

# ATR Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of ATR Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 203 540-5133 or by email at: [sblau@atraders.com](mailto:sblau@atraders.com). 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 ATR Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). ATR Advisors, LLC's CRD number is: 170849.*

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*Registration does not imply a certain level of skill or training*

*3/12/2015.*

## Item 2: Material Changes

ATR Advisors, LLC is filing an annual updating amendment using the Form ADV Part 2A.

Changes have been made in the following sections:

Item 5: "Fees and Compensation"  
Item 10: "Other Financial Industry Activities and Affiliations"  
Item 13: "Reviews of Accounts"  
Item 15: "Custody"  
Item 17: "Voting Client Securities (Proxy Voting)"

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## **Item 4: Advisory Business**

### ***Business Description***

We provide services to investment companies concerning fixed income securities, real estate funds (including REITs), equities, ETFs, treasury inflation protected/inflation linked bonds, commodities and non-U.S. securities. As a registered investment adviser, we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we always put our client's interests first and must fully disclose any potential conflict of interest. We do not hold customer funds or securities.

### **A. Description of the Advisory Firm**

ATR Advisors, LLC (hereinafter "ATR") is a Limited Liability Company organized in the State of Connecticut.

The firm was formed in February 2014, and the principal owner is Shawn Frederick Blau.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

ATR offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client, all of which at this time are expected to be mutual funds. Portfolio management services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

ATR evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. ATR will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

ATR seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of ATR's economic, investment or other financial interests. To meet its fiduciary obligations, ATR attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, ATR's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid

favoring one client over another over time. It is ATR's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time. ATR currently has one, single institutional client.

### ***Subadviser Services***

At this time, ATR expects to run all its business as a subadviser to one or more advisers unaffiliated with ATR, who act as advisers to one or more mutual funds. These third-party advisers would outsource portfolio management services to ATR. This relationship will be memorialized in each contract between ATR and the third-party advisor.

### ***Services Limited to Specific Types of Investments***

ATR generally limits its investment advice to fixed income securities, real estate funds (including REITs), equities, ETFs, treasury inflation protected/inflation linked bonds, commodities and non-U.S. securities, although ATR primarily recommends us equities across all capitalizations to a majority of its clients. ATR may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

We intend to manage only mutual funds, and will tailor our investment services to the needs and restrictions of the mutual fund. However, if the restrictions prevent ATR from properly servicing the client account, or if the restrictions would require ATR to deviate from its standard suite of services, ATR reserves the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. ATR does not participate in any wrap fee programs.

## **E. Assets Under Management**

ATR has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$2.3 MM	\$0	February 2015

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Asset-Based Fees for Portfolio Management*

Total Assets Under Management	Annual Fee
All assets	0.75%

#### *Subadviser Services Fees*

ATR may act as a subadviser to unaffiliated third-party advisers and ATR would receive a share of the fees collected from the third-party adviser's client. The fees charged will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between ATR and the third-party adviser.

### B. Payment of Fees

#### *Payment of Subadviser Fees*

If and when payable, ATR is paid sub-adviser fees directly by its sole client, a mutual fund adviser.

### C. Client Responsibility for Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by ATR. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### D. Prepayment of Fees

There is no prepayment of fees. ATR collects its fees, if and when due, from clients in arrears.

### E. Outside Compensation for the Sale of Securities to Clients

ATR's supervised persons do not accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds from its clients.

***1. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase ATR recommended products through other brokers or agents that are not affiliated with ATR.

***2. Commissions are not the Primary Source of Income for ATR***

Commissions are not ATR's primary source of compensation.

***3. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

ATR does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

ATR generally provides advisory services to Investment Companies.

### ***Minimum Account Size***

There is no account minimum for any of ATR's services.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

ATR's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. ATR uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

### ***Investment Strategies***

ATR uses long term trading, short term trading, short sales and options trading (including covered options, uncovered options, or spreading strategies). ATR engages in short term trading only rarely.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in



stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

ATR's use of short sales and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

ATR's use of short sales and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real

estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Closed end Funds and Business Development Companies:** Investing in these funds carries the risk of capital loss and thus you may lose money. All registered funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below). Closed end funds and business development funds have the added risk of being less liquid than mutual funds.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

William J Kennedy in his role as a registered representative of Westport Resources Investment Services, Inc. could accept compensation for the sale of securities.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither ATR nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Shawn Frederick Blau is an investment adviser representative with another investment advisory firm, Westport Resources Management, Inc., and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. ATR always acts in the best interest of the client and clients are in no way required to use the services of any representative of ATR in connection with such individual's activities outside of ATR.

William J Kennedy is an investment adviser representative with another investment advisory firm, Westport Resources Management, Inc., and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. ATR always acts in the best interest of the client and clients are in no way required to use the services of any representative of ATR in connection with such individual's activities outside of ATR.

William J Kennedy is also a registered representative of Westport Resources Investment Services, Inc. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. ATR always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory

clients. Clients are in no way required to work with or pay compensation to any representative of ATR in such individual's capacity as a registered representative.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

ATR does not utilize nor select third-party investment advisers. All assets are managed by ATR management.

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

#### **A. Code of Ethics**

ATR has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. ATR's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

ATR does not recommend that clients buy or sell any security in which a related person to ATR or ATR has a material financial interest.

Conflict of interest situations that arise in connection with the management of the assets of Clients will be handled on a case-by-case basis. Client approval will be sought in connection with approvals required under the Advisers Act or other applicable law, and, if granted, such approval will be binding. If an agency cross transaction arises, ATR will execute such transaction with the consent of the applicable client or as otherwise permitted by the Advisers Act. An agency cross transaction is generally defined as a transaction where a person acts as investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of ATR may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of ATR to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. ATR will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of ATR may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of ATR to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, ATR will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

ATR does not trade client's accounts or recommend brokers/custodians.

##### ***1. Research and Other Soft-Dollar Benefits***

While ATR has no formal soft dollars program in which soft dollars are used to pay for third party services, ATR may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). ATR may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and ATR does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. ATR benefits by not having to produce or pay for the research, products or services, and ATR will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that ATR's acceptance of soft dollar benefits may result in higher commissions charged to the client.

##### ***2. Brokerage for Client Referrals***

ATR receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

ATR may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to ATR to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

ATR does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Reviews of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts are reviewed at least quarterly by Shawn Blau and William Kennedy with regard to clients' respective investment policies .

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in clients' investment objectives.

#### **C. Content and Frequency of Regular Reports Provided to Clients**

ATR's sole client at the present time is a mutual fund which does not require ATR to provide regular reporting.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

ATR does not receive any economic benefit, directly or indirectly from any third party for advice rendered to ATR's clients.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

ATR may enter into written arrangements with third parties to act as solicitors for ATR's investment management services. Solicitor relationships will be fully disclosed to each client to the extent required by applicable law. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

## **Item 15: Custody**

ATR does not maintain custody of client assets.

## **Item 16: Investment Discretion**

ATR provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, ATR generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, ATR's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to ATR).

## **Item 17: Voting Client Securities (Proxy Voting)**

ATR is responsible for proxy voting for client securities and receives proxies directly from the issuers of the securities or the custodian. ATR's policy is to vote all proxies in accordance with what the management of each company recommends, except in event of an extreme circumstance.

## **Item 18: Financial Information**

### **A. Balance Sheet**

ATR neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**



Neither ATR nor its management has any financial condition that is likely to reasonably impair ATR's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

ATR has not been the subject of a bankruptcy petition in the last ten years.