

# Dorchester Advisors, LLC

## Firm Brochure - Form ADV Part 2A2

This Brochure provides information about the qualifications and business practices of Dorchester Advisors, LLC ("Dorchester"). If you have any questions about the contents of this brochure, please contact us at +61 7 -3121-3374 or by email at [gerald.bogart@dorchesteradvisor.com](mailto:gerald.bogart@dorchesteradvisor.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. Dorchester is a registered investment adviser with the Securities and Exchange Commission. However, such registration does not imply a certain level of skill or training, and no inference to the contrary should be made. Dorchester Advisors, LLC is regulated by the Securities and Exchange Commission (SEC) under US laws, which differ from Australian laws.

Dorchester Advisors, LLC is exempt from the requirement to hold an Australian financial services license (AFSL) under the Corporations Act 2001 in respect of financial services, in reliance on class order 03/1100. A copy of class order 03/1100 may be obtained at the website of the Australian Securities and Investments Commission, (ASIC) <http://www.asic.gov.au>. Additional information about Dorchester Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Dorchester's CRD number is 284085.

Dorchester Advisors, LLC  
Riparian Plaza Level 36  
71 Eagle Street Brisbane, Queensland  
Australia  
Telephone: +61 7 -3121-3374  
Email: [Gerald.bogart@dorchesteradvisor.com](mailto:Gerald.bogart@dorchesteradvisor.com)

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

Version Date: 3/31/2017

## **Item 2: Material Changes**

This Part 2A constitutes an update to the Adviser's ADV Part 2 dated July 25, 2016. This Item 2 discusses only specific material changes that are made to the Brochure. Each time we will reference the date of our last annual update of the Brochure.

Dorchester no longer offers Limited Partnership interests.

Wynmanville Pty Ltd as Trustee for the Bogart Family Trust has been added as a member of Dorchester Advisors, LLC, and will trade on its own account.

Pursuant to SEC Rules, Clients will receive a summary of any material changes to the Brochure, and any subsequent versions of the Brochure within 120 days of the close of our fiscal year, which is December 31. Additionally, as Dorchester Advisors, LLC, experiences material changes in the future, we will send you a summary of our "Material Changes", along with an offer to provide the Brochure under separate cover. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. You may request the Brochure by contacting Mr. Gerald Bogart +61 7 -3121-3374 or by email at [Gerald.bogart@dorchesteradvisor.com](mailto:Gerald.bogart@dorchesteradvisor.com).

### Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business .....	2
A. Description of the Advisory Firm .....	2
B. Types of Advisory Services .....	2
C. Client Tailored Services and Client Imposed Restrictions.....	2
D. Wrap Fee Programs.....	2
E. Assets under Management .....	3
Item 5: Fees and Compensation.....	3
A. Fee Schedule.....	3
B. Payment of Fees.....	3
C. Client Responsibility for Third Party Fees .....	3
D. Prepayment of Fees .....	3
E. Outside Compensation for the Sale of Securities to Clients.....	3
Item 6: Performance-Based Fees and Side-By-Side Management .....	4
Item 7: Types of Clients .....	4
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss.....	4
A. Methods of Analysis and Investment Strategies .....	4
B. Material Risks Involved .....	5
Item 9: Disciplinary Information.....	6
A. Criminal or Civil Actions .....	6
B. Administrative Proceedings.....	6
C. Self-regulatory Organization (SRO) Proceedings.....	6
Item 10: Other Financial Industry Activities and Affiliations.....	7
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	7
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	7

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests .....	7
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections .....	7
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	7
A. Code of Ethics .....	7
B. Recommendations Involving Material Financial Interests .....	8
C. Investing Personal Money in the Same Securities as Clients .....	8
D. Trading Securities At/ Around the Same Time as Clients' Securities .....	8
Item 12: Brokerage Practices .....	8
A. Factors Used to Select Custodians and/or Broker/Dealers .....	8
Item 13: Reviews of Accounts .....	8
Item 14: Client Referrals and Other Compensation .....	9
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	9
B. Compensation to Non – Advisory Personnel for Client Referrals .....	9
Item 15: Custody .....	9
Item 16: Investment Discretion .....	9
Item 17: Voting Client Securities (Proxy Voting) .....	9
Item 18: Financial Information .....	9
A. Balance Sheet .....	9
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	10
C. Bankruptcy Petitions in Previous Ten Years .....	10

## **Item 4: Advisory Business**

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

Dorchester Advisors, LLC (hereinafter “Dorchester”), is a Limited Liability Company organized in the State of Delaware in October 2014 and its principal owner is Gerald W. Bogart. Dorchester is an investment advisory firm registered with the Securities and Exchange Commission since July 2016. Business hours are by appointment only. Dorchester also uses the name “Domacom Financial Advisors” (“DFA”).

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

Dorchester is an independent accredited financial advisor\* to Domacom Ltd (see <https://www.domacom.com.au/>) which is a fractional (meaning: share or unit) property investing fund that allows investors to buy units in a property instead of buying the whole property (see <https://www.domacom.com.au/the-domacom-fund/product-disclosure-statement/>). Domacom Ltd and its affiliates manage the properties on behalf of the fund. Domacom Ltd operates under the purview of the Australian Securities and Investment Commission (ASIC). Domacom Ltd also provides a secondary market enabling the sale of units should an investor choose to sell some or all of their interest in a property.

\*See <https://www.domacom.com.au/the-domacom-fund/domacom-accredited-adviser-program/>.

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

Dorchester directs its client to the The Domacom Fund. Through Dorchester, Australian wholesale investors (as per section 708(8) or (11), section 761G(5), (6), (6A) or (7) or section 761GA of the Corporations Act 2001) can buy units in The Domacom Fund. Information about The Domacom Fund is available at this link: <https://www.domacom.com.au/the-domacom-fund/product-disclosure-statement/>

### **D. Wrap Fee Programs**

Dorchester does not participate in any wrap fee programs.

## **E. Assets under Management**

	Date Calculated:
\$0	March 31, 2017

Based on Dorchester's current business model and the type of services provided, Dorchester does not hold client assets under management.

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

Dorchester receives an advisory fee of one percent (1%) of the amount invested in The DomaCom Fund with respect to any client introduced by Dorchester to a DomaCom Ltd.

### **B. Payment of Fees**

Dorchester receive its fee from the client after the settlement of the client in The DomaCom Fund.

### **C. Client Responsibility for Third Party Fees**

Dorchester and Mr. Bogart will pay their own general operating and overhead type expenses associated with providing the services provided by Dorchester. administrative services and the investment management services.

### **D. Prepayment of Fees**

Dorchester does not collect fees in advance.

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

Dorchester view its fee with respect to clients it directors to the The DomaCom Fund as an advisory fee and not as a sales commission.

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

Dorchester 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**

Dorchester generally provides advisory services to the following types of clients:

\*Australian wholesale investors as per section 708(8) or (11), section 761G(5), (6), (6A) or (7) or section 761GA of the Corporations Act 2001.

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

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

Dorchester views The DomaCom Fund as a solid investment based on its analysis and for the following reasons. Dorchester considers a 5 to 10-year investment horizon to be representative for the property market, Dorchester needs to be extremely cautious in its assumptions applied over the total investment horizon.

Investors in any property investment market cycle must focus on long, reliable non-volatile leasing income, representing a fair risk/return reflection of the property investment over its entire investment horizon.

Therefore, an important part of an investor's strategy should be a set of principles like the following:

1. **"The buyer should buy the assumptions that create the yield rather than the yield itself."** Real estate investment is seen as a process of validating key assumptions, such as income, expenses, and resale. The investors who most thoroughly validate assumptions are the most successful.
2. **"The investor should be as concerned about what to offer the next buyer as with what he is buying."** Sound investments are based on the assumption that the next investor, as well as the present one, will value the property on an economic basis using realistic economic assumptions.
3. **"The investor should price the property apart from the tax advantages."** The project should make sense from a "basic economics" viewpoint- cash in and cash out. Over the entire ownership life cycle, real gains are more important than tax

gains produced by artificial tax losses. Ultimately, most tax losses turn into real losses if a project is not supported by real economic gains, (e.g., price appreciation and cash flow from operations.)

4. **"The investor should compare alternatives."** Investments analysis is the process of comparing assumptions and property alternatives. A real estate investment is good only to the extent that its assumptions are better than the alternatives.
5. **"The investor should adopt a strategic view to real estate investing"** As investing in real estate consists of acquisition, management, and disposition, strategic analysis begins with an assessment of the macro factors which are of influence to the real estate industry. These macro factors are predominantly financial –political –environmental –social and asset constructions and should be assessed on a global –national –industry –sector and asset level.
6. **"The investor should understand the potential profit and risk in the terms of dollars and cents."** Investors should not leave the measurement of return and risk to intuition and hunch. They should attempt to quantify their judgments and measure and the impact of investment uncertainties on the expected after-tax return of each venture. The final investment decision requires a comparison of project returns and risks with the investor's objectives, constraints and resources, and relative returns on other types of investments.

## **B. Material Risks Involved**

**Units in The DomaFund are illiquid.** Units in The DomaFund are illiquid and clients will be able to liquidate their units by either selling them on the DomaCom Ltd. secondary market or when the The DomaCom "subfund" is liquidated.

**Complete Loss of Investment.** The value of units purchased by clients will vary and could decline to zero. This could result in the loss of the money invested in the units.

**Risk of Cash Loss Due to Poor Speculation by DomaCom Ltd.** Cash paid for units are dedicated to proposed "sub-funds" of The DomaCom Fund that may not proceed as planned. Costs incurred by DomaCom Ltd. during the process of developing the "sub-fund" will be recovered from the cash paid by clients to The DomaFund.

**Risk that a "Subfund" Property Fails to Generate Revenue.** There is risk that an underlying investment property held in a "subfund" may not be tenanted (or fully tenanted). If this state continues for an extended period of time with the result that the subfund cannot meet its expenses, the subfund's "responsible entity" has the right to wind up the "subfund" at a loss.



**No Guarantee of Investment.** Investment in The DomaCom Fund are not guaranteed.

**Market and Economic Risk.** All investment returns are influenced by the performance of the market to which the underlying investments are exposed. These market forces will impact the property market which in turn will affect the performance of an investment in the DomaCom Fund.

**Key Person Risk.** DomaCom Ltd. is fully dependent on “key personnel”. If key personnel are no longer able to fulfill their obligations, DomaCom Ltd may not be able to find suitably qualified replacement personnel and the performance of the DomaCom Fund may suffer as a result.

**Limited operating history risk.** The DomaCom Fund is a newly formed fund with no operating history which Investors can evaluate. There is no assurance that The DomaCom Fund will achieve any of its investment objectives.

**Reliance on Proprietary Platform Technology.** The DomaCom Fund relies on an online technology solution which is delivered by DomaCom Ltd. to facilitate the transactions that are required to give effect to its unique investment model. If DomaCom Ltd ceases to provide this service or is removed as investment manager, there may not be any alternative provider with an appropriate technology solution.

**Investing in The DomaCom Fund 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 actions 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**

Neither Dorchester nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither Dorchester 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**

Neither Dorchester nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

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

Dorchester selects third-party investment advisers. All assets are not managed by Dorchester management.

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

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

Dorchester 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. Dorchester's Code of Ethics is available free upon request to any client or prospective client.

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

Dorchester may buy or sell a security in which a related person to Dorchester or Dorchester has a material financial interest.

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

From time to time, representatives of Dorchester may make trades and investments for their own accounts. The records of these personal accounts will not be made available to Clients.

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

Mr. Bogart monitors his personal securities transactions and reports them to Dorchester. Currently Mr. Gerald W. Bogart is the only person associated with Dorchester, so he is responsible to adhere to the foregoing policies and to police his own personal trading.

Wynmanville Pty Ltd as Trustee for the Bogart Family Trust has been added as a member of Dorchester Advisors, LLC, and will trade on its own account.

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

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

Pursuant to Dorchester's description of services located in Item 4 above, Dorchester does not use brokerage services. Dorchester reserves the right to use brokerage services in the future.

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

Dorchester monitors client accounts.

## **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)**

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

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

Dorchester may directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

Dorchester does not have custody of client money.

## **Item 16: Investment Discretion**

Dorchester does not have discretionary authority.

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

Dorchester will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Dorchester neither requires nor solicits prepayment of more than \$500 in fees per client, six (6) 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 Dorchester nor its management has any financial condition that is likely to reasonably impair Dorchester's ability to meet contractual commitments to clients.

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

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