

Lake Partners, Inc.

Part 2A of Form ADV

Brochure

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March 30, 2017

This Form ADV Part 2A dated March 30, 2017 (the “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 at (203) 661-5100.

LPI is registered as an investment adviser under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply that LPI or its personnel have a certain level of skill or training. 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.

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

Item 2. Material Changes

This annual update to Part 2 of Form ADV for LPI, dated March 30, 2017, reflects a limited number of material changes compared to the previous interim update to Part 2 of Form ADV for LPI, dated March 24, 2016.

In the section titled “Item 4. Advisory Business,” assets under management and similar information have been updated as of December 31, 2016. The services described in this section have also been updated, as follows:

- the newly offered MANGO Multi-Asset New Generation Opportunities program has been added;
- the newly offered MAE Multi-Asset ETF program has been added;
- a mutual fund sub-advised by LPI was renamed as the AMG Managers Lake Partners LASSO Alternatives Fund (formerly, the Aston/Lake Partners LASSO Alternatives Fund);
- language has been added indicating that LPI may offer financial planning services to clients when relevant;
- the LASSO Absolute strategy is no longer offered; and
- LPI resigned as sub-adviser to a Wilmington Trust bank collective fund.

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Item 4. Advisory Business

LPI, a Connecticut corporation, was founded in 1989. Ronald A. Lake and Frederick C. Lake are the founders, principals and sole shareholders of the firm.

LPI generally provides investment advisory and management services, as well as investment consulting services. LPI serves as investment adviser to various clients including, but not limited to, registered investment companies, institutions and individuals.

As of December 31, 2016, LPI had regulatory assets under management of \$145,965,040, comprised of approximately \$145,959,570 of assets managed on a discretionary basis and \$5,471 of assets managed on a non-discretionary basis. In addition, as of December 31, 2016, LPI acted as consultant to investment funds with a total of \$2.6 billion of assets under management.

Multi-Mutual Fund and Multi-ETF Portfolio Management Services

LPI manages multi-mutual fund accounts on a discretionary basis, utilizing registered, no-load, open-end mutual funds; exchange-traded funds, notes, or similar instruments; and closed-end mutual funds. LPI may also offer financial planning services to clients when relevant. Objectives for such accounts include:

- Alternative
- Growth
- Balanced
- Income

Multi-mutual fund accounts are generally managed utilizing the strategies described 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. There can be no assurance that any objectives will 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 Plus* strategy seeks to provide long-term total returns by investing in long/short equity and other alternative investment strategies. The guideline range for composite net long equity exposure for LASSO Plus is 50% to 70%.

*V*A*L*UTM 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 primarily equity mutual funds and, on a limited basis, exchange-traded funds, exchange-traded notes, or similar instruments that invest in the US or internationally. The target equity allocation for *V*A*L*U Equity* is generally 80% to 100%.

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

MANGOTM Multi-Asset New Generation Growth Opportunities is a diversified, multi-manager investment program investing across asset classes utilizing mutual funds; exchange-traded funds, notes, or similar instruments; and closed-end funds.

Each MANGO account has a targeted equity allocation of 0% to 100%, specified in increments of 10%, as determined by LPI in consultation with each client, based on client financial resources, goals, and risk parameters. The objective of MANGO is long-term total return, including both income and capital appreciation.

MAETM Multi-Asset ETF portfolios is a diversified investment program investing across asset classes utilizing exchange-traded funds (and a cash account). The objective of MAE is long-term total return, including both income and capital appreciation.

For MAE accounts, LPI implements ETF portfolios using the Schwab Institutional Intelligent Portfolios® (“SIIP”) technology platform. LPI designs a range of model portfolios for MAE, segmented by investor profiles based on risk tolerance, investing style and other relevant factors. Clients complete a questionnaire to help determine the investment risk profile and recommended strategy for each MAE account. For MAE model portfolios, LPI selects, at its discretion, from ETFs available on the SIIP technology platform. LPI is able to change the investment structure of MAE model portfolios at any time. LPI has discretion over the construction of MAE model portfolios. Implementation, rebalancing, and tax loss harvesting, if applicable, of each MAE account are automated functions and therefore at the discretion of the SIIP technology platform.

Sub-Advisory Services to Mutual Fund

LPI serves as sub-adviser to the AMG Managers Lake Partners LASSO Alternatives Fund (the “Fund”), a mutual fund (ticker: ALSOX/ALSNX). AMG Funds LLC (“AMGF”), the investment adviser, sponsor, and administrator of the Fund, is the retail distribution arm of Affiliated Managers Group, Inc. (NYSE: AMG), a global asset management company with equity investments in boutique investment management firms. As of December 31, 2016, the aggregate

assets under management of AMG's affiliates were approximately \$727 billion (pro forma for investments which have since closed).

AMGF has engaged LPI to manage the Fund's investments, which consist 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.

The Fund was previously known as the Aston/Lake Partners LASSO Alternatives Fund. Aston Asset Management, LLC ("Aston"), the previous investment adviser of the Fund, was a wholly-owned subsidiary of AMGF. Effective October 1, 2016, Aston was merged with and into AMGF, and the name of the Fund was changed. As of September 30, 2016, AMGF assets under management were approximately \$36.5 billion.

Previous Sub-Advisory Services to Bank Collective Investment Trust

LPI previously served as sub-adviser to the Wilmington Trust, National Association (the "Trustee"), trustee to The LASSO Fund (the "Trust"), a bank collective trust (Bloomberg ticker: LASSOFD <equity>). The Trustee is a division of Wilmington Trust, part of M&T Bank Corporation (NYSE: MTB). LPI resigned as sub-adviser to the Trust effective December 31, 2016.

Multi-Manager Consulting Services

For a limited number of clients, LPI may provide multi-manager consulting services to portfolios consisting primarily 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 may also assist 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.

Customized Consulting Services for Professional Investors

For a limited number of clients, LPI provides customized consulting services to:

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

Customized services may include:

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

Services are customized to the client's request.

Financial Planning and Consulting Services

LPI may, from time to time, provide clients with certain financial planning services or other consulting services. LPI may prepare a financial plan for clients based upon, among other things, the client's net worth, cash flow, investments, and retirement needs.

Clients may also receive investment advice on a more limited or project basis. This may include advice on specific areas of concern such as retirement planning, client businesses, wealth transfer, or any other specific topic.

Additional Information for MAE™ Multi-Asset ETF Portfolios

For the MAE Multi-Asset ETF program, LPI provides portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Wealth Investment Advisory, Inc. (the "ETF Program" and "SWIA," respectively). Through the ETF Program, LPI offers clients a range of investment strategies constructed and managed by LPI, each consisting of a portfolio of exchange-traded funds ("ETFs") and a cash allocation. The client may instruct LPI to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. ("CS&Co"). LPI is independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, "Schwab"). The ETF Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the "Program Disclosure Brochure"), which is delivered to clients by SWIA during the online enrollment process.

LPI, and not Schwab, is the client's investment advisor and primary point of contact with respect to the ETF Program. LPI is solely responsible, and Schwab is not responsible, for determining the appropriateness of the ETF Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the Program Disclosure Brochure to clients and administering the ETF Program so that it operates as described in the Program Disclosure Brochure. LPI has contracted with SWIA to provide the technology platform and related trading and account management services for the ETF Program. This platform enables LPI to make the ETF Program available to clients online and includes a system that

automates certain key parts of the investment process (the “System”). The System includes an online questionnaire that helps determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that LPI will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but LPI then makes the final decision and selects a portfolio based on information provided by the client. The System also includes an automated investment engine through which LPI manages the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

LPI does not receive a portion of a wrap fee for services to clients through the ETF Program. Clients do not pay fees to SWIA in connection with the ETF Program, but LPI charges clients a fee for services as described in *Item 5 Fees and Compensation*. LPI’s fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the ETF Program. Schwab does receive other revenues in connection with the ETF Program, as described in the Program Disclosure Brochure.

LPI does not pay SWIA fees for its services in the ETF Program so long LPI maintains \$100 million in client assets in accounts at CS&Co that are not enrolled in the ETF Program. If this condition is not met, then LPI pays SWIA an annual fee of 0.10% (10 basis points) on the value of client assets in the ETF Program. This fee arrangement gives LPI an incentive to recommend or require that our clients with accounts not enrolled in the ETF Program be maintained with CS&Co.

Securities available for investment within the ETF Program are limited only to ETFs selected by SWIA for the ETF Program based on size, trading volume, asset class and other factors, plus a cash account. Other investment programs advised by LPI may access a significantly broader array of funds, securities, and investment strategies.

Item 5. Fees and Compensation

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 \$250,000. 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 funds 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 may be subject to a minimum quarterly fee. Fees are adjusted for contributions and withdrawals, as well as for partial calendar periods.

Clients may terminate an investment advisory agreement at any time, in accordance with its terms, 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.

Sub-Advisory Services to Mutual Fund

The Fund is charged a management fee of 0.90% per annum by AMG Funds LLC based on the average daily net assets of the Fund. AMG Funds LLC pays LPI a portion of this fee as sub-adviser of the Fund.

The Fund also bears certain other expenses as described in the Prospectus and Statement of Additional Information for the Fund. These documents can be found at:

<https://investor.amgfunds.com/investment/lake-partners-lasso-alternatives-fund>

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.

Customized Consulting Services for Professional Investors

Since consulting services for professional investors are customized to the client's request, fees are negotiable, depending on the range of services, reporting requirements, and the size of a client's program.

Financial Planning and Consulting Services

Fees for financial planning and related services may include project fees, hourly charges, or a combination of both. Hourly charges may range from \$75 per hour for LPI administrative staff to \$300 per hour for analysts, and higher for LPI principals. Fees for financial planning and related services are generally negotiable.

Item 6. Performance-Based Fees and Side-by-Side Management

LPI does not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of a client's assets. The firm does not conduct side-by-side management.

Item 7. 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 \$250,000. At its discretion, LPI may waive these minimum requirements.

Additional Information for MAE™ Multi-Asset ETF Portfolios

Clients eligible to enroll in the ETF Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are

subject to the Employee Retirement Income Security Act of 1974, are not eligible for the ETF Program. The minimum investment required to open an account in the ETF Program is \$5,000. The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

As a portfolio manager, adviser or consultant for multi-manager investment programs, LPI utilizes 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 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.

Risk of Loss

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, economic and operational 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,
- currencies,
- credit risk,
- foreign securities,
- 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 or taxes. 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.

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

Additional Information for MAE™ Multi-Asset ETF Portfolios

The Program Disclosure Brochure includes a discussion of various risks associated with the ETF Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

Item 9. Disciplinary Information

There are no applicable legal or disciplinary events relating to LPI.

Item 10. Other Financial Industry Activities and Affiliations

In addition to being registered as an investment adviser, LPI is also registered (as of 2013) as a commodity trading advisor. The latter registration does not reflect a change in LPI's advisory business, but a change in applicable regulation. A limited number of existing and potential underlying funds in multi-manager investment programs advised by LPI were formerly but are no longer exempt from registration as commodity pools. Since these underlying funds became registered as commodity pools, LPI registered as a commodity trading advisor to continue providing advice on and allocating to such funds in compliance with applicable regulation.

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 AMG Managers Lake Partners LASSO Alternatives Fund (the Fund, as described above). LPI serves as sub-adviser 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.

Item 11. 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 or report many types of personal securities transactions.

LPI invests discretionary client assets primarily in mutual funds (and exchange-traded 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. Given the nature of LPI's investment services (focusing on funds rather than individual securities), this list will generally contain few, if any, securities. 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.

Prospective or current investors may obtain a copy of the Code of Ethics by contacting LPI at the address and telephone number listed on the first page of this document.

Item 12. 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. 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 exchange-traded funds (ETFs) or 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, Fidelity, and TD Ameritrade Brokerage Platforms

LPI participates in the Schwab Institutional Program ("Schwab") sponsored by The Charles Schwab Corporation, the Fidelity Institutional Wealth Services ("FIWS") program sponsored by Fidelity Brokerage Services, LLC and National Financial Services LLC, and the TD Ameritrade Institutional Program ("TD") sponsored by TD Ameritrade (collectively, the "Programs"). Clients in need of brokerage and custodial services for LPI multi-mutual fund portfolio management services may have Schwab, FIWS, or TD (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.

Brokers may change the conditions for advisor participation in any of the Programs, imposing significant fees if advisors do not commit a minimum amount client assets. In such case, LPI may recommend that discretionary clients utilize a different Broker.

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 products, services and economic benefits from the Programs, or changes in the requirements or fees (if any) of 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 any of the Brokers may be subject to a conflict of interest based on the benefits (or costs) 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's primary decision regarding best execution for discretionary multi-mutual fund accounts focuses on purchasing the most favorable available share class available for an account, based on the account's custodial platform, the size of its mutual fund position, and potential frequency of transactions. When implementing discretionary trades for exchange-traded funds, LPI monitors the commissions and fees charged by the executing broker to determine their reasonableness. Additionally, LPI compares executed trade prices for exchange-traded funds with the volume-weighted average price over the relevant time period.

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 sub-adviser 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 over time.

In addition to LPI's portfolio management and other services, the ETF Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the ETF Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. LPI does not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then LPI cannot manage the client's account through the ETF Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the ETF Program, including both accounts for LPI clients and accounts for clients of other independent investment advisory firms using the ETF Program.

Item 13. 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 daily, 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.

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, or 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.

Item 14. 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 set forth in Items 12B and 12C, LPI does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Item 15. 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.

Item 16. Investment Discretion

LPI has investment discretion over certain 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.

Item 17. 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.

Current investors may request LPI's full proxy voting policies and procedures and/or a record of how their proxies were voted by contacting LPI at the address and telephone number listed on the first page of this document.

Additional Information for MAE™ Multi-Asset ETF Portfolios

As described in the Program Disclosure Brochure, clients enrolled in the ETF Program designate SWIA to vote proxies for the ETFs held in their accounts. LPI has directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may designate LPI to vote proxies or may retain the ability to vote proxies themselves by signing a special CS&Co form.

Item 18. Financial Information

LPI has never filed for bankruptcy and has the ability to manage client accounts.

Lake Partners, Inc.

Part 2B of Form ADV

Brochure Supplement

Regarding:

Ronald A. Lake: Co-Chairman, President

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

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Stamford, Connecticut 06905
203-661-5100
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March 30, 2017

This Form ADV Part 2B dated March 30, 2017 (the “Brochure Supplement”) provides information about Ronald A. Lake and Frederick C. Lake that supplements the Lake Partners, Inc. (“LPI”) Form ADV Part 2A (the “Brochure”). Please contact us at (203) 661-5100 if you did not receive a copy of the Brochure or if you have any questions about the contents of this Brochure 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.

Ron Lake has served as LPI's Co-Chairman since 1989 and President since 1991.

Disciplinary Information

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

Other Business Activities

In addition to being registered as an investment adviser, LPI is also registered (as of 2013) as a commodity trading advisor. The latter registration does not reflect a change in LPI's advisory business, but a change in applicable regulation. A limited number of existing and potential underlying funds in multi-manager investment programs advised by LPI were formerly but are no longer exempt from registration as commodity pools. Since these underlying funds became registered as commodity pools, LPI registered as a commodity trading advisor to continue providing advice on and allocating to such funds in compliance with applicable regulation. As a result, Ron Lake is registered as an associated person with the Commodities Futures Trading Commission (CFTC).

Ron Lake is not engaged in any other investment related business.

Additional Compensation

Ron 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, Ron Lake shares ultimate responsibility for the company's operations with the Co-Chairman. Ron Lake reviews investment and operational decisions with the Co-Chairman and the Chief Financial Officer/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 balances within the management team. For example, contracts, trades and disbursements greater than a minimum amount require two signatures. Personal trading by the President generally requires written pre-clearance by the Chief Compliance Officer or Co-Chairman.

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.

Rick Lake has served as LPI's Co-Chairman since 1989 and Treasurer and Secretary since 1991.

Disciplinary Information

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

Other Business Activities

In addition to being registered as an investment adviser, LPI is also registered (as of 2013) as a commodity trading advisor. The latter registration does not reflect a change in LPI's advisory business, but a change in applicable regulation. A limited number of existing and potential underlying funds in multi-manager investment programs advised by LPI were formerly but are no longer exempt from registration as commodity pools. Since these underlying funds became registered as commodity pools, LPI registered as a commodity trading advisor to continue providing advice on and allocating to such funds in compliance with applicable regulation. As a result, Rick Lake is registered as an associated person with the Commodities Futures Trading Commission (CFTC).

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

Additional Compensation

Rick 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 of LPI, Rick Lake shares ultimate responsibility for the company's operations with the President. Rick Lake reviews investment and operational decisions with the President and the Chief Financial Officer/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 balances within the management team. For example, contracts, trades and disbursements greater than a minimum amount require two signatures. Personal trading by the Co-Chairman generally requires written pre-clearance by the Chief Compliance Officer or President.