

**Item 1 – Cover Page**

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**July 2015**

This Brochure provides information about the qualifications and business practices of Auribeau LLC (“Auribeau” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 212-698-0700 or by email at [compliance@lepercq.com](mailto:compliance@lepercq.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Auribeau is an SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Auribeau also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This brochure is Auribeu's first brochure. As a result, there is no prior version of this brochure to compare the content of this brochure against. In the future, this item will include a summary of material changes, if any, which occurred since Auribeu's last annual update of Form ADV Part 2A.

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## Item 4 – Advisory Business

Auribeau is a limited liability company organized under the laws of the State of New York to provide investment advisory and management services to separately managed account clients. Formed in May 2015, Auribeau is a wholly owned subsidiary of Lepercq, de Neuflyze & Co Incorporated (“LN&Co.”). Prior to Auribeau’s formation, Lepercq de Neuflyze Asset Management LLC (“LNAM”), another SEC registered investment adviser that is also a wholly owned subsidiary of LN&Co., performed the investment advisory and management services for the separately managed accounts that will be transferred to Auribeau upon its registration with the SEC.

Auribeau provides discretionary and non-discretionary investment advisory services to separate account clients. Such services typically involve individualized financial goal analysis, asset allocation, formulation of an investment strategy, assistance with implementation of the investment, and ongoing review of performance measures for the strategy adopted. In connection with the implementation of a client’s investment plan, Auribeau will typically identify and select investment advisers, mutual funds, or private investment pools that are believed to be compatible with the client’s investment objectives, risk tolerances and other client criteria. The investment objectives, investment restrictions, regulatory restrictions, risk tolerances or other circumstances for each client are generally provided to Auribeau in writing.

For Discretionary Accounts, Auribeau provides for the selection of investments, purchase and sale orders to executing brokers and custodians involving both timing and size of the order and portfolio monitoring. For some of these accounts, Auribeau will use the services of Tocqueville Asset Management (“TAM”) as sub adviser for the management of its clients’ portfolios under a sub advisory agreement. In such instances, Auribeau provides for portfolio supervisory services, determining portfolio allocation and rebalancing when necessary and upon clients’ directives, which are communicated to its sub adviser. For such accounts, the advisory fees are shared between Auribeau and TAM.

For Non-Discretionary Accounts, Auribeau provides guidance in portfolio management, market conditions and risks, and investment selection, including purchase and sale recommendations with size and timing. It does not provide for the placement of such orders, as these clients may or may not act on Auribeau’s recommendations.

At the time of its initial ADV filing, Auribeau did not have any assets under management. However, Auribeau has registered with the SEC in reliance on Rule 203A-2(c) because it has a reasonable expectation to be eligible for SEC registration within 120 days from the date its registration became effective.

## **Item 5 – Fees and Compensation**

### **Advisory Fees**

For Discretionary Accounts, Auribeau charges an advisory fee billable at the end of each quarter. The quarterly fee is based on a contractually agreed-upon percentage of the average of the valuation of the portfolio during the quarter, except that the fee will be pro-rated to reflect actual number of days the account was under management for any period where the account was not under management for the full quarter. The percentage charged for investment advisory accounts varies with the scope of services provided, is negotiated on an individual basis, and is paid at the end of the period. This percentage varies from 0.25% to 1.00%. In the event a client's assets are invested in mutual funds, the client, in effect, pays a fee both to Auribeau and to the mutual fund investment manager.

For Discretionary Accounts sub advised by TAM, advisory fees are shared between Auribeau and TAM.

Auribeau clients may invest in registered or unregistered investment companies selected by Auribeau or its sub adviser. Such funds will include third party unaffiliated funds, funds that are also managed by its sub adviser and certain unregistered funds managed by Auribeau's affiliates.

### **Fixed Annual Fee**

For Non-Discretionary Accounts, Auribeau may charge a fixed annual fee instead of an advisory fee based upon the scope of engagement.

### **Other Fees and Expenses**

Auribeau's fees, as noted above, are exclusive of brokerage commissions, transaction fees, underlying fund management fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge management fees, which are disclosed in a mutual fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Auribeau's fees.

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

Some investment advisers experience conflicts of interest in connection with the management of accounts with performance based fees and the side-by-side management of accounts with different fee structures. Auribeau does not charge any performance-based fees nor does it manage side-by-side accounts. Therefore, these conflicts of interest are not applicable to Auribeau.

## **Item 7 – Types of Clients**

Auribeau's clients include individuals, high net worth individuals, foundations and trusts, as well as institutional clients such as corporations and other non-profits.

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

Investing in any security or investment strategy involves the risk of loss and each client should be prepared to bear that loss. There can be no assurance that the investment objective of a client managed by Auribeau will be achieved or that Auribeau's strategies will be successful. Clients must be prepared to lose all or substantially all of their investment.

### Methods of Analysis and Investment Strategies

Portfolios constructed on behalf of Auribeau clients are done so through a combination of top-down macro analysis and bottom-up fundamental research. The investment process utilizes a contrarian approach by which it attempts to buy undervalued companies that possess long-term earnings power.

For Discretionary Accounts, Auribeau will use the services of TAM, as mentioned in Item 4, for the management of certain of its clients' portfolios under a sub advisory agreement. Under this sub advisory agreement, TAM is delegated discretion in the selection of securities and in the timing and amount to be bought and sold under Auribeau's supervision.

For Non-Discretionary Accounts, Auribeau works closely with a committee of investment consultants for the account holder and provides advice regarding various market trends and activities.

### Risk of Loss

All investment programs are exposed to a variety of risks which may lead to the temporary or permanent loss of a clients' capital or failure to achieve return objectives. In the construction of the investment mandates, Auribeau considers numerous risks, not limited to:

- **Interest-rate Risk:** Generally refers to the risk of loss in fixed income investments when interest rates rise.
- **Market and Systemic Risk:** The risk that equity and equity-like investments will experience losses in the event of economic downturn, market dislocation, or correction of over-valuation.
- **Inflation Risk:** The risk of erosion of purchasing power of one's currency or erosion of corporate earnings power due to an inability to pass through input cost increases to consumers.
- **Currency Risk:** The risk that any one currency may fail to maintain its purchasing power or value relative to another currency or basket of currencies.
- **Business/Industry Risk:** The risk of loss resulting from general competitive forces or the failure of an enterprise to execute its' business plan and meet expectations or objectives.
- **Liquidity Risk:** The risk that marketable securities and private investment interests may not be convertible into cash at all or without materially adversely affecting the price received.
- **Counterparty Risk:** The risk that a financial counterparty such as a broker or custodian fails to uphold a contractual agreement or safeguard client assets.
- **Execution Risk:** The risk that an investment manager fails to execute its investment strategy, leading to impairment of capital or failure to meet investment performance objectives.

### **Item 9 – Disciplinary Information**

Auribeau and its employees have not been involved in any legal or disciplinary events in the past ten years that would be material to a client's evaluation of the Firm or its personnel.

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

Mr. Francois Letaconnoux, Auribeau's President, CEO and Chief Compliance Officer, is a registered representative of Tocqueville Securities, LP ("TS"), an unaffiliated broker-dealer. As a

registered representative for TS, Mr. Letaconnoux receives commission based compensation for facilitating some client investments in certain mutual funds.

Mr. Letaconnoux' activities as a registered representative for TS are largely separate from his activities with respect to the Firm's clients, and Mr. Letaconnoux' compensation as a registered representative for TS is not material relative to his compensation as an employee of Auribeau. While TS is the prime broker for the Firm's clients, Auribeau does not believe that this relationship creates a material conflict of interest with its clients.

Mr. Letaconnoux is also the President of Lepercq de Neufville Asset Management LLC (LNAM), an SEC registered investment adviser that is a wholly owned subsidiary of LN & Co. Some clients of Auribeau also have investments with LNAM.

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

Auribeau has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act") which sets forth standards of ethical and business conduct expected of its personnel and addresses conflicts that may arise from personal trading by its personnel. Auribeau's Code of Ethics, among other things, requires compliance with the U.S. federal securities laws; reflects Auribeau's fiduciary responsibilities and those of its personnel; requires Auribeau's personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions; and addresses prevention of the misuse of material non-public information.

The Code will be provided to any client or potential client upon request by calling the telephone number listed on the cover page of this brochure.

Auribeau's personnel may buy and sell certain securities for their own accounts that Auribeau buys and sells for its clients so long as pre-clearance is obtained before executing any personal trade. Generally, the Firm's personnel are prohibited from buying and selling securities for their own accounts that are placed on Auribeau's restricted list. Auribeau's Chief Compliance Officer may permit such personal trading on a case by case basis. Auribeau has established internal policies, including the adoption of a Code (as discussed above), designed to ensure that the Firm's personnel do not unfairly benefit from personal trading at the expense of any of Auribeau's clients.

Auribeau, an affiliate, or a sub adviser, may recommend the purchase or sale of investment products to its clients where Auribeau, its sub adviser or an affiliate has some financial interest. When any such recommendation by Auribeau, its sub adviser or an affiliate is made, these relationships to the investment product will always be disclosed.



## Item 12 – Brokerage Practices

### Directed Brokerage, Aggregation and Best Execution

For Discretionary Accounts, Auribeau offers an option that its client's direct transactions be executed through TS as mentioned above in Item 10. All clients are given the option to opt out of this directed brokerage arrangement.

As mentioned in Items 4 and 8 above, Auribeau has engaged TAM as a sub adviser for certain clients. TAM uses the services of TS, its affiliated broker dealer. By directing brokerage to TS, Auribeau recognizes that clients may not achieve most favorable execution, and this practice may cost clients more than other competing institutional brokers.

Auribeau relies on TAM and TS, and the representations made in TAM's Form ADV. As highlighted under TAM's Brokerage Practices, *“although Tocqueville believes that [TS's] commission rates are generally competitive with that of unaffiliated broker-dealers providing comparable services and overall qualitative execution, Tocqueville does not represent to clients that it will necessarily obtain the lowest possible commission charge on every trade.”* However, in addition, Auribeau reviews the brokerage fees paid to TS for applicable transactions during reviews of client accounts, as mentioned below in Item 13.

The benefits to clients obtained through this directed brokerage arrangement are aggregation and economies of scale, use of Pershing as a qualified custodian and the portfolio accounting system available to Auribeau for the benefit of all of its clients.

## Item 13 – Review of Accounts

All Discretionary Accounts are reviewed at least quarterly, but more frequently as needed, by Mr. Letaconnoux. Quarterly reviews focus on portfolio composition, re-balancing, concentration, brokerage fees paid to TS for applicable transactions and performance. As needed reviews focus on portfolio transactions including capital additions and withdrawals, as well as purchase and sales transactions.

In addition, Mr. Letaconnoux reviews all Discretionary Accounts quarterly with TAM's Chief Investment Officer to discuss the current state of each account and any adjustments that will need to be made. A written memo is prepared to evidence this review.

Detailed quarterly reports are furnished to Discretionary Account clients. They include a listing of securities held, a record of securities bought and sold, portfolio appraisal, performance history, realized gains and losses, income and expenses, cash ledger, and a bill for advisory services rendered. Upon client request, a review of the performance of the account for the quarter, including the methodology for calculation of performance, is provided. Under special circumstances involving the

request by a client or extreme portfolio volatility caused by systemic risk, an intermediate portfolio review will be conducted by Mr. Letaconnoux.

At least annually the Firm aims to discuss with clients the summary report of year-to-date performance. Similarly, suitability concerns surrounding client accounts are addressed at least annually and documented accordingly.

All Non-Discretionary Accounts are reviewed and discussed with those clients only upon their request.

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

Auribeau does not currently compensate any third parties for client referrals or receive any economic benefit from non-clients in connection with the provision of investment advice to clients.

#### **Item 15 – Custody**

Auribeau does not maintain custody nor do any of Auribeau's related persons maintain custody over any clients' cash or bank accounts or securities. Auribeau maintains its advisory accounts at a qualified custodian and conducts reasonable inquiry to determine that the custodian directly sends account statements to its clients on at least a quarterly basis. In communicating with its clients, Auribeau requests that the clients reconcile such statements to their quarterly portfolio reports sent by Auribeau and notify the Firm promptly of any differences.

#### **Item 16 – Investment Discretion**

Auribeau receives discretionary authority from certain clients at the outset of a discretionary account relationship to select the:

- Securities to be bought or sold for a client's account;
- Amount of securities to be bought or sold for a client's account; and
- Broker or dealer to be used for a purchase or sale of securities for a client's account.

The discretionary authority granted to Auribeau for certain clients is evidenced in the investment advisory agreement executed at the inception of the advisory relationship. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account including any investment guidelines and restrictions therein referenced.

### **Item 17 – Voting Client Securities**

Auribeau has the authority and responsibility to vote proxies on behalf of its discretionary clients. However, Auribeau delegates its proxy voting responsibilities to its sub adviser, TAM, for all discretionary clients who may or may not be covered under a sub-advisory agreement.

The Firm evaluates TAM's proxy voting policies and procedures on an annual basis and periodically reviews the ballots voted for all securities held in client accounts through batch reports provided by TAM. For this reason, it is not possible to view an individual account's voting history; however Auribeau regularly reviews account information to ensure that the voting process is being carried out in accordance with TAM's policies and procedures.

Further information with regards to TAM's proxy voting policies and procedures, as well as the proxy voting record for those accounts where TAM has been delegated proxy voting responsibilities, is available upon request.

### **Item 18 – Financial Information**

Auribeau does not require or solicit prepayment of fees six months or more in advance. As of the date of this brochure, we are not aware of any financial condition that is likely to impair our ability to manage client assets, and Auribeau has not been the subject of any bankruptcy proceeding.