

Lakewood Investment Management LLC

Form ADV Part 2A

Investment Adviser Brochure

February 14, 2014

This brochure provides information about the qualification and business practices of Lakewood Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at 800.899.8230 or by email at info@astorim.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC"), or by any state securities authority.

Additional information about us is available on the SEC's website at www.adviserinfo.sec.gov.

Lakewood Investment Management LLC
111 S. Wacker Drive, Suite 3950
Chicago, IL 60606
800.899.8230 (Phone)
312.228.5901 (Fax)
info@astorim.com

Item 2: Summary of Material Changes

This is the initial brochure with respect to advisory services offered under Lakewood Investment Management LLC.

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Item 4: Advisory Business

Firm Description

Lakewood Investment Management LLC (“Lakewood,” the “Firm,” “we” or “us”) specializes in managing macroeconomic-based tactical strategies primarily using exchange-traded funds (“ETFs”) and derivatives such as futures contracts, offered in both separately managed programs and mutual funds. Lakewood’s programs are primarily distributed to investors through third party brokerage firms and financial advisors.

As of February 14, 2014, Lakewood does not actively manage client assets. All assets managed by Lakewood will be managed on a discretionary basis.

Principal Owners

The Firm is a wholly-owned subsidiary of Lakewood Financial Inc., a holding company of Robert Stein who is the sole indirect, beneficial owner of the Firm.

Types of Advisory Services

Lakewood provides proprietary separately-managed account programs for clients and advises mutual funds following the same strategies. While our programs are primarily distributed to investors through third party brokerage firms and financial advisors, we may also have some direct client relationships.

Lakewood uses multiple quantitative strategies implemented over a broad variety of asset classes and countries in seeking to achieve its investment objective and generate high risk-adjusted returns with lower volatility than the global equity markets. Lakewood believes this investment objective is best achieved by utilizing an active approach that is guided by prevailing economic activity. Our approach focuses on identifying the current phase of the overall global economies rather than picking individual stocks and bonds or other investments. The Fund will maintain long exposure throughout all phases of the economic cycle and intends to invest primarily in a combination of ETFs and derivatives such as futures contracts.

Participation in Wrap Fee Programs

Lakewood serves as an investment manager for wrap fee programs. Such arrangements are sponsored by broker-dealers or investment advisers who are not affiliated with Lakewood. When the program sponsor is a broker-dealer, the sponsor may also execute a client’s portfolio transactions without an additional commission charge and provide custodial services for the client’s assets. In these programs, the client typically pays a single fee, called a “wrap fee,” to the program sponsor that covers transaction fees, custodial services and Lakewood’s advisory services.

Nevertheless, as described further under Items 5 and 12, we may execute transactions through brokers other than your sponsor, and when we do, you may incur the transaction cost in addition to your wrap fee. Lakewood receives a portion of the wrap fee for its advisory services provided to wrap fee program clients, as described further below under Item 5.

In a wrap fee program, the sponsor is responsible for providing you with continuous advice regarding your investment portfolios based on your individual needs. You should consult with your financial professional and carefully review this brochure before selecting Lakewood. Lakewood is available to consult with you and your financial professional; however, this does not occur frequently.

Lakewood also manages client accounts which are not structured as wrap fee accounts. These clients pay transaction costs on each trade executed in the account, as discussed in Item 5. Lakewood does not manage wrap accounts differently than non-wrap accounts.

Refer to Item 5 for additional information on how Lakewood is compensated for its services.

Tailored Relationships

Wrap Fee Program Clients and Referred Clients

For accounts managed under referral arrangements or wrap fee programs, the referring adviser or solicitor, program sponsor or primary investment adviser is solely responsible for the determination of client suitability for the selected separately managed account program and is responsible for reviewing the client objectives and communicating to Lakewood any change in account objectives or policies.

Lakewood solely relies on information about the prospective client provided by the program sponsor. This information may come from, among other things, a personal interview of the client, a written questionnaire completed by the client that provides certain financial and other relevant data including the client's investment objectives, risk tolerances and investment restrictions, if any. Once the account has been established, Lakewood may communicate with the client, as specified in the master agreement or sub-advisory agreement with the program sponsor. However, the program sponsor or primary adviser is solely responsible for communicating with you.

Direct Clients

For a direct client, Lakewood collects information regarding client account objectives and risk tolerance at the outset of the client relationship. Such information is collected in the Investment Management Agreement with the client and through any other oral and/or written instructions the client may provide. Lakewood is responsible for ensuring that the goals and objectives of the separately managed account program selected by the client are suitable given the established client guidelines and information. Clients are responsible for communicating any significant changes in financial circumstances, investment objectives, and/or risk tolerance promptly to Lakewood. Formal reviews of client account objectives and client guidelines will be undertaken at least annually by Lakewood to confirm that the continued appropriateness of the program selection and that any and all client guidelines and restrictions are being fulfilled.

Restrictions on Investing

You may request reasonable restrictions on the management of your account, including restrictions that prevent Lakewood from investing in certain securities or types of securities. However, Lakewood reserves the right to discontinue providing investment advisory services to your account if Lakewood's portfolio managers reasonably believe that the restrictions imposed upon the account prevent the Firm from effectively managing your account. You should be aware that any restrictions you place on the account may affect your account's performance which may, over time, result in underperformance relative to Lakewood's model portfolio and to other Lakewood client accounts.

Item 5: Fees and Compensation

Wrap Fee Program Clients. In a wrap fee program, you will pay the program sponsor an annual wrap fee that generally ranges between 1.00% and 3.00% of assets in your account. This total fee generally covers the fees due to the program sponsor for its advisory services, transactional fees for trades executed through the sponsor, fees for custodial and reporting services and fees to investment advisers selected by the sponsor or client. The program sponsor, and not Lakewood, determines the exact amount of the wrap fee. The sponsor pays Lakewood a portion of

the program fee which generally ranges between 0.40% and 0.75% of the assets that Lakewood manages under the program. Lakewood's fee will vary depending on the size of the program, the services performed by the program sponsor, the referring financial intermediary under the program, and the Lakewood program that you select. You should consult the program sponsor's brochure for additional information on the fees associated with the program.

Referred Clients. For accounts that are referred to Lakewood under a solicitor agreement between Lakewood and a referring financial advisor or a broker-dealer firm, the management fee charged to the client will generally range between 0.50% and 2.00% annually. However, the precise fee in that range will be determined by the referring financial advisor or broker-dealer firm, not by Lakewood. Moreover, this fee generally will not cover transactional fees for trades or expenses for custodial and reporting services – such fees must be covered by you.

Direct Clients. Generally, Lakewood charges its direct clients an annual management fee of between 0.50% and 2.00% of the assets managed, as determined by agreement of the client and Lakewood. Your precise fee is specified in your agreement with us. This fee generally will not cover transactional fees for trades or expenses for custodial and reporting services – those costs must be covered by you.

Provision of Model Portfolio. We also receive a fee from firms to which we provide our model portfolio. That fee is specified in the applicable agreement with such firms.

Negotiable Fees. Lakewood's fees are negotiable. Some clients pay more or less than others depending on certain factors, such as the type and size of the account, among others.

Fee Billing

The specific manner in which fees are calculated and charged by Lakewood is established in the client's written investment agreement with Lakewood or in a written agreement between Lakewood and the program sponsor. Generally, Lakewood calculates and charges its management fee at the end of each month based on the current market value of the account less the current market value of any short positions and the liabilities and expenses incurred in connection with any margin transactions. Lakewood assesses its fees based on market prices for securities provided by either the account custodian or a pricing download from an independent pricing service.

In certain limited cases, wrap fee program clients may pay the wrap fee (which includes Lakewood's fee) in advance and/or quarterly, depending on the billing procedures of the program sponsor. You should review program sponsor's wrap fee program brochure for detailed information on the manner in which fees are calculated and paid as well as the way in which a client is credited a refund when an account is terminated.

In addition to the asset-based fee, Lakewood charges your account an annual account administration fee of \$100. In certain limited cases, Lakewood may elect to waive the account administration fee.

Lakewood's investment advisory agreement may generally be terminated at the written request of the client, the program sponsor or Lakewood. In the event of termination, Lakewood will pro-rate the advisory fee based on the portion of the month in which the client agreement is in effect.

Direct Debit of Fees

Clients generally authorize Lakewood to directly debit fees from their account. However, if you and we agree, clients may use an alternative billing arrangement, such as being invoiced and making payment via check. Wrap fee program clients should also refer to the wrap fee program brochure for additional information about what types of alternative billing arrangements are available for your program.

Other Fees

In wrap fee account programs, Lakewood does not negotiate brokerage commissions for trades executed through the program sponsor. As noted above, the wrap fee that you pay to the sponsor will typically cover the costs of trades executed by the sponsor in your account. Lakewood's direct and referred clients will incur brokerage and other transaction costs in addition to our advisory fee.

In some circumstances, Lakewood may direct transactions to broker-dealers that are not program sponsors in order to meet its best execution obligations. For these transactions, Lakewood negotiates an embedded commission, also known as a mark-up or mark-down, with the broker-dealer executing the transaction. The mark-up or mark-down that you pay to the executing broker-dealer will be in addition to the portion of the wrap fee which covers transactions executed by the program sponsor. Refer to Item 12 for more information on Lakewood's selection and review of broker-dealers.

Lakewood manages client accounts using ETFs. ETFs have operating expenses and management fees. As a shareholder of the ETF, you bear these expenses which are reflected in the net asset value of the fund. These expenses are separate from and in addition to the investment advisory fee that Lakewood charges your account. You should consult the fund's prospectus for a complete description of all fees and expenses. You can invest directly in ETFs without the services of Lakewood. In that case, you would not receive Lakewood's asset allocation and portfolio rebalancing services. To fully understand the total costs you will incur, you should review the fees charged by ETFs, our firm and others.

When appropriate, Lakewood may use its discretionary authority to invest client account assets in the Lakewood Fund, a series of Northern Lights Fund Trust, an open-end investment company registered under the Investment Company Act of 1940, as amended. While the strategy employed by the Lakewood Fund generally mirrors Lakewood's separate account strategy, this may create a conflict of interest because (a) Lakewood would collect its advisory fee which is assessed on the market value of the account and (b) Lakewood would collect the management fee that it receives from the Lakewood Funds, providing an indirect benefit to Lakewood's personnel advising the Lakewood Funds. In order to mitigate this potential conflict, Lakewood waives its investment advisory fee on the portion of the client account invested in the Lakewood Funds.

Item 6: Performance-Based Fees

We do not charge performance-based fees for client accounts. Performance-based fees are fees that are based on a share of the capital gains or capital appreciation in the client account. Our fees are calculated as described in Item 5.

Item 7: Types of Clients

Lakewood provides investment advice to individuals, investment companies, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities as well as other investment advisors and broker-dealers that sponsor managed account programs. In general, we require a minimum of \$100,000 in investable liquid assets to open and maintain an advisory account. At our discretion, we may waive the account minimum. Lakewood does not generally require a minimum for additional investment.

An investment with Lakewood is generally a component in a client's overall portfolio strategy. You should consult with your financial advisors regarding the suitability of investing with Lakewood for your investment objectives and risk tolerance.

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

Methods of Analysis

Lakewood uses several different methods of analysis and sources of information when formulating its investment strategies. We source information from financial periodicals, research materials prepared by others, as well as our proprietary economic model. This economic model uses technical indicators to analyze country-specific economic data inputs. Lakewood's model utilizes these data points, in conjunction with overall market conditions, to determine the current phase of the business cycle (expansion, peak, contraction or trough). The phase of the business cycle informs the asset allocation and sector weightings for Lakewood's investment models. For investments in fixed income or similar securities, Lakewood will also use an analysis of interest rates, interest rate policy, and yield curves.

Our judgment about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect, and there is no guarantee that the securities we select will perform as anticipated. The value of an individual security can be more volatile than the market as a whole, or our approach may fail to produce the intended results. Our estimate of a security's intrinsic value may be wrong or, even if our estimate of intrinsic value is correct, it may take a long time before the price and intrinsic value converge. As a result, there is a risk of loss of the assets we manage that is out of our control. We seek to reduce your risk through diversification. Although we will do our best in managing your assets, we cannot guarantee any level of performance or that you will not experience a loss in your assets.

As discussed above, in performing our analysis, we may use commercially available information and other research developed by third-party providers. Our methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

Lakewood's investment strategies seek superior returns and below-market volatility through a tactical asset allocation strategy based on its proprietary macroeconomic model and investment philosophy to select assets that it believes have the potential to generate positive returns in the given economic environment. Therefore, as described above, there is a risk that our analysis of the data is incorrect. Additionally, while our strategies operate under the assumption of a correlation between market performance and the direction of the economic trend, there is a risk that the performance between the markets and economy diverge and our models do not accurately gauge the market trend.

In addition to investments in equity or equity-related securities and fixed income securities, Lakewood's programs may invest in other asset classes, including commodities, currencies, and alternative strategies. Such investments are subject to different risks than investments in equities or fixed income. Furthermore, such asset classes are generally not highly correlated to the movements of the equity markets or may be inversely correlated. Generally, investments in commodities may be more volatile than investments in other types of securities. Lakewood may use derivatives such as futures contracts to trade short positions, which carry the risk of declining value during rising markets. Commodity prices may be influenced by unfavorable weather, animal and plant disease, geologic and environmental factors as well as changes in government regulation such as tariffs, embargoes or burdensome production rules and restrictions.

There are additional risks that affect investments in fixed income securities. Specifically, there is a risk that an increase or decrease in interest rates may cause the value of securities held in the portfolio to decline. Furthermore, since Lakewood may use a separate analysis of additional factors for investment in fixed income securities, such analysis is generally subject to the risk that the indicators used may not accurately predict the direction of interest rates. Fixed income securities are also subject to the risk that issuers and counterparties will not make interest and/or principal payments when due, as well as the risk that falling interest rates will cause an issuer of fixed income securities to redeem its high-yielding fixed income securities before they are due.

Lakewood programs may also invest in international equity and fixed income securities. Foreign securities face risks due to political, social and economic developments abroad, as well as due to differences between U.S. and foreign currency and regulatory practices. These risks are greater in emerging markets.

Under certain market conditions, some of Lakewood's strategies may invest a significant portion of the portfolio's assets in funds designed to track the inverse performance of a broad equity index. Investing in such funds means that your investment will decrease when the market goes up. Furthermore, there is a risk that over a longer period of time the investment in such funds inverse performance will deviate from the benchmark's performance over the same time period, due to the effect of daily compounding.

Risk of Loss

Although Lakewood makes every effort to preserve capital and achieve real growth, you should be aware that investing in financial instruments involves the risk of loss. As a client, you should be prepared to bear losses. We do not represent or guarantee that our services or methods of analysis can or will predict future results or insulate clients from losses due to market corrections or declines. You should be aware that past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed in Item 4, client accounts are normally invested in ETFs and indexed mutual funds. While ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market or type of security, if it primarily invests in small cap or speculative companies, or uses leverage (i.e. borrows money) to a significant degree. Similarly, ETFs which invest in foreign stock markets can present additional risk due to political, economic and currency risks as well as differences in accounting methods and standards. While ETFs are designed to track the performance of a specific index, there is a risk that the ETF will fail to perfectly correlate with the index it is meant to track. Because the management company of the ETF will typically use a

strategy to replicate the performance of the index, the strategy used may not track the index perfectly. Additionally, the performance of the ETF will also deviate from the underlying index due to underlying fees and expenses.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Lakewood or the integrity of Lakewood's management. Lakewood does not have any legal or disciplinary items to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Commodity Pool Operator and Commodity Trading Advisor

Lakewood Investment Management LLC is registered as a commodity pool operator (CPO) and a commodity trading advisor (CTA).

Affiliated Registered Investment Advisor

Astor Investment Management LLC ("Astor"), a SEC Registered Investment Adviser, is a wholly-owned subsidiary of Lakewood. Certain investment adviser representatives ("IARs") of Lakewood may also be IARs of Astor.

IARs Acting as Registered Representatives of Broker/Dealers

Certain IARs of Lakewood may also be registered representatives of National Securities Corporation, a broker-dealer registered with the SEC. Such persons are registered representatives solely to allow them to solicit sales of the Astor Funds and they do not receive commissions based on sales of any investment product. Nevertheless, because of their dual roles, a conflict of interest may exist when these representatives recommend that an advisory client buy or sell securities, including the Astor Funds. In all such cases, Lakewood ensures that its IARs only recommend transactions for advisory clients that are in the best interest of the client.

Affiliated Investment Company

When appropriate, Lakewood may use its discretionary authority to invest client account assets in the Lakewood Fund. While the strategies employed by the Lakewood Fund generally mirrors Lakewood's separate account strategy, this may create a conflict of interest because (a) Lakewood would collect its advisory fee which is assessed on the market value of the account and (b) NAM would collect the management fee that it receives from the Lakewood Fund, providing an indirect benefit to Lakewood's personnel advising the Lakewood Fund. In order to mitigate this potential conflict, Lakewood waives its investment advisory fee on the portion of the client account invested in the Lakewood Fund.

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

Code of Ethics

We have adopted a Code of Ethics (the "Code") that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of loyalty, fairness and good faith. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material non-public information about you or your account holdings by persons associated with our firm. You may contact us at the number on the cover of this brochure to request a copy of the Code.

Participation or Interest in Client Transactions

Our Firm, our employees, and other related persons may buy or sell for their own accounts the same securities that may be recommended to advisory clients. These personal securities transactions may raise potential conflicts of interest between Lakewood and its clients. For example, a conflict may exist when we have the ability to trade ahead

of you and potentially receive more favorable prices than you do. Lakewood's Code is designed to prevent such conflicts of interest and prevent violations of Lakewood's fiduciary duties to its clients. The Code includes procedures to ensure that its policy regarding front-running, insider trading, and other conflicts is being observed by Lakewood's employees and related persons. For example, all proprietary and personal securities transactions in securities held (or scheduled to be held) by a Lakewood client must be preapproved, and we and our employees may not include personal trades in block trades with clients.

In addition, the Code imposes certain other pre-clearance and reporting requirements on Lakewood employees. The Code also requires that all personal securities transactions be conducted in a manner that avoids any actual or potential conflict of interest, and requires that the identity of clients, their security holdings and financial circumstances be kept confidential.

Principal Transactions

Lakewood generally does not engage, directly or through an affiliate, in principal transactions with separately managed account clients. Lakewood has adopted policies and procedures to ensure that, to the extent it engages in any principal transactions, such transactions comply with Section 206(3) of the Advisers Act, which requires prior notice of and consent to a principal transaction, on a transaction-by-transaction basis. Under no circumstances does Lakewood, directly or through an affiliate, direct principal transactions with ERISA or government plan clients.

Affiliated Investment Company

When appropriate, Lakewood may use its discretionary authority to invest client account assets in the Lakewood Fund. While the strategies employed by the Lakewood Fund generally mirror Lakewood's separate account strategy, this may create a conflict of interest because (a) Lakewood would collect its advisory fee which is assessed on the market value of the account and (b) NAM would collect the management fee that it receives from the Lakewood Fund, providing an indirect benefit to Lakewood's personnel advising the Lakewood Fund. In order to mitigate this potential conflict, Lakewood waives its investment advisory fee on the portion of the client account invested in the Lakewood Fund.

Item 12: Brokerage Practices

Selecting Brokerage Firms

Unless you or your program sponsor request specific restrictions, Lakewood has complete discretion to direct trades for your account to any broker-dealer for execution in accordance with its fiduciary duty to seek best execution. In fulfilling this duty, Lakewood seeks to comply with all applicable rules and regulations. You should know that Lakewood may, in accordance with its duty to seek best execution, direct trades away from the custodial firm. Normally, most of the trades in your account will be directed away from your custodian firm, unless contractual or operational requirements at your account custodian require that trades be placed with the custodian, as discussed further below.

Best Execution

Lakewood generally selects broker-dealers for client accounts. When so doing, Lakewood has a fiduciary duty to seek best execution for client transactions. The Firm maintains written policies and procedures to evaluate the execution performance of broker-dealers. These policies are modeled after the guidelines articulated by the SEC. Specifically, we believe that best execution is largely a qualitative concept.

Lakewood may recommend or choose broker/dealers based on a variety of factors which may include:

- (i) the broker-dealer's capital depth and market access;
- (ii) Lakewood's knowledge of negotiated commission rates and spreads currently made available;
- (iii) the nature and character of the markets for the security to be purchased or sold,
- (iv) the desired timing of the transaction;
- (v) the execution, clearance and settlement capabilities of the broker/dealer selected; and
- (vi) the reasonableness of the commission or its equivalent (such as a mark-up or mark-down) for the specific transaction.

Lakewood may not necessarily select the broker-dealer with the lowest commission or commission equivalent (such as a mark-up or mark-down) for a specific transaction, but instead may select a broker-dealer that provides

specialized services that justify the payment of higher commissions (or their equivalent) than those customarily paid for transactions requiring routine services.

Effect of Directed Brokerage on Best Execution

You may direct Lakewood to utilize a specific broker-dealer for execution. You should be aware that Lakewood's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable under directed brokerage arrangements.

Use of Account Custodian and Effect on Best Execution

Lakewood executes trades for accounts held at certain custodial firms with the custodian under certain circumstances ("Listed Custodians"). For example, Lakewood's contract with a particular Listed Custodian may require that all trades be executed at the custodian, or operational limitations may require that Lakewood execute trades at the Listed Custodian. Obligations to use a particular Listed Custodian because of contracts or operational limitations may constrain Lakewood in its efforts to obtain best execution. You may obtain a current list of custodians that require trades to be executed at the custodian by contacting Lakewood at the phone number of the cover page of this brochure.

Order Aggregation

Lakewood may aggregate client orders at the custodial level or across multiple custodial firms in cases where two (2) or more client accounts are transacting in the same security. Lakewood may at its sole discretion opt to do step-out trades, through which trades are made away from the custodial firm to ensure that all clients of Lakewood receive aggregate pricing. Under this procedure, transactions will be averaged as to price and will be allocated among Lakewood's clients in proportion to the purchase and sale orders placed for each client account on any given day. Aggregated trades generally are executed on a "net basis," meaning that such trades are executed by broker-dealers as principal and therefore commissions are not charged with respect to such trades. However, the price at which such trades are executed may reflect a mark-up or mark-down.

Lakewood has adopted trade aggregation policies and procedures to ensure that all accounts are treated fairly when orders are aggregated for execution. Lakewood ensures that all clients participate in the aggregate trade on no less advantageous terms than all other clients such that each client receives the same execution prices and shares the transaction costs *pro rata*. Trades, where necessary, are allocated to advisory clients in a manner that fulfills Lakewood's fiduciary obligations to each client and otherwise allocates securities on a good faith basis that is objective, fair, equitable, consistently applied, and does not unfairly discriminate against any advisory client based upon account performance or other factors. Such an allocation may be necessary in the case where a block trade is only partially executed. When allocation is necessary, for example, with model rebalancing and/or portfolio changes, securities are apportioned among all accounts participating in an investment, with each account being allocated a *pro rata* share of the entire order.

To ensure that each trade is made fairly and equitably and that no particular account or group of accounts is favored based on account performance or other factors, Lakewood has adopted a trade policy of attempting to simultaneously route orders. To the extent possible, Lakewood will block orders together and route trades electronically through its Order Management System. Due to operational constraints at certain custodians, Lakewood may not be able to include accounts held at those custodians in block orders. As soon as practicable, Lakewood will route trades to such custodians via their respective transmittal instructions (e.g. telephone, email, facsimile, or electronic). For a list of custodians with operational restraints, please contact Lakewood at the phone number on the cover page of this brochure. Due to operational constraints at certain custodians, clients may experience differences in timing and pricing of trade execution. Lakewood may manage assets of its parent company or other affiliated entities. The trading for such accounts where these accounts are buying or selling the same security as other Lakewood client accounts is to place these trades after placing trades for all other client accounts.

Item 13: Review of Accounts

Review

Lakewood's Operations & Trading staff regularly reviews client accounts to ensure that client portfolios are within a defined acceptable tolerance band to the program model allocations. In addition to these reviews, the CCO or designee will conduct limited sample testing of client accounts on a quarterly basis to ensure that client accounts are being invested according to the documented client objectives.

Reporting

Custodians typically provide clients with monthly or quarterly reports containing schedules of investments and information regarding transactions during the month or quarter. The frequency of such reports is dependent upon the custodian's policies and procedures. Lakewood does not send investment reports to clients.

Item 14: Client Referrals and Other Compensation

We may directly compensate various third parties for client referrals including:

- (i) third-party broker-dealers and investment advisory firms and their representatives;
- (ii) certain employees and independent contractors of Lakewood; and
- (iii) certain other unregulated entities.

Pursuant to these arrangements, we may pay a referral fee to a solicitor which is based upon a percentage of Lakewood's advisory fee. We may also pay periodic "bonuses" to certain solicitors that refer a target amount of assets to Lakewood.

Solicitation fees (both referral fees and bonus payments) are paid pursuant to a written agreement that is retained by Lakewood. Whenever, we pay a fee to a solicitor, we require that the solicitor provide you with a copy of our Brochure as well as a separate Solicitor's Disclosure Document which sets forth:

- (i) the solicitor's name and relationship to firm;
- (ii) the fact that the solicitor is being paid a referral fee;
- (iii) the amount of the fee; and
- (iv) whether the fee paid by the client is higher as a result of the solicitation arrangement.

Referral fees paid to a solicitor are contingent upon you engaging Lakewood to provide investment management services. Therefore, a solicitor has a financial incentive to recommend our firm to you. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Item 15: Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for payment of our advisory fees. This ability to deduct our advisory fees from your accounts results in our firm exercising limited custody over your funds or securities. We do not, however, maintain physical custody of any of your funds or securities. Your funds and securities are held with a broker-dealer or other qualified custodian. You should receive monthly or quarterly account statements from your custodian or program sponsor. You should carefully review these statements upon receipt.

Item 16: Investment Discretion

Lakewood provides you with discretionary asset management services. Accordingly, Lakewood places trades in your account without contacting you prior to each trade to obtain your consent. Our discretionary authority includes the ability to:

- (i) determine the security to buy or sell;
- (ii) determine the amount of the security to buy or sell; and
- (iii) determine the broker-dealer utilized to execute the transaction.

You grant Lakewood discretionary authority when you sign our investment management agreement or through a limited power of attorney or trading authorization provided by your program sponsor.

Clients may request limitations on such authority and Lakewood may choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed on the account must be presented to Lakewood in writing. Lakewood's clients do not normally impose any limitations on Lakewood's investment discretion but some of Lakewood's clients have imposed limitations that prevent Lakewood from investing in specific securities or types of securities.

Item 17: Voting Client Securities

We vote proxies for client account securities consistent with the best interests of our clients. Lakewood's Proxy Voting Policy establishes the practices by which Lakewood fulfills its responsibility to monitor corporate actions, receive and vote client proxies, disclose any related potential conflicts of interest, make information available to clients about the voting of proxies for their portfolio securities, and maintain relevant and required records.

Pursuant to its Proxy Voting Policy, for Separate Managed Accounts, we will generally vote in accordance with management's recommendations unless we determine that voting in such a manner is in conflict with the best interests of our clients. In these cases, we will evaluate and vote the proxies on a case-by-case basis. In general, clients cannot request that Lakewood vote in a particular way on any specific proposal.

For the Lakewood Fund, we will vote all received from Underlying Funds in the same proportion that all shares of the Underlying Funds are voted, or in accordance with instructions received from fund shareholders.

In the case of any conflict of interest that is raised by Lakewood's voting discretion, Lakewood will do one of the following, as determined by the specific situation:

- (i) disclose the conflict to you and obtain your consent before voting; or
- (ii) suggest that you engage another party to determine how to vote; or
- (iii) vote the proxy according to the recommendation of an independent third party, such as a proxy consultant.

You may obtain a copy of Lakewood's Proxy Voting Policy and may obtain a record of the Firm's proxy voting record for your account, both free of charge, by calling the phone number on the cover page of this brochure.

Item 18: Financial Information

We must disclose any financial condition that could impair our ability to meet our contractual obligations to you. We must also disclose if we have been the subject of any bankruptcy proceeding within the last 10 years.

We have no such financial condition to disclose to you, and we have never been the subject of any bankruptcy proceeding.