



Firm Brochure for Implemented Consulting Services

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of LCG Associates, Inc. ("LCG"). If you have any questions about the contents of this brochure, please contact John W. Burgin, CPA, LCG's Chief Compliance Officer and Chief Financial Officer, at (770) 644-0100 or by e-mail at jburgin@lcgassociates.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training and does not indicate approval of LCG's activities.

Additional information about LCG also is available on the SEC's website at www.adviserinfo.sec.gov. LCG's CRD number is 105971.

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Date: September 26, 2012

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure for Implemented Consulting Services.

Material Changes since the Last Update

The United States Securities and Exchange Commission ("SEC") issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative "plain English" format. The new final rule specifies mandatory sections and organization.

LCG Associates, Inc. ("LCG") created a discretionary hedged equity pooled investment vehicle exclusively for LCG non-discretionary clients. LCG clients who invest in the pooled vehicle do not pay management or performance fees to LCG. The vehicle is known as the LCG Hedged Equity Fund, Ltd. ("LCG HEF"), a Cayman Islands exempted limited company. LCG HEF is a concentrated portfolio designed with the goal of giving clients a group of direct managers without paying an additional layer of fees at the fund-of-funds level.

For high net worth investors and small institutions, LCG has also created a discretionary pooled investment vehicle, LCG Diversified Total Return Fund, LP ("LCG DTRF"), a Delaware limited partnership. LCG DTRF was designed to invest across multiple asset classes with a goal of providing investors a diversified portfolio. Additionally, LCG now owns Discretionary Management, LLC, a Delaware limited liability company, which serves as the General Partner to LCG DTRF.

LCG Holdings, Inc., LCG's parent company, now owns LCG Partners Management, LLC, a Delaware limited liability company, which serves as the General Partner to LCG Investment Partners, LP, a pooled investment vehicle, whose sole purpose is to invest the capital of LCG Holdings, Inc. and certain members of the LCG Board of Directors. Clients can not invest in LCG Investment Partners, LP.

LCG now provides implemented consulting services to clients. Implemented consulting clients remain responsible for certain decisions including, but not limited to, developing the asset allocation and investment policy as well as selecting service providers with assistance from LCG on a non-discretionary basis. Operating within the implemented consulting client's written investment policy and other terms outlined in the investment consulting

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agreement, LCG has the authority to select, retain, and terminate investment managers and rebalance portfolio assets.

Firm Brochures for Non-discretionary and Discretionary Consulting Services are available upon request and are also available via the SEC's web site www.adviserinfo.sec.gov.

Brochure Available

This is a complete copy of LCG's Firm Brochure for Implemented Consulting Services (Part 2A of Form ADV). If you wish to receive another copy, please contact John W. Burgin, CPA, LCG's Chief Compliance Officer and Chief Financial Officer, by telephone at (770) 644-0100 or by e-mail at jburgin@lcgassociates.com.

LCG must provide each client with a copy of Part 2A of Form ADV at or prior to entering into any agreement, whether written or oral, to provide services to such client.

As in the past, LCG will continue to mail a copy of Part 2A of Form ADV, the Firm Brochure Supplement, and a copy of its Code of Business Conduct and Ethics to all clients annually – without clients having to request these documents. In addition, pursuant to new SEC rules, LCG will ensure clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the Firm's fiscal year. In the event of a material revision to any of the above documents, LCG will automatically mail the revised document(s) to all clients.

Additional information about LCG, including the Firm Brochures for Non-discretionary and Discretionary Consulting Services, are also available via the SEC's web site www.adviserinfo.sec.gov. Firm Brochures for Non-discretionary and Discretionary Consulting Services are available upon request as well.

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Item 4 Advisory Business

Firm Description

LCG Associates, Inc. ("LCG") was founded in May 1973 and is headquartered in Atlanta, Georgia with an office in Dallas, Texas. LCG is a full-service investment consulting firm. As an independent and employee-owned firm, LCG provides objective advice to a select number of clients. LCG's clients are corporations, utilities, non-profits, family offices, and other investors. LCG is committed to providing strategic solutions for each client.

LCG is 100% employee-owned. LCG does not receive "finder's fees," commissions, soft dollars, or rebates from any investment management firm. LCG does not sell performance data to investment managers nor does LCG charge investment managers to have their information in LCG's proprietary database. Because 100% of LCG's revenues are from clients, LCG provides objective and independent recommendations.

LCG recognizes and accepts in writing the role and responsibilities of a fiduciary to client assets. LCG believes its role is to also provide non-discretionary clients with recommendations and assist these clients to make effective decisions.

LCG provides discretionary consulting services to LCG Diversified Total Return Fund, LP and LCG Hedged Equity Fund, Ltd. (the "Funds").

LCG provides implemented consulting services to clients. Implemented consulting clients remain responsible for certain decisions including, but not limited to, developing the asset allocation and investment policy as well as selecting service providers with assistance from LCG on a non-discretionary basis. Operating within the implemented consulting client's written investment policy and other terms outlined in the investment consulting agreement, LCG has the authority to select, retain, and terminate investment managers and rebalance portfolio assets.

Principal Owners

LCG is a wholly-owned subsidiary of LCG Holdings, Inc. The owners of LCG Holdings, Inc. are 23 active, full-time employees of LCG. The principal owners are:

Edward F. Johnson	President and Chief Executive Officer / Chairman of the Board of Directors
John W. Burgin, CPA	CFO and CCO / Board Member
Anthony M. Daniel, Jr., CFA	Senior Vice President / Board Member
Brian J. Falco	Senior Vice President / Board Member
Scott M. Freeman	Senior Vice President / Board Member

David R. Emerson, CFA, CAIA	Senior Vice President
Michael T. Lubin, CFA	Senior Vice President / Board Member
David D. Ritter, CFA	Senior Vice President / Board Member
Kathleen C. Taylor, CFA	Senior Vice President / Board Member
Jared L. Shope	Vice President

No employee owns more than 25% of LCG's stock.

LCG Holdings, Inc. also owns LCG Partners Management, LLC, a Delaware limited liability company, which acts as the General Partner to LCG Investment Partners, LP, a Delaware limited partnership. The sole purpose of LCG Investment Partners, LP is to invest capital of LCG Holdings, Inc. and certain members of the LCG Board of Directors. Clients can not invest in LCG Investment Partners, LP.

LCG owns Discretionary Management, LLC, a Delaware limited liability company, which acts as the General Partner to LCG Diversified Total Return Fund, LP, a Delaware limited partnership.

Types of Advisory Services

LCG provides various levels of services to clients including implemented, non-discretionary, and discretionary consulting services.

Implemented Consulting Services

LCG provides implemented consulting services to clients. These services include, but are not limited to, the authority to select, retain, and terminate investment managers and rebalance portfolio assets, subject to the client's investment policy statement and other terms outlined in the investment consulting agreement. LCG selects, approves, and monitors these investment managers pursuant to the clients' investment guidelines, which are developed with LCG's non-discretionary assistance. LCG executes and delivers all agreements necessary for any investments, and LCG directs the client-appointed custodian to acquire, hold, sell, transfer, exchange, and dispose of the investments. Implemented consulting clients remain responsible for certain decisions including, but not limited to, asset allocation, investment policy development, and service provider selection using LCG's non-discretionary assistance.

As of August 31, 2012, LCG has \$0 in implemented consulting assets under management.

Non-discretionary Consulting Services

LCG provides non-discretionary consulting services to clients. The scope of services LCG offers to non-discretionary clients may include, but is not limited to:

- Investment policy development
- Investment manager guidelines
- Spending policy modeling and development
- Asset / liability studies for retirement plans
- Asset allocation modeling
- Asset class research, analysis, and recommendations
- Traditional and alternative manager search
- 401(k) / 403(b) strategies
- Performance measurement and evaluation
- Performance attribution analysis
- Fee analysis and negotiation
- Securities lending analysis and policy development
- Commission recapture program analysis
- Master trustee analysis and search
- Nuclear Decommissioning Trust ("NDT") services

A client that uses LCG's non-discretionary consulting services receives advice and recommendations and is ultimately responsible for all decision making. In a non-discretionary relationship, LCG does not have the authority to execute decisions on the client's behalf.

As of June 30, 2012, LCG has approximately \$51,874,000,000 in non-discretionary assets under management.

Discretionary Consulting Services

LCG acts as a discretionary consultant to the LCG Diversified Total Return Fund, LP and LCG Hedged Equity Fund, Ltd. (the "Funds").

While LCG has complete discretion and authority to manage and direct the investments of the Funds, it does not invest the Funds' capital directly. LCG generally pursues the investment objectives of the Funds by investing substantially all of the Funds' assets in investment funds. This includes mutual funds, commingled funds, hedge funds, private partnerships, limited liability companies, registered investment companies, and other investment vehicles ("Investment Funds"). The Investment Funds are managed by a group of third-party investment managers ("Investment Managers") identified by LCG to allocate investments across markets, asset classes, and strategies. This structure is commonly referred to as a fund of funds.

As of August 31, 2012, LCG has approximately \$20,000,000 in discretionary assets under management.

Tailored Relationships

Functioning in a non-discretionary capacity, LCG works with each client to understand its unique needs and customizes its portfolio's asset allocation to maximize return while minimizing risks as well as volatility. Before LCG can enhance a client portfolio, an examination of the existing portfolio is conducted. This process starts with a review of all current and relevant policies as well as guidelines associated with the portfolio. Included in this process are educational sessions on the portfolio's history, a risk assessment to evaluate views on risk/return, and meetings to formulate a strategy.

From there, LCG collaborates in a non-discretionary role with the client to evaluate asset mixes and develops an optimal investment structure. Upon the client's approval of the optimal investment structure and investment policy statement, LCG will be responsible for implementing as well as monitoring and rebalancing the portfolio. Clients may impose restrictions on investing in certain asset classes or types of investment vehicles in accordance with their values or beliefs. LCG believes each client organization is unique and, therefore, should develop an investment program that specifically addresses its distinct characteristics.

Item 5 Fees and Compensation

Description

Fees for on-going implemented consulting services are generally charged as a percentage of assets under advisement. The fee for an implemented consulting client is set forth below with a minimum of \$31,250 per quarter (or \$125,000 annually):

- 0.25% on the first \$100 million
- 0.10% on the next \$200 million
- 0.05% thereafter

The implemented consulting retainer includes as many meetings as needed with no additional charge. LCG does not charge clients for out-of-pocket expenses, including travel.

Fees may be specifically negotiated based on the size of the client, level of services provided, and other factors related to the requirements of servicing the client. LCG may have a higher fee schedule for clients having a large percentage of their portfolio in alternative investments. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

The advisor fee covers only the implemented consulting services provided by LCG and does not include third-party manager fees, brokerage commissions, mark-ups and mark-downs, exchange fees, redemption fees, dealer spreads or other costs associated with the purchase and sale of securities, custodian fees, transfer fees, wire fees, interest, taxes, or other account expenses. All fees paid to LCG for implemented consulting services are separate and distinct from the fees and expenses charged by mutual funds or in conjunction with internal expenses associated with exchange-traded funds. The client will be solely responsible, directly or indirectly, for these additional expenses. LCG does not receive any portion of these additional fees.

Fee Billing

Unless specifically negotiated, implemented consulting fees are invoiced quarterly, in advance. Payment in full is expected upon invoice presentation.

A client may terminate LCG's agreement at any time without prior notice to LCG required. If a client terminates LCG's implemented consulting relationship, any fees paid in advance will be prorated, and funds will be proportionately refunded.

Unless specifically negotiated, the billable asset base will be determined on a one quarter's lag. For example, the invoice for the quarter, October 1 – December 31, is based on the June 30 billable asset base. Absent manifest error, LCG's invoices are not adjusted.

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

For its implemented consulting services, LCG does not charge performance-based fees.

For its non-discretionary consulting services, LCG does not charge performance-based fees.

For its discretionary consulting services, LCG charges a 1.00% management fee for the LCG Diversified Total Return Fund, LP, but does not charge a management fee for the LCG Hedged Equity Fund, Ltd. LCG does not charge performance-based fees for the Funds.

Item 7 Types of Clients

Description

LCG will generally provide customized implemented consulting services to clients including, but not limited to:

- Educational institutions
- Endowments
- Foundations
- Healthcare systems
- Religious organizations
- Investment platforms
- Corporations
- Family offices
- High net worth individuals

Client relationships vary in scope and length of service.

Account Minimums

LCG's minimum fee is \$31,250 per quarter (or \$125,000 annually). LCG may negotiate fees based on the size of the client, level of services provided, amount allocated to alternative investments, and other factors related to the requirements of servicing the client.

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

Methods of Analysis

LCG may use the following methods of analysis when providing implemented consulting services, which include, but are not limited to:

- **Asset Allocation Analysis** - LCG works with clients to develop a customized, strategic investment structure to meet clients' unique goals and objectives in order to determine the appropriate asset allocation based on the client's constraints, risk tolerance, and other factors. Clients make all final decisions with regard to asset allocation.
- **Investment Manager Evaluation, Search, Selection, & Termination** - LCG's manager search process begins with a clear understanding of the client's requirements, preferences, and existing portfolio. LCG conducts quantitative and qualitative evaluations of investment managers. Quantitative analysis indicates what caused an investment manager's performance, whereas qualitative analysis illustrates the future potential of an investment manager's performance. Operating within the implemented consulting client's written investment policy and other terms outlined in the

investment consulting agreement, LCG makes all final decisions with regard to investment manager evaluation, search, selection, and termination.

- **Performance Measurement & Evaluation** - LCG provides custom performance reports that illustrate a portfolio's performance over a variety of time periods. LCG's analysis and reporting capabilities include manager performance versus static or custom indices, asset allocation analysis, portfolio performance and attribution analysis, and manager universe comparisons. Additionally, LCG compares client portfolios to a variety of industry data to help benchmark client portfolios to peers.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. LCG advises in a non-discretionary capacity and the client, who has the final decision, may change these objectives at any time. Each client typically establishes an Investment Policy Statement that documents:

- Purpose of the investment policy statement, organization, and portfolio
- Risk definition: volatility, liquidity, transparency, etc.
- Benchmarks for both total plan/fund and investment managers
- Manager probation/termination criteria and process
- Investment guidelines and restrictions
- Performance reporting and monitoring
- Roles, responsibilities, and procedures for:
 - Staff / Management
 - Investment Committee / Board
 - Consultant
 - Investment managers
 - Custodian

Risk of Loss

LCG's philosophy of risk management is to understand and manage the risks associated with client portfolios. Risk management is a critical component of a successful investment program. LCG integrates risk management into the heart of its investment strategy and portfolio construction to protect client assets. LCG's risk management processes and tools regularly evolve as portfolios and market dynamics change. A strong risk management capability is essential for the successful execution of an investment strategy.

All investment programs have certain risks that are borne by the client. Clients should not assume that future performance of any specific investment

strategy or investment will be profitable or equal to prior performance levels. LCG's investment approach regularly keeps the risk of loss in mind. Risks clients may face include, but are not limited to:

- **Management Risk:** When an investment adviser provides tailored investment advice to clients based on its investment knowledge and analytical capabilities, there is a chance the advice will not be successful or will not meet expectations. The subjective decisions made by the investment adviser may cause a client to incur losses or to miss an investment opportunity.
- **Asset Allocation Risk:** Asset allocation risk is the risk that an investment adviser may recommend the allocation of a client's assets to an asset class or investment vehicle that underperforms other asset classes or investment vehicles. For example, bonds may underperform stocks or vice versa.
- **Information Risk:** When investment advice is based on information received from clients, investment managers, and/or third-parties, there is a chance that such information may be materially inaccurate. Investment advisers may depend significantly on the accuracy and completeness of the information provided by clients and third-parties without independently verifying the information.
- **Investment and Market Risk:** All investment recommendations are subject to investment risk, including the possibility of losing the entire principal amount. The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. Like other market investments, a client's investments may move up or down, sometimes rapidly, unpredictably, and outside the range of expectations. 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.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **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.
- **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.
- **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

Legal and Disciplinary

There are no legal or disciplinary events, in the past or pending, that are material to a client's or prospective client's evaluation of LCG or the integrity of LCG's management or its employees.

Item 10 Other Financial Industry Activities and Affiliations

Financial Industry Activities

Some of LCG's clients are financial services firms, which may be related to investment manager affiliates that we may evaluate. Typically, these financial services firms have engaged LCG as an investment consultant to advise them on their investment platforms or employees' retirement plans that they oversee on behalf of their clients or employees. To avoid any potential conflicts of interest, LCG would disclose clients known to be affiliated with managers that we may evaluate (or managers who provide products that we may evaluate) prior to making a recommendation.

LCG entered into a non-discretionary consulting agreement on September 1, 2001 with the private client group of The Glenmede Trust Company

("Glenmede"). Pursuant to that agreement, LCG consults with and assists the private client group of Glenmede in the areas of investment manager research, evaluation, selection, and on-going due diligence. Prior to entering into this agreement, LCG has recommended the investment manager services of an affiliate of Glenmede to certain clients in situations where LCG believed those services were appropriate for the client's investment needs. LCG expects that it will continue to recommend the services of Glenmede's affiliate in situations where LCG believes such services are appropriate for its clients. LCG does not believe that its consulting agreement with Glenmede will affect its objectivity in determining whether or not to recommend the services of Glenmede's affiliate to its clients.

LCG entered into a non-discretionary consulting agreement effective September 15, 2009 with New York Life Insurance Company ("NYLI"). LCG consults with and assists NYLI's retirement plans and trusts. NYLI and its subsidiaries offer a wide range of insurance and investment products and services. This includes health and life insurance, annuities, pension products, mutual funds, and other investments. LCG has recommended services and products of NYLI and its subsidiaries prior to this consulting agreement. LCG may continue to recommend services or products of NYLI and its subsidiaries where LCG believes these services are appropriate for the client's investment needs. LCG does not receive compensation directly from any of NYLI's subsidiaries. LCG does not believe the consulting agreement with NYLI will affect its objectivity in determining whether or not to recommend the services of NYLI or its subsidiaries to its clients.

Financial Industry Affiliations

Non-discretionary investment consulting is LCG's primary business. LCG may make recommendations for its non-discretionary consulting clients based on the specific needs of those clients that differ from the advice given or action taken with respect to its implemented and discretionary consulting clients. LCG may make changes for implemented and discretionary consulting clients without notification to non-discretionary consulting clients.

LCG Holdings, Inc. owns LCG Associates, Inc. ("LCG") and LCG Partners Management, LLC, a Delaware limited liability company. LCG Partners Management, LLC acts as the General Partner to LCG Investment Partners, LP. The sole purpose of LCG Investment Partners, LP is to invest capital of LCG Holdings, Inc. and certain members of the LCG Board of Directors. Clients can not invest in LCG Investment Partners, LP. LCG Investment Partners, LP may invest in the same Investment Funds in which the LCG Diversified Total Return Fund, LP and LCG Hedged Equity Fund, Ltd. invest. These situations are analyzed on a case-by-case basis by the Chief Compliance Officer to ensure that the Funds are not being disadvantaged,

and that the investment is in compliance with the Code of Business Conduct and Ethics.

LCG owns Discretionary Management, LLC, a Delaware limited liability company, which acts as the General Partner to LCG Diversified Total Return Fund, LP, a Delaware limited partnership.

Several Consultants of LCG are Directors of LCG Hedged Equity Fund, Ltd.

The implemented, non-discretionary, and discretionary consulting services will compete for the Consultants' time and attention. The Consultants are not required to devote any specific amount of time to either implemented, non-discretionary, or discretionary consulting clients.

Item 11 Code of Business Conduct and Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Business Conduct and Ethics

LCG has a written Code of Business Conduct and Ethics ("Code").

All employees of LCG are required to adhere to this Code and provide written acknowledgement of receipt. The Code reflects LCG's fiduciary responsibilities, requires compliance with applicable federal securities laws, requires employees to periodically report their reportable personal securities holdings and transactions, and requires employees to report any violations of the Code to LCG's Chief Compliance Officer. Periodically, employees re-sign the Code.

LCG mails a copy of the Code to clients annually. In the event of a significant revision to the Code, LCG will automatically mail the revised document to all clients. Upon request, LCG will furnish another copy of LCG's Code to clients or will furnish a copy to prospective clients.

Some of the ways LCG seeks to mitigate any potential conflicts of interest include, but are not limited to:

- LCG employees are required to adhere to its Code and provide written acknowledgement of receipt;
- LCG employees must obtain prior written approval from LCG's President and CEO before acquiring any interest in an initial public offering (IPO) or limited offering;
- LCG employees must report all reportable securities holdings initially upon hire and must re-certify their holdings annually;
- LCG employees must report their reportable securities transactions quarterly;

- LCG employees must report any gifts given or gifts received quarterly;
- LCG does not receive compensation directly or indirectly from the Investment Funds in which the Funds, LCG Investment Partners, its implemented or non-discretionary consulting clients invest; and
- The Funds and LCG Investment Partners, LP pay the same Investment Funds fees as LCG's implemented and non-discretionary consulting clients invested in the same funds with similar terms.

Participation or Interest in Client Transactions

LCG invests (1) its long-term corporate cash holdings in open-ended mutual funds; (2) its long-term corporate cash holdings in LCG Diversified Total Return Fund, LP and LCG Investment Partners, LP; and (3) offers investment options in its 401(k) plan in open-ended mutual funds that may also be recommended to consulting clients.

Because LCG does not execute transactions on behalf of its non-discretionary clients, who are not invested in LCG Hedged Equity Fund, Ltd. ("LCG HEF"), LCG does not believe such investments affect its objectivity in making recommendations to its clients.

In addition to the disclosures under the Financial Industry Affiliations on the previous page, LCG HEF is available to existing LCG non-discretionary clients. LCG clients who invest in LCG HEF do not pay management or performance fees to LCG. In this way, LCG has minimized the financial incentive to recommend LCG HEF over an outside fund. In addition, existing LCG clients must sign a separate subscription document for LCG HEF, and review the complete offering memorandum, at which time they must acknowledge all LCG HEF related risks.

The Funds may invest in Investment Funds similar to those used by implemented and non-discretionary consulting clients of LCG. LCG has a fiduciary duty to use its best efforts to ensure that no client is treated unfairly in relation to other clients in the allocation of investment opportunities. LCG will seek to recommend or allocate investment opportunities among clients, including investors of the Funds, in a manner it believes to be equitable, considering each client's objectives and capital at the time of investment.

Personal Trading

LCG does not buy or sell individual securities for clients.

LCG has a **Statement of Policy Relating to Securities Transactions** ("Statement") intended to establish such policies and procedures to reduce the possibility employees will engage in fraudulent securities trading

practices. Every employee must sign an acknowledgement of this Statement upon being hired and re-signs the policy periodically.

The Chief Compliance Officer of LCG is John W. Burgin, CPA. He reviews all required reportable employee trades each quarter. His trades are reviewed by Edward F. Johnson, President and CEO, or Amber N. Barrow, JD, Vice President, Manager Compliance. The personal trading reviews help ensure the personal trading of employees does not affect the markets.

Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

LCG requires "pre-clearance" from the President and CEO prior to any purchase of an initial public offering ("IPO") or a limited offering, including a private placement.

It is a violation of the Statement to purchase or sell securities of a client of LCG.

Item 12 Brokerage Practices

Selecting Brokerage Firms

LCG does not recommend brokerage firms to clients.

For information on how LCG handles its non-discretionary and discretionary consulting clients, please refer to LCG's Firm Brochures for Non-Discretionary and Discretionary Consulting Services.

Best Execution

LCG does not execute any trades.

Soft Dollars

LCG does not participate in any soft dollar arrangements.

Item 13 Review of Accounts

Periodic Reviews

LCG's Investment Committee is responsible for overseeing the implemented consulting services. The role of the Investment Committee is to incorporate the collective investment ideas of the firm and efficiently apply them to the implemented consulting client portfolios. The Investment Committee is comprised of LCG's Senior Consultants and the CFO/CCO. The implemented consulting client's portfolio, including approved/restricted asset

classes, risk tolerance, and other key information, will be shared with the Investment Committee. The Lead Consultant will work with the Investment Committee to customize a portfolio suitable for the implemented consulting client. The Investment Committee will also be responsible for working with the Lead Consultant to monitor the implemented consulting client's portfolio.

Reviews are conducted on a monthly, quarterly, and on-going basis. Performance reports are sent quarterly to each client and monthly performance reports are sent as requested. Quarterly performance reports include an analysis of capital markets, portfolio and investment manager performance, asset allocation, and other matters that are determined on a client-by-client basis. In contrast, monthly performance reports provide a snapshot of asset allocation and portfolio as well as investment manager performance. These reports are written and discussed periodically in meetings with clients.

LCG has 16 Consultants holding either the title of "President and CEO/Senior Consultant", "Senior Vice President/Senior Consultant", "Vice President/Consultant", or "Consultant." These employees are responsible for serving as the Lead Consultant to implemented consulting clients. Generally, each Senior Consultant is responsible for no more than 12 clients. More than one Consultant may be assigned to a client.

Review Triggers

Account reviews may be triggered by material market, economic, political, or regulatory events. Account reviews may also be caused by a change in the client's organization, goals, and objectives or a change with a client's investment manager's product and/or firm. Clients may request an account review at any time.

Regular Reports

Generally, written performance reports are prepared and sent to clients on a monthly and/or quarterly basis as directed by the client. These reports contain the results of a review of each client's account in the areas of portfolio and investment manager performance, asset allocation, and other matters that may be relevant to a particular client such as evaluation of plan policies and objectives.

Item 14 Client Referrals and Other Compensation

Incoming Referrals

LCG compensates its employees for obtaining new business. Typically, the compensation is a percentage of the new client's first year retainer or project fee, as determined by LCG's Chief Executive Officer. This additional

compensation rewards LCG's employees for the extra time, effort, and expense involved in establishing a new client relationship and servicing that client during the first year.

This compensation does not increase the client's fee.

LCG does not employ individuals solely for the purpose of obtaining new business or use any third-party solicitors.

Referrals Out

LCG does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15 Custody

LCG does not have custody of any client assets. Each client is responsible for the selection of its own custodial institution. LCG urges clients to compare the statements they receive directly from their qualified custodians with any they receive from LCG.

For information on how LCG handles its non-discretionary and discretionary consulting clients, please refer to LCG's Firm Brochures for Non-Discretionary and Discretionary Consulting Services.

Item 16 Investment Discretion

Discretionary Authority

LCG provides implemented consulting services to clients. Implemented consulting clients remain responsible for certain decisions including, but not limited to, developing the asset allocation and investment policy as well as selecting service providers with assistance from LCG on a non-discretionary basis. Operating within the implemented consulting client's written investment policy and other terms outlined in the investment consulting agreement, LCG has the authority to select, retain, and terminate investment managers and rebalance portfolio assets.

For information on how LCG handles its non-discretionary and discretionary consulting clients, please refer to LCG's Firm Brochures for Non-Discretionary and Discretionary Consulting Services.

Item 17 Voting Client Securities

Proxy Voting

LCG does not vote proxies on behalf of its clients. Clients may authorize third-party managers to vote proxies or clients may receive proxies directly from account custodians.

For information on how LCG handles its non-discretionary and discretionary consulting clients, please refer to LCG's Firm Brochures for Non-Discretionary and Discretionary Consulting Services.

Item 18 Financial Information

Financial Condition

LCG does not have any financial impairment that will preclude it from meeting contractual commitments to clients and has not been the subject of any bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

General

LCG is not required to be a state-registered adviser.

Business Continuity Plan

General

In the event of a significant business disruption, LCG plans to continue in business, transferring operations to an alternative site if necessary. In the event of a disaster, clients should access www.lcgassociates.com or call (770) 644-0100 for instructions on how to contact LCG. Members of each client's consulting team will also contact clients directly.