: Mario Zaccardelli**

Business address: 1000, Sherbrooke st. West, Suite 2260 - Montréal (Quebec) - H3A 3R7 – Canada - T +514-847-7644

Year of birth: 1972.

Education Background: Bachelor in Business Administration, Major Finances from Bishop's University and a Master in Accounting from Université du Québec à Montreal, CFA charter holder, passed the Canadian Securities Course from Canadian Securities Institute.

Business background: Joined LOT in 2011. Current position: Portfolio Manager and member of the Investment Committee. Mr. Zaccardelli also acts as Portfolio Manager for Lombard Odier Darier Hentsch (Canada) since January 2008. Buy Side Analyst, July 2002 –January 2008 for Lombard Odier Darier Hentsch & Cie. Buy side Analyst for Socrate Gestion de Patrimoine, June 2000-July 2002.

Disciplinary Information – None to report

Other Business Activities – None to report

Additional Compensation – None to report

Supervised by: Andrew Kost Senior Portfolio Manager at T +514-847-7608.

**Supervised Person: Martin Chapados**

Business address: 1000, Sherbrooke st. West, Suite 2260 - Montréal (Quebec) - H3A 3R7 – Canada - T +514-847-7644

Year of birth: 1969.

Education Background: Bachelor in Business Administration, Major Finances and Master in Finances from Sherbrooke University, CGA and CFA charter holder, passed the Options Supervisors Course from Canadian Securities Institute.

Business background: Joined LOT in 2011. Current position: Portfolio Manager and member of the Investment Committee. Mr. Chapados also acts as Portfolio Manager for Lombard Odier Darier Hentsch (Canada) since July 2002. Portfolio Manager for Socrate Gestion de Patrimoine, July 1997-July 2002.

Disciplinary Information – None to report

Other Business Activities – None to report

Additional Compensation – None to report

Supervised by: Andrew Kost Senior Portfolio Manager at T +514-847-7608

**Additional information:**

Each supervised person is responsible to ensure the advices provided to clients are suitable in light of the client risks profile and investment objectives. A second level of monitoring is performed on a sample basis by the Chief Compliance Officer ("CCO") by a routinely monitoring of the advisory correspondence (i.e., emails, letters, facsimiles, journal entries, contractual agreements, etc.) and advisory activities (including marketing materials and client meetings) of each Supervised Person. Gregory Balitsos is LOT's CCO and he can be contacted at the following number: 917-362-3719.

## **PRIVACY POLICY**

### **Policy and Purpose - Institutional Clients**

Clients are the bedrock of our firm, and the protection of their nonpublic personal information is our responsibility. It is our policy not to share any nonpublic personal information regarding our current, prospective or former clients, to any nonaffiliated third parties unless necessary to process client transactions, provide services to the client or as otherwise permitted by law.

The above-described policy applies to all the Firm employees as it relates to their handling of information regarding **institutional** client accounts. This policy is designed to:

- ensure the confidentiality of client records and information;
- maintain the security of client records and information; and
- protect against unauthorized access or use of client records or information.

### **Confidentiality of Client Information - Individual Clients (Natural persons)**

At such time as the Firm manages or advises natural persons or individual accounts, the following policy will apply to all the Firm employees in connection with their handling of information regarding *individual* (non-institutional) client accounts:

In providing investment advisory services to our clients we frequently obtain *nonpublic personal information* regarding them. This information may include their name(s), address, social security number or tax identification number, phone number, occupation, net worth, income, personal investment(s) and other nonpublic personal information. In addition, the Firm maintains information regarding its clients' accounts such as account balances, positions and securities transactions. (Collectively, "Personal Information") It is every employee's duty to maintain the confidentiality of our clients' Personal Information.

### **Use and Maintenance of Client Information**

It is our policy to safeguard any Personal Information provided to us by our clients. Personal Information will only be disclosed to employees on a "need-to-know" basis in order for them to process transactions or service the client's account(s). All employees are required to use their best efforts to maintain and protect the confidentiality of our clients' Personal Information. Under no circumstances should employees use clients' Personal Information for their own personal use or otherwise outside of the realm of their employment with the Firm.

Electronic lists or other documents containing Personal Information regarding clients are required to be maintained in a secured electronic file to ensure the confidentiality of such information. In addition, any Personal Information not otherwise maintained electronically should be maintained in a central client file which is required to be

secured and locked (after normal business hours). Personal Information regarding clients that is being discarded such as printouts of lists or account information must be shredded. Every employee handling Personal Information is required to maintain the confidentiality of such information and to take all necessary precautions to protect our clients' Personal Information from any unauthorized use or potential loss.

### **Sharing Client Information with Third Parties**

Under no circumstances, unless prior written consent is provided by the client, should Personal Information regarding our clients including their names, be disclosed to nonaffiliated third parties other than as necessary to process transactions on behalf of the client, to provide services to the client or as otherwise permitted by law. In addition, Personal Information may be shared with nonaffiliated third parties if the entity is under contract to perform certain services on behalf of the Firm or as instructed by the client. Any such contract entered into by the Firm is required to include provisions designed to ensure that the third party will uphold and maintain privacy standards when handling client Personal Information. The Firm may also disclose Personal Information to regulatory authorities or as otherwise required by applicable law.

### **Sharing Client Personal Information with Affiliates**

Personal Information regarding our clients may be shared with affiliates of the Firm for business purposes, such as servicing the client's account(s). In addition, Personal Information maintained in electronic files on the Firm's IT system may be backed-up or otherwise accessed by the IT Department of affiliated companies within the Lombard Odier Darier Hentsch Group.

### **Delivery of the Privacy Notice**

- A. Initial. The Privacy Notice is required to be mailed to a new individual client as soon as reasonably possible but no later than when such client establishes a relationship with the Firm
- B. Annual. The Privacy Notice is required to be provided to all existing individual clients on an annual basis.

### **Changes to this Policy**

Changes made to this Policy are required to be disclosed to our existing clients by amending the attached Privacy Notice and sending the revised Notice to such clients. In addition, if the Firm decides to provide Personal Information regarding its clients to third parties, the Firm is required to provide such clients with an "opt out notice."