

**Form ADV Part 2A: Firm Brochure
Item 1: Cover Page
March 2019**

LINDBROOK CAPITAL

Lindbrook Capital, LLC

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This brochure provides information about the qualifications and business practices of Lindbrook Capital, LLC. If you have any questions about the contents of this brochure, please contact our firm by telephone at (424) 208-8000 or by email at tyler@lindbrookcapital.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.

Additional information about Lindbrook Capital, LLC also is available on the SEC's website at www.adviserinfo.sec.gov by searching CRD# 155812.

Please note that the use of the term "registered investment adviser" and description of Lindbrook Capital, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

Item 2: Material Changes

Lindbrook Capital, LLC is required to advise you of any material changes to the Firm Brochure ("Brochure") from its last annual update.

Lindbrook Capital, LLC's principal office has moved to 23975 Park Sorrento, Calabasas, California 91302. There have been no other material changes made to our Brochure since our last annual amendment filing made on March 30, 2018.

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Item 4: Advisory Business

Lindbrook Capital, LLC is a limited liability company formed in the state of Delaware and has been in business as a registered investment adviser since 2011. Majority ownership of the firm is equally split between the Tyler and Taryn Dritz Revocable Trust and the Posen/Degal Living Trust.

Description of the Types of Advisory Services We Offer

Comprehensive Portfolio Management:

Our comprehensive portfolio management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

We may utilize Independent Money Managers, where we may design an investment portfolio and provide ongoing corresponding comprehensive portfolio management services on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

Portfolio Monitoring:

Our Portfolio Monitoring Service provides for safekeeping/housekeeping of assets on behalf of clients with no on-going supervision, trading, nor discretion with respect to securities transactions. Clients are responsible for placing and executing their own trades, either on their own or with another investment adviser. We provide non-continuous and periodic outside account monitoring.

Important Disclosures:

As indicated above, to the extent requested by a client, we may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. We do not serve as an attorney or accountant, and no portion of our services should be construed as legal or accounting services. Accordingly, we do not prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation we make. If you engage any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

We, in conjunction with the services provided by other professionals and/or services, may also provide periodic comprehensive reporting services which can incorporate your investment assets, including those investment assets that are not part of the assets we manage (the “Excluded Assets”). You and/or your other advisors that maintain trading authority, shall be exclusively responsible for the investment performance of the Excluded Assets. Our service relative to the Excluded Assets is limited to reporting and non-discretionary consulting services only, which does not include investment implementation. We do not have trading authority for the Excluded Assets. As such, you (and/or your other investment professional), and not our firm, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. We shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets.

Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that we may utilize for portfolio construction, independent of engaging us as an investment advisor.

We have a fiduciary duty to provide services consistent with your best interest. As part of our investment advisory services, we will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when we determine that changes to a client’s portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions we make will be profitable or equal any specific performance level(s).

In performing our services, we shall not be required to verify any information received from you or your other professionals, and we are expressly authorized to rely thereon. Moreover, you are advised that it remains your responsibility to promptly notify us if there is ever any change in your financial situation or investment objectives for the purpose of reviewing, evaluating or revising our previous recommendations and/or services.

A copy of this written Brochure shall be provided to you prior to, or contemporaneously with, the execution of our service agreement.

Tailoring of Advisory Services

We offer individualized investment advice to all of our clients. We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our Comprehensive Portfolio Management.

Participation in Wrap Fee Programs

We offer wrap fee programs as further described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”) of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

Regulatory Assets under Management

We manage \$1,036,763,959 on a discretionary basis and \$178,191,401 on a non-discretionary basis as of December 31, 2018. The total amount of assets under our management is \$1,214,955,360.

Item 5: Fees & Compensation

How We Are Compensated for Our Advisory Services

Comprehensive Portfolio Management:

Our firm's annual fees for investment management services provided under the Comprehensive Portfolio Management Agreement shall be based on the market value of assets under management and shall be calculated at up to one and a half percent (1.50%) of all assets under management. These fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

We price our services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the services rendered. The services provided by our firm to any particular client could be available from other advisers at lower fees.

In some cases, we offer direct billing as an option to our clients. However, fees will generally be automatically deducted from your managed account. As part of the automatic fee deduction process, you understand and acknowledge the following:

- a) The qualified custodian sends statements at least quarterly to you showing the market values for each security included in the account and all disbursements from your account including the amount of the advisory and custodial fees paid;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) As required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940, if we send our own statement to our clients, we urge them to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements.

You pay compensation to Independent Managers for services rendered by these firms. This compensation is typically equal to a percentage of the overall investment advisory fee charged by our firm or an agreed upon fixed fee. The advisory fee paid to Independent Managers shall be negotiable in certain circumstances, but shall never exceed the overall amount in their published fee statement.

Portfolio Monitoring:

Our firm's annual fees for investment management services provided under the Portfolio Monitoring Agreement shall be based on the market value of assets under management and shall be calculated at up to one and a half percent (1.50%) of all assets. We will directly bill you for our portfolio monitoring service. Our bill is due and payable within thirty (30) days. These fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

Other Types of Fees & Expenses

Non-Wrap fee clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

If our client chooses to have a mutual fund position, we will manage those securities under our Wrap Fee Program. Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Our wrap fee clients will not incur transaction costs for trades. More information about our "Mutual Fund Wrap Fee Program" is disclosed in our separate Wrap Fee Program Brochure.

We may recommend that clients enter into an "Asset-Based" pricing agreement with the account broker-dealer/custodian. Under an "Asset-Based" pricing arrangement, the broker-dealer/custodian charges the client a fixed percentage fee for all account commissions/transactions based on the amount of assets placed in custody and/or on the broker-dealer/custodian's platform, and not based upon the number of transactions executed. Generally in an Asset-Based pricing arrangement, the applicable fixed percentage fee decreases as the account value increases. In the alternative, the broker-dealer/custodian could charge a separate commission/transaction fee upon the execution of an account transaction. This is referred to as a "Transaction-Based" pricing arrangement. Under a Transaction-Based pricing arrangement, the amount of fees charged by the broker-dealer/custodian to the client will vary depending upon the number of and type of transactions placed for the account. Under either scenario, the fees charged by the respective broker-dealer/custodian are separate from, and in addition to the advisory fee payable by you to our firm.

Our recommendation that you enter into an Asset-Based pricing agreement with the account broker-dealer/custodian would depend upon whether, based upon anticipated account size and activity, we reasonably believe that you would benefit from the available pricing arrangement. However, account investment decisions are often more heavily driven by security selection and anticipated market conditions, as opposed to the amount of commission/transaction fees payable by clients to the account broker-dealer/custodian.

You may request at any time to switch between Asset-Based pricing and Transaction-Based pricing arrangements, however, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Therefore, given the variances in trading volume and pricing arrangements, any decision by you to switch between Asset-Based or Transaction-Based pricing could prove to be economically disadvantageous.

Termination & Refunds

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Commissionable Securities Sales

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

Item 6: Performance-Based Fees & Side-By-Side Management

We do not charge performance fees to our clients.

Item 7: Types of Clients & Account Requirements

We have the following types of clients:

- Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We do not require a minimum account balance for our Comprehensive Portfolio Management service.

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

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements.
- **Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or market.
- **Charting Analysis:** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market or security is moving up or down and to predict when that trend might reverse.
- **Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular market or security against other markets or securities in an attempt to predict the price movement of the security.

Investment Strategies We Use

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- **Long-Term Purchases:** (Securities Held At Least a Year): When utilizing this strategy, we may purchase securities with the expectation of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.
- **Short-Term Purchases:** When utilizing this strategy, we may purchase securities with the expectation of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The risk in this strategy is that the funds invested may decline sharply in value before we make a decision to sell.
- **Trading:** While not our standard practice, we may purchase securities with the expectation of selling them very quickly (within 30 days or less). We would do this in an attempt to take advantage of our predictions of brief price swings. The risk associated with this strategy is that a high volume of trading activity may lead to increased transaction fees, returns are not guaranteed on any transaction and that the market can be volatile.

Additional strategies we utilize include:

- Underlying Fund Investments;
- Co-Investments;
- Direct Investments;
- Purchases of Secondary Partnership Interests.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the financial markets and value of the securities your portfolio is invested in may increase and your account(s) could enjoy a gain, it is also possible that the financial markets and the value of the securities your portfolio is invested in may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the financial markets, that the risks are appropriately diversified in your investments, and that you ask us any questions you may have.

Description of Material, Significant or Unusual Risks

We generally invest clients' cash balances in FDIC insured bank deposit programs or money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Some cash will be maintained so that our firm may debit advisory fees for

our services related to Comprehensive Portfolio Management as applicable. Ultimately, we try to achieve the highest return on our clients' cash balances through relatively low-risk conservative investments.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to our client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

Lindbrook Capital is an owner of Felicitas Global Partners, LLC, which manages the Felicitas Opportunities Fund, L.P., Felicitas Secondary Fund, L.P., Felicitas Equity Fund, L.P., Felicitas MBCP I, L.P., FI TerraCotta Realty Fund, L.P. and Felicitas SA1, L.P. ("Funds"). Lindbrook Capital's accredited clients may be solicited to invest in these Funds. An investment in the private placement involves a high degree of risk and should be considered only by sophisticated investors able to assume the risks of loss (including the risk of loss of such investor's entire investment) and illiquidity inherent with these types of investments. These offerings do not waive Lindbrook Capital's fiduciary duty to its clients or infringe upon any clients right to remedy under state or federal laws.

Lindbrook Capital is a partner of LK Opportunities Fund, L.P. While LK Opportunities Fund, L.P. is still active, it is not open to new investors. LK Opportunities Fund, L.P. invests in a highly diversified portfolio of private debt-oriented investments, specialty finance opportunities and undervalued assets. Lindbrook Capital along with co-partner Keystone National Group, LLC shall make up the LK Opportunities Fund, L.P.'s investment committee, which requires unanimous consent on all investments. Additionally, Lindbrook Capital is part of the investment committee for LK Opportunities Fund II, L.P., which is an extension of the strategy, structure and terms of LK Opportunities Fund, L.P.

Partners of the LK Opportunities Fund, L.P. and LK Opportunities Fund II, L.P. ("Funds") affiliated with Lindbrook Capital will not accept their fund management fee for clients of Lindbrook Capital who become partners in these Funds. Management fees earned by non-affiliated partners of the Funds will be collected. It should still be noted that clients' interests will be placed above those of our firm and its related persons as well as the Funds, particularly when our clients are recommended to invest in the Funds. Clients are never under any obligation to invest in the Funds.

Alternatively, our firm will be paid a referral fee for non-Lindbrook clients that we refer to invest in the LK Opportunities Fund II.

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

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to prevent conflicts of

interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts.

In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates. Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures.

We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Item 12: Brokerage Practices

Selecting a Brokerage Firm

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has arrangements with Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") and Charles Schwab & Co., Inc. ("Schwab") (collectively "Our Custodians"), qualified custodians from whom our firm is independently owned and operated. Our Custodians offer services to independent investment advisers which includes custody of securities, trade execution, clearance and settlement of transactions. Our Custodians enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Our

Custodians do not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client's custodial account. Transaction fees are negotiated with our Custodians and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

Our Custodians may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by our Custodians may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by our Custodians to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934.

The aforementioned research and brokerage services are used by our firm to manage accounts. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of our Custodians as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend our Custodians and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our non-wrap fee clients may pay a transaction fee or commission to our Custodians that is higher than another qualified broker dealer might charge to effect the same transaction where our firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Soft Dollars

Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

Client Brokerage Commissions

We do not acquire client brokerage commissions (or markups or markdowns).

Procedures to Direct Client Transactions in Return for Soft Dollars

We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

Brokerage for Client Referrals

Our firm does not receive brokerage for client referrals.

Directed Brokerage

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") and Charles Schwab & Co., Inc. ("Schwab") through which Fidelity and Schwab provide our firm with their platform services.

Permissibility of Client-Directed Brokerage

We allow clients when possible to direct brokerage outside our recommendation. We may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Aggregation of Purchase or Sale

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and

availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13: Review of Accounts or Financial Plans

We review accounts on at least a quarterly basis for our clients subscribing to our Comprehensive Portfolio Management and Portfolio Monitoring services. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients or when we contact them.

Item 14: Client Referrals & Other Compensation

Referral Fees

Our firm may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Other Compensation

We receive an economic benefit from Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") and Charles Schwab & Co., Inc. ("Schwab") in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts with them. These products and services include certain research and brokerage services, including research services obtained by the Fidelity and Schwab directly from independent research companies, as selected by our firm (within specific parameters).

Research products and services provided by Fidelity and Schwab to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use

in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by the custodians to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the aforementioned research and brokerage services, we may have an incentive to continue to use or expand the use of Fidelity and Schwab's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Schwab and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Item 15: Custody

Trustee for Advisor Clients

A representative of our firm acts as a trustee to client accounts. As such, our firm is deemed to have custody. The client funds and securities of which our firm has custody are verified by actual examination at least once during each calendar year by an independent public accountant ("IPA") registered with the Public Company Accounting Oversight Board ("PCAOB"), at a time that is chosen by the accountant without prior notice or announcement to our firm and that is irregular from year to year.

Fund Manager

Representatives of our firm are also managers of Felicitas Global Partners, LLC, which manages the Felicitas Opportunities Fund, L.P., Felicitas Secondary Fund, L.P., Felicitas Equity Fund, L.P., Felicitas MBCP 1, L.P., FI TerraCotta Realty Fund, L.P., and Felicitas SA1, L.P. ("Funds"). As such, our firm is deemed to have custody of the cash and securities held by these Funds. In compliance with SEC Rule 206(4)-2(b)(4)(i), the Funds each send an audited financial statement, audited by a registered Public Company Accounting Oversight Board ("PCAOB") accountant, to each Fund investor within 120 days of each Fund's fiscal year end. By ensuing these steps are followed, our firm's annual surprise examination requirement is satisfied.

Third Party Money Movement

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16: Investment Discretion

We accept discretionary authority to manage client accounts. Our clients need to sign a discretionary investment advisory agreement with our firm for the management such accounts. This type of agreement only applies to our Comprehensive Portfolio Management clients. We do not take or exercise discretion with respect to our other clients.

Item 17: Voting Client Securities

SEC Rule 206(4)-6 requires investment advisers who have voting authority with respect to securities held in their clients' accounts to monitor corporate actions and vote proxies in their clients' interests. In all cases, Lindbrook Capital will abstain or vote in accordance with the board's recommendation.

We will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for the client. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from the client, we will not base votes on social considerations. Conflicts of interest between the client and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For

example, we may disclose the existence and nature of the conflict to the client, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We will maintain files relating to our proxy voting procedures. Records will be maintained and preserved for five years from the end of the fiscal year during which the last entry was made on a record, with records for the last two years kept on our premises. The aforementioned shall also include a copy of each written client request for information on how we voted such client's proxies, and a copy of any written response to any client request for information on how we voted their proxies.

Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our Chief Compliance Officer, Tyler Dritz by phone at (424) 208-8000 or email at tyler@lindbrookcapital.com.

Item 18: Financial Information

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year. Furthermore, Lindbrook Capital LLC has never been the subject of any bankruptcy petition.