

**Item 1.**

**BROCHURE OF  
OPTION RESEARCH & TECHNOLOGY SERVICES, LLC**

An Illinois limited liability company registered with the Securities and Exchange Commission as  
an Investment Adviser (CRD # 293933)

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF OPTION RESEARCH & TECHNOLOGY SERVICES, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (312) 986-1060.**

**THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.**

**OPTION RESEARCH & TECHNOLOGY SERVICES, LLC IS REGISTERED AS AN INVESTMENT ADVISER WITH THE SEC. REGISTRATION WITH THE SEC OR WITH ANY STATE SECURITIES REGULATOR DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

**ADDITIONAL INFORMATION ABOUT OPTION RESEARCH & TECHNOLOGY SERVICES, LLC IS AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

The date of this brochure is

May 16, 2018

The delivery of this brochure (the “Brochure”) at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

**Item 2.**

**Material Changes**

There are no material changes to report regarding our advisory business, as this is Option Research & Technology Services, LLC's initial Brochure.

**Item 3.**

**Part 2A – Disclosures about Option Research & Technology Services, LLC.**

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**Exhibit A – Privacy Notice**

#### **Item 4. Advisory Business**

Option Research & Technology Services, LLC, (“ORATS”) is a Illinois limited liability company founded in 2001. ORATS is wholly-owned by Matthew Amberson.

The majority of ORATS’ business is the sale of research products on a subscription basis, which includes fundamental research on companies, research on sectors and industries, and investment strategy and other analytical pieces. Such services are typically sold via a password protected website on a subscription basis to institutional investors.

ORATS offers consulting services to institutional asset managers, consisting primarily of pension funds, investment managers, and insurance companies. Such services typically relate to customized research projects regarding individual issuers or sectors, and each such advisory relationship is governed by a separate, customized agreement. Such agreements do not ever involve trading or authority over a customer’s account, and accordingly, client restrictions on investing in certain types of securities are not applicable to ORATS’ business.

Generally, ORATS’ business is limited to using historical options related data to meet the needs of its clients. Among other services, ORATS offers backtesting of options strategies and implementation of strategies using bespoke scanning tools or programs. Direction for the scope of such research projects is arrived at through discussion and negotiations between ORATS and the particular client and is then set forth in a customized advisory agreement or engagement letter. ORATS does not provide a full range of advisory services, nor does it offer advice with respect to the appropriateness of trading strategies, or strategies relating to other tradable instruments (e.g., futures, options), or certain matters that are beyond the scope of its core focus on historical options data.

At present, ORATS typically may be engaged to provide consulting and evaluative services on an episodic basis (e.g., a specific research project) or a periodic basis (e.g., consulting with respect to a client’s portfolio on a quarterly or semi-annual basis). In such cases, ORATS has no authority (discretionary or non- discretionary) over any customer’s assets, nor does ORATS have access to any customer accounts with any institution or any other personally identifiable customer information.

#### **Item 5. Fees and Compensation**

Fees charged by ORATS for its services are based on negotiation between the client and ORATS. Fees collected by ORATS may take different forms depending on the nature of the services being provided to the client. For example, ORATS may receive fees in the form of basis points of assets under management for strategies implemented or backtested by ORATS, or profit participation interests or ownership interests in certain investments or investment vehicles that utilize ORATS’ services.

Fees for customized research reports range, depending on the scope and nature of the report, and are negotiated and established prior to the preparation of the report

(or reports).

Fees for portfolio monitoring are based on negotiation and are arrived based on the complexity of the review, which can depend on, among other things, the number of investments in a client's portfolio, whether ORATS already has such names under research coverage and similar factors.

In other cases, a client may retain ORATS to provide research reports and may agree to pay for such research report preparation on an hourly basis. In such cases, the hourly rate ranges from [\$250 - \$500] per hour based on the experience of the analysts working on the project.

In almost all cases, such fees, while agreed in advance, are billed by and due to ORATS after the completion of the project. In addition to such fees, agreements with customers may also provide for reimbursement to ORATS for any agreed out of pocket expenses, and any applicable taxes.

ORATS receives additional compensation from non-clients in the form of message credits generated by APIs that implement ideas generated from the ORATS' research.

ORATS may also receive fees from soft dollar brokers, instead of ORATS' clients paying such fees directly to ORATS.

**Item 6. Performance-Based Fees**

ORATS' may receive Performance-based compensation with respect to services provided to certain clients. Such Performance-based compensation is intended to be based on the performance of certain securities and/or strategies that ORATS has provided investment advisory services for. Such Performance-based compensation can range from 10% to 30%, as may be mutually agreed upon with the relevant client.

**Item 7. Types of Clients**

ORATS provides its advisory services to a range of client types, including individuals as well as institutional clients. Data and tools are sold via web based signups and the clients individuals or institutional clients that may be interested in options research.

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

The primary method of analysis used by ORATS in performing its advisory services is applying historical options data for analysis.

The main sources of information include financial information provided by financial information providers, including quote, price, and other market and financial data, financial newspapers and magazines, trade publications, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities

and Exchange Commission, and company press releases.

ORATS also uses outputs from the quantitative models. ORATS' models consist of a suite of quantitative options calculations and risk models that provide measures of company-level short- and long- term volatility. The short-term analysis is less than one year implied volatility and statistical volatility measurements, and the long-term analysis is greater than one year. In addition, the models provide trend analysis, providing a signal as to the direction of changes in volatility.

### **Investment Strategies**

ORATS does not employ any particular investment strategy with its clients, as its services are discreet analytical exercises with respect to volatility and it is not managing assets or directing investments for or on behalf of any other party. In addition, ORATS and its affiliates' core area of expertise is in the area of volatility. Because of the limited nature of its work, ORATS believes that its clients use ORATS' reports as one part of their overall investment strategy, but ORATS itself does not have input or direction over any client's investment strategy or objectives or asset allocation goals. As a result, ORATS' services are used by its clients primarily so they are able to develop a better understanding of a particular security in their portfolios, or a better view on a particular sector. ORATS has no involvement with any subsequent decisions a client may make regarding the content of the reports or services that ORATS provides.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Securities markets can experience significant declines due to a number of factors, including adverse political, regulatory, market or economic developments. In general, participant in securities markets may face the following risks:

- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Foreign Exposure Risk:* Foreign securities and securities issued by US entities with substantial overseas operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks can include currency risks, trading and operational risks, and less stringent investor protection models.

- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash.  
Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Recent developments in the markets have suggested that liquidity in many fixed income instruments may be declining as market participants reduce inventories of investments and reduce their market-making activities.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Item 9. Disciplinary Information**

Neither ORATS, its management persons, nor its employees have been involved in legal or disciplinary events that are material to a client or potential client's evaluation of ORATS' advisory business.

**Item 10. Other Financial Industry Activities and Affiliations**

ORATS is not engaged in any other financial industry activities other than the activities described above, and does not sell any other products or services other than as described above.

**Affiliations**

Not applicable, as ORATS does not have any affiliations with related persons including but not limited to brokers, attorneys, accountants, insurance companies or agencies, or investment companies that are material to its advisory business.

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

The employees of ORATS have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. ORATS will provide a copy of the Code of Ethics to any client or prospective client upon request. Employees of ORATS are required to abide by the Code of Ethics.

**Participation or Interest in Client Transactions**

Not applicable.

**Personal Trading**

All employees of ORATS must report their securities trading activities to the Chief Compliance Officer no less often than quarterly, and every employee has given, and annually recertifies, to the Chief Compliance Officer, ORATS' right to request brokerage account and trading records to ensure that all personal trading is in compliance with its policies and procedures.

Employees of ORATS are strictly prohibited from trading in the securities of companies for which they have research coverage responsibilities unless such trade has been approved in advance in writing by the Chief Compliance Officer. In addition, all employees are prohibited from trading in the securities of any issuer as to which they are aware of any unpublished research reports.

These rules are designed to ensure that employees do not trade in advance of the publication of research that might be market-moving, and to ensure that employees do not put their interest in a personal investment position ahead of their research responsibilities, both of which could constitute conflicts of interest with the interests of clients.

Employees of ORATS are also required to certify with respect to each trade of securities that they make that they have not made the trade on the basis of material non-public information.

**Item 12. Brokerage Practices**

**Research and Other Soft Dollar Benefits**

Not applicable

**Brokerage for Client Referrals**

Not applicable

**Directed Brokerage**

Not applicable

**Order Aggregation**

Not applicable

**Item 13. Review of Accounts**

Any applicable reviews or reports produced with respect to a client will be negotiated and agreed upon in the client's agreement with ORATS.

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

**Incoming Referrals, Referrals Out, Other Compensation**

Not applicable.

**Item 15. Custody**

Due to the nature of ORATS' business, it does not request or accept authority over client assets. Thus, ORATS is not deemed to have custody of client assets.

**Statements**

Not applicable, as ORATS services are purely advisory services to managers with assets under management, and accordingly ORATS does not manage any client accounts, nor does ORATS have any custodial assets, arrangements with custodians, or any access to any client account or account information.

**Item 16. Investment Discretion**

ORATS does not request, nor will it accept, any authority whatsoever to manage securities or security accounts on behalf of its clients.

**Item 17. Voting Client Securities**

**Proxy Votes**

As ORATS does not have authority over any client securities accounts, ORATS will not vote proxies on securities on behalf of its clients. Clients are expected to vote their own proxies. ORATS has not been requested to provide proxy recommendations to any client, but if ORATS were requested to provide proxy recommendations as part of an advisory agreement, ORATS would do so, and would disclose any potential conflicts of interest, if such potential conflict did in fact exist.

**Item 18. Financial Information**

**Financial Condition**

ORATS does not have any financial impairment that would preclude it from meeting contractual commitments to clients. ORATS does not solicit or charge clients more than \$1,200 in fees six months or more in advance.

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

Not applicable.