



Form ADV Part 2A Firm Brochure

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This brochure provides information about the qualifications and business practices of Lynx Investment Advisory, LLC ("Lynx"). If you have any questions about the contents of this brochure, please contact us at (202) 833-3700. Please note that this brochure has not been approved or verified by the Securities & Exchange Commission or any state securities authority.

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

Lynx is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2. Summary of Material Changes

Lynx has not made any material changes to its business practices since the last annual update of the Brochure, which was dated March 2016.

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Item 4. Advisory Business

Description

Founded in 1992, Lynx Investment Advisory provides investment consulting services to individual and institutional clients and serves as advisor to one multi-manager private fund. Lynx is majority owned by CIG Capital Holdings, Inc. with the balance of ownership held by firm employees.

Services

Lynx advises clients throughout the investment process and may assist with identifying investment goals, creating an Investment Policy Statement, determining an optimal portfolio asset allocation, researching and choosing investment managers, account opening and funding, performance review and ongoing portfolio monitoring. Most client portfolios are customized to the individual needs of our clients but Lynx also advises some discretionary accounts managed as a model portfolio. There are many factors that affect the recommended allocation and manager selection for each client, including but not limited to time horizon, risk tolerance, spending and liquidity needs, and, if appropriate, tax considerations. There may be times when a client may impose a restriction on investing in certain types of securities. Lynx makes every attempt to work with the recommended managers to honor such requests. However, sometimes the investment structure (e.g. mutual fund) will preclude Lynx from controlling the specific outcome requested by the client. In either case Lynx will discuss the feasibility of the request with the client to ensure that their expectations are met.

Lynx does not participate in wrap fee programs.

Discretionary & Non-Discretionary Assets

As of December 31, 2016, Lynx managed \$117,634,272 on a discretionary basis. This includes some consulting assets plus the assets in the Lynx Real Asset and Water Fund, LLC (the “Partnership”).

As of December 31, 2016, Lynx managed \$658,222,637 on a non-discretionary basis. This includes client accounts held at Schwab, Fidelity and various other custodians. While Lynx has the power to place trades in accounts held at Schwab and Fidelity, we request written permission from non-discretionary clients to make allocation changes and place trades in client accounts. The only exception to this is that we do, on occasion, place sell orders to raise cash for checks written on client accounts or to pay Lynx quarterly advisory fees.

In addition, Lynx sometimes provides portfolio monitoring services that include making periodic allocation and/or manager recommendations, ongoing performance reporting, and providing macro-economic outlook.

Item 5. Fees and Compensation

Consulting Services Fees

Lynx’s standard consulting fees are based on assets under management using the schedule below:

- .75% per year on the first \$5,000,000
- .60% per year on the next \$15,000,000
- .50% per year on the next \$20,000,000

Negotiable on assets above \$40,000,000
Minimum annual fee: \$7,500

The amount of the fee for each client is negotiated on a case by case basis. The fees are for Lynx's advisory services only and do not include transactions fees, brokerage commissions or other management fees charged by non-affiliated third parties (such as custodians, separate account managers, mutual funds, etc.) that Lynx may recommend and with whom the client may invest. Unless there is a client- or manager-specific reason not to, Lynx recommends custodians such as Schwab and Fidelity, whose transaction and brokerage fees are typically \$4.95 for equities/ETFs and \$25 for mutual funds (with certain mutual fund companies at \$45 a trade). Actual trading costs will vary depending on the number of shares traded and the value of client assets held at the particular custodian. When recommending mutual funds, Lynx recommends institutional class shares when available, in order to provide the lowest expense ratios available to the client for a specific fund. Regardless of the share class designation, funds are always no-load.

Fees are generally paid quarterly, in advance, based on the value of the client's accounts as of the close of the previous business quarter, unless otherwise negotiated with the client and provided for in their contract. For new client accounts, the fee will begin on the first day of the month following the month in which Lynx accepts the account. Any contributions made during a calendar quarter will cause an adjustment to the advisory fee. No adjustment or refund will be made with respect to partial withdrawals during any calendar quarter. Lynx's service may be terminated by either party upon written notification in accordance with the applicable contractual notice of termination. Upon termination, the fees charged for advisory services will be pro-rated and a refund for any unearned fees will be issued.

In some cases fees may be paid quarterly in arrears. In the event of such a fee schedule, Lynx is entitled to the portion of the advisory fee earned during the quarter until the termination of the advisory agreement. From time to time, Lynx may offer clients who request it a fixed fee for its services.

Clients may choose to be billed directly or have their fees directly deducted from a custodial account. In both cases, the client will receive a separate copy of each invoice, describing in detail the basis for their fee calculation.

Partnership Fees

Lynx provides investment advice to the Lynx Real Asset and Water Fund LLC, an unregistered pooled investment vehicle that is normally referred to as a "funds of funds". Investors in these funds are charged asset-based management fees of .50% and performance-based incentive fees of 10% by Lynx (in addition to any fees charged by the managers of the underlying holdings). Lynx also charges the Partnership an annual Administration fee of 0.15%. The fees and expenses charged to the Lynx Real Asset and Water Fund are discussed further in the fund offering documents. Lynx's fees can be waived or changed at our discretion.

Partnership Expenses

The Lynx Real Asset and Water Fund LLC will pay certain expenses, such as the expenses in connection with making, monitoring, and disposing of portfolio investments, transaction fees such as brokerage commissions and custody expenses, administrative, legal (including blue sky compliance), and tax preparation, accounting and audit expenses, all costs incurred with litigation or extraordinary events, and other insurance and indemnity expenses, fund liquidation expenses, and any expenses for the services that the investors require Lynx to obtain.

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

As described in Item 5 above, Lynx charges performance-based incentive fees to the Lynx Real Asset and Water Fund LLC. Performance-based fee arrangements may create an incentive for Lynx employees to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment recommendations. However, Lynx takes care to avoid conflicts of interest related to its clients, and this conflict is mitigated by Lynx's allocation policy, pursuant to which Lynx considers each participating client's size, diversification, cash availability, investment objectives and any other relevant factors. . Clients who are invested in the Lynx advised fund are only charged the fund fees; they are not charged an additional consulting fee on the assets allocated to the Lynx fund. If a proprietary fund is recommended, a client is also presented with alternatives within the same asset class space. The fund performance fees are typical of the vehicle and are disclosed. The client makes the final investment decision whether to invest or not.

The Lynx fund has a different mandate than a typical advisory client. Fund accounts are not favored over other client accounts.

Item 7. Types of Clients

Lynx's consulting clients generally fall into three categories: individuals, institutional, and fund of funds. Individual clients include high-net worth individuals, families and/or trust accounts. Our institutional clients include endowments, foundations, other non-profits and retirement plans. The investors in the Lynx Real Asset and Water Fund LLC are high-net worth individuals and trusts.

Lynx's minimum account size is \$1 million.

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

Most client portfolios do not follow one investment strategy. Lynx provides customized investment recommendations based on each client's unique circumstances, including but not limited to, the client's investment goals, risk tolerance, liquidity requirements, spending needs and any other client-specific constraints.

Once an allocation is determined, Lynx then recommends third-party managers within each asset class. The vehicles used may be index funds, mutual funds, exchange-traded funds (ETFs), separate account managers, non-publicly traded commingled funds, partnerships and other privately offered funds. These managers have been vetted through Lynx's manager research and approval process. Potential managers are initially screened by our research department for style, performance and risk attributes using holdings-based analysis and performance attribution. We then conduct face to face meetings to gain a better understanding of a manager's philosophy, management, process, performance and costs. The final step for manager approval is a review and vote by Lynx's investment committee.

For client accounts managed under the Lynx Growth and Income model, the objective is to invest in a growth and income allocation that is appropriate for a long-term time horizon of greater than 5 years. The targets and tactical ranges agreed to by the client are reviewed regularly by Lynx's research and consulting staff and may change based on a number of factors, but never outside of the allowable ranges for each asset class. The manager screening, research and approval process is the same as for customized accounts.

The summary provided below is a brief overview of market and investment risks and is not intended to be complete.

- Recommendation of Third-Party Asset Managers – Past performance of third-party managers may not be replicated in the future. Lynx does not control the underlying investments in a third-party manager's portfolio so there is a risk that a manager may deviate from their stated mandate. Additionally, Lynx does not control the manager's daily operations and compliance activities which could be a business or regulatory risk. While Lynx applies a vetting, review and investment committee approval process to the selection of third party asset managers, it may not ultimately mitigate the client from the risk of fraud, willful misconduct or gross negligence on part of the third party asset manager.
- Stock Market Risk – There is a chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- Foreign Securities and Currency Risk – Lynx may recommend some investments in international and emerging market securities which have exposure to currency fluctuations, foreign taxes and regulations and the potential for illiquid markets and political instability
- Interest Rate Risk and Credit Risk – Lynx may recommend investment in fixed income securities (or mutual funds, ETFs or separately managed accounts that hold fixed income instruments). The value of these holdings may be adversely affected by rising interest rates. Credit risk (the risk that an issuer will default on its debt obligations) may also exist.
- Exchange-Traded Funds – ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to liquidity risk and/or the fund's shares trading at either a premium or a discount to its "net asset value."

Private investment opportunities involve a substantial degree of risk as a result of business, financial, market, and/or legal uncertainties. There are restrictions on an investor's right to withdraw all or part of their interests, transfer interests, or pledge or otherwise encumber interests in a private pooled investment vehicle. The risks associated with an investment in the Lynx Real Asset and Water Fund are discussed further in the fund offering documents. Clients should review the risk disclosures in such documents to further understand the risks and potential conflicts of interest.

Clients should remember that past performance is not an accurate indicator of future results. All investing involves a risk of loss that clients should be prepared to bear, and the investment strategy of multi-manager investments offered by Lynx could lose money over short or even long periods.

Item 9. Disciplinary Information

Lynx has not been involved in any legal or disciplinary events.

Item 10. Other Financial Industry Activities and Affiliations

Lynx has no other financial industry activities or affiliations.

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

Lynx has adopted a Code of Ethics (“Code”) in accordance with Rule 204A-1 under the Advisers Act to govern, among other things, personal securities transactions by employees, and to ensure that the interests of employees do not conflict with the interests of clients and investors. Lynx’s Code includes standards of conduct requiring Lynx employees to comply with the spirit and the letter of the federal securities laws and the fiduciary duties an investment adviser owes to its clients.

The Code also addresses outside positions (such as board membership or employment) which are to be reviewed to make sure they do not present a conflict of interest. Rules relating to gifts and insider trading and personal trading are also described. Lynx keeps a list of restricted securities which is updated monthly. These are securities that are traded by Lynx in client accounts and/or the fund accounts. Employees are not prohibited from trading in these securities, but in order to avoid a conflict, they must verify (through the Chief Compliance Officer) that the securities are not being traded at (or near) the same time as Lynx’s clients.

Lynx distributes the Code to each employee upon the commencement of employment, annually, and upon any material change to the Code. Each employee must also acknowledge that they have received, read, understood and agree to comply with Lynx’s policies and procedures described in the Code upon the commencement of employment, annually and when it is materially amended.

Clients and investors may obtain a copy of Lynx’s Code by requesting such information directly from Lynx.

Item 12. Brokerage Practices

Lynx does not have any soft dollar arrangements and does not receive compensation from any of the custodians that we may recommend clients use. Lynx recommends custodians that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. Custodians are evaluated for their trade execution services, capabilities for transfers and payments, breadth of available investment products, trading fees and reputation, financial strength and stability. While Lynx prefers to use Fidelity or Schwab (fees described above) as the custodians of client accounts, the decision is ultimately left up to each client. In addition, when Lynx recommends managers who have their own preferred custodians, we usually recommend that clients use the manager’s preferred custodian, unless the costs are determined to be unreasonable.

In the event that a client chooses their own broker or custodian, the client should consider the following:

- (a) The client may forgo any benefit from savings on execution costs that the money managers may be able to obtain for its clients through negotiating volume discounts on batch transactions (if applicable);
- (b) Though Lynx has generally found that the money managers allocate batched transactions on a random basis, execution of orders that have directed a particular broker may be delayed until execution of non-directed orders have been completed;
- (c) Clients who direct a money manager to use a specific broker may pay higher commissions on transactions that might be obtained by the underlying money managers, or may receive less favorable executions of transactions, or both; and
- (d) Clients who direct Lynx to use a specific broker for an account holding mutual funds and ETFs may pay higher commissions on transactions that might be obtained by opening the account at one of our preferred custodians (Schwab or Fidelity).

For customized portfolios, Lynx does not aggregate the purchase or sale of securities. The timing of trades will depend on when a recommendation is approved by each individual client. For Lynx Growth and Income accounts, trades are aggregated when placed.

Item 13. Review of Accounts

At a minimum, client portfolios are evaluated on a quarterly basis, at which time a comprehensive performance report is provided to clients. However, client portfolios are continually monitored, reviewed and analyzed by each client's advisor. Investment manager analysis, performance review, rebalancing, and investment policy changes are all items that are constantly under watch by Lynx.

Client quarterly reports are customizable, but generally include the following: market update and commentary, current and historical performance for the portfolio as a whole and each underlying manager/investment, current and historical benchmark returns, asset allocation, manager allocation and performance attribution. These reports can be provided electronically or in hard copy. On a quarterly basis, the client may choose to have an in-person meeting with their advisor to review the portfolio or receive the report with a written analysis of their accounts.

Item 14. Client Referrals and Other Compensation

Lynx currently does not pay any referral fees. Any future referral arrangements will be developed in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940. Among other things, the Rule requires that each prospective client referred by a "solicitor" is furnished with a written statement that includes pertinent information about the referral arrangement.

Item 15. Custody

Per Rule 206(4)-2 under the Advisers Act (the "Custody Rule") Lynx is deemed to have custody of client assets if, for example, a client authorizes us to instruct Schwab or Fidelity to deduct our advisory fees directly from their account (or if a client grants us authority to move their money to another person's account). The custodian maintains actual custody of the client assets. Clients will receive monthly statements directly from Schwab and Fidelity at the email or postal mailing address provided to the custodian on the account opening documents. Clients should carefully review the statements promptly when received. We also encourage clients to compare their custodial account statements with the quarterly reports that Lynx provides.

Lynx is deemed to have custody of the Lynx Real Asset and Water Fund LLC funds and securities because Lynx serves as both adviser and general partner and may access such fund's capital accounts. In all cases, Lynx will comply with the requirements of the Custody Rule. Fidelity is the custodian and NAV Consulting Inc. ("NAV") is the administrator of the fund. NAV prepares monthly statements and sends them directly to each investor. In addition, on an annual basis, an independent audit is performed for the fund and audited financial statements are prepared in accordance with U.S. GAAP. The financials for this fund of funds are provided to each investor within 180 days of fiscal year end.

Item 16. Investment Discretion

As mentioned above (Item 4. Advisory Business), Lynx does accept discretion of client accounts when cash needs to be raised for checks that clients have written on an account or to pay our advisor fees. In these cases, Lynx will not seek permission from the client before we trade a security. This trading authority may be granted to us by clients in their Schwab or Fidelity account opening documents.

Lynx has discretion to manage the assets in the Lynx Real Asset and Water Fund LLC.

In addition, in early 2011, certain clients gave Lynx written authorization to accept discretion on separately managed accounts that were opened with proceeds from the Lynx Global Real Asset Fund Offshore Ltd., with the stipulation that the account is managed with a similar strategy as the prior fund.

Finally, certain Lynx clients have chosen to have their investments managed on a discretionary basis, some of which have agreed to be managed within the Lynx Growth and Income model portfolio. Advisory agreements describe the discretion parameters and custodial paperwork signed by the clients gives Lynx limited power of attorney in this capacity.

Item 17. Voting Client Securities

Generally, Lynx does not have authority to vote client securities. Proxy voting is performed by the separate account managers. In the case that a proxy vote is required for a mutual fund or ETF that Lynx has recommended, the research department will conduct appropriate analysis, determine what vote is in the best interest of the client, and vote any proxies on behalf of the client.

Clients and investors may obtain a copy of Lynx's written proxy voting policies and procedures as well as information on how Lynx voted specific proxies by requesting such information directly from Lynx.

Item 18. Financial Information

Registered investment advisers are required in this Item to provide investors with certain financial information or disclosures about the adviser's financial condition. Lynx has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to meet contractual and fiduciary commitments to its clients.