

***AT Investment Advisers, Inc.***

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**Investment Adviser  
Disclosure Statement**

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January 1, 2014

This brochure provides information about the qualifications and business practices of AT Investment Advisers, Inc. If you have any questions about the contents of this brochure, please contact us at (312) 368-7700. 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.

Additional information about AT Investment Advisers, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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Applicant:

SEC File Number:  
801-57986

Date:  
01/01/2014

AT Investment Advisers, Inc.

## **Item 2: Material Changes**

On December 31, 2013, Canadian Imperial Bank of Commerce ("CIBC") acquired the Atlantic Trust Private Wealth Management ("ATPWM") business, including Stein Roe Investment Counsel, Inc. ("Stein Roe"), from Invesco Ltd. Upon the acquisition of ATPWM by CIBC, Stein Roe changed its legal name to AT Investment Advisers, Inc. (referred to as "We", "Us" and "Our") and became an indirect subsidiary of CIBC. As a result we are no longer affiliated with Invesco, Ltd.

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## **Item 4: Advisory Business**

### **Item 4A – Advisory Firm Description**

AT Investment Advisers, Inc. (referred to as “We”, “Us” and “Our”) is an indirect subsidiary of Canadian Imperial Bank of Commerce (“CIBC”), a Canadian-based financial institution and publicly traded entity.

Atlantic Trust Company, N.A. (“Atlantic Trust Company”), a federally-chartered limited purpose trust, and AT Investment Advisers, Inc. are wholly-owned subsidiaries of Atlantic Trust Group, LLC and make up the Atlantic Trust Private Wealth Management Division of CIBC.

### **Item 4B – Types of Advisory Services Offered**

We provide investment advisory and wealth advisory services (i.e. financial planning). Investment advisory services include asset allocation planning, proprietary investment offerings, external manager selection and customized reporting. Wealth advisory services include assisting clients with financial, estate and philanthropic planning.

### **Item 4C – Tailoring of Advisory Services**

Each client is assigned to a Relationship Manager who works with you to customize your investment strategy. You can have as much or as little contact with your Relationship Manager as you choose, but will speak with them at least annually. The investment strategy may involve an overall asset allocation model, or may be intended to serve as a portion of a broader asset allocation model. Your strategy may be achieved through a custom portfolio, a portfolio of internally and/or externally managed strategies, or a combination of both.

You have the ability to impose reasonable restrictions on your investments; for example, you may exclude or restrict specific securities and/or certain industries or types of securities. Any restrictions imposed are put into our internal systems in the form of trading rules that are specific to your account in order to ensure that your requirements are adhered to automatically when trades are placed for your account.

### **Item 4D – Wrap Fee Programs**

We participate in wrap fee programs offered by third party sponsors. If your account is opened through one of these programs, it will be managed in the same manner as other accounts we manage in that program, subject to any restrictions you place on the account. You will pay a fixed fee to the sponsor company and the amount of the fee is determined by the sponsor. Our fees are then paid by that sponsor firm on your behalf, so we will receive a portion of whatever fee you pay.

The total fees you will pay under a wrap fee arrangement are determined between you and the sponsor of the program and are not set by us. For more information on the wrap fee programs that we participate in see Item 5C below.

### **Item 4E – Assets Under Management**

Most of our clients receive discretionary investment management in which we make investment decisions on their behalf. Most other clients receive our services on a non-discretionary basis in which the clients make their own investment decisions. We also provide consulting and/or administrative reporting services on a fixed rate basis.

As of 11/30/2013, we had \$7,569,897,111 under management on a discretionary basis, and \$784,815,993 which we managed on a non-discretionary basis.

## Item 5: Fees and Compensation

### Item 5A – Advisory Fees

We use the following standard fee schedules:

#### New Accounts with Equity and Balanced Portfolios:

- On the first \$5 million.....1.00% annually
- On the next \$5 million.....0.80% annually
- On all additional amounts.....0.60% annually
- Minimum annual fee.....\$20,000

#### New Accounts with Fixed Income Portfolios:

- On the first \$10 million.....0.50% annually
- On the next \$20 million.....0.35% annually
- On all additional amounts.....0.25% annually
- Minimum annual fee.....\$20,000

#### New Accounts with Cash Portfolios:

- On the first \$50 million.....0.20% annually
- On the next \$50 million.....0.15% annually
- On all additional amounts.....0.10% annually
- Minimum annual fee.....\$20,000

#### Wealth Management Accounts:

- On the first \$5 million.....1.20% annually
- On the next \$5 million.....0.80% annually
- On all additional amounts.....0.60% annually
- Minimum annual fee.....\$20,000

#### Employee and Immediate Family Member Accounts:

- On all amounts.....0.25% annually

On occasion we will negotiate the fees charged on an account. Typically, fees are negotiated in special circumstances. For example, we may negotiate a different fee schedule or minimum if we expect an account to grow substantially in size or already have a longstanding relationship with a client. In situations where we expect that an account will grow substantially we may base our fees on the size that we expect the account to grow to. In situations where we have a longstanding relationship with a client, we may consider assets that we are already managing for that client when determining fees for the new account. Additionally, our fee schedules have evolved over time, and therefore some of our accounts have different fee arrangements, which were the standard fees at the time the accounts were opened.

We exclude investments in shares of any affiliated mutual funds, affiliated exchange-traded funds or affiliated private funds from the assets under management figure used to calculate fees. We also exclude investments in shares of any American Century Funds. CIBC, our parent entity, has a 39.61% equity ownership in American Century Companies, Inc., and has a 10.1% voting stake. We consider American Century Funds affiliated products only for the purposes of billing due to CIBC's ownership stake although we are not legally affiliated with or related to them. Additionally, we exclude any investments of any Invesco funds held as of 12/31/2013 from the assets

under management figure used to calculate fees; if you add to these existing positions the additions will also be excluded. New investments made in any Invesco Funds after 12/31/13 will be included in the calculation of assets under management. If you decide to create a sub-account to hold assets which we do not manage, those assets are also excluded from the figure used to determine fees.

**Item 5B – Billing of Fees**

Client fees are generally billed quarterly in advance. Fees are based on the fair market value of your billable assets under management as of the end of the last day of the preceding quarter. Fees will not be adjusted for deposits or withdrawals made from your account or for appreciation or depreciation of the account assets within the quarter. As noted above, this standard arrangement is occasionally altered or negotiated in special circumstances.

If you wish to terminate your account with us, you may do so with 30 days prior written notice. In such situations, any pre-paid fees will be refunded based on daily pro-ration of the fee that was billed.

As noted in Item 5A above, we do not bill on investments in shares of any affiliated mutual funds, affiliated exchange-traded funds or affiliated private funds, American Century Funds or Invesco Funds (if the Invesco Fund holding was in existence on 12/31/13). However, because our fees are generally billed in advance, we perform a special fee adjustment calculation each quarter in order to ensure you are not over or under charged. If you purchase affiliated products during the quarter it would result in a fee overlap because a portion of your account's market value would now be in an investment that should not be billed. On the other hand, if you were to sell an affiliated product during the quarter, there would be a gap in the fees billed because a portion of your account's market value that was previously not billed on would now be billable. The fee adjustment calculation we perform makes these adjustments. If there is an overlap, you will be credited fees during the next billing period to eliminate it. If there is a gap, this difference will be included on the next quarterly bill.

**Item 5C – Other Fees Incurred**

In addition to the fees described in Item 5A above, your account may also be subject to other fees which are outlined below.

**Affiliated Funds and Non-Affiliated Funds**

We may decide to invest a portion of your account in shares of investment companies sub-advised by us or the Barclays ETN and Select MLP for which we serve as the Index Servicing Agent. We may receive compensation, in addition to the index servicing fees, for the shares of these investments that are purchased in the Barclays ETN + Select MLP. As a result, we exclude these items from your account value for the purpose of calculating fees.

**Unaffiliated Mutual Funds & Investment Companies**

As part of our investment advisory service, we may purchase shares of unaffiliated mutual funds. These shares are included in the market value of your account for determining your quarterly fees. In addition, these types of investments may be subject to investment advisory service fees by the companies that operate the mutual funds.

**Private Placements****Affiliated and Non-Affiliated Private Investment Funds**

One of our affiliates, Atlantic Trust Company, serves as manager, managing member, investment adviser, sub-placement agent, placement agent and/or servicing agent to several affiliated and non-affiliated private placement funds.

**Affiliated Private Investment Funds**

The funds that our affiliate, Atlantic Trust Company, has such duties for are the following:

AT Investment Advisers, Inc.

- Atlantic Trust Real Estate Fund I, LLC
- Atlantic Trust Diversified Strategies Fund, LLC
- AT MLP Fund, LLC
- Atlantic Trust Capital Dynamics Investors Fund, LLC
- Energy Capital Investors Fund, LLC
- Energy Capital Investors Fund II, LLC
- Atlantic Trust Opportunity Fund, LLC
- Atlantic Trust Global Long/Short Fund, LLC
- WLR Recovery IV Investors, LLC
- Landmark Investors XIV Fund, LLC
- Asia Hedged Opportunity Fund, LLC
- Atlantic Trust Global Hedged Equity Fund, LLC
- WLR Recovery V Investors, LLC
- AT Oak Hill Fund, LLC
- AT Global Multi-Strategy Fund, LLC
- AT Private Credit Opportunities Fund, LLC

Our affiliate, Atlantic Trust Company, receives compensation for its services for the funds listed above. Those fees are outlined in the private placement memorandum for each fund. We generally receive a portion of the fees charged by our affiliate for investments we make in the above funds. However, if we invest money from your account in the above funds, it is considered an affiliated product and is excluded when determining the market value of your account for billing. See items 5A and 5B for more information about how we handle affiliated investments in terms of billing.

#### Non-Affiliated Private Investment Funds

##### **Eaton Vance Distributors, Inc.**

Our affiliate, Atlantic Trust Company, serves as sub-placement agent or placement agent to the following funds:

- Belwater Fund
- Clearfork Capital Fund
- Belport Capital Fund LLC
- Belterra Fund

As a result, our affiliate receives a one-time fee from Eaton Vance Distributors, Inc., the placement agent for the above funds when an investment is made in the funds. Additionally, our affiliate receives an ongoing servicing fee based on your average daily net balance in the funds which begins 12 months after your shares are issued. These fees received by Atlantic Trust Company are described in more detail in the private placement memorandum for each fund.

Due to the fact that our affiliate receives fees from Eaton Vance Distributors, Inc., any investments made in the funds listed above are excluded from your account when we calculate fees. Your account will be subject to the fees associated with investments in these private placements that are described in the private placement memorandums.

If we invest your money in these funds, we will receive all or a portion of the fees from our affiliate.

##### **Lighthouse Investment Partners, LLC**



Our affiliate, Atlantic Trust Company, serves as an introducing agent for potential investors for private investment pools operated by Lighthouse Investment Partners, LLC or its affiliates. As a result, our affiliate receives a quarterly fee at a rate of .50 of 1% per annum (0.125% quarterly) of the account balance of investors that we introduce to Lighthouse Investment Partners, LLC. These fees received by Atlantic Trust Company are described in more detail in the private placement memorandum for each fund.

Due to the fact that our affiliate receives fees from Lighthouse Investment Partners, LLC, any investments made in the funds are excluded from your account when we calculate fees. Your account will be subject to the fees associated with investments in these private placements that are described in the private placement memorandums.

If we invest your money in these funds, we will receive all or a portion of the fees from our affiliate.

**Persistent Edge Asia Partners, Ltd**

Our affiliate, Atlantic Trust Company, serves as referral agent for potential investors for Persistent Edge Asia Partners, Ltd., a private investment pool operated by Persistent Asset Management Pte Ltd. As a result, our affiliate receives a quarterly fee at a rate of .75 of 1% per annum (0.1875% quarterly) of the account balance of investors that we introduce to Persistent Edge Asia Partners, Ltd. These fees received by Atlantic Trust Company are described in more detail in the private placement memorandum for each fund.

Due to the fact that our affiliate receives fees from Persistent Asset Management Pte Ltd., any investments made in the funds are excluded from your account when we calculate fees. Your account will be subject to the fees associated with investments in these private placements that are described in the private placement memorandums.

If we invest your money in these funds, we will receive all or a portion of the fees from our affiliate.

**Prisma Spectrum Fund, LP**

Our affiliate, Atlantic Trust Company, serves as referral agent for potential investors for Prisma Spectrum Fund, Ltd., a private investment pool operated by Prisma Capital Partners LLC. As a result, our affiliate receives a fee equal to 33 1/3% of any management fee payable to the Investment Manager of the investment pool, so long as the aggregate contributions to the funds of referred investors is less than \$50 million. If the aggregate contributions to the funds by referred investors are greater than \$50 million, then our affiliate receives a fee equal to 50% of any management fee payable to the Investment Manager of the investment pool. These fees received by Atlantic Trust Company are described in more detail in the private placement memorandum for each fund.

Due to the fact that our affiliate receives fees from Prisma Capital Partners LLC, any investments made in the funds are excluded from your account when we calculate fees. Your account will be subject to the fees associated with investments in these private placements that are described in the private placement memorandums.

If we invest your money in these funds, we will receive all or a portion of the fees from our affiliate.

**Custodial Account Charges**

We do not accept physical custody of your assets. Accordingly, we require you to place your assets with a qualified custodian. The custodian you choose to hold your account may charge fees which are negotiated between you and your custodian and are your responsibility to pay.

We pay the basic annual custodial account charges for certain accounts under a prior program no longer offered to clients. These accounts use the custodial services of U.S. Trust, Bank of America Private Wealth Management (formerly LaSalle National Trust, N.A.) or Investors Bank & Trust Company (now known as State Street Bank). Under this program, we do not offer custodial services directly or indirectly to the accounts enrolled and Bank of

America and State Street Bank do not offer their services through us. Clients would retain Bank of America or State Street Bank as their custodian directly and clients are responsible for any fees or charges in excess of those that we pay.

**All-Inclusive Fee Arrangements**

We provide investment advisory services through investment advisors or financial planning firms that are not affiliated with us. These firms are either affiliated with or registered as broker dealers. These firms will be referred to as “sponsors” going forward.

In an all-inclusive fee arrangement, you pay the sponsor a flat fee instead of paying a commission on each trade. In exchange for that fee, the sponsor may do one or more of several things:

The sponsor may assist you in determining financial goals and recommend that you retain us as an investment adviser (or as one of several investment advisers). The sponsor may also provide administrative services to you such as providing you with periodic statements, communicate with several advisers and brokers on your behalf, monitor your investment performance and evaluate it for you, execute transactions for your account free of any commission charge, or act as the custodian of your assets.

In all-inclusive fee arrangements, we generally will not bill you for our fees directly. Instead, the sponsor will pay our fees on your behalf by deducting the fees from your account. These service arrangements often utilize a fee schedule different from what is described in Item 5A above.

If you participate in an all-inclusive fee arrangement, you will either have a contract directly with us to be your investment adviser, or you will have a contract with the sponsor that allows the sponsor to make a contract with us on your behalf. The accounts that we accept under all-inclusive fee arrangements generally meet the requirements of any other account we would normally accept, but occasionally these accounts are smaller in value.

Additionally, coordinated service arrangements often require that we direct your trades to a specific broker. As a result, you should review Item 12A for information about how directed brokerage impacts how we handle your account.

**Brinker Manager of Managers Program**

Brinker Capital, Inc. (“Brinker”) is a registered investment adviser headquartered in King of Prussia, Pennsylvania and offers a program called the “Manager of Managers Program.” We participate in the Manager of Managers program that Brinker offers. If you participate in this program, Brinker gives you information and assistance in choosing investment managers and you pay Brinker a single, all-inclusive fee for investment management, asset allocation, financial consulting, manager searches, and brokerage and custody services. If we are selected as an investment manager for your account, we agree to direct all trades for your account (subject to our duty to provide best execution) to Brinker Capital Securities, Inc., an affiliate of Brinker or FOLIO Investments, Inc., depending on where your account is held.

If you become a client of Brinker, you may also elect to have your account managed by us through Brinker’s FOLIO Manager Program. The FOLIO Manager program is a sub-program of the Manager of Managers Program described above. In the FOLIO Manager Program you still pay a single, all-inclusive fee; however, your investments are matched to a model portfolio and are managed without personalized attention from us.

We have access to Brinker’s trading systems and enter orders directly in their systems for clients that are part of the above programs.

Accounts opened under the above programs are different from accounts opened directly with us in several ways. Brinker is responsible for reviewing and monitoring your financial situation and asset allocation. Brinker is also responsible for providing reports to you, having consultations with you, and monitoring the performance of investment managers used for your account. Additionally, the minimum account size accepted for these programs is \$100,000 for all-cash accounts and \$500,000 for cash and securities accounts. These minimums are lower than what we typically accept.

Brinker pays us a quarterly fee in arrears for the services we provide to accounts that utilize their programs. The fee we receive is based on your account value at the end of the previous billing period and is charged at a rate of 0.40% to 0.45%. The exact rate used depends on the model chosen for your account. We can terminate our status as an investment manager for these programs with 30 days written notice to Brinker. Likewise, Brinker can terminate our status as an investment adviser by giving us 30 days written notice. If either of us terminates our agreement, any fees will be pro-rated based on how much of the quarter we provided service.

#### UBS Managed Accounts Consulting Program

We participate in a wrap fee program offered through UBS Financial Services, Inc. Under the Managed Accounts Consulting Program, we perform investment advisory services to clients of UBS Financial Services, Inc. that select us to be their investment manager. UBS Financial Services, Inc. provides brokerage services for these accounts in accordance with a wrap fee services arrangement. These accounts are charged different fees than our usual fee schedule. The portion of the fees that we receive is as follows:

- On the first \$2,000,000 – 1.00% annually
- On the next \$3,000,000 – 0.75% annually
- On amounts in excess of \$5,000,000 – 0.50% annually
- There is no minimum annual fee

These fees are billed quarterly in advance, which is the same way fees are billed for typical accounts. The fee is based on the account's asset value on the last business day of the previous quarter. Under this program, if you add assets to your account during the quarter, you will be charged a pro-rated fee based on the number of days in the quarter that we will be managing the assets. Fees will not be adjusted for withdrawals made from your account or for appreciation or depreciation of the account assets.

Fees are automatically deducted from your account unless your account is an ERISA account and you choose to be invoiced. In that case, any outstanding fees that are not paid by the invoice due date will be automatically deducted from your account. We will not receive any payment from UBS Financial Services, Inc. until the fee is paid to them by you or they have debited your account.

The agreement between us and UBS Financial Services, Inc. can be terminated by either of us providing written notice to the other. The agreement will be terminated upon receipt of such notice. Your agreement with UBS Financial Services, Inc. can also be terminated by either you or UBS Financial Services, Inc. in the same way. If you give UBS Financial Services, Inc. instructions to send your assets to another company, this is considered a termination notice. If the agreements in place are terminated by any party, a pro-rated refund of fees will be given as needed.

Under this program, you will enter into an agreement with us that gives us the ability to invest and re-invest your assets. We will be able to buy and sell securities for your account and take actions as necessary to provide those services. The agreement between you and us can be terminated at any time by providing 30 days prior written notice.

#### Barclays Wealth Select Advisors Program

AT Investment Advisers, Inc.

We participate in the Barclays Wealth Select Advisors Program which is a wrap fee program offered through Barclays Capital Inc. Under the program, we perform investment advisory services to clients of Barclays Capital Inc. Barclays Capital Inc. provides brokerage services for these accounts in accordance with a wrap fee services arrangement. These accounts are charged different fees than our usual fee schedule. The portion of the fees that we receive is as follows:

- On the first \$10,000,000 – 0.55% annually
- On amounts in excess of \$10,000,000 – 0.50% annually
- There is no minimum annual fee

These fees are billed quarterly in arrears. The fee is calculated as follows: (Average daily account value managed by us) X (days in the period) X (Fee rate). We will not receive any payment from Barclays Capital Inc. until the fee is paid to them by you or they have debited your account.

The agreement between us and Barclays Capital Inc. can be terminated by either of us providing written notice to the other. The agreement will be terminated 30 days after the receipt of such notice. Your agreement with Barclays Capital Inc. can also be terminated by either you or Barclays Capital Inc. in the same way. If the agreements in place are terminated by any party, fees will be pro-rated as needed.

#### Schwab Managed Account Marketplace

We participate in the Managed Account Marketplace Program (“MAM Program”) offered by Charles Schwab and Co., Inc. In this program, certain financial advisers that use Schwab for custody, brokerage and other related services are given access to investment advisers like us. If you are a client of one of these advisers, your adviser may select us as a sub-adviser to manage a portion of your assets. We receive instructions from your adviser about your investment goals and invest your assets accordingly. Your investment adviser is your main point of contact under this program and passes your instructions on to us. We will occasionally consult with you directly if your financial adviser requests us to do so. The minimum account size for participants in the MAM Program is \$500,000.

With the exception that your main point of contact is your financial adviser, the investment services that we provide to clients using the MAM Program are generally the same as those provided to other accounts that are focused on U.S. domestic equities. In the MAM Program, your financial adviser will be instructed to use Schwab as the broker for your account.

Under the MAM Program, we will generally use Schwab to execute transactions for your account, subject to our obligation to provide you with best execution. Your financial adviser is responsible for reviewing your financial situation on a periodic basis and making changes to your investment objectives, restrictions and limitations as needed. Your financial adviser is also responsible for communicating these changes to us and for monitoring our performance with regard to your account.

If you are enrolled in the MAM Program, you will pay fees separately to your financial adviser, Schwab, and to us. If you authorize Schwab to do so, they will deduct these fees from your account. Quarterly, we send bills for our fees to you and to Schwab. Schwab sends statements to you and your financial adviser at least quarterly, as well. Our billing process is the same for participants in the MAM Program as it is for other accounts (quarterly, in advance); however, the fee schedule is different:

For New Accounts with Balanced or All Equity Portfolios:

- On the first \$5,000,000 – 0.75% annually
- On all amounts above \$5,000,000 – 0.50% annually

For New Accounts with Fixed Income Portfolios:

AT Investment Advisers, Inc.

- On the first \$3,000,000 – 0.50% annually
- On all amounts above \$3,000,000 – 0.35% annually

We have other fee schedules in place for accounts opened in the past. Also, we occasionally negotiate different fees in special situations, similar to what we do for clients that are not participants in the MAM Program.

We may terminate our service as investment adviser for your account with 30 days prior written notice to your financial adviser. Likewise, your adviser may terminate our services in the same way. You may also terminate our services by providing us with written notice through your financial adviser. Additionally, our services are terminated in the event that either we or your financial adviser terminate our agreements with Schwab. In that case, any fees are pro-rated on a daily basis and will be refunded as needed.

### **Other Coordinated Service Arrangements**

#### Schwab Advisor Network

We participate in the Schwab Advisor Network. As a participant, we have signed an agreement with Schwab that states that we will pay Schwab a portion of the fees we receive for a client that we get based on Schwab's referral. If you are referred to us by Schwab you will sign one of our standard investment advisory agreements and will receive the same services as any other client. We will then give Schwab a participation fee, which is a portion of the fees we collect from you, as listed below:

- On the first \$2,000,000 – 0.25% annually
- On the next \$3,000,000 – 0.20% annually
- On the next \$5,000,000 – 0.15% annually
- On amounts over \$10,000,000 – 0.10% annually

For accounts referred to us prior to January 1, 2007, we give 15% of the fees we collect to Schwab. If you establish a relationship with us through the Schwab Advisor Network but later decide to have your account assets held with another custodian, we can only continue as manager of your account if we pay Schwab a one-time fee based on the value of your account.

Schwab acts as the custodian for accounts that they refer to us. If you are referred to us through the Schwab Advisor Network, you will instruct us to use Schwab as your broker in writing. As a result, we will direct transactions for your account to Schwab subject to our duty of best execution. We expect that most of your trades will be placed with Schwab.

Under this arrangement, our fees can be paid by you or deducted from your account by Schwab if you allow Schwab to do so. Our billing practices are the same for accounts referred to us by Schwab as they are for any other account we manage and are explained in Items 5A and 5B above. Generally our minimum annual fee is \$20,000; however, sometimes we will negotiate a lower minimum fee.

Either you or we may terminate your account in the Advisor Network with 30 days prior written notice. If our agreement is terminated, any fees will be pro-rated on a daily basis and refunded as needed. If our agreement with you is terminated, Schwab is no longer entitled to a participation fee from us. The fees we pay to Schwab will be pro-rated on a daily basis for the quarter in which termination occurs.

If you are referred to us through the Schwab Advisor Network, it is important to understand that the investment advice we provide to you is not monitored by Schwab in any way.

Occasionally Schwab will refer clients to our affiliate, Atlantic Trust Company. In some cases we will serve as the investment adviser and Atlantic Trust Company will act as trustee and/or relationship manager. In other cases, Atlantic Trust Company acts as trustee, relationship manager, and investment adviser. If an account is referred to Atlantic Trust Company by Schwab, Atlantic Trust Company will pay Schwab the same participation fee that is described above.

Atlantic Trust Company has offices in the following locations:

- 1555 Peachtree Street, N.E., Suite 1100, Atlanta GA 30309
- 401 Congress Avenue, Suite 2450, Austin, TX 78701
- 100 International Drive, 23<sup>rd</sup> Floor, Baltimore, MD 21202
- 100 Federal Street, 37th Floor, Boston, MA 02110
- One South Wacker Drive, Suite 3500, Chicago, IL 60606
- 1700 Lincoln Street, Suite 2550, Denver, CO 80203
- 11 Greenway Plaza, Suite 2625, Houston, TX 77046
- 1177 Avenue of the Americas, 42nd Floor, New York, NY 10036
- 1201 F Street, NW, Suite 900, Washington, D.C. 20004
- Three Embarcadero Center, Suite 1600, San Francisco, CA 94111
- 4675 Macarthur Court, Suite 1150, Newport Beach, CA 92666
- 1201 North Orange Street, Suite 705, Wilmington, DE 19801

#### Fidelity Wealth Advisor Solutions

We participate in the Fidelity Wealth Advisor Solutions Program (the "WAS Program"), through which we receive referrals from Strategic Advisers, Inc. ("SAI"), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. We are independent and not affiliated with SAI or FMR LLC. SAI does not supervise or control us, and SAI has no responsibility or oversight for our provision of investment management or other advisory services.

Under the WAS Program, SAI acts as a solicitor for us, and we pay referral fees to SAI for each referral received based on our assets under management attributable to each client referred by SAI or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from SAI to us does not constitute a recommendation or endorsement by SAI of our particular investment management services or strategies. More specifically, we pay the following amounts to SAI for referrals: 0.10% for client assets held in securities identified as "Fixed Income Securities" and 0.25% for all other client assets referred to us by SAI. These referral fees are paid by us and not the client. These fees are paid for the first 7 years the account is open. To receive referrals from the WAS Program, we must meet certain minimum participation criteria, but we may have been selected for participation in the WAS Program as a result of our other business relationships with SAI and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of our participation in the WAS Program, we may have a potential conflict of interest with respect to our decision to use certain affiliates of SAI, including FBS, for execution, custody and clearing for certain client accounts, and we may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to us as part of the WAS Program. Under an agreement with SAI, we have agreed that we will not charge clients more than the standard range of advisory fees disclosed in our Form ADV 2A Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, we have agreed not to solicit clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred clients other than when our fiduciary duties would so require; therefore, we may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit our duty to select brokers on the basis of best execution.

Lowenhaupt Global Advisors

We act as a discretionary investment manager to some clients of Lowenhaupt Global Advisors, LLC (LGA). Some LGA clients hire us directly and some LGA clients receive services through a Master Agreement we have with LGA. Under our Master Agreement with LGA, you will have a written agreement with LGA and not with us. Our Master Agreement with LGA permits us to have the ability to supervise and direct the investments and reinvestment of certain assets belonging to certain clients of LGA, vote proxies, choose the brokers and dealers and direct the execution of trades based upon LGA's Best Execution Policy. LGA is responsible for meeting with you, determining your investment strategy and providing reports to you. We will segregate your assets into a separate client account.

If you have an account under this arrangement, you will pay the following schedule to us:

- On all amounts – 0.30% per year

Our fees are billed quarterly in arrears and debited directly from your custodian account. We will furnish to LGA a quarterly valuation for your account. The valuation will be based upon the fees that you pay to us for our services.

Hatton Consulting, Inc.

We act as a sub-adviser to some clients of Hatton Consulting, Inc. In these situations, Hatton Consulting, Inc. has a written agreement with the client that gives us the ability to direct the investment and re-investment of the client's account's assets and allows us to buy and sell securities for their account. If you are a client of Hatton Consulting, Inc. and agree to let us manage your account, you will not have an agreement directly with us. Instead you will have an agreement with Hatton Consulting, Inc. The services you receive from us are different than our typical services because Hatton Consulting, Inc. will work with you to determine investment objectives and will tell us these objectives.

If you open an account under this arrangement with Hatton Consulting, Inc., you will pay fees to us according to the following schedule:

- The first \$5,000,000 – 0.65% annually
- Amounts over \$5,000,000 – 0.50% annually
- Minimum annual fee - \$10,000

These fees are paid directly to us from your account and are paid quarterly in arrears.

Advisors Inner Circle

We are a sub-adviser to the AT Disciplined Equity Fund, a fund in the Advisors Inner Circle mutual fund family. As such, we receive an asset-based advisory fee for these services. As mentioned in Item 5 above, we do not charge an account level fee on our clients' investment in this fund.

**Item 5D – Payment of Fees**

As noted above in Item 5B fees are typically billed quarterly in advance. If you choose to terminate your account, you may do so by providing advance written notice to us. The number of days in advance that you are required to provide notice to us is stated in your account agreement. Any unearned fees will be refunded to you on a pro-rated basis. For example, if you terminate your account with us 25% of the way into a quarter, you will be refunded 75% of the fee you were previously billed. Fees can be automatically paid by your account's custodian if you authorize the custodian to do so. If you do not allow your custodian to pay fees automatically, you and possibly your custodian will receive an invoice from us.

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### **Item 5E – Compensation for the Sale of Certain Securities**

We receive compensation for the sale of certain securities and investments such as mutual funds and private investment funds. The specific products for which we receive this type of compensation are disclosed above in Item 5C: Affiliated Funds and Non-Affiliated Funds; Private Placements.

Receiving compensation for the sale of certain investments presents a conflict of interest because it gives us an incentive to recommend these investments based on the compensation received instead of your investment needs. We seek to minimize this conflict by excluding the market value of any affiliated products from your account value when determining fees. You will receive a copy of the private placement memorandum and/or mutual fund prospectus that details the costs and fees associated with each specific investment prior to making an investment. Additionally, the individuals who have discretion over your account are not directly compensated for investing your assets in certain securities. While we as a firm may receive compensation, no individual's compensation is based on their recommendations of these securities. This helps to further minimize the conflict of interest that these securities present.

You have the option of purchasing investment products that we recommend through other brokers or agents that are not affiliated with us, if desired.



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

Generally, we are not compensated through performance-based fees. From time to time though, we do enter into a performance-based fee agreement at the request of a client.

Under certain scenarios, your account could be invested in a private investment fund that is sponsored by our affiliate, Atlantic Trust Company. Some of these private investment funds have a performance-based fee that is paid to our affiliate.

Some of our clients have separately managed accounts in a Master Limited Partnership Energy ("MLP") strategy that is managed by us. These accounts invest in similar securities as a private investment fund (with a performance-based fee) that is sponsored and managed by our affiliate, Atlantic Trust Company, and share the same portfolio managers. While the objectives of the separate accounts and the private investment fund are not identical, they will often invest in the same security. When they do, the transactions are aggregated (unless a separate account client has a directed broker, in which case it will follow the private investment fund and other separately managed accounts) so that each client will receive a pro-rata share of any partially filled order and will pay the same commission rate as that of the private investment fund.

We also act as the Index Selection Agent subject to an agreement with Barclays Bank PLC. As a part of this agreement, the Master Limited Partnership Energy ("MLP") portfolio managers will provide the index or strategy to Barclays and Barclays will buy and sell securities into the Barclays' Exchange Traded Note ("ETN") based on this index. We do not believe that this presents a significant conflict of interest to our clients as we will not be placing orders on Barclays behalf and therefore will continue to prioritize our clients first.

The Index may invest in similar securities as the existing MLP strategy involving separately managed accounts managed by us because our MLP portfolio managers created and maintain the Index. We do not believe that this will cause a conflict since any trades placed for the ETN will be done by Barclays without the knowledge of our portfolio managers. Additionally, the index methodology is publicly available on both the Atlantic Trust and in Barclays ETN prospectus.

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## **Item 7: Types of Clients**

Our clients include individuals, trusts, estates, families, charitable organizations, employee benefit and contribution plans, corporations, state or municipal government entities, pension and profit sharing plans, and other investment advisers.

We generally require a minimum account size of \$5,000,000. However, we also participate in several coordinated service arrangements with third parties that may have lower minimum account sizes. Additionally, we may waive the minimum account size based on a number of factors such as existing relationships or the expectation that a relationship will grow. See Item 5C for more information on coordinated service arrangements.

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

### **Item 8A – Investment Strategies**

In general, we start our relationships by meeting with you to determine your investment goals and objectives. We then determine an asset allocation and investment strategy that is designed to meet your goals and objectives. This overall strategy may include investments in strategies that we manage internally, investments that are managed by external managers, or a combination of the two.

Generally, each portfolio is managed according to an investment policy statement. The investment policy statement specifies the investment goals for your account and includes information about how your account's assets should be invested. Typically, the investment policy statement states a range of percentages for several asset classes and we strive to adhere to those ranges when making investment decisions for your account.

Our investment recommendations are driven by the work of the internal investment team and your individual Relationship Manager. In addition, our Investment Policy Committee and Asset Allocation Committee set the overall investment policy for the firm.

The Investment Policy Committee oversees our investment policies and strategies. The committee has the following responsibilities: reviewing fixed income and equity investment policy and strategy, reviewing investment programs and performance of external managers, reviewing the use of affiliated investment products, monitoring economic developments, reviewing interest rate exposure and approving strategies in response to market events and federal policy announcements. The Investment Policy Committee meets at least quarterly and consists of members of management and our investment and compliance departments.

The Asset Allocation Committee is responsible for developing and maintaining our asset allocation recommendations. The committee has the following responsibilities: developing, reviewing and disseminating its view on the current economic and investment environment; defining core investment asset classes that are appropriate for clients; determining target levels and ranges for each of the core asset classes for each portfolio objective; monitoring and maintaining our proprietary asset allocation models; reviewing relative valuation, risk profiles and growth opportunities of the various investment classes we utilize with a focus on strategically asset allocation and developing overall investment strategies for managers of all client portfolios. The Asset Allocation Committee consists of members of management and our investment department.

Both committees utilize both fundamental and technical analysis to determine their recommendations and fulfill their respective responsibilities. The committees consider products across many categories in developing recommendations that we use when trading client assets. We consider many different types of investments including:

- Equity securities
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States government securities
- Options contracts on securities
- Partnerships investing in real estate

- Partnerships investing in oil and gas interests
- Other private investment limited liability companies and limited partnerships
- Convertible corporate debt securities
- “Zero-coupon” debt securities
- Convertible preferred stocks with fixed or adjustable rates
- Obligations issued or guaranteed by agencies or instrumentalities of the United States government (including various mortgage-backed and mortgage-related securities)
- Various money market instruments including, but not limited to, bankers’ acceptances and corporate demand notes
- Repurchase agreements
- “Euro-dollar” or “Yankee-dollar” debt obligations
- Hedge funds
- Other private placements
- Various derivative or hybrid securities and investments
- Inflation adjusted fixed income securities
- Real estate investment trusts

We also offer investment advice regarding venture capital investments and special situations which may include non-publicly traded securities or other arrangements.

It is important to note that all investments carry some risk of loss and you should be prepared to bear such losses if they occur.

#### Cross Trades

Generally we do not conduct cross trades in which a security in one account is sold to/bought from another account. However, in rare circumstances we may conduct a trade for your account with a broker, and then subsequently re-purchase or re-sell the same security with that broker for another client. We would act as an agent for both clients and have duties to both clients in this scenario. Both transactions would be executed at the current market price for each trade, set by the executing broker.

#### **Item 8B – Material Risks**

As discussed in item 8A above, we generally start our relationships by meeting with you to determine your investment goals and objectives. We then determine an asset allocation and investment strategy that is designed to meet your goals and objectives. Depending on the securities or strategies that are selected, your account could face a number of potential risks. The assets held in your account are not guaranteed and may lose value. There is no guarantee that the principal value of your account will be maintained. Depending on the types of securities that are held in your account, you may be subject to the following risks:

- Market risk
- Company risk
- Interest rate risk
- Reinvestment risk
- Timing or call risk
- Credit risk
- Maturity risk
- Inflation risk
- Liquidity risk
- Exchange rate or currency risk
- Volatility risk

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- Political or legal risk
- Position concentration risk
- Event risk
- Sector risk
- Other risks

#### Trading Errors

In the course of managing your account it is possible that a trading error may occur. If we cause an error in your account, it is our policy to put your account either back in the position or in a better position than it would have been had the error not occurred. Any losses that occur as a result of a trade error are absorbed by us. Any gains that occur as a result of a trade error are given to you. If you do not want to keep gains resulting from a trading error or the receipt of such gains is in violation of any law, regulation or binding guidance, the amount will be donated to a charity that we choose.

#### **Item 8C – Security Specific Risks**

As described in Item 8A, we recommend a large variety of investments. Each type of investment carries some risk of loss and the risk of loss varies from one investment to another. See Item 8B above for a general disclosure of the risks involved in opening or maintaining an account with us.

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## **Item 9: Disciplinary Information**

### **Item 9A – Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **Item 9B – Regulatory Proceedings**

There are no regulatory proceedings to report.

### **Item 9C – Self Regulatory Organization Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Item 10A – Broker-Dealer Registrations**

We are not registered as a broker-dealer and we do not have a pending application to register as a broker-dealer. Some individuals at our firm are registered as a representative of a related broker-dealer. See item 10C for more detail on our related broker-dealer.

### **Item 10B – Commodities & Futures Registrations**

We are not registered in any capacity with the Commodity Futures Trading Commission (“CFTC”) nor are we pending registration. Further, none of our managers are registered or pending registration with the CFTC. Registration with the CFTC includes registration as a futures commission merchant, introducing broker, commodity pool operator, commodity trading advisor, or an associated person of any of those entities.

### **Item 10C – Related Entities & Conflicts of Interest**

We have relationships with several affiliated entities as described below.

#### Related Broker-Dealer

CIBC World Markets Corp. is an affiliated U.S. entity that is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer. We do not have any business dealings with CIBC World Markets Corp. as CIBC World Markets Corp. only maintains certain securities licenses for certain of our employees who sell securities or provide support to those who sell securities to clients. Since CIBC World Markets Corp. does not compensate these individuals we do not feel this affiliation poses any conflicts of interest.

#### Related Investment Companies

We act as the sub-adviser to the AT Disciplined Equity Fund, an Advisors Inner Circle Fund. As mentioned in Item 5 above, while we receive an investment advisory fee for our services from the investment company, we do not charge an asset-level fee to our clients for investment in this investment company.

#### Related Investment Adviser

CIBC Asset Management, Inc., a wholly-owned subsidiary of our ultimate parent company, CIBC, is registered with the SEC as an investment adviser. On occasion we may have arrangements with CIBC Asset Management, Inc. with respect to sharing fees for client referrals.

#### Related Banking or Thrift Institution

We have an inter-company agreement with our affiliate, Atlantic Trust Company to share office space and certain operational functions and employees. We do not believe this arrangement poses a material conflict of interest or disadvantage to you.

#### Related General Partner

Our affiliate, Atlantic Trust Company, acts as manager or managing member to several private investment funds which are listed above in Item 5C: Private Placements. Atlantic Trust Company charges fees for its services as manager or managing member and we generally receive a portion of the fees charged by our affiliate for investments we make in the above funds. This creates a potential conflict of interest. However, if we invest money from your account in the above funds, it is considered an affiliated product and is excluded when determining the market value of your account for billing. We believe this minimizes the potential conflict.

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Other Related Persons

We are affiliated with the following CIBC entities, with which we participate in a client referral arrangement (see Section 14C for more details): CIBC, CIBC World Markets Inc., CIBC Trust Corporation, CIBC Bank and Trust Company (Cayman) Limited, CIBC Trust Company (Bahamas) Limited, CIBC Investor Services Inc., CIBC Mortgages Inc., and FirstCaribbean International Bank (Bahamas) Limited.

**Item 10D – Other Business Relationships & Conflicts of Interest**

We recommend or select other investment advisers for our clients. You may have separate accounts set up directly with these investment advisers or in a private investment fund managed by these advisers. We do not receive compensation from other investment advisers if you open a separate account with them directly. However, we do receive compensation for investments in certain private investment funds, which is described in Item 5C: Other Non-Affiliated Private Investment Funds above. We do not include those funds in the market value of your account for the purpose of determining our fees when we receive a placement fee. We believe that this removes any incentive for us to invest your assets in these products.



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

### **Item 11A – Code of Ethics Description**

We have a detailed code of ethics in place, which all employees must abide by, in accordance with SEC Rule 204A-1. The code of ethics requires that employees receive pre-clearance from compliance before effecting personal securities transactions in market traded equity, fixed income, and exchange traded securities, as well as affiliated mutual funds and private placements (“covered securities”). These reporting and approval processes are designed to prevent and minimize as much as possible, actual or potential conflicts of interest we may have with you. This includes the potential conflict of one of our employees attempting to personally benefit by trading in a security in which they are aware is being traded in your account(s). The requirements of our code of ethics apply to our employees as well as their spouses, minor children, and other dependents residing in the same household (“covered individuals”). Personal securities transactions placed by employees that are not involved in investing client funds are subject to less stringent requirements than what are described below.

Our code of ethics requires that covered individuals pre-clear all transactions in covered securities. We require that covered individuals disclose all brokerage relationships to the compliance department. Additionally, transaction confirmations and custodial account statements for each account that our employees maintain are required to be sent to the compliance department. The code of ethics also places several procedural restrictions on personal trading such as time periods during which a security can be traded and how long securities must be held. Additionally, we require every covered individual to make an annual certification that they have complied with the code of ethics.

Certain transactions are not covered by the code of ethics and are not required to be reported. Transactions in government securities, bank certificates of deposit, futures and options on treasury notes and treasury bills and currency futures or options and shares of non-affiliated, open-end mutual funds are excluded from the pre-clearance requirement.

Our Chief Compliance Officer (or other designated individual) is responsible for overseeing the code of ethics program to ensure that covered individuals are following the code of ethics. The Chief Compliance Officer is responsible for reporting any material violations of the code of ethics to our senior management. The Chief Compliance Officer can recommend that management impose more severe restrictions than what the code of ethics already requires on a case-by-case basis. For example, the Chief Compliance Officer could request that an individual’s personal trading privileges be suspended or that an employee be terminated based on violations of the code of ethics.

We will provide you with a copy of our code of ethics upon request.

### **Item 11B – Investment Conflicts of Interest**

In certain situations, we may recommend the purchase of securities in which we receive a financial incentive for recommending to you. In order to minimize the potential conflict of interest, we generally do not include any such investments in the market value of your account for the purpose of calculating fees. See Item 5C: Affiliated Funds and Non Affiliated Funds; Private Placements; Eaton Vance Distributors, Inc.; and Other Non-Affiliated Private Funds above, which describes these scenarios in more detail.

Potential conflicts of interest also exist when errors are made when trading securities for your account. Please see item 8B: Trading Errors, for details on how we mitigate this potential conflict.

**Item 11C – Personal Investments in Similar Securities**

In order to minimize potential conflicts of interest, our code of ethics has several restrictions in place that limit covered individuals from trading in the same securities that we recommend to you. The code of ethics does not allow a covered individual to trade in the same security as a client account within two trading days (before or after) it is traded in a client account subject to the “de minimis” exception described below. Also, covered individuals generally may not trade the same security if there is a client trade currently with the trading desk. As an example, if a client trades in a security on Monday, a covered individual may not be cleared to place a trade in that same security until Thursday. For investment personnel, this blackout period is extended to three trading days.

Our code of ethics does allow covered individuals to place trades in a security traded in a client account, if the amount of the shares traded, either by the client or the employee, is considered “de minimis.” This exception allows covered individuals to trade if the following criteria are met:

For equity transactions if the covered individual does not have knowledge of trading activity in a particular security he or she may execute up to 500 shares of the security within a rolling 30-day period if the security is issued by a company included in the Russell 1000 index. If the covered individual does not have knowledge of trading activity in a particular security, he or she may execute up to 500 shares of the security within a rolling 30-day period provided that there is no conflicting client activity in that security on the trading desk that exceeds 500 shares per trading day.

For fixed income transactions, if a covered individual does not have knowledge of trading activity in a particular security he or she may execute up to \$100,000 of par value in the security in a rolling 30-day period.

In general, our code of ethics places restrictions on personal trading that are designed to minimize potential conflicts of interest, which are described briefly in Item 11A above.

**Item 11D – Personal Investments by Adviser Employees**

As described in Item 11A above, our code of ethics places restrictions on covered individuals’ personal trading activity designed to minimize potential conflicts of interest that can arise such as profiting personally based on knowledge of client trading activity. These restrictions include blackout periods, pre-clearance requirements, prohibition of short term trading profits, prohibition of short sales, prohibition on participating in initial public offerings, and a prohibition on buying certain restricted securities. We believe that these restrictions limit potential conflicts of interest as much as is practicable.

Each of the restrictions referenced are described in detail in our code of ethics. A copy of our complete code of ethics is available upon request.

## Item 12: Brokerage Practices

### Item 12A – Selecting Broker-Dealers

Our objective when selecting brokers and dealers for your transactions is to seek the best combination of net price and execution. If you have instructed us to use a particular broker or dealer, we will follow those instructions. In order to determine which broker provides the best execution service for a transaction, we consider a number of different factors:

- The net price offered – essentially, the price of the security plus or minus any commission charged
- Our knowledge of negotiated commission rates that may be available as well as other transaction costs
- The nature of the security being bought or sold
- The size of the transaction
- The desired timing of the transaction
- The activity existing and expected in the market for the security being considered
- Confidentiality
- The execution, clearance and settlement capabilities of the broker or dealer
- Our knowledge of the financial conditions of available brokers or dealers
- Our knowledge of any potential operational problems facing available brokers or dealers
- Our knowledge of a specific expertise of a broker or dealer

After weighing the above factors, we may determine that a broker with a higher commission rate may be the best broker for a particular transaction. Price is not the only factor we consider so at times we may not use the broker with the best available net price.

We have internal policies in place that guide our trading personnel. These policies specify maximum commissions for various transaction types and sizes for cases where we have the ability to select the broker or dealer. Any transactions that do not fall within the guidelines that we have set are subject to a periodic review by supervisory personnel. We periodically review and adjust the guidelines that are in place as well as the general level of commissions that are being paid. Our trading personnel also evaluate whether or not the commissions being paid are reasonable based on the factors listed above when they are in the process of placing trades.

We maintain and periodically update a list of approved brokers and dealers that we believe are financially stable and capable of providing you with the best prices and execution. Our traders are directed to use only brokers and dealers from this list. If you have specified a broker that is not on the approved list and is agreeable to us and our traders, our traders will follow that direction and execute your trades with that broker. In order to ensure your directions are being followed, we place an alert in our trade system that our traders see whenever a trade is made for your account.

Generally, we place orders for your account individually based on the order sizes that we typically place in servicing your account. However, when it is possible, we group or aggregate orders for multiple accounts into a single order to take advantage of price benefits. When we group orders, we utilize the average price method in determining the price that each account included in the order receives. For example, if we place an order for 10,000 shares of a security and receive 5,000 of those shares at \$20, 3,000 shares at \$18 and 2,000 shares at \$17, we will value each share at \$18.80. Any costs involved in placing the order (commissions) will be split based on the percentage of the order each account is allocated. If your account's share of the order was 10%, you will pay 10% of the commissions on that order. If you have instructed us to use a particular broker or dealer for your account,

your orders will generally not be grouped with orders for other accounts and will follow non-directed orders in terms of execution order.

On occasion we are given the opportunity to participate in initial public offerings of securities ("IPO's"). Not all clients are eligible to participate in IPO's. For example, you may have investment restrictions or investment objectives that make IPO's an unsuitable investment option. Also, if you have directed us to use a particular broker for your trades, you may not be able to participate unless the broker you have selected is part of the IPO underwriting process. If you request to participate in an IPO, your request is reviewed by the IPO Allocation Committee and may or may not be accepted. If your request is accepted by the IPO Allocation Committee, the order placed for your account may be grouped with orders from other brokers and the allocation you receive will be pro-rated based on the order size.

### **Soft Dollar Benefits**

We participate in an industry standard practice in which we receive proprietary or third-party research and brokerage products ("research products") from broker-dealers in exchange for executing trades with them. In essence, we use commissions generated by executing transactions for your account to purchase these products. This practice is referred to as using "soft dollars." If we have the ability to choose which brokers or dealers to use when placing trades for your account, we may use a broker that provides us with soft-dollars, which can be used to purchase research products.

Ultimately, the decision as to where orders for your account should be executed is yours. If we are given the ability to choose for you, it is our duty to choose the broker that provides the best combination of price and services, also known as best execution. We face a potential conflict of interest with this duty when we can use your trades to obtain soft dollar products because we are able to obtain research products without having to pay for them with cash ("hard dollars") which we would normally have to do. Using soft dollars reduces our expenses. Also, under federal securities laws, we do not have to use research products purchased with soft dollars to benefit the accounts that generated those soft dollars. The result is that your account may help us to generate soft dollars that we use to buy research products that ultimately benefit other clients and do not directly benefit you. This practice is specifically allowed under a safe harbor provision of the Securities Exchange Act of 1934.

Although it is difficult, if not impossible, to document, we believe that over time most to all of our clients benefit from our use of soft dollar research products. Also, we share trading desks and research products with our affiliate, Atlantic Trust Company. In doing so, soft dollars generated by clients of our affiliate are used to buy research products that can benefit you and vice-versa. We believe that this further benefits clients of both companies.

A large number of our clients have instructed us to direct their transactions to a specific broker. If you do not give us such instructions it is possible that your account will be impacted disproportionately by the soft dollar arrangements we have in place. We attempt to eliminate this conflict by only directing your trades to a broker that will give us soft dollars if we believe that that broker is also providing you with the best execution. As we stated above, in order to determine which broker provides the best execution we look at a number of factors, not just the price that they can provide. The possibility exists that you may pay more for a transaction placed with a broker that is providing us with soft dollars than what another broker may have charged for that same transaction.

There are two types of products that we get using soft dollars:

- Proprietary research that was created by the broker that executed the trades that generated the soft dollars
- Third party research products created by parties other than the broker but that we receive through the broker that executed the trades that generated the soft dollars

Proprietary research usually consists of research reports or trade recommendations that are developed by employees of the broker. The research includes recommendations and evaluations of specific companies or industry groups, analyses of general economic and market conditions and trends, market data, market contacts, or other related information. Our research analysts periodically rate the quality of the research products that we have received. Based on these evaluations, we develop commission targets for each broker and we attempt to direct trades to each broker in order to meet the targets. These targets are reviewed and approved by our Equity Trading Practices Committee.

Research products created by third parties (other than the broker) that we may receive using soft dollars include the following:

- Database Services – We are given access to databases that include current and/or historical information on companies and industries. The information included consists of historical security prices, earning estimates and SEC filings. Database services may also include software tools that give us the ability to analyze the data and use it in our investment process. For example, we may be able to create forecasts and other models that help us decide how to manage your account.
- Quotation, Trading & News Systems – These systems have real-time data about the market such as security prices, current trading volume, and news impacting specific securities and/or the market overall.
- Economic Data/Forecasting Tools – These products use forecasting tools to give us predictions about the market based on economic data and political forecasts for various countries or regions.
- Quantitative/Technical Analysis – We may receive analyses from third parties that they have created using software tools to analyze technical market data such as prices and market volume. We may also be given access to software tools that will allow us to do such analyses ourselves.
- Fundamental Industry Analysis – We may receive analyses from third parties based on industry-specific market research such as the trends in a specific industry.
- Fixed Income Security Analysis – These products provide us with an analysis specific to fixed income securities. These products assist us in making financial models related to fixed income securities; we use them to project what may happen with a particular security's cash flows in the future and/or to try and determine how interest rates may fluctuate in the future.
- Other Specialized Tools – This includes things like allowing us to attend investment-oriented conferences or specialized economic consulting that relates to our business and customer base.

Some of the products listed above may be available from the company that created them directly on a hard dollar basis while others are available only through broker dealers using soft dollars. Before obtaining any products we evaluate the product to determine its hard dollar value to us. We then target our commission dollars to the brokers that we believe supply the most valuable products. These products are reviewed and approved by our Equity Trading Practices Committee.

We have an arrangement with two brokers who provide us with research products created by third parties in which the brokers keep one cent per share of the commission and the remainder goes to purchase the soft dollar services (Bank of New York and Fidelity). We also have arrangements with three brokers wherein the brokers keep 50% of the commission and the other 50% goes to purchase soft dollar services (Citigroup and UBS). Additionally, we receive soft dollars from Schwab at a ratio of 2 commission dollars to 1 soft dollar. If we create a surplus of soft dollar credits, it is our policy to use those credits to purchase additional soft dollar products.

The proprietary research targets that we establish with brokers reflect discussions that we have had with each broker and the level of commissions we expect to generate to receive a given product. The targets are not binding commitments and we do not agree to execute a minimum amount of trades to any particular broker in exchange for soft dollar products. When we set targets we want to ensure that the value of the product we receive is reasonably in line with the cost required to obtain it. We set these targets each calendar year. We will receive the

products negotiated whether or not we direct commissions to the broker in equal to, less than, or in excess of the targeted amount. In the case of third party products, the third party is paid by the broker, not by us. We may enter into a contract with the third party for products such as software (a license agreement), but we are not paying the third party directly.

In some cases we may use soft dollars to obtain products that have both research and non-research uses. Administrative and marketing functions are examples of non-research uses. These are referred to as mixed use products. For mixed use products we make a good faith evaluation of the product to determine what portion of the product is non-research. We then pay the provider in cash for the non-research portion of the product.

In some cases we may send a trade to one broker with instructions for that broker to execute the trade and pay a portion of the commission from the trade to another broker that provides us with soft dollar research products. In these cases it is said that the broker executing the trade "steps out" a portion of the commission. We use step out transactions in order to get commissions to a broker that may not be able to provide the best execution. Usually the brokers that receive step out commissions provide us with a third party product that we cannot purchase with hard dollars. Likewise, if we believe a particular broker will provide the best execution for a transaction, we may execute the trade through that broker and request that they use part of the commissions generated to pay another broker for proprietary soft dollar products that they provide us.

#### **Certain Clients Custodied at Schwab and Fidelity**

We may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, or Fidelity Brokerage Services LLC (Fidelity), a registered broker-dealer, to maintain custody of clients' assets and to effect trades for their accounts. We are independently owned and operated and affiliated with neither Schwab nor Fidelity (Schwab and Fidelity are not affiliated, nor are their services combined, in any way). Both Schwab and Fidelity separately provide us with access to institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a minimum amount of the advisor's clients' assets are maintained in accounts with them, and are not otherwise contingent upon us committing to them any specific amount of business (assets in custody or trading). These broker-dealer services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in their custody, these broker-dealers generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them or that settle into accounts for which they act as custodian.

These broker-dealers also make available to us other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering our clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at that broker-dealer. These broker-dealers also makes available to us other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers may make available, arrange and/or pay for these types of services rendered to us by independent third parties. These broker-dealers may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to us. While as a fiduciary, we endeavor to act in our clients' best interests, our recommendation that clients

maintain their assets in accounts at Schwab may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by these broker-dealers, which may create a potential conflict of interest.

As mentioned in the section above, we have a soft dollar arrangement with Schwab relating to clients that we refer to Schwab. For each transaction executed at Schwab in any of these client accounts, Schwab gives us a research credit of 50% of that commission. Schwab, in turn, uses those credits to pay for third party research products that we use to manage our client accounts. We do not receive research credits for transactions of clients executed at Schwab who were referred to us by Schwab. We also have a soft dollar arrangement with Fidelity, who provides us with research products created by third parties, in which Fidelity keeps one cent of the commission and the remainder goes to the purchase of soft dollar research products.

### **Brokerage for Client Referrals**

When we select brokers for our client transactions, we do not take into consideration whether or not a particular broker or dealer refers clients to us. However, we sometimes recommend Schwab or Fidelity as the custodian for client accounts based on our relationships with them. This presents a potential conflict of interest because both Schwab and Fidelity refer clients to us, which could give us an incentive to recommend them to our clients.

As discussed above, whether a broker provides us with client referrals is not a consideration when recommending that broker to a client. This conflict is also mitigated because ultimately the decision as to where to custody your assets is up to you. It is also your decision to direct your trades to a particular broker based on where your custodian account is held. We decide which brokers to use based on several criteria and do not direct trades to brokers specifically in exchange for client referrals.

### **Directed Brokerage**

We do not request or require that you select a specific broker-dealer to execute your trades through. However, we will abide by your instruction to direct all of your trades to a particular broker-dealer (or broker-dealers) to the degree that it is possible if you make such a request in writing. We allow such requests to have varying degrees of restriction. For example, you may request that we use only a particular broker-dealer but subject to the broker-dealer's ability to be competitive as to net price and execution. You can also request that we use a particular broker-dealer regardless of the net price and execution they provide and/or you may have specific commission rates negotiated with a particular broker-dealer.

It is important to note that if you chose to utilize only a particular broker-dealer, we cannot guarantee that you will receive the most favorable execution of your trades. The broker you select may have fees that are higher or lower than what we could receive elsewhere and they may also have different prices. For example, by allowing us to execute trades through only one particular broker, we may not be able to aggregate your trade with trades for other accounts which may mean that the fees you pay are higher. This is also the case if you have negotiated specific commission rates with a selected broker because such an agreement may prohibit us from utilizing aggregate orders for your account, resulting in higher costs to you.

In some cases, if you have requested that we use only a specific broker-dealer, we may include your order in an aggregate order placed with another broker-dealer and ask that the executing broker-dealer step out of the transaction and give the transaction to your preferred broker, although this scenario is not always acceptable to a directed broker.

### **Item 12B – Aggregation of Client Orders**

It is our policy to execute trades in batch orders when practical. All open orders of the same direction (buy vs. sell) in the same security, placed at the same time will generally be bunched (aggregated) in order to take advantage of reduced fees and favorable execution. When orders are batched, a list of the accounts to be included in the order,

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along with the quantity for each account is included with the order. Once the order has been executed, shares are allocated to accounts on an average price basis; every account included in the order will receive the same price. If a second batch order for the same security is placed later within the same trading day, the price received for that order is averaged among that second order only, as though the first order did not occur. In other words, we will not average the price received for the first order and the second order, each order is considered separately. If an order is partially filled, the shares bought or sold will be divided among the accounts included in the order on a pro-rated basis. For example, if account A had 15% of the total quantity in the bunched order, account A will receive 15% of the quantity bought or sold if the order is not completely filled.



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

### **Item 13A – Periodic Review of Client Accounts**

If we have discretion over your account, it will be reviewed periodically by your Relationship Manager. In addition, there is a formal, annual review process for each account where we have investment discretion. During the annual review, your relationship manager will review the account to determine if it is in line with the stated investment objective.

In addition to the annual review, our compliance department conducts sample reviews as well. These reviews are done as part of our regular compliance testing. The compliance testing looks at many aspects of your account such as the records being kept on file, investment objectives, and trade alerts that are set up to ensure any restrictions you place on the account are being followed.

### **Item 13B – Other Reviews of Client Accounts**

As stated in Item 13A above, we have a process in place to ensure that every account that we have discretion over is reviewed at least annually. However, your account is reviewed on an ongoing basis by your primary Relationship Manager, or in his/her absence, a backup Relationship Manager. We monitor account's cash withdrawal needs and income requirements, additions and withdrawals made to your account, changes in your tax or financial circumstances and your investment objectives and any specific guidelines you give us. These factors may cause us to review your account and make changes to how it is being managed. For example, if you add significant assets to your account, you may wish to change your investment objectives.

### **Item 13C – Client Account Reporting**

Unless you participate in one of the coordinated service arrangements described in Item 5C above, you may receive account statements from us on a monthly or quarterly basis. The statements are written and show the accounts cash position, currently held investments, the market value of your investments, unit cost (per share price), a summary of the transactions that occurred during the period, and a cash reconciliation. You can request more frequent or more detailed reports to fit your personal needs. Also, if you participate in one of our coordinated service arrangements, you can still request that we send you statements in addition to the statements you receive from the program sponsor and/or your financial adviser.

**Item 14: Client Referrals and Other Compensation****Item 14A – Compensation Received from Third Parties**

We may occasionally receive mixed-use products from a third party as part of the soft dollar arrangements we have with them. As we stated in Item 12A above, when we receive a mixed-use product we make a good faith estimate to determine the portion of the product that is not a research product and pay for that portion with cash from our own funds. Additionally, on occasion we receive referral fees when client funds are invested in certain Private Funds.

**Item 14B – Compensation to Third Party Service Providers**

On occasion we will pay third parties for referring clients to us. There are a variety of ways in which we do this, many of which are detailed in Item 5C above under the coordinated service arrangements heading. Generally we will pay the third party a specified percentage of the fees we receive or we will pay a fixed amount on a monthly or quarterly basis. We review referral compensation arrangements at least annually and either we or the third party that has referred an account to us can terminate our agreement with 30 days prior written notice.

We acknowledge that these arrangements are governed by Rule 206-(4)3 of the Investment Advisers Act and are also subject to other laws and regulations, including state securities regulations. We believe that the arrangements we have in place fit within all of these laws and regulations.

**Item 14C – Client Referrals**

We may participate in client referral arrangements with other CIBC affiliates. These referrals are governed by a referral agreement that includes the roles and responsibilities of each party. A referral arrangement may be perceived as a conflict of interest; however, we mitigate this conflict by providing full disclosure of the referral fee to clients and obtaining their acknowledgment that they are aware of the fee. There is no additional charge to a client if they are referred. The actual referral fee will vary depending on the referrer but is generally a percentage of the annual fee and will be paid for a pre-determined number of years.

**Item 15: Custody**

We do not take physical custody of your account's assets. We require you to place your assets with a qualified custodian. Your custodian will be responsible for providing you with statements at least quarterly, and some custodians provide statements more frequently than quarterly. You should carefully review the statements you receive from your custodian for accuracy. You should also compare statements you receive from your custodian to any statements that you receive from us to ensure that the transactions we intended for your account occurred correctly. Not every client of ours receives statements from us. If you are not receiving statements from us and would like to, you can request that we send you statements by contacting your Relationship Manager. See Item 13C above for more information on the statements we provide.

In order to avoid physically taking custody of client assets, we do not accept client securities. Any securities that you wish to have added to your account should be sent directly to your custodian. If you are unsure of how to do this, we can assist you, but we cannot forward these securities to the custodian on your behalf. Any securities we receive will be returned to you within three business days.

Although it is uncommon, our employees are sometimes the trustee of a trust that the firm is performing investment advisory services for. Where that employee is not the trustee due to a prior personal relationship with the client, the SEC considers us to have custody of the account. These accounts are subject to an annual surprise audit, in order to comply with the SEC's amended rule on the custody of client assets.

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## **Item 16: Investment Discretion**

Whether an account is discretionary or non-discretionary, we enter into investment advisory agreements with our clients that outline our responsibilities. Generally, we enter into discretionary investment advisory agreements although on occasion we will enter into a non-discretionary agreement. If you choose to give us discretion to trade your account, we have the authority to supervise and direct investments for your account without getting consent from you prior to each transaction. When we have discretion over your account we determine what securities are bought and sold, the amount of the purchases and sales, the brokers through which the transactions are executed, and the commission rates, if any, that are paid for the transactions. You can put limitations on our discretion by making written requests to us. For example, you can prohibit us from buying specific securities and/or specific industries. You can also direct us to place all of your trades with a particular broker or brokers by agreeing to and signing a directed brokerage addendum to your investment advisory agreement.

## **Item 17: Voting Client Securities**

### **Item 17A – Voting Policies & Procedures**

We generally only vote proxies for accounts governed by the Employee Retirement Income Security Act of 1975 (“ERISA accounts”) or accounts that have been established under one of the coordinated service arrangements listed in Item 5A above unless you specifically request that we vote proxies for you. Whether or not we will vote proxies for your account is determined by the contracts we sign with you when your account is opened. If we have voting responsibility for your account, we have policies and procedures in place which we follow when doing so.

We address potential conflicts of interest that can arise when voting proxies for your account by having predetermined voting policies in place. We use a third party research and proxy voting service that gives guidance on how to vote in our clients’ best interest. Through this service we vote proxies for client accounts subject to our voting policies, which are updated each year. Currently, our service provider is Institutional Shareholder Services, Inc. (“ISS”) and they are a wholly owned subsidiary of MSCI Inc.

We will vote proxies on your behalf if you elect to have us handle your proxy voting. Records of the votes made are kept for no less than five years. If you decide that you would like to have your proxy vote or votes cast differently from how we would typically vote based on our proxy policies, you can request that we place your vote or votes manually for a specific security or securities. In these cases we will attempt to vote according to your instructions. However, due to the time sensitive nature of proxy voting and the fact that proxy delivery instructions typically need to be in place weeks before the actual vote, we may not be able to remove your account from ISS's electronic voting systems in time to place your votes on a pending proposal.

If you would like a copy of our proxy voting policies and procedures or would like to know how your proxies were voted, you can obtain that information by sending a request letter to your Relationship Manager or to the following address:

AT Investment Advisers, Inc.  
Attn: Compliance Department – Proxy Administrator  
100 Federal Street, 37<sup>th</sup> Floor  
Boston, MA 02110

### **Item 17B – Proxy Voting Authority**

If you do not give us authority to vote proxies for your account, proxy ballots will be sent to you directly from your account’s custodian. If you have questions about a particular proposal, you can speak to your Relationship Manager as needed.

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## **Item 18: Financial Information**

### **Item 18A – Balance Sheet**

Investment advisers that require prepayment of fees more than 6 months in advance are required to provide a copy of their balance sheet. We do not require fees to be prepaid 6 months in advance and therefore this item is not applicable to our business.

### **Item 18B – Financial Condition**

We are not aware of any financial conditions that are likely to impair our ability to meet any of our contractual agreements to you.

### **Item 18C – Bankruptcies**

We have not been subject to any bankruptcy petitions within the last ten years.

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### **Item 19: Requirements for State-Registered Advisers**

We are not registered with any state securities authorities and therefore the requirements of Item 19 do not apply to our business.