

Lake Partners, Inc.

Part 2A of Form ADV

Brochure

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This brochure provides information about the qualifications and business practices of Lake Partners, Inc. (“LPI”). If you have any questions about the contents of this brochure, please contact us or the Chief Compliance Officer of LPI, Maurice Cabral, at (203) 661-5100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities authority, nor does registration with the SEC imply a certain level of skill or training.

Additional information about LPI is also available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

This update to Part 2 of Form ADV for LPI, dated March 27, 2012, reflects a limited number of material changes compared to the previous update of March 28, 2011. In the section titled “Advisory Business,” assets under management, numbers of clients and similar information has been updated as of December 31, 2011 (or through the most recent date provided if related to third party information). Also included is a description of a new investment strategy, LASSO Absolute, initiated by LPI on December 30, 2011 (see page 4).

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Advisory Business

LPI was founded in 1989 and provides investment consulting, advisory or management services to a wide variety of multi-asset, multi-manager investment programs as its primary activity. As of December 31, 2011, LPI advised or consulted on approximately \$3.9 billion of assets, including approximately \$412.1 million of assets under management for approximately 64 clients (\$344.0 million on a discretionary basis and \$68.1 million on a non-discretionary basis). LPI is equally owned by Ronald A. Lake and Frederick C. Lake, the founders, principals and shareholders of the firm.

A. MULTI-MANAGER CONSULTING SERVICES

LPI provides multi-manager consulting services primarily to portfolios consisting of hedge funds or other alternative investment vehicles, in addition to conventional assets.

For clients utilizing LPI's multi-manager consulting services, the first step in the investment consulting process is to establish the client's goals, investment objectives and risk tolerances or constraints. The second step is to develop investment policies and determine an appropriate allocation of assets. Next, implementation consists of selecting third-party money managers or commingled investment vehicles. (Where appropriate, LPI will also manage securities directly.) LPI also assists clients in negotiating fees and terms of agreements with third-party money managers and other service providers, to the extent possible. Then, LPI will monitor and evaluate the overall program and manager selection on an ongoing basis. LPI will recommend any changes in light of:

- changes in a client's goals, investment objectives, risk tolerance or circumstances,
- changes in investment conditions, or
- changes in the ability of third-party money managers or investment vehicles to continue to meet expectations or selection criteria.

Multi-manager consulting programs may be subject to restrictions, by mandate or client request, on the types of strategies or securities utilized.

B. MULTI-MUTUAL FUND PORTFOLIO MANAGEMENT SERVICES

LPI also manages accounts on a discretionary basis, utilizing primarily registered, no-load, open-end mutual funds (and, on a limited basis, exchange-traded funds or notes and closed-end mutual funds). Objectives for such accounts include:

- Hedged
- Growth
- Balanced

Multi-mutual fund accounts are generally managed utilizing the strategies below, but may be customized to individual client needs. Such accounts may be subject to restrictions, by mandate or client request, on securities or types of securities utilized. (LPI may also provide advice on individual equities for a very limited number of its discretionary accounts.) There can be no assurance that any objectives may be achieved. All securities investing involves the risk of loss.

LASSO® Long and Short Strategic Opportunities® (“LASSO”) portfolios utilize primarily “alternative” mutual funds that invest long or short in various securities, or use hedging or alternative investment strategies on an ongoing, regular or periodic basis.

The *LASSO* strategy seeks to provide long-term total returns with lower volatility than the equity markets and reduced correlation to conventional stock and bond markets. The guideline range for composite net long equity exposure for LASSO is 20% to 50%.

The *LASSO Absolute* strategy seeks to provide consistent returns with volatility comparable to fixed income markets and reduced correlation to conventional stock and bond markets. The guideline range for composite net long equity exposure for LASSO Absolute is 0% to 20%.

*V*A*L*U® Valued-Added Long Universe®* portfolios utilize a mix primarily of open-end stock and bond mutual funds, across two strategies:

*V*A*L*U Equity* is a diversified, multi-manager growth-oriented investment program utilizing equity mutual funds that invest in the US or internationally. The target equity allocation for *V*A*L*U Equity* is generally 85% to 100%.

*V*A*L*U Balanced* is a diversified, multi-manager balanced investment program utilizing equity and fixed income mutual funds that invest in the US or internationally. The target equity allocation for *V*A*L*U Balanced* is generally 50% to 75%.

C. SUB-ADVISORY SERVICES TO MUTUAL FUND

LPI serves as subadviser to the Aston/Lake Partners LASSO Alternatives Fund (the “Fund”), a mutual fund (ticker: ALSOX/ALSNX). Aston Asset Management, LP (“Aston”), the investment adviser, administrator and sponsor of the Fund, is advisor to twenty-six mutual funds with approximately \$9.5 billion of net assets (as of December 31, 2011). Aston is majority owned by Affiliated Managers Group, Inc. (NYSE: AMG), a global asset management company with equity investments in primarily institutional investment firms managing approximately \$325 billion in assets (as of December 31, 2011).

Aston has engaged LPI to manage the Fund’s investments, which consists primarily of “alternative” mutual funds that invest long or short in various securities, or use hedging or alternative investment strategies on an ongoing, regular or periodic basis. The Fund utilizes LPI’s proprietary LASSO strategy described above.

D. ADVISORY SERVICES TO BANK COLLECTIVE INVESTMENT FUND

LPI serves as investment adviser to the Wilmington Trust Retirement and Institutional Services Company (the “Trustee”), trustee to The LASSO Fund (the “Trust”), a bank collective trust fund (Bloomberg ticker: LASSOFD <equity>). The Trustee is a division of Wilmington Trust (NYSE: WT), part of M&T Bank Corporation (NYSE: MTB), one of the twenty largest US-headquartered commercial bank holding companies with current assets of \$79 billion (as of June 1, 2011).

Subject to the full authority of the Trustee, LPI advises the Trust on its portfolio, which consists primarily of “alternative” mutual funds that invest long or short in various securities, or use hedging or alternative investment strategies on an ongoing, regular or periodic basis. The Trust utilizes LPI’s proprietary LASSO strategy described above. Participation in the Trust is limited to certain qualified pension and profit sharing plans, including 401(k) plans, certain government retirement plans, and certain insurance company separate accounts or other collective investment funds that limit participation to such plans.

E. CUSTOMIZED CONSULTING SERVICES FOR PROFESSIONAL INVESTORS

LPI provides customized consulting services to:

- private professional investors,
- institutional investors,
- other investment advisers, and
- sponsors of multi-manager investment programs.

Customized services include:

- investment manager or fund research, analysis or selection advice, and
- multi-manager investment program consulting.

Services are customized to the client’s request.

Fees and Compensation

A. MULTI-MANAGER CONSULTING SERVICES

The fee for multi-manager investment consulting services for new clients is 0.50% (fifty basis points) per annum for consulting assets, subject to a \$50,000 minimum annual fee. Clients will be charged separately and at varying rates by third-party investment managers, custodians or other service providers.

Fees for these services are generally billed and payable quarterly, in advance, on the first business day of the calendar quarter. Fees are calculated based on the value of the consulting assets as of the last business day of the prior calendar quarter (adjusted for accrued interest, dividends and capital gains, as well as for transaction and pricing corrections). Fees are adjusted for contributions and withdrawals, as well as for partial calendar periods.

Clients may terminate their investment advisory agreement at any time generally upon thirty days prior written notice. In the event of termination, any fees paid in advance are prorated for the period for which services were provided and the balance is refunded.

Depending on the range of services, reporting requirements, and the size of a client’s program, fees may be negotiable. At its discretion, LPI may waive minimum annual fee requirements.

B. MULTI-MUTUAL FUND PORTFOLIO MANAGEMENT SERVICES

The fee for discretionary multi-mutual fund accounts for new clients is 1.00% per annum of assets under management, subject to a new client minimum account size of \$1 million. Upon request,

LPI may also provide custom multi-mutual fund accounts customized to specific client parameters or objectives.

Fees payable to LPI for discretionary multi-mutual fund portfolios are in addition to 1) fees and expenses paid by underlying mutual funds (and closed-end funds and exchange-traded funds or notes) to their managers and vendors, and 2) potential transaction and administrative costs of trading no-load mutual funds (and closed-end funds or exchange-traded funds or notes) at third-party custodians or brokers. LPI does not participate in 12(b)-1 fees charged by mutual funds.

Fees for these services are generally deducted from client accounts and are payable quarterly, in advance, on the first business day of the calendar quarter. Fees are calculated based on the value of assets under management as of the last business day of the prior calendar quarter (adjusted for accrued interest, dividends and capital gains, and for transaction and pricing corrections). Fees are adjusted for contributions and withdrawals, as well as for partial calendar periods.

Clients may terminate their investment advisory agreement at any time generally upon thirty days prior written notice. In the event of termination, any fees paid in advance are prorated for the period for which services were provided and the balance is refunded.

Depending on the range of services, reporting requirements and the size of a client's program, fees may be negotiable. At its discretion, LPI may waive minimum account size requirements.

Certain third-party specialists may provide extensive and specialized services to LPI to implement the LASSO strategy for various accounts. Such services include, but are not limited to: a) systems integration and unitization for LASSO for investor and participant recordkeeping accounts, b) daily net asset value reconciliation between LASSO and investor and participant accounts, c) participant communications and education, d) administrative, clerical and consulting services, e) reporting to investors, f) developing and maintaining internet-based reporting for LASSO and underlying investor and participant accounts, and g) legal and regulatory compliance. In consideration of such services and pursuant to written agreement, LPI may pay such third parties 50% of client fees received by LPI under such written agreement. All client accounts subject to this arrangement sign a written disclosure and approval of such an arrangement prior to its implementation. Such clients do not pay additional fees because of this arrangement. Employees of such third-party specialist service providers may invest in LASSO at a reduced rate net of the 50% of fee payments described above.

C. SUB-ADVISORY SERVICES TO MUTUAL FUND

The Fund is charged a management fee of 1.00% per annum by Aston based on the average daily net assets of the Fund. Aston pays LPI a portion of this fee as subadvisor of the Fund.

The Fund also bears certain other expenses as described in the Prospectus and Statement of Additional Information for the Fund. Aston and LPI are contractually obligated to waive management fees and/or reimburse ordinary operating expenses through Feb. 28, 2013 to the extent that ordinary operating expenses (not including the fees and expenses of acquired funds) exceed 1.20% for Class I (institutional) shares (ticker: ALSOX) and 1.45% for Class N (platform) shares (ticker: ALSNX).

D. ADVISORY SERVICES TO BANK COLLECTIVE INVESTMENT FUND

The Trust is charged a Trustee fee calculated on assets under management, accrued daily and paid quarterly in arrears, based upon the fee share class selected by a participating plan, as follows:

- 1.00% per annum, Administrative fee class
- 0.70% per annum, Institutional fee class

The Fund also bears certain other expenses as described in the Disclosure Statement for the Trust. The Trustee pays LPI, as adviser to the Trust, a portion of the Trustee fee.

E. CUSTOMIZED CONSULTING SERVICES FOR PROFESSIONAL INVESTORS

Fees and payment terms for customized consulting services for professional investors are negotiable based on the services required, and may include a fixed fee for project consulting or an ongoing or asset-based fee for ongoing investment consulting. In limited circumstances, such fees may constitute a share of fees earned by consulting clients that sponsor single and multi-manager hedge fund vehicles, including a share of such clients' performance-based fees.

If fees are paid in advance for consulting services, the client may terminate the investment consulting agreement in accordance with its terms and receive a refund of any amounts paid with respect to services not yet rendered as of the date of termination.

Performance Based Fees and Side-by-Side Management

In limited circumstances, and for select multi-manager consulting clients only, LPI fees may include a combination of asset-based fees and performance-based fees. Performance-based fees may only be charged to high net worth individuals or entities that meet various regulatory qualifications, and are separately negotiated with such clients. Performance-based fees generally are calculated as a percentage of realized and unrealized appreciation in a client portfolio above a minimum return over a specified period of time.

Performance-based fees may create certain conflicts of interest for LPI. LPI may have incentive to subject accounts with performance-based fees to greater risk. LPI may also have an incentive to favor accounts with a performance-based fee. To address these potential conflicts, LPI has established procedures to monitor the risks of accounts with performance-based fees, to treat all accounts fairly with the same fiduciary standards, regardless of the applicability of performance-based fees and to ensure that allocations do not favor any client or group of clients.

Types of Clients

LPI clients may include:

- individuals,
- trusts,
- corporations,
- institutional and professional investors,
- foundations and endowments,

- qualified and non-qualified retirement plans,
- commingled vehicles, including mutual funds and collective investment funds, and
- other commingled vehicles, including partnerships and private investment companies.

New consulting clients are subject to a \$50,000 minimum annual fee. The minimum account size for discretionary multi-mutual fund accounts for new clients is \$1 million. At its discretion, LPI may waive these minimum requirements

Methods of Analysis, Investment Strategies and Risk of Loss

As a consultant, adviser or portfolio manager for multi-manager investment programs, LPI synthesizes a variety of analytical approaches, investment strategies and risk management techniques.

To determine asset allocation and investment strategy, LPI utilizes macro-economic and modern portfolio analysis. The objective of modern portfolio analysis is to achieve the appropriate balance of risk and return. Investment considerations include historical and potential rates of return, risk characteristics, correlations among different asset types and analysis of multiple scenarios.

To evaluate and select third-party money managers and commingled investment vehicles, LPI utilizes qualitative and quantitative analysis. The analysis of third-party money managers and investment vehicles generally includes a review of:

- investment style, philosophy, or approach,
- investment strategy and techniques,
- historical risk and return characteristics,
- exposure to sectors and individual issuers,
- use of specialized securities or investment instruments,
- the experience, qualifications and effectiveness of the management team,
- organizational background and ownership structure,
- personal and professional background and character of the principals,
- infrastructure and operational risks,
- reporting and client services,
- legal terms and documents,
- fee structure, and
- any other factors considered relevant.

LPI maintains investment performance data on third-party money managers, commingled investment vehicles and market indices. Data and performance information are obtained directly from managers, audited financial statements, published sources, subscriptions and electronic services.

Performance of client programs and portfolios are monitored daily or monthly, as applicable, by both of the principals of LPI and by the accounting and research staff. Performance is calculated based on prices reported via Bloomberg and IDC and underlying investment funds and managers.

Account valuations are reconciled using the Axys portfolio accounting system. Statistical analyses are conducted on a periodic and as-needed basis.

LPI monitors the performance, risk characteristics and investment exposures of underlying funds and managers using daily, monthly or quarterly data, as applicable or available. An underlying fund may be sold, or a manager allocation may be discontinued, due to changes in performance or risk characteristics, management or organizational changes, changes in market opportunities or risks, or changes in client objectives.

All investing involves risk of loss. There can be no assurance that any investment, investment program or portfolio will achieve its stated objectives.

The risks of multi-asset, multi-manager investment programs advised by LPI include diverse market and economic risks. LPI client programs also incur the risks of their underlying funds, managers or instruments. Clients should carefully review the offering materials of any underlying funds or managers for detailed descriptions of their respective risks.

Many LPI client programs utilize a variety of alternative investment strategies. Alternative strategies may utilize techniques intended to reduce risk, such as hedging. Nevertheless, alternative investment strategies may entail additional potential risks. Such additional potential risks include the use of aggressive investment techniques and instruments such as:

- options,
- futures,
- derivatives,
- commodities,
- credit risk,
- leverage,
- frequent trading,
- illiquid securities, and
- short sales.

Separately, such techniques and instruments are generally considered riskier than conventional market strategies. Use of these aggressive investment techniques may expose an underlying fund or manager to potentially dramatic changes and losses in the value of its portfolio. The use of leverage may magnify potential losses (as well as gains). Short sales may involve the risk that an underlying fund will incur a loss by subsequently buying a security at a higher price than the price at which the fund previously sold the security short. Aggressive techniques may entail high levels of trading and thus may incur additional expenses. For client programs utilizing private funds, such as hedge funds, other risks include custody risk, illiquidity risk and potentially higher levels of fees and expenses. Please contact us to learn more about these risks.

Mutual funds utilizing alternative investment strategies are subject to various regulatory protections, including independent custody of client assets, restrictions on incentive fees, and limitations on the use of illiquid securities, leverage and derivatives. Nevertheless, such mutual

funds may still be subject to the above risks related to aggressive investment techniques and instruments.

Disciplinary Information

LPI and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

If requested by a client or if a client account is not of a minimum size to qualify as a separately managed account, and if appropriate considering a client's investment objectives, LPI may recommend investing a limited portion of client assets in the Aston/Lake Partners LASSO Alternatives Fund (the Fund, as described above). LPI serves as subadviser to the Fund and receives compensation from the Fund's adviser on a basis fully disclosed in writing to LPI clients who invest in the Fund.

If appropriate, considering a client's investment objectives, LPI may recommend investing a limited portion of a client's assets in multi-manager or single-manager funds sponsored by Optima Fund Management L.P. and its affiliates ("Optima"). LPI serves as investment consultant to Optima and receives compensation from Optima on a basis fully disclosed in writing to LPI clients who invest in Optima funds.

Ronald A. Lake, President of LPI, serves as a director of the following funds sponsored by Optima: The Platinum Fund Limited, The Platinum Japan Fund Limited, The Optima Opportunity Fund Limited, The Dorset Energy Fund Limited, The Optima Fund Limited, The Optima Discretionary Macro Fund Limited, The Optima Emerging Markets Fund Limited, The American Farmland Company, L.P., The Original Cuttyhunk Fund Limited, The Perennial Growth Fund Limited and The Optima Absolute Return Fund Limited. Any directors' fees are paid to LPI. Such directors' fees are not determined according to LPI's customary fee schedule, and are paid separately from any investment consulting fees payable to LPI.

LPI occasionally provides expert witnesses, investment research or litigation support to legal counsel involved in securities and investment matters, as well as investment and performance analysis and presentations for specialized third-party money managers. Fees for these services are charged on a project basis or at hourly rates ranging from \$90 to \$600 per hour, varying by staff level. The time spent on these activities is infrequent.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

LPI has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires LPI and its employees to:

- act in clients' best interests,
- abide by all applicable regulations, and
- pre-clear and report on many types of personal securities transactions.

LPI invests discretionary client assets primarily in mutual funds and provides non-discretionary consulting services primarily related to hedge funds. Therefore, traditional trading risks associated with individual securities generally do not apply. Nevertheless, LPI has adopted policies and procedures for client transactions as well as for personal trading of employees that encompass the types of trading LPI and its staff may employ.

Occasionally principals and employees of LPI may buy and sell open-end mutual funds, closed-end mutual funds, exchange-traded funds or notes, and other securities that LPI recommends to or buys and sells for clients. In the case of publicly traded securities other than open-end mutual funds, principals and employees may buy or sell securities contemporaneously with clients based on which manner is most equitable to clients, subject to written preclearance supervised by LPI's Chief Compliance Officer.

LPI maintains a watch list of select securities that either are being considered for client accounts, or are already held in client accounts. Any proposed employee transaction involving securities on the watch list requires preclearance from the Chief Compliance Officer. The Chief Compliance Officer does not grant preclearance where it would appear that an employee's trading could disadvantage clients.

Brokerage Practices

LPI may recommend a broker or dealer to execute transactions for a discretionary account and LPI may determine the commission rate to be paid, subject to a client's written authorization. LPI will make recommendations based on the needs of the client and how the specific services provided by a broker or dealer may fit those needs.

In placing trades for discretionary accounts, LPI uses its best efforts to obtain prompt execution for transactions, the most favorable price reasonably available, and a commission rate negotiated within generally prevailing competitive ranges (but which may not always be the lowest available). Furthermore, when authorized by a client in writing, LPI may consider whether a broker or dealer has furnished research or other services that enhance LPI's investment research and portfolio management capability generally and not necessarily the client's specific transaction.

A.) Research and other Soft Dollar Benefits

LPI does not use soft dollars to obtain third-party research. Nevertheless, LPI may receive other services or benefits from brokers utilized for client transactions as described in further detail below.

B.) Other Brokerage-Related Benefits

As part of its determination in recommending brokers for LPI's discretionary multi-mutual fund portfolios, LPI considers the following non-exhaustive list of factors:

- the overall reputation of the brokers;
- the overall ability of the brokers to service LPI's clients and internal operations;

- specialized custody services, such as consolidated custody and trading for a broad range of no-load mutual funds;
- the ability to execute specialized transactions, such as on-line mutual fund trading across multiple accounts;
- specialized information and data systems encompassing the universe of mutual funds that may be used in LPI accounts;
- specialized trading and reporting systems that integrate with LPI's operations;
- enhanced operational access to mutual funds, including a broad selection on a single trading platform;
- the ability to provide favorable secondary-market execution on securities such as closed-end funds; and
- lower cost institutional share classes, lower sales charges than that applicable to direct purchases, and aggregated or lower minimum purchase amounts.

LPI's principal objective in recommending brokers and entering client trades is to obtain best execution for clients' transactions. LPI will follow procedures to ensure that it is seeking to receive the best execution and services available for client trades, since conflicts of interests may arise in broker selection and trading.

C.) Use of Schwab and Fidelity Brokerage Platforms

LPI participates in the Schwab Institutional Program ("Schwab") sponsored by Charles Schwab and the Fidelity Institutional Wealth Services ("FIWS") program sponsored by Fidelity Brokerage Services, LLC and National Financial Services LLC (collectively, the "Programs"). Clients in need of brokerage and custodial services for LPI multi-mutual fund portfolio management services may have Schwab or FIWS (each, a "Broker", and collectively, "Brokers") recommended to them. The commission rates for these Brokers vary as do the services offered by each Broker. However, the commission schedule for these Brokers is competitively priced when compared to other brokerage institutions.

LPI may recommend that its discretionary clients with multi-mutual fund portfolios establish accounts with the Brokers above to maintain custody of assets and to effect trades for their accounts. LPI is independently owned and operated and not affiliated with the Brokers. The Brokers provide LPI with access to institutional trading and custody services, which are typically not available to retail customers. These services generally are available to independent investment advisors on an unsolicited basis, at limited or no charge if a minimum level of an advisor's client assets are maintained in accounts at the Brokers; these services are not otherwise contingent upon advisers committing to the Brokers any specific amount of business, either assets in custody or trading. The services include brokerage, custody, data and research on markets and securities, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For LPI client accounts, the Brokers generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees or through fee sharing with certain of the mutual funds in custody at the Brokers.

As part of the Programs, LPI receives products, services and economic benefits that it would not receive if it did not provide investment advice to clients, though there is no direct affiliation between the investment advice given to clients and participation in the Programs by LPI.

LPI's receipt of these products, services and economic benefits from the Programs may create a conflict of interest in connection with LPI's recommendation of brokers. Also, some of the products and services of the Programs benefit clients whose accounts are held by other brokers, which could create a conflict of interest between the clients at recommended brokers, who are indirectly paying for the products and services, and the clients at other brokers who may benefit from the products and services.

The products and services of the Programs include software and other technology that:

- provide access to client account data (such as trade confirmations, account statements and real-time portfolio information);
- facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts);
- provide pricing information and other data on markets and securities;
- facilitate payment of LPI fees from client accounts; and
- assist with LPI back-office functions, recordkeeping and client reporting.

Some of the products and services of the Programs assist LPI in managing and administering client accounts, including accounts not maintained at the Brokers. The Brokers also make available to LPI other products and services that benefit LPI but may not benefit client accounts.

The Brokers may also provide LPI with information and services intended to help LPI manage and further develop its business enterprise. These services may include, but are not limited to: consulting, publications, conferences and information technology, as well as compliance, business practice, succession, and marketing-related support. The Brokers may discount or waive fees they would otherwise charge for some of these services, or pay all or a part of the fees of a third party providing these services to LPI. The availability to LPI of the foregoing products and services are generally not contingent upon LPI committing to Brokers any specific amount of business, either assets in custody or trading-related.

Recommendations by LPI that clients maintain their assets in accounts at either of the Brokers may be subject to a conflict of interest based on the benefit to LPI of the above products and services and not solely on the nature, cost or quality of the custody and brokerage services provided by the Brokers. Nevertheless, as a fiduciary, LPI seeks to act in its clients' best interests. Thus, LPI has established guidelines and procedures to ensure that potential conflicts of interest are resolved in an equitable fashion on behalf of clients.

D.) Client-Directed Brokerage

LPI will effect all transactions on a client's behalf through a specified broker, if instructed by the client in writing to do so. By effecting brokerage transactions through a specified broker, such client may incur greater costs or may not receive best execution in certain transactions, because:

- LPI may not be able to negotiate brokerage commissions on behalf of such clients;
- LPI may not be able to access lower-cost share classes of mutual funds at certain brokers; and
- LPI may not be able to aggregate orders from such clients to reduce transaction costs.

E.) Best Execution Reviews

LPI will evaluate the quality and cost of services received from brokers on a periodic and systematic basis. As part of the evaluation, LPI will consider the quality and cost of services available from alternative brokers, market makers and market centers. LPI shall summarize each of its reviews and maintain a best execution file containing the information obtained from brokers used or considered.

F.) Aggregated Trades

Orders for the same security entered on behalf of more than one client will generally be aggregated, subject to the aggregation being in the best interests of all participating clients. Aggregation is intended to reduce overall transaction costs for clients and to equitably allocate a trading opportunity without favoring a particular client or group of clients

LPI has established written procedures to allocate aggregated trades equitably across client accounts, considering account size, diversification, cash availability and other factors, including, where appropriate, the value of having a round lot in the portfolio. The allocation of an executed trade must be completed on the day a trade is executed.

While LPI seeks to execute all client trades for a given security on the same day, where a large number of client accounts are traded in mutual funds that require execution through multiple custodians, verification of trading and redemption fees in specific accounts may cause trading to take place over multiple days.

Instances in which client orders will not be aggregated may occur when:

- a client directs LPI to use a certain broker, in which case such orders shall be separately effected;
- cash contributions and withdrawals vary between clients, causing trades for one client to be executed separately from others;
- LPI determines in good faith that aggregation is not appropriate because of market conditions; and
- a transaction for a particular client is not in the best interests of other clients.

In LPI's role as subadviser to a mutual fund, LPI's policies for aggregation of transactions involving the mutual fund are subject to approval by the fund's board of trustees. Regulations applicable to mutual funds and other commingled vehicles may require trade aggregation procedures different than those applicable to other LPI clients. Nevertheless, the overall aggregation process is intended to ensure that all LPI clients are treated fairly and equitably.

Review of Accounts

LPI's review process is customized to the requirements of the client or a portfolio. If part of a client's engagement, or part of the management process for a portfolio, trade confirmations are reviewed upon receipt. Statements of client holdings prepared daily, monthly or quarterly by custodians (or client accounting personnel in the case of institutional or professional investors) are also reviewed upon receipt. Portfolio holdings and performance are reviewed and evaluated monthly or quarterly (depending on the terms of the advisory agreement and the nature of client investments) from both a quantitative and qualitative point of view, not only to quantify returns and risk but also to review the nature of portfolio activity, in order to determine if investments are in line with objectives and the reasons for divergence, if any. Asset allocations and risk characteristics are reviewed and evaluated monthly or quarterly (depending on the terms of the advisory agreement and the nature of client investments). Outside managers are generally reviewed quarterly, or more frequently if required by extraordinary market conditions or investment activity. Each portfolio is reviewed by: 1) at least one of LPI's two principals, and 2) the firm's Chief Financial Officer, an investment analyst, or a portfolio accountant. As of December 31, 2011, five investment and financial professionals review a total of approximately 64 client relationships on a team basis.

LPI provides a variety of monthly, quarterly, and periodic written reports to clients. The format and contents of such reports will vary depending upon the nature of the client investment program. Quantitative reports may present: summaries or analyses of assets under management, portfolio holdings, investment returns relative to major market indices and client benchmarks, risk statistics, or asset allocations. Qualitative reports may provide analyses of performance, portfolio holdings of asset allocation, and are prepared in light of client objectives, market conditions, and economic trends. If included in a consulting client's services, written recommendations may address any appropriate action.

Client Referrals and Other Compensation

LPI may compensate employees or others for client referrals. Compensation is generally a percentage of fees received and may vary with the degree of ongoing involvement with the account. LPI may utilize and compensate non-employee solicitors for client referrals. In such cases:

- LPI executes a written agreement with such solicitor in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940 (the "Act");
- the client is provided with a current copy of LPI's written disclosure statement required by Rule 204-3 under the Act and a separate written solicitor's disclosure document containing the information required by Rule 206(4)-3 under the Act; and
- LPI receives from the client a written acknowledgment of receipt of the investment adviser's written disclosure statement and the solicitor's written disclosure document, prior to or at the time the client executes an investment advisory agreement with LPI.

Other than the previously described products and services that LPI receives from Brokers, LPI does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Custody

All client accounts are held in custody by unaffiliated broker-dealers, banks or other qualified custodians. Except for LPI's ability to debit advisory fees from certain client accounts with the written authorization of the client, LPI does not have custody of client assets.

Account custodians send statements directly to clients on a quarterly or monthly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by LPI.

Investment Discretion

LPI has investment discretion over some client accounts. Such clients grant LPI discretionary trading authority in writing in their investment advisory agreement with LPI and by executing a written limited power of attorney or other authorization with their broker-dealer, bank or custodian.

LPI or a client may impose limitations on the nature of LPI's discretionary trading authority. LPI investment advisory agreements generally limit the type of securities which may be traded in a client account. For example, discretionary trading authority for a LPI multi-mutual fund account may be limited to open-end mutual funds, exchange traded funds or notes, closed-end mutual funds and money market instruments.

Voting Client Securities

LPI has adopted policies and procedures that are designed to ensure that proxy voting matters are administered in a manner consistent with the best interests of its clients and in accordance with its fiduciary duties under applicable laws and regulations.

LPI considers the proxy vote to be an asset of the client portfolio holding the security to which the proxy relates and for which LPI has voting authority. LPI's authority to vote proxies is established by a client's investment advisory agreement and brokerage account agreement or application. In all circumstances, LPI will comply with specific client directions to vote proxies, whether or not such client directions deviate from LPI's policies and procedures.

LPI seeks to discharge its fiduciary duty to clients for whom it has proxy voting authority by monitoring corporate events and voting proxies solely in the best interests of its clients. LPI evaluates all proxy proposals on an individual basis. Subject to its contractual obligations, there may be times when refraining from voting a proxy is in a client's best interest, such as when LPI determines that the cost of voting the proxy exceeds the expected benefit to the client.

LPI typically is neither an activist in corporate governance nor an automatic supporter of management on all proxy proposals. Generally, LPI will oppose management in order to further the independence of the board of directors, to preserve the rights of shareholders (such as by resisting attempts to entrench management), and to oppose compensation packages that LPI deems to be excessive.

Clients may request a record of how their securities were voted by contacting Maurice Cabral, Chief Compliance Officer. In addition, LPI's full proxy voting policies and procedures are available upon request, through Mr. Cabral.

Financial Information

LPI has never filed for bankruptcy and is not aware of any financial condition that is expected to impair its ability to manage client accounts.

Privacy

A privacy notice is given to each client upon signing their investment advisory agreement and annually thereafter. If you have questions, please contact Maurice Cabral, Chief Compliance Officer.

Lake Partners, Inc.

Part 2B of Form ADV Supplement

Regarding:

Ronald A. Lake: Co-Chairman, President

Frederick C. Lake: Co-Chairman, Treasurer, Secretary

Maurice A. Cabral: Chief Compliance Officer, Chief Financial Officer

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Greenwich, Connecticut 06830
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Maurice A. Cabral, Chief Compliance Officer

March 26, 2012

This brochure supplement provides information about Ronald A. Lake, Frederick C. Lake and Maurice A. Cabral that supplements the Lake Partners, Inc. (“LPI”) brochure. Please contact the Chief Compliance Officer of LPI, Maurice Cabral, at (203) 661-5100 if you did not receive a copy of that brochure or if you have any questions about the contents of this supplement.

Additional information about Ronald A. Lake and Frederick C. Lake is available on the SEC’s website at www.adviserinfo.sec.gov.

Ronald A. Lake Biographical Information

Educational Background and Business Experience

Ronald A. Lake was born in 1954. He received a Bachelor of Arts degree from Harvard College in 1976 and a Masters in City and Regional Planning from Harvard University in 1978.

Mr. Lake has served as LPI's Co-Chairman since 1989 and President since 1991. He also served as Managing Member of Exelauno Management LLC from November 2004 to December 2007.

Disciplinary Information

Mr. Lake has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Lake or of LPI.

Other Business Activities

Ronald A. Lake serves as a director of the following funds sponsored by Optima Funds Management L.P. and affiliates: The Platinum Fund Limited, The Platinum Japan Fund Limited, The Optima Opportunity Fund Limited, The Dorset Energy Fund Limited, The Optima Fund Limited, The Optima Discretionary Macro Fund Limited, The Optima Emerging Markets Fund Limited, The American Farmland Company, L.P., The Original Cuttyhunk Fund Limited, The Perennial Growth Fund Limited and The Optima Absolute Return Fund Limited.

Mr. Lake has edited a book, *Evaluating and Implementing Hedge Fund Strategies*, published in 1996 by Euromoney Institutional Investor Books, with a 3rd edition published in 2003. Mr. Lake, along with Frederick C. Lake, has also edited a book, *Private Equity and Venture Capital*, published in 2000 by Euromoney Institutional Investor Books.

Otherwise, Mr. Lake is not engaged in any other investment related business.

Additional Compensation

Any directors' fees for directorships listed above are paid to LPI. Such directors' fees are not determined according to LPI's customary fee schedule, and are paid separately from any investment management or consulting fees payable to LPI.

Otherwise, Mr. Lake does not receive economic benefits from any person or entity other than LPI in connection with the provision of investment advice to clients.

Supervision

As President of LPI, Mr. Lake shares ultimate responsibility for the company's operations with the Co-Chairman. Mr. Lake reviews investment and operational decisions with the Co-Chairman and the Chief Compliance Officer. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement. Written procedures provide for checks and balance within the management team. For example, contracts, disbursements and trades greater than a minimum amount require two signatures, and personal trading of a principal generally requires written pre-clearance by the Chief Compliance Officer or other principal.

Frederick C. Lake Biographical Information

Educational Background and Business Experience

Frederick Lake was born in 1959. He received a Bachelor of Arts degree from Harvard College in 1980.

Mr. Lake has served as LPI's Co-Chairman since 1989 and Treasurer and Secretary since 1991. He also served as Managing Member of Exelauno Management LLC from November 2004 to December 2007.

Disciplinary Information

Mr. Lake has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Lake or of LPI.

Other Business Activities

Mr. Lake, along with Ronald A. Lake, has edited a book, *Private Equity and Venture Capital*, published in 2000 by Euromoney Institutional Investor Books.

Otherwise, Mr. Lake is not engaged in any other investment related business.

Additional Compensation

Mr. Lake does not receive economic benefits from any person or entity other than LPI in connection with the provision of investment advice to clients.

Supervision

As Co-Chairman, Mr. Lake shares ultimate responsibility for the company's operations with the President. Mr. Lake reviews investment and operational decisions with the President and the Chief Compliance Officer. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement. Written procedures provide for checks and balance within the management team. For example, contracts, disbursements and trades greater than a minimum amount require two signatures, and personal trading of a principal generally requires written pre-clearance by the Chief Compliance Officer or other principal.

Maurice A. Cabral Biographical Information

Educational Background and Business Experience

Maurice A. Cabral was born in 1956. He received a Bachelor of Science in Business Administration degree from the University of Connecticut in 1978.

Mr. Cabral has served as LPI's Controller since 2000 and Chief Financial Officer and Chief Compliance Officer since 2006. He also served as Controller of Exelauno Management LLC from November 2004 to December 2007.

Disciplinary Information

Mr. Cabral has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Cabral or of LPI.

Other Business Activities

Mr. Cabral is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of LPI.

Additional Compensation

Mr. Cabral does not receive economic benefits from any person or entity other than LPI in connection with the provision of investment advice to clients.

Supervision

Mr. Cabral is supervised by LPI's Co-Chairmen. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.