

Lancaster Pollard Investment Advisory Group

Item 1 - Cover Page

Lancaster Pollard Asset Management, LLC

dba

Lancaster Pollard Investment Advisory Group

65 East State Street, 16th Floor

Columbus, OH 43215

(614) 224-8800

<http://www.chiefinvestmentofficer.com>

March 19, 2015

This Brochure provides information about the qualifications and business practices of Lancaster Pollard Investment Advisory Group (“Adviser”). If you have any questions about the contents of this Brochure, please contact us at (614) 224-8800 or twasson@lancasterpollard.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Lancaster Pollard Investment Advisory Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about Lancaster Pollard Investment Advisory Group also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Brochure is an amended version of our previously filed annual update, dated March 28, 2014. We have not made any material changes since the last update to our Brochure.

Item 3 - Table of Contents

Item 1 - Cover Page

Item 2 - Material Changes

Item 3 - Table of Contents

Item 4 - Advisory Business

Item 5 - Fees and Compensation

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

Item 7 -Types of Clients

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

Item 9 - Disciplinary Information

Item 10 - Other Financial Industry Activities and Affiliations

Item 11 -Code of Ethics

Item 12 - Brokerage Practices

Item 13 - Review of Accounts

Item 14 - Client Referrals and Other Compensation

Item 15 - Custody

Item 16 - Investment Discretion

Item 17 - Voting Client Securities

Item 18 - Financial Information

Brochure Supplement(s)

Item 4 - Advisory Business

Lancaster Pollard Investment Advisory Group, formed in 1998, is structured as a limited liability company, and is wholly owned by Lancaster Pollard Holdings, LLC, which consists of several affiliated companies: Lancaster Pollard & Co., LLC an investment banking firm specializing in the hospital, senior living and affordable housing markets; Lancaster Pollard Mortgage Company, LLC, a mortgage company specializing in the hospital, senior living and affordable housing markets; Lancaster Pollard Finance Co., LLC, a lending firm providing bridge loans and other asset-based lending; and Lancaster Pollard Investment Advisory Group an investment advisory firm focusing on the needs of nonprofit institutions. The holding company's principals are Thomas R. Green and T. Brian Pollard.

Lancaster Pollard Investment Advisory Group is an SEC-registered investment advisor and provides investment management services for ultra-short-term, fixed-income portfolios, such as project funds and operating funds, and investment consulting services.

The CashPlus Investment Strategy has been developed to produce above benchmark returns for clients desiring a high degree of liquidity while operating within client specific risk tolerance. CashPlus portfolios are individually tailored to meet the specific objectives of each client. It is used for investment portfolios seeking higher returns than traditional money market funds with less volatility than most longer-duration bond funds. Applications of this strategy include excess operating funds, escrow accounts, reserve funds, and project funds.

Lancaster Pollard Investment Advisory Group also provides investment consulting services for balance sheet investments, foundations, endowments, defined benefit and defined contribution pension plans. Because of our singular focus on nonprofit organizations, our platform of services and experience has assisted in the development of our clients' overall investment structure using strategies and processes for this unique group in the institutional marketplace. This includes the use of liability-driven investing principles and a Value-at-Risk analysis, which leads to a customized asset allocation for our clients, as well as cost containment measures and the utilization of community financial institutions where requested. We seek to become our client's "Chief Investment Officer." We achieve this goal by providing services including, but not limited to:

- Review investment and spending policy
- Analyze risk within the portfolio
- Conduct asset allocation studies
- Execute manager search and selection
- Perform Value-at-Risk (VaR) analysis and Monte Carlo simulations
- Recommend strategic and tactical asset allocation changes within the portfolio
- Monitor, analyze and report on progress
- Provide education and best practices for committees and boards

As of December 31, 2014, the regulatory assets under management total approximately \$169 million, with approximately \$56 million on a discretionary basis and approximately \$113 million on a non-discretionary basis. As of December 31, 2014, Lancaster Pollard Investment Advisory Group also had approximately \$540 million of assets under advisement. Assets under advisement refer to assets for which Adviser provides consulting or other advice but for which it does not have any investment authority, such as the recommendation of any specific securities or other investments, or for which the Adviser is responsible for arranging or effecting the purchase or sale if a recommendation is accepted by the client.

Item 5 - Fees and Compensation

Fees are either fixed and/or charged upon the amount of assets under advisement. The adviser's fee schedule is negotiable based entirely upon the facts and circumstances unique to each client and the client's investment objectives. Minimum annual fees may apply. All engagements may be terminated by either party with thirty (30) days' notice. If fees are pre-paid, in the event that the agreement is terminated, any unearned portion of the fee is to be refunded. The specific manner in which fees are charged by Lancaster Pollard Investment Advisory Group is established in a client's written agreement.

We generally invoice clients on a quarterly basis in advance. We do not debit fees directly from client accounts but bill clients directly. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. For each account, Lancaster Pollard will invoice client a one-time custodian validation-communication charge of \$500 with a subsequent electronic communication yearly fee of \$100.

Our fees are exclusive of brokerage commissions, transaction fees, custody fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties, such as fees charged by managers, custodial fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Lancaster Pollard's fees, and we do not receive any portion of those commissions, fees and costs. Lancaster Pollard Investment Advisory Group is compensated only by the client. We do not receive any compensation from any other sources and do not participate in any fee-sharing or soft-dollar arrangements with any other party.

Item 12 further describes the factors that Lancaster Pollard considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

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

We do not charge any performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of the assets of a client).

Item 7 - Types of Clients

We provide investment advisory services to nonprofit organizations, including but not limited to hospitals, senior living organizations, community foundations, colleges and universities, foundations and endowments.

We generally require a minimum of \$5 million for opening an account.

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

Lancaster Pollard Investment Advisory Group's overall investment strategy is determined by the firm's Investment Policy Committee, which meets at least quarterly. Using quantitative and fundamental top-down analysis, the committee is responsible for reviewing internal and external research as well as market conditions and expectations to establish strategic and tactical asset allocation guidelines and recommendations for our consulting clients. For CashPlus and ReserveManager portfolios, the committee will discuss interest rate expectations and consider credit and interest rate risk.

CashPlus accounts typically focus on investing in high-quality fixed and variable rate corporate, taxable municipal, and agency debt with appropriate maturities and redemption options. Emphasis is placed on maintaining an ultra-short duration to ensure liquidity needs are achieved. CashPlus portfolios are individually tailored to meet the specific objectives of each client. Eligible investments are defined by the clients' individual investment policy statements and other relevant regulations and policies. While this is a low-risk strategy, clients could still lose money using this strategy. Risks include interest rate risk, income risk and credit risk. Interest rate risk is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for this strategy because it invests mainly in ultra-short-term bonds, whose prices are much less sensitive to interest rate changes than are the prices of long-term bonds. Income risk is the chance that income in a client's account will decline because of falling interest rates. Clients should expect their portfolio's monthly income to fluctuate as short-term investments are more susceptible to this risk, especially those investments in variable rate securities. Credit risk is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the CashPlus strategy because it purchases only bonds that are issued by government sponsored enterprises (GSEs or agencies), or are at least A- rated municipal and corporate bonds. The firm's priorities in managing clients' assets are safety of principal, liquidity, and then return. Bonds issued by GSEs, such as the Federal Home Loan Mortgage Corp (Freddie Mac), the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Banks are not backed by the "full faith and credit" guarantee as bonds issued by U.S. federal government agencies. GSE issued bonds are therefore subject to credit and default risk.

For our consulting clients, we assist in the development of the overall investment structure. Our philosophy begins with the idea that nonprofit institutions are investing for perpetuity. In order to accomplish this goal we utilize liability-driven investing principles and Value-at-Risk analysis to determine the proper asset allocation strategy. Lancaster Pollard utilizes an asset allocation model that can best be described as Efficient, Strategic, and Purposeful (ESP). We seek to increase return and minimize risk while also constraining fees and maintaining liquidity (Efficient); develop a long-term asset allocation that includes a number of different asset classes and matches each client's unique risk tolerance (Strategic); and utilize each asset class to serve a specific purpose, such as hedging against inflation (Purposeful). Our asset

allocation strategy is designed to mitigate certain risks. And while the inclusion of asset classes with lower correlations may reduce the portfolio volatility, clients using this strategy could lose money over short or even long periods. The amount of risk in each portfolio depends on the unique structure of our clients' portfolios based on their unique risk tolerance. Risks include stock market risk, country/regional risk, currency risk, credit risk, interest rate risk, inflation risk, and commodity risk. Stock market risk is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Investments in foreign stocks can be riskier than U.S. stock investments. The prices of foreign stocks and the prices of U.S. stocks have, at times, moved in opposite directions. Country/regional risk is the chance that world events-such as political upheaval, financial troubles, or natural disasters-will adversely affect the value of securities issued by companies in foreign countries or regions. Currency risk is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Inflation risk, also called purchasing power risk, is the chance that the cash flows from an investment will not be worth as much in the future because of changes in purchasing power due to inflation. Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities.

Investing in securities involves risk of loss that clients should be prepared to bear.

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 Lancaster Pollard Investment Advisory Group or the integrity of the Investment Adviser's management. We have no information applicable to Item 9.

Item 10 - Other Financial Industry Activities and Affiliations

Lancaster Pollard Investment Advisory Group is not engaged in any other financial industry activities other than its SEC registered investment advisory business.

The following sets forth the ownership structure and affiliations of Lancaster Pollard Investment Advisory Group:

Lancaster Pollard Investment Advisory Group is a wholly owned subsidiary of Lancaster Pollard Holdings, LLC (“LPH LLC”). LPH LLC, the Managing Member of Lancaster Pollard Investment Advisory Group, has a Board of Managers which consists of the following four individuals: (i) Thomas R. Green; (ii) T. Brian Pollard; (iii) Agha S. Khan; and (iv) Stephen A. Levey. The Members of LPH LLC are Mr. Green, Mr. Pollard and other employees; Three LG, Inc., a Delaware corporation owned equally by Messrs. Green and Pollard; and Trident Lancaster Holdings LLC, a Delaware limited liability company (“Trident”).

Trident is a holding company that owns a majority interest in LPH LLC. The following individuals serve as officers of Trident: James D. Carey, David J. Wermuth, Nicolas D. Zerbib, Mr. Khan, Mr. Levey, Sally DeVino and Richard Goldman. The Members of Trident are (i) Trident V Professionals Fund, L.P., a Cayman Islands limited partnership (“Trident Professional”); (ii) Trident Capital V-PF, L.P., a Cayman Islands limited partnership (“Trident V-PF”); (iii) Trident Lancaster Holdings Inc., a Delaware corporation (“Trident Lancaster Inc.”); (iv) Trident V, L.P., a Cayman Islands limited partnership (“Trident V”); and (v) Trident Capital V, L.P., a Cayman Islands limited partnership (“Trident Capital V”).

Trident Professional is a private equity fund. Stone Point GP Ltd (“Stone Point GP”) is the General Partner of Trident Professional. Stone Point GP is controlled by Messrs. Carey, Wermuth and Zerbib, and Charles A. Davis.

Trident V-PF is the General Partner to Trident V Parallel Fund, L.P., a Cayman Islands limited partnership (“Trident Parallel”). Trident Parallel is a fund and a majority owner of Trident Lancaster Inc.

Trident Lancaster Inc. is a holding company. The officers of Trident Lancaster Inc. are the same as those of Trident (identified above).

Trident V is a fund and the Managing Member of the Trident.

Trident Capital V is the General Partner of Trident V.

The following entities serve as General Partners to Trident V-PF and Trident Capital V, the General Partners of Trident Parallel and Trident V, respectively: (i) CD Trident V, LLC (“CD Trident”); (ii) DW Trident V, LLC (“DW Trident”); (iii) JC Trident V, LLC (“JC Trident”); and NZ Trident V, LLC (“NZ Trident”). Mr. Davis is the Sole Member of CD Trident, Mr. Wermuth is the Sole Member of DW Trident, Mr. Carey is the Sole Member of JC Trident, and Mr. Zerbib is the Sole Member of NZ Trident.

Lancaster Pollard Investment Advisory Group is affiliated with the following entities: (i) Lancaster Pollard & Co., LLC, a registered broker-dealer; (ii) Lancaster Pollard Mortgage Company, LLC, a mortgage company; (iii) Lancaster Pollard Equity Investments LLC, an equity investments entity; (iv) Lancaster Pollard Fund Manager, LLC, a holding company; and Lancaster Pollard Finance Company, LLC, a lending firm providing bridge loans and other asset-based lending.

William Courson, Robert Hutchinson, Douglas Lukcso, James Ross and Timothy Wasson are all registered representatives of the affiliated broker-dealer, Lancaster Pollard & Co., LLC.

Item 11 - Code of Ethics

Lancaster Pollard Investment Advisory Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to its clients. All supervised persons of Lancaster Pollard Investment Advisory Group are bound by its Code of Ethics and must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics follows these general principles:

1. The duty at all times to place the interests of clients first;
2. The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code of Ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
3. The principle that investment adviser personnel should not take inappropriate advantage of their positions;
4. The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
5. The principle that independence in the investment decision-making process is paramount.

These principles guide our Code of Ethics, but are not the complete code. Failure to follow the Code of Ethics may result in disciplinary action, up to and including termination of employment.

Lancaster Pollard Investment Advisory Group's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Timothy Wasson.

Lancaster Pollard Investment Advisory Group and its officers and employees may hold positions in securities mentioned above but trading in these securities is subject to the firm's personal trading policies. Employee trading is monitored to reasonably prevent conflicts of interest between Lancaster Pollard Investment Advisory Group and its clients.

Lancaster Pollard Investment Advisory Group does not purchase for its clients or recommend the purchase of any securities originally underwritten or remarketed by Lancaster Pollard & Co., LLC.

Cross-Trades

From time to time, when it may be appropriate for one client to purchase a security and for another client to sell the same security, we may "cross" those trades through a broker-dealer or custodian at par for both sides of the transaction.

Item 12 - Brokerage Practices

We are committed to seeking the best terms reasonably available under the circumstances for our clients. In order to achieve best execution, we have established certain trading protocols and practices, which are periodically reviewed by the Investment Policy Committee.

While we are interested in minimizing fees and commissions, the selection of brokers is primarily based on the broker's ability to competitively execute trades. Other factors taken into consideration include, but are not limited to, the availability of or specialization in particular investment products and execution capabilities based on size of trade, liquidity and market impact. Past experience with the broker is a contributing factor; for example, we consider the number of failed trades, back office support, and the broker's knowledge of the products offered.

Lancaster Pollard Investment Advisory Group has access to research from various brokers, but we are not a party to any soft dollar arrangements. Research, such as economic commentaries and market updates and outlooks as well as credit research, is available on an unsolicited basis and not tied to the amount of trading or commissions.

Item 13 - Review of Accounts

Actively managed accounts are reviewed at least monthly, but generally occur more often, usually as securities mature, are sold or bought, when other account activity takes place or new relevant information becomes available. These reviews are performed by the portfolio manager.

Our Portfolio Review Committee reviews accounts at least quarterly. The purpose of the review is to check for compliance with investment policies and objectives, regulations and laws, to discuss tactical asset allocation changes and to monitor performance.

We provide a holdings and a transaction history report for the reporting period for actively managed accounts. These reports are generated at least quarterly. In addition, clients are provided with performance reports on a quarterly basis. For consulting clients, the firm provides performance and asset allocation reviews, as well as investment policy compliance reports, if applicable, on a quarterly basis.

Item 14 - Client Referrals and Other Compensation

Lancaster Pollard Investment Advisory Group is a party to a referral agreement among its affiliated companies. Employees of the affiliated companies may receive an incentive bonus for successful referrals.

For new business referred by the associate from an existing client or a new source, as a direct result of the associate's efforts and contacts, a commission (a percentage of fees earned and received) may be paid.

Lancaster Pollard Investment Advisory Group has no other solicitor relationships.

Item 15 - Custody

We do not custody client assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets.

Item 16 - Investment Discretion

The level of discretionary authority for each engagement is described in and granted through the investment advisory agreement. We may accept full discretion or limited discretion based on the type of engagement.

For our actively managed accounts, we typically have full discretion and are authorized without the client's prior consultation or approval, to invest and reinvest the assets in the account, to make investment changes and to take any other lawful action with respect to the account in furtherance of the client's investment objectives. This includes, without limitation, the making of investment decisions, and the rendering of decisions as to the nature and timing of transactions for the account. However, some clients may have chosen to approve trades prior to execution or to specify the amount or maturity date.

We do accept limited discretion for some of our consulting clients, usually limited to rebalancing or tactical allocation changes within approved limits as outlined in the client's investment policy statement. For all other consulting clients we require client approval before any of our investment recommendations are implemented.

Item 17 - Voting Client Securities

Lancaster Pollard Investment Advisory Group takes its responsibility to exercise voting authority over securities that are part of our clients' portfolios seriously. Proxy statements increasingly contain controversial issues involving shareholder rights and corporate governance, among others, which deserve careful review and consideration.

Regarding accounts for which we have been appointed to make all voting decisions, it is our policy to review each proxy statement on an individual basis and to base our voting decision exclusively on our judgment of what will best serve the financial interests of the beneficial owners of the security, unless the client has given specific instructions on the voting of proxies, in which case it will be voted in accordance with the customer's direction.

A number of recurring issues can be identified with respect to the governance of a company and actions proposed by that company's board. We follow internal proxy voting procedures that allow us to vote on these issues in a uniform manner. The President generally considers proxies.

Any non-routine matters are referred to the Investment Policy Committee. If the Investment Policy Committee cannot reach unanimous consensus or there exists a conflict of interest, the proxy may be referred to an independent third-party. Clients may obtain a copy of Lancaster Pollard's complete proxy voting policies and procedures upon request. Clients may also obtain information from Lancaster Pollard about how we voted any proxies on behalf of their account(s).

Item 18 - Financial Information

As a registered investment adviser we are required in this Item to provide you with certain financial information or disclosures about Lancaster Pollard's financial condition. We have no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.