



IDB Lido Wealth, LLC

FIRM BROCHURE

(Part 2A of Form ADV)

March 28, 2024

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IDB Lido Wealth, LLC
1114 6th Avenue, 9th Floor
New York, NY 10036
Phone: (646) 631-1130

This brochure provides information about the qualifications and business practices of IDB Lido Wealth, LLC ("IDB Lido"). If you have any questions about the contents of this brochure, please contact us at (646) 631-1130. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about IDB Lido and its investment adviser representatives are also available on the SEC's website at www.adviserinfo.sec.gov.

IDB Lido is a federally registered investment adviser with the SEC. Registration does not imply a certain level of skill or training and no inference to the contrary should be made.

ITEM 2: MATERIAL CHANGES

IDB Lido has made the following material updates to the Form ADV Part 2A (the “Brochure”) since last annual update on March 31, 2023:

- Updated Item 4 (Advisory Business) to include Lido Administrative Services, LLC and Lido Pay, LLC.
- Updated Item 6 (Performance-Based Fees and Side-By-Side Management) to clarify performance-based fee practices related to private funds managed by IDB Lido’s affiliate Lido.
- Updated Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) to expand risk information around options and fund-of-funds type investments.
- Updated Item 10 (Other Financial Industry Activities and Affiliations) to include Lido Administrative Services, LLC and Lido Pay, LLC.

In addition to these material updates, IDB Lido routinely makes updates throughout the Brochure to clarify the description of its business practices and conflicts of interest, as well as to respond to evolving industry best practices.

Our prospective clients are strongly encouraged to read this Brochure in its entirety prior to engaging IDB Lido for any advisory services.

Pursuant to SEC Rules, IDB Lido will send clients a summary of any materials changes to this Brochure, along with an offer to provide the full Brochure within 120 days of the close of IDB Lido's fiscal year. Additional information about IDB Lido and its Investment Adviser Representatives (“IARs”) is available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

A. Description of Firm

IDB Lido Wealth, LLC ("IDB Lido") is an SEC-registered, New York-based investment adviser founded in 2021. IDB Lido offers a variety of services, including, but not limited to, investment management and asset allocation, financial planning, family office services, and retirement and estate planning services. IDB Lido offers these services to high-net-worth individuals, family offices, pension, defined contribution plans, profit-sharing plans, trusts, estates, charitable organizations, corporations, and other types of business entities. IDB Lido conducts business in states reflected in its Form ADV Part 1 (copy available upon request or at <https://adviserinfo.sec.gov>).

IDB Lido is owned 50% by Lido Advisors, LLC ("Lido") and 50% by Israel Discount Bank of New York ("IDBNY"). Lido performs substantive and material services for IDB Lido, including, but not limited to, key operational, investment, finance, compliance, and legal services. Many of IDB Lido IARs are also Lido IARs.

B. Advisory Services

1. Investment Management

IDB Lido utilizes specific investment strategies to seek to help our clients achieve their investment goals while aiming to reduce market risks and manage volatility. We offer an integrated wealth strategy that involves tailored investment services that, among other things, select assets for our clients that are less correlated to one another. These assets include not only traditional asset classes such as fixed income¹, equities², and cash³, but also real estate debt, foreign securities, American Depositary Receipts, hybrid offerings⁴, and Alternative Investments, such as Liquid⁵ and Non-Liquid Alternative Investments⁶ and Non-Liquid Fixed Income investments⁷.

IDB Lido believes it has the discipline to implement a strategy while remaining nimble to take advantage of potential opportunities. IDB Lido's main strategies offered include:

- Core Equity Strategy is comprised of equity securities, including, but not limited to, single company stocks, mutual funds and ETFs, that account for certain geographies, market capitalization, economic cycles, and momentum and fundamental drivers, among other factors, to identify tactical opportunities.
- "Cap and Cushion" is an options-based equity strategy that seeks to limit potential losses by employing

¹ Fixed income includes government bonds, municipal bonds, corporate bonds, high-yield bonds, foreign bonds, preferred stocks, certificates of deposit ("CDs"), loans, Exchange-Traded Funds ("ETFs") based on bond indices, fixed-income mutual funds, short-term fixed-income instruments, structured notes, and certain preferred stocks.

² Equities include common stocks, ETFs based on stock indices, equity mutual funds, publicly traded master limited partnerships, publicly traded royalty trusts, and publicly traded real estate investment trusts ("REITs").

³ Cash includes, but is not limited to, money market funds, certain mutual funds or ETFs, or other cash equivalents.

⁴ Hybrid offerings generally includes merger funds, long-short commodity funds, structured notes, covered options, and other hybrid mutual funds (based on equity volatility).

⁵ Liquid Alternative Investments are investments in exclusively single-sector or commodities ETFs or alternative mutual funds.

⁶ Non-Liquid Alternative Investments include private funds issued by affiliates and non-affiliated third-parties, which include, but are not limited to, hedge funds, fund of funds, real estate funds, managed futures funds, mezzanine funds, private equity funds, venture capital funds ("Private Funds"), and other types of private pooled investment vehicles, private REITs, private real estate holdings, and oil and gas limited partnerships.

⁷ Non-liquid fixed-income investments are defined as longer-term investments in loans secured by first trust deed mortgages, including first trust deed loans, bridge loans, and client-directed family mortgages.

downside protection and upside participation through options. IDB Lido's affiliate, Lido, deploys this strategy and variations of this strategy (which strategy variations, although thematically similar, are materially distinguishable from Cap and Cushion) directly in client accounts and through affiliated private funds ("Lido Private Funds").

- Fixed Income is a strategy that seeks the potential for current income and reduction in risk, such as duration and credit risk, by using various fixed-income securities, including, but not limited to, bonds, mutual funds, and ETFs.
- Alternative Investments is a strategy that seeks to provide diversification and can, under the right circumstances, achieve results uncorrelated to equity and fixed-income strategies.

IDB Lido also offers additional equity- and fixed-income-based strategies that supplement the above-described strategies. IDB Lido has entered into a sub-advisory agreement with its affiliate, Lido, to provide discretionary investment advisory services to IDB Lido clients. Lido manages each IDB Lido client's managed assets based on the investment strategy deemed suitable and in line with the client's goals and objectives. Notably, the strategies listed above are also utilized with clients of Lido and its advisory affiliates. IDB Lido may utilize other independent asset managers ("TPAMs") and sub-advisors to affect other strategies on behalf of a client. IDB Lido generally manages all client assets on a fully discretionary basis. In exercising full discretionary authority, IDB Lido has decision-making authority to select, without first obtaining client's authorization:

- the securities to be bought and sold;
- the amounts of securities to be transacted and whether it will be individually or block traded;
- the broker dealer through which transactions will be executed; and/or
- the TPAM and/or sub-advisor used to manage the client assets.

Clients can impose reasonable parameters to IDB Lido's discretionary authority, including, but not limited to, restrictions in certain companies or industry sectors or directed brokerage. In these instances, clients are solely responsible for informing IDB Lido in writing of these parameters, changes to these parameters, or their overall investment goals and objectives. Finally, clients may also direct IDB Lido to execute certain trades or purchase certain investments. In these instances, clients assume full responsibility for these directed trades or investments, including any negative impact these may have on IDB Lido's strategies employed on their other assets. IDB Lido cannot and does not make any assurance that client-directed trades will be timely executed or executed at all. IDB Lido is not responsible for any initial or ongoing due diligence on any directed investment that is not recommended by IDB Lido.

In limited circumstances and upon client request, IDB Lido will consider non-discretionary advisory services such as financial consulting and estate planning services. In such cases, IDB Lido will not exercise discretion as described above, but will instead make recommendations and proposals and act upon client instructions. *See also Items 8* (Methods of Analysis, Investment Strategies and Risk of Loss) and *11* (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

2. Asset Allocation Services

At the onset of a client relationship, IDB Lido develops an asset allocation plan that aims to balance a client's overall financial objectives with individual attributes including risk tolerance, income requirements, liquidity requirements, income taxes, and investment time horizon. IDB Lido accomplishes this by gathering pertinent information from a client during the account opening process through a Client Risk Profile, Investment Policy Statement ("IPS"), or other similar documentation.

IDB Lido performs the following services in determining and maintaining the appropriate allocation plan for clients:

- Analysis of the client's current financial situation and prior investment experience;
- Assistance in setting goals to determine appropriate time horizons, investment objectives, income taxes, family structure, and amounts needed to accomplish investment goals;
- Analysis of the client's risk tolerance;
- Selection of appropriate asset classes;
- Investment selection utilizing, as appropriate, mutual funds, equity and fixed-income securities, hedged equity and options, Private Funds, sub-advisors, and/or TPAMs;
- Ongoing monitoring of fund, securities, and third-party investment manager performance;
- Ongoing portfolio performance analysis; and
- Portfolio modifications and reallocation as appropriate.

3. TPAM Selection

As referenced in Item 1.B.1 above, IDB Lido has the discretion to delegate management of all or part of a client's assets to both TPAMs. IDB Lido will provide access to TPAMs through a third-party platform of approved investment managers made available by agreement between IDB Lido and the platform provider, or through an arrangement between IDB Lido and TPAMs.

TPAMs will have discretionary authority over those assets allocated to them and they are authorized to buy, sell, and trade in securities in accordance with the client's investment objectives, risk tolerance, and time horizon, among other factors. If and when IDB Lido determines that a TPAM is in the client's best interest, IDB Lido, on the client's behalf, or the client will enter into a separate and independent advisory relationship with that TPAM. As such, the client will incur fees separate from and in addition to any fees charged by IDB Lido. The TPAM may invoice its fee to the client through IDB Lido or debit the client's custodial account directly.

IDB Lido will continue to monitor the TPAMs to ensure the TPAMs adhere to the philosophy and investment style for which they were selected and will provide recommendations to the client accordingly. IDB Lido will monitor investments in the TPMA accounts, but not to the degree that it does in the accounts that it directly manages. If the client has entered into a direct relationship with the TPAM, only the client can terminate that relationship.

4. Sub-Advisory Arrangements

As referenced above, IDB Lido has entered into a sub-advisory agreement with its affiliate, Lido. IDB Lido has the discretion to enter into other sub-advisory arrangements for management of a particular style or strategy desired by and deemed suitable for clients. These sub-advisors can be non-affiliated third-parties or affiliates of IDB Lido. When engaging an affiliated sub-advisor, IDB Lido will provide further information concerning these sub-advisors as well as the nature and scope, among other information, of its affiliation. In addition, there are conflicts of interest when IDB Lido engages an affiliated sub-advisor, including that the sub-advisor receives compensation from the Advisor in exchange for the management services, and the provision of certain investment personnel and other resources. To address the conflicts, IDB Lido will provide each client with a copy of Lido's Form ADV Part 2A, Part 2Bs, Form CRS, Privacy Notice, and a Conflicts Disclosure form at the beginning of the engagement and on at least an annual basis thereafter. In the event Lido materially amends its Form ADV Part 2A, Part 2B, Form CRS, or Privacy Notice, IDB Lido will deliver notice of such changes as required by law to its clients.

IDB Lido will conduct due diligence on each sub-advisor, including Lido, which will encompass, among other things, review of its quarterly performance returns, management team, and adherence to the guidelines and restrictions of the strategy. In its sole discretion, IDB Lido has the authority to add, replace, or remove any sub-advisor on behalf of a client without the client's prior consent.

IDB Lido's affiliate, Lido, has entered into an agreement with Spearhead Administrative Services, LLC, a registered investment adviser that acts as investment manager for an insurance company, solely in respect of one or more separate investment accounts or sub-accounts, each of which is established by the insurance company for the purpose of supporting certain benefits payable under one or more variable life insurance policy, variable annuity policy or other variable insurance policy that is characterized under Section 817(d) of the U.S. Internal Revenue Code of 1986, as amended, as a "variable contract" issued by the carrier to the contract owners. Lido acts as sub-advisor to Spearhead, solely in respect of the specified accounts or subaccounts, to provide research, due diligence, investment recommendations and asset allocation recommendations in accordance with the account or sub-account's stated investment objectives and strategies. *See also Item 11* (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) and *Item 12* (Brokerage Practices).

5. Financial Planning

IDB Lido also offers financial planning services. These services include, but are not limited to, providing advice on the following:

- Investment portfolio analysis and asset allocation;
- Evaluation of outside investment accounts and assessment of overall financial position;
- Insurance and risk management evaluation;
- Estate and retirement planning;

- Tax awareness;
- Wealth transfer and charitable giving;
- College savings; and
- Family governance and living expense considerations.

To begin the process, IDB Lido will generally collect, organize, and assess client data including information concerning the client's lifestyle, risk tolerance, and cash flow, as well as identification of the client's financial concerns, goals, and objectives. IDB Lido's primary objective is to assist clients in developing a strategy for the successful management of income, assets, and liabilities to meet their financial goals and objectives.

IDB Lido will provide clients with a comprehensive plan and options of utilizing IDB Lido to implement this plan. Should a client adopt IDB Lido's plan, IDB Lido will advise on potential conflicts of interest arising from IDB Lido's use of its own advisory services or products including those offered in connection with pre-existing broker dealer or insurance agency relationships. Finally, IDB Lido makes no assurances that its plan will be successful in meeting a client's financial goals and objectives.

In some circumstances, IDB Lido will charge an additional fee for advanced financial planning. Such arrangements will be negotiated with the client in terms of services needed and fees charged and will be memorialized under separate agreement. The fees for these advanced planning services will vary based on the service required and are negotiable.

Clients can accept or reject IDB Lido's financial plan and retains the authority and discretion over all implementation decisions. Should the client proceed with IDB Lido's financial plan, potential conflicts of interest will arise as IDB Lido will likely utilize its own allocations, strategies, products or services and will receive fees or other monetary benefits as a result. A client is under no obligation to utilize IDB Lido's plan or its services to implement the plan. *See also Item 11* (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

6. Family Office Services

IDB Lido also offers a broad range of family office services, which include non-investment related matters, such as a review of estate and tax planning issues. IDB Lido and its investment adviser representatives ("IARs") do not provide specific estate or income tax advice but will introduce the client to affiliated or unaffiliated accountants or attorneys. IDB Lido will also work directly with a client's independent outside advisor as needed. A client who initially engages IDB Lido for consultation services only and later wishes to engage IDB Lido for discretionary investment management services is required to enter into a separate written agreement with IDB Lido for those services, for which IDB Lido will be paid a separate and additional fee based on the client's assets under management.

7. Financial-Related Services through Affiliates and Third Parties

IDB Lido does not provide legal, tax, or accounting advice. IDB Lido, however, has arranged for affiliates, including Lido, Lido Tax, LLC ("L-TAX"), Lido Pay, LLC ("L-Pay"), Lido Administrative Services, LLC ("Lido Admin"),

Enterprise Trust and Investment Company, LLC (“Enterprise”), and other third parties, such as independent contractors and other licensed professionals, to provide clients with certain financial-related services that supplement or are complementary to the aforementioned advisory services. These services include, but are not limited to:

- Bill payment;
- Estate planning;
- Fiduciary and trust services;
- Tax consulting and preparation; and
- Legal advice relating to tax, estate planning, among other financial-related areas.

These financial-related services will incur additional fees that IDB Lido will consider, at its discretion, to be offset by a corresponding credit, in full or in part, against other IDB Lido fees, including, but not limited to, IDB Lido’s Asset Management fee or a direct payment, in full or in part, by IDB Lido to these affiliates or certain third parties. Clients will, in some cases, engage directly with IDB Lido affiliates or third parties for these financial-related services. During this process, IDB Lido, its affiliates, or the third-parties will provide additional information concerning the nature and scope of the financial-related services, the relevant agreements concerning the provision of such services, and disclosures concerning any actual or potential conflicts. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading). *See also* Item 5 (Fees and Compensation).

8. Retirement Plan Rollovers

A client or prospective client leaving an employer-sponsored savings plan such as a 401(k) typically has the following options (and can engage in a combination of these options):

- Leave the money in the former employer’s plan, if permitted;
- Roll over the assets to the new employer’s plan, if one is available and rollovers are permitted;
- Roll over to an IRA; or
- Cash out the account value (which could, depending on the client’s age, have adverse tax consequences).

If IDB Lido recommends a client roll over their retirement plan assets to an IRA for which IDB Lido will provide advisory services, such a recommendation creates a conflict of interest if IDB Lido will earn a new fee for managing the assets as a result of the rollover. No client is required to roll over retirement plan assets to an account managed by IDB Lido. Please refer to Item 7 for information on our fiduciary responsibility.

C. Important Information About All IDB Lido Services

1. Gathering Individual Client Information

IDB Lido’s investment advice is customized to each client’s portfolio based upon the individual needs, objectives, risk tolerance and other financial goals of the client. At the onset, IDB Lido will memorialize a client’s investment

objectives, risk tolerance, income, time horizon, and other relevant information in a client's Risk Profile, IPS, or similar document. The Risk Profile or IPS, together with the information gathered by IDB Lido will be used to determine an investment strategy or financial plan. Notably, Non-Liquid Alternative Investments and Non-Liquid Fixed Income Investments will only be recommended to IDB clients that meet the specific regulatory qualification thresholds, in addition to the risk and suitability requirements.

A client is also responsible for promptly notifying IDB Lido in writing of any material changes in the client's financial situation, investment objectives, risk tolerance, income, time horizon, or any other factor that may impact IDB Lido's recommended investments.

IDB Lido requires a client to execute certain agreements reflecting the terms and conditions of IDB Lido's services (collectively, the "Agreement"). The Agreement sets forth the entirety of IDB Lido's and a client's relationship and can only be amended or modified in writing upon both IDB Lido's and the client's agreement. An IDB Lido IAR will generally meet with all clients no less than annually to review the client's investment goals and current advisory portfolios. IDB Lido IARs are also available during normal business hours to consult with clients.

2. Client Relationship

IDB Lido substantially relies on the information provided by the client and that client's other advisors, such as accountants and lawyers, to provide its services. A client authorizes IDB Lido to rely on this information and IDB Lido will not assume any responsibility for information provided by a client or third parties on behalf of the client. IDB Lido's relationship with a client is further described in this Brochure and certain Brochure Supplements (Form ADV Part 2B), which are provided to the client at the onset of the relationship. IDB Lido's and the client's relationship will remain in effect until the Agreement is terminated by either IDB Lido or the client. IDB Lido does not participate in any wrap fee programs.

D. Assets Under Management

As of December 31, 2023, IDB Lido manages the following regulatory assets under management:

Type of Account	Regulatory Assets Under Management
Discretionary	\$93,573,701
Non-Discretionary	\$0
Total:	\$93,573,701

ITEM 5: FEES AND COMPENSATION

A. Advisory Fees

IDB Lido typically charges a percentage rate fee based on a client's total assets managed by IDB Lido ("Asset Management fee"). IDB Lido has also entered into other fee arrangements including, but not limited to, fixed fees based on client-specific circumstances, or the advisory service being rendered. The Agreement will reflect all

fee arrangements between IDB Lido and the client. Although IDB Lido believes its fees are competitive, the client should be aware that lower fees for comparable services may be available from other sources.

1. Asset Management Fees

IDB Lido's Asset Management fee is calculated based on an annual percentage that is determined by the client's total managed asset value, as described below:

Percentage	Managed Asset Amount
1.25%	on account assets under \$2,000,000
1.00%	over \$2,000,000

The applicable Percentage is determined by a client's total Managed Asset Amount. The Asset Management fee is then calculated using the applicable Percentage multiplied consistently across the Managed Asset Amount. For example, if IDB Lido is managing a client's total assets of \$3 million (Managed Asset Amount), the applicable Percentage would be 1% and that 1% would be applied to \$3 million. This fee schedule applies only to IDB Lido's Asset Management fee. Other fees, such as those levied by custodians, TPAMs, or sub-advisors, will be in addition to IDB Lido's Asset Management fee. Clients are charged a minimum Asset Management fee of \$2,500 per quarter (\$10,000 annually). Please note that when a client's total managed asset amount is less than \$800,000, the minimum fee paid equals more than 1.25% of the managed assets.

Relevant in determining the total Asset Management fee is the market value of the client's managed assets subject to the fee on the last business day of the prior quarter (or, in the absence of a then-current known market value, the last known market value). IDB Lido determines the client's total managed asset value in order to calculate its Asset Management fee. When determining market value of an asset for purposes of calculating the Asset Management Fee, IDB Lido's policy is as follows:

- For all publicly traded, marketable securities held by the client, IDB Lido will receive daily prices electronically from a third-party provider, which are reconciled with daily prices received by the client's custodians. Any noted discrepancies are promptly corrected, and the reconciled prices are used for determining market value. Market value of an account includes securities and cash (and cash equivalents) in the account.
- For privately held, hard to value, or illiquid (where no public market or ready access to buyers or sellers) securities, such as Alternative Investments, IDB Lido uses the most recently reported valuation at the end of the billing quarter. IDB Lido relies on reported valuations by the custodian, or third-party or affiliated asset managers or sub-advisors, as applicable and only has limited ability to verify the accuracy of the reported valuation. In rare instances, primarily when a valuation is not readily discerned by any of the aforementioned sources, an internally derived valuation, consistent with IDB Lido's policies and procedures, will be utilized. Reported valuations for Alternative Investments typically lag other valuations and the last available values will likely differ from the values effective as of the end of the billing quarter.

- Fees are not charged on accrued dividends and interest.

The Asset Management fee will be prorated by quarter and paid per quarter in arrears in four quarter increments. IDB Lido will determine the average daily market value (including cash and cash equivalents) of a client's managed assets on the last day of each quarter and will assess the Asset Management fee based on that average daily balance for each day of that quarter. While IDB Lido does not prorate fees for any addition or withdrawal activity, the fee calculation will include the market value of assets held on margin. Please note, the use of margin in an investment advisory account increases the total market value of the assets, which in turn increases IDB Lido's asset-based investment management fee. This creates a conflict of interest since there is an incentive for IDB Lido to recommend the use of margin to clients. In addition, the use of margin increases leverage in a client's account and therefore increases overall risk. To address the conflict and due to the risks involved, IDB Lido only recommends margin to clients that the firm has deemed suitable, where it is in line with the client's investment strategy, and the client has the investment experience and ability to fully understand and accept the risks. Please refer to Item 8 below for further information on the risks surrounding margin accounts.

As mentioned above, a \$2,500 minimum Asset Management fee per quarter applies, and the minimum fee is not reduced by fees or other amounts paid to IDB Lido. IDB Lido has discretion to waive or adjust this minimum. IDB Lido also has discretion to waive or adjust the Asset Management fee with respect to any client based on a variety of factors, such as account size, the investment strategy, level and frequency of services desired and provided, anticipated future earning potential or additional assets, related accounts (including, at IDB Lido's discretion, "householding" of a client's accounts with a spouse, parents and/or children), a pre-existing client relationship, account retention, or the broader business relationship between the client and IDB Lido and its affiliates. IDB Lido generally waives or reduces Asset Management fees for employees of IDB Lido and its affiliates, and their friends or relatives. IDB Lido, at its discretion, will provide billing credits against Asset Management fees for professional legal and tax services to qualifying clients. Lower fees for comparable services may be available from other sources.

Finally, should a client begin its relationship with IDB Lido in the middle of a quarter, the Asset Management fee will be prorated for assets held for a partial quarter based on the number of days that the account was open during the quarter. If there is a mid-quarter change to an existing Agreement's fee, for example if a client qualifies for a different tier on the fee schedule or negotiates a new fee rate, the new fee rate is applied to the entire quarter. If IDB Lido's services are terminated prior to quarter end, IDB Lido will prorate the Asset Management fee. *See also Item 13 (Review of Accounts).*

2. Promoter Fees

IDB Lido will utilize promoters, including IDB Lido's parent companies and affiliates, that promote IDB Lido and refer clients to the firm and receive compensation from IDB Lido for the referrals. *See also Items 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) and 14 (Client Referrals and Other Compensation).*

3. Asset Reporting Services Fees

IDB Lido can, as an accommodation to a client, provide tracking or monitoring services for client assets for which IDB Lido is not providing investment management services. IDB Lido will incorporate these unmanaged assets into a customized and comprehensive periodic client report. IDB Lido will typically charge a reduced annual fee of 0.25% for the reporting services on these unmanaged assets, which fee will be included on the asset management fee invoice. As with all its fees, IDB Lido retains discretion on its application and amount.

4. Fixed Management Fees

IDB Lido will generally negotiate a fixed-rate management fee with certain ultra-high-net-worth clients. This fixed fee generally includes other services, such as tax and estate planning, in coordination with a client's advisors, such as lawyers and accountants, and concierge services. IDB Lido's billing schedule varies based on individual client negotiations. IDB Lido will refund any prepaid unearned fees should its relationship with the client end. IDB Lido will either debit a client's investment account directly, as authorized by the client, or invoice the client for payment.

5. Client Consultation Fees

IDB Lido offers consultation services at a \$500 hourly or negotiated fixed rate. IDB Lido will maintain sole discretion as to these rates. In some circumstances, IDB Lido will charge an additional fee for advanced financial planning. Such arrangements will be negotiated with the client in terms of services needed and fees charged and be memorialized under a separate agreement. The fees for these advanced planning services will vary based on the service required and are negotiable. IDB Lido will either debit a client's investment account directly, as authorized by the client, or invoice the client for payment.

6. Billing Authorization

Clients authorize their custodian to debit IDB Lido's quarterly Asset Management fees and any Asset Reporting Servicing fees from their managed account(s) as soon as practicable after receipt of an invoice from IDB Lido following the last business day of each calendar quarter. The custodian will issue periodic statements (at least quarterly) to the client that will reflect any fees paid to IDB Lido. IDB Lido will also provide information concerning its fees on a periodic basis. A client will then be able to compare the fees reported on the independent custodian's statements with IDB Lido's reported information to confirm accuracy of fees charged. *See also* Item 13 (Review of Accounts).

Clients may elect to pay IDB Lido's quarterly fees by check. In such cases, IDB Lido will send the invoice directly to the client.

7. IAR Compensation

A portion of a client's Asset Management fee is allocated to the client's assigned IAR(s). An IAR has an

incentive to recommend IDB Lido-affiliated products or services, including those offered by Lido. As a portion of the client's Asset Management fee is used to compensate the IAR, the IAR has a financial incentive not to reduce the client's Asset management fees, which creates a conflict of interest.

IDB Lido reserves the right to change the method by which it compensates its IAR(s) and other employees.

Consistent with industry practice, IDB Lido also recruits IARs and other employees to join IDB Lido, and likely will enter into compensation arrangements with these employees to facilitate their transition to IDB Lido. The amount paid to an IAR is generally based on the client assets assigned to that IAR and the IAR achieving a certain level of these assets and corresponding Asset Management fees derived from these assets after joining IDB Lido. These compensation arrangements create a conflict of interest for the IAR to maximize Asset Management fees from their assigned clients. The fee percentage that a client pays at their prior advisory firm may remain the same as the fees paid to IDB Lido, but the transfer of the account to IDB Lido will likely contribute to the IAR(s)' ability to receive additional compensation. IDB Lido addresses this conflict of interest by disclosure.

B. Other Fees and Expenses

IDB Lido's fees do not include third-party fees, such as brokerage, custodial, mutual funds, ETFs, TPAMs, and Alternative Investment-related fees and expenses. The client is also subject to, as applicable, transaction costs, retirement plan administration fees, deferred sales charges on mutual funds initially deposited in the account, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes.

IDB Lido, in certain circumstances, will absorb third-party fees, including, but not limited to, fees charged by Alternative Investments, TPAMs, and other third parties. In those instances, IDB Lido will inform the client. A client should review all IDB Lido and third-party fees charged, in addition to the IDB Lido fees, to understand the full cost of IDB Lido's investment recommendations. Notably, all fees will have a substantial impact on an investment's overall performance and must be accounted for in a client's investment decisions.

1. General Mutual Fund and ETF Fees

Client assets invested in mutual funds and/or ETFs will be subject to certain fees and expenses imposed directly by mutual funds and ETFs to their shareholders, which are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a distribution fee (e.g., 12b-1 fees). These fees are referred to as a fund's "expense ratio" and are deducted at the mutual-fund level when calculating the fund's net asset value ("NAV"). The deduction of these fees has a direct bearing on the fund's performance. If a mutual fund also imposes sales charges, a client would pay initial or deferred sales or surrender/redemption charges.

In addition, certain open-end mutual funds offer different share classes, with expense ratios and sales/redemption fees that are higher with a typically lower minimum investment (commonly referred to as "Investor Share Class") than other share classes, which can have lower expense ratios and sales/redemption fees but typically require a higher minimum investment (commonly referred to as "Institutional Share Class").

The most beneficial share class – Investor or Institutional – for a client will depend on a number of different factors, including, but not limited to, the duration and amount of client's investment. Mutual fund expense ratios and sales or redemption fees vary by mutual fund and typically a mutual fund's prospectus will disclose all its fees.

Transaction costs also factor into the overall costs when investing in mutual funds. Such costs can be charged by the broker dealer for both purchases and redemptions. Some custodians offer certain mutual fund share classes with no transaction costs while charging transaction costs for other mutual fund share classes.

IDB Lido will account for the availability of different share classes and their respective transactional costs, or lack thereof, among other factors, to ascertain the appropriateness of any mutual fund for its clients at all stages of their relationship with IDB Lido, including, but not limited to:

- IDB Lido's initial allocation involving mutual fund-related assets for a client;
- IDB Lido's changes to any allocation involving mutual fund-related assets for a client; and
- IDB Lido's review, assessment, and, if deemed appropriate, changes to a client's pre-existing mutual fund-related holdings at the onset of the client's relationship with Lido.

Although IDB Lido believes that there will seldom be circumstances when IDB Lido does not have access to certain mutual fund share classes with overall lower costs (i.e., when a custodian does not offer that share class or a minimum investment amount cannot be met), IDB Lido will invest a client in the most economical mutual fund share class that is available at the time of purchase.

2. Lido-Affiliated Mutual Fund Fees

IDB Lido does from time to time, at its discretion, invest certain clients in the Oakhurst Strategic Defined Risk Fund ("OASDX"), which is a mutual fund managed by its affiliate Lido.

Lido earns management fees, among other fees, for advising OASDX. As certain IDB Lido principals have an ownership interest in Lido, a conflict of interest exists as certain IDB Lido principals economically benefit from client investment in this affiliated fund. IDB Lido addresses this conflict through disclosure to its clients investing in OASDX and assessing whether similar strategies can be executed on behalf of the client with similar effect and lower costs. IDB Lido will waive its Asset Management fee on client assets invested in OASDX. *See also Item 11* (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

3. IDB Lido-Affiliated Joint Venture Fees

Oakhurst Capital Management, LLC ("OCM"), an affiliated joint venture between Lido and an independent, unaffiliated SEC-registered investment adviser, manages certain mutual funds ("OCM funds") and strategies through SMAs that are utilized by IDB Lido to manage certain of its clients' assets. Lido is a less than majority

owner of OCM, has certain material governance rights, and does not have day-to-day operating authority. As Lido has an ownership interest in OCM, a conflict of interest exists because Lido and certain owners of IDB Lido, will benefit economically from IDB Lido client investments in OCM funds. IDB Lido addresses this conflict through disclosure to its clients investing in OCM funds and assessing whether similar strategies can be executed on behalf of the client with similar effect and lower costs. IDB Lido will waive its Asset Management fee on client assets invested in OCM funds. *See also Item 11* (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

4. Affiliated and Non-Affiliated Alternative Investment Fees

A client invested in Alternative Investments, such as Private Funds, is also subject to fees and other expenses as described in the Alternative Investment's offering materials, many of which will include management fees, performance-based fees, administrative fees, and/or fees to service providers or the sponsors of the Private Fund. Investments through an advisory account into Private Funds will generally involve payment of two or more levels of investment management fees: One to IDB Lido at the advisory level and another charged at the fund level to the manager of the investment fund for its managers and service providers. If the Private Fund invests in other Private Funds (i.e., a fund of funds), there will be additional levels of fees. These fees are in addition to IDB Lido's fees, and will in the aggregate reduce the client's net returns.

When an IDB Lido client invests in a IDB Lido-affiliated Private Fund, as disclosed in the fund offering documents, Lido (as the investment manager to the fund) will, in certain instances, waive or reduce certain fund management fees for the client's investment in the fund, for the period that the client remains an IDB Lido client. In the event that an IDB Lido client relationship is terminated, that client will thereafter continue to accrue Private Fund asset management fees, which may increase because the client is no longer a IDB Lido client in accordance with the Private Fund's offering and related documents. IDB Lido will on many occasions negotiate on its client's behalf discounted Private Fund asset management fees or charge no or assess minimal fees for affiliated Private Funds applicable to only IDB Lido clients. Once a client relationship is terminated, the former client is no longer eligible for these discounted Private Fund management fees. IDB Lido and Lido have a financial incentive to recommend IDB Lido-affiliated Private Funds as Lido or other IDB Lido affiliates will receive compensation from client investments as they serve as the manager of these Private Funds. This conflict of interest is addressed through reduced Private Fund asset management fees and disclosure.

5. Third-Party Asset Manager Fees

TPAMs will also charge fees in addition to IDB Lido fees. TPAMs will provide disclosures relating to those fees in their respective Form ADV Part 2A, which will be provided at the time of engagement of the TPAM and should be fully read by the client.

6. Sub-Advisory Fees

Lido will receive fees for its sub-advisory services to Spearhead, as described in Item 4, payable from the assets of each account or subaccount for which Lido acts as a sub-advisor. Fees are negotiable depending on

the needs of the Spearhead client and will be set forth in a fee schedule for the applicable accounts or subaccounts.

7. IDB Lido-Affiliated or Third-Party Research Fees

IDB Lido will, in certain instances, charge its clients for specific research services provided by affiliates or third parties that are specifically tailored to certain strategies utilized for its clients. In those instances, clients will be notified in writing of the nature and scope, the fee incurred, and any actual or potential conflicts resulting from such services.

8. Broker Dealer/Custodian Fees

Clients will incur brokerage commissions and other execution costs charged by the custodian or executing broker dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by IDB Lido.

See also Item 12 (Brokerage Practices).

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

IDB Lido does not charge fees calculated based on a share of capital gains upon or capital appreciation of an investment, otherwise termed performance-based fees. Consequently, IDB Lido does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee.

In some instances, IDB Lido's affiliate, Lido, may earn such performance-based fees with respect to certain Private Funds. In the event that occurs, Lido will rebate these fees back to the IDB Lido client that invested in that fund.

ITEM 7: TYPES OF CLIENTS

A. Clients

IDB Lido offers investment advisory services to high-net-worth individuals, families, pensions, defined contribution plans, profit-sharing plans, trusts, estates, charitable organizations, corporations, insurance companies, and other types of business entities.

B. Client Accounts

IDB Lido generally requires a minimum of \$1 million to open an investment advisory account. IDB Lido reserves the right to waive or adjust this minimum, as well as decline any potential client, for any reason. IDB Lido's client relationship is reflected in the Agreement. *See also Items 4 (Advisory Business) and 5 (Fees and Compensation).*

When IDB Lido provides investment advice to a client, we are deemed a fiduciary under certain federal regulations, and within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way the firm makes money creates conflicts of interest; however, as a fiduciary, IDB Lido and our supervised persons are required to always act in our clients' best interests, which means we must, at a minimum take the following steps:

- Meet a professional standard of loyalty and care when making investment recommendations.
- Always put our clients' interests ahead of our own when making recommendations and providing services.
- Disclose all conflicts of interest and how the Firm addresses such conflicts.
- Adopt and follow policies and procedures designed to help ensure that we give advice and provide services that remain in each client's best interest.
- Charge an advisory fee that is reasonable for our services.
- Not provide, or withhold, any information that could render our advice and/or services misleading.

Clients covered under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") will be provided certain required disclosures to the "responsible plan fiduciary" in accordance with ERISA Section 408(b)(2). These disclosures provide written notice setting forth IDB Lido's services and the direct and indirect compensation IDB Lido receives from the services. IDB Lido provides information related to its compensation arrangements in its Brochure and Agreement. These disclosures are collectively designed to enable the ERISA fiduciary to determine the reasonableness of all compensation received by IDB Lido, identify any conflicts of interests, and satisfy reporting and disclosure requirements to plan participants.

A client meeting the definition of "qualified client" prior to the definitional change is grandfathered from these new requirements.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

IDB Lido recommends investment strategies that are informed by a review of the client's investment objectives, risk tolerance, financial situation, and time horizon, among other factors, as identified during consultations with IDB Lido's IARs and other representatives and the client's Risk Profile Form, IPS, or other similar documentation. IDB Lido analyzes its recommended investments using a combination of qualitative and quantitative information, including, but not limited to, news, financial publications, internal and external research reports, interviews, prospectuses and offering materials, and exchange market data. IDB Lido will also:

- Redistribute investment allocations in order to diversify a client's portfolio and in an effort to reduce risk and increase performance.
- Utilize specific investments to increase sector weighting and/or dividend potential and employ cash positions in an effort to hedge against market movement.
- Sell positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in a client's portfolio, change in the risk tolerance of the client, or any risk deemed unacceptable

for the client's risk tolerance.

IDB Lido provides no assurances that these strategies will ultimately meet client objectives. IDB Lido's recommended investments bear risk, some more than others, and a client should be prepared to assume those risks, including the potential for complete loss. *See also* Item 4 (Advisory Business).

B. Material Risks

IDB Lido's recommended investments, as with all securities, involve the potential for a significant risk of loss, including, but not limited to, complete loss of any initially invested capital or principal. IDB Lido's recommendations are subject to various market, currency, economic, political, and business risks, and these investment decisions are not always profitable. Moreover, there is risk that the initial principal will be lost due to these risks. Clients must be prepared to bear these risks and the possibility of total loss for any IDB Lido recommended investment. IDB Lido cannot and does not make any assurance that any recommended investment will successfully meet a client's expectations.

Before investing, clients should:

- Commit assets that can be invested on a long-term basis, usually a minimum of three to seven years, at times even longer horizons;
- Understand that volatility from investing can occur and recommended investments can fluctuate widely; and
- Understand that over time the client's assets may be valued more or less than the amount invested.

IDB Lido typically invests for the long-term and generally does not engage in daily or high-frequency trading. Nevertheless, TPAMs selected by IDB Lido can employ such strategies, and as a result, such frequent trading can result in increased brokerage and other transaction costs, which will lower an investment's overall performance and consequently a client's overall return.

IDB Lido has deemed the following asset classes, investment products or structures, or specific strategies to be of particular risk or complexity and has set forth the respective and corresponding material risks below. IDB Lido urges clients to review additional general and specific disclosures, prospectuses and related materials provided by TPAMs, sub-advisors, and other asset managers, and other important supplemental materials provided at the onset of and throughout the course of a client's relationship with IDB Lido. IDB Lido offers a range of investment strategies, which will vary based on the IAR providing advice to the client. Performance within the same investment objective will vary based on the IAR providing the advice to the client.

1. General Risks

It is not possible to identify all the risks associated with investing, and the particular risks for a client's account will depend on the investment strategy and investments held. The following are descriptions of various risks for strategies used by IDB Lido. Not all possible risks are described below.

- **Borrowing/Margin Risk:** Borrowing, or investing using a margin loan, will cost the portfolio interest

expense and will exaggerate changes in the net assets and returns of a portfolio. A portfolio can need to liquidate securities at disadvantageous times in order to meet borrowing obligations.

- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of unprofitability than an electric company, which generates its income from a steady stream of customers who buy electricity regardless of the economic environment.
- **Credit Risk:** The risk that principal and/or interest on a fixed-income investment will not be paid in a timely manner or in full due to changes in the financial condition of the issuer. Generally, the higher the perceived credit risk, the higher the rate of interest investors will receive on their investment.
- **Currency Risk:** Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Cyber Security Risk:** With the use of technology to conduct business, a portfolio is subject to operational, information security and related risks. Cyber incidents can result from deliberate attacks or unintentional events, including but not limited to unauthorized access to systems leading to misappropriated confidential data, corrupted data, or operational disruption. A successful circumvention of the security of firm systems could result in loss of data or funds, inability to access systems, damage to a computer or network, and costs of repairs. Cyber security failures by third-party service providers or the issuers of securities in which the client invests have the ability to cause disruptions and financial loss, including the inability to conduct business. In addition to the risks posed to IDB Lido, Lido, TPAMs, sub-advisors, and other affiliated and non-affiliated service providers are also subject to cyber security risk, all of which could suffer adverse financial consequences and subsequently negative impact clients.
- **Equity Risk:** Historically, the equity markets have moved in cycles, and the value of equity securities can fluctuate significantly from day-to-day. A public company may report poor results or be negatively affected by industry or economic trends and developments. Consequently, a public company's securities can suffer a price decline in response. These factors contribute to price volatility.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Foreign Risk:** Investments in foreign securities pose special risks, including currency fluctuation and political risks, and these investments can be more volatile than that of a U.S. company's securities. The risks are generally intensified for investments in emerging markets.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar in the future, because purchasing power is eroding at the rate of inflation.
- **Interest Rate Risk:** The risk that the value of an interest-bearing investment will change due to changes in the general level of interest rates in the market. The market value of a bond fluctuates inversely to the change in interest rates; that is, as interest rates rise, bond prices fall and vice versa. Interest rate risk is commonly measured by a bond's duration; the greater a bond's duration, the greater the impact on price

from a change in interest rates. Investors can incur a gain or loss from bonds sold prior to the final maturity date. Many bonds are rated by third-party Nationally Recognized Statistical Rating Organizations (NRSROs), for example, Moody's Investor Services, Inc. or S&P Global Ratings (formerly known as Standard & Poor's Ratings Services). While NRSRO ratings may assist investors to determine the creditworthiness of the issuer, they are not a guarantee of performance. U.S. Treasury bills, notes and bonds are guaranteed by the full faith and credit of the U.S. and therefore are deemed to carry a low risk of default.

- **Issuer Risk:** Issuer risk is the risk that the issuer of a security will default on its obligations to pay the interest or principal on a bond or preferred stock. Changes to the issuer's financial condition or credit rating can cause the value of the security to decline or become worthless.
- **Market Risk:** A security's price can drop for any reason, including reasons independent of the security's underlying assets' perceived value in reaction to tangible and intangible, publicly known and unknown events and conditions.
- **Opportunity Cost Risk:** The risk that an investor can forego profits or returns from other investments.
- **Political and Legislative Risk:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the U.S. or those companies who conduct a substantial amount of their business outside of the U.S.
- **Prepayment Risk:** Some types of bonds are subject to prepayment risk. Similar to call risk, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bonds. Prepayment risk is particularly prevalent in the mortgage-backed bond market, where a drop in interest rates can trigger a refinancing wave. When investors in a bond comprised of the underlying pool of mortgages receive their principal back sooner than expected, they may be forced to reinvest at prevailing, lower rates.
- **Reinvestment Risk:** The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- **War and Geopolitical Conflict Risk:** Investment strategies may be subject to significant geopolitical risks that can arise from conflicts between nations or within regions. One such example is the ongoing conflict between Israel and Gaza. This conflict has led to periodic escalations in violence, resulting in economic sanctions, military actions, and disruptions to normal economic activities in the region. The volatility and unpredictability associated with this conflict may have a direct or indirect impact on the performance of certain investments. Investments with exposure to the Middle East region, including but not limited to, equities of companies operating within or closely with Israel or Gaza, fixed-income securities issued by governments or corporations in this area, or commodities that are sourced from the region, may be particularly susceptible to loss. The conflict can affect market prices, currency values, and the overall economic stability of the region. It may also influence global market sentiment, causing broader market fluctuations.

E. Options

IDB Lido utilizes options, in isolation or in combination of other securities, as part of its strategies. Options are complex products, require margin (and borrowing at times), and bear high and material risks:

- **Call / Assignment Risk:** When writing covered call options to produce income for a client's account, there can be times when the underlying stock is "called" (call option contract exercised or assigned) by the investor that purchased the call option. That means the client would be required to sell the underlying security at the exercise (pre-determined) price to that investor. If the security is not already owned, this could require purchasing that security, often via the exercise of a long call owned by the client. If a client is assigned on a short pit, the client may be required to purchase a security for which they do not have the necessary cash for, which could create a temporary margin balance, which will be reduced when the resulting position is sold.
- **Volatility Risk** – As options are prices are derived based on a number of factors, including the price of the underlying security. For this reason, options prices are generally more volatile than the price of the underlying security. For this reason, the vast majority of the "options" trades that we do are "collateralized" in some way to mitigate the volatility of each of the positions of the trade.
- **Margin Risk:** Clients are usually required to open a margin account in order to invest in options, which carries additional risks and would result in margin interest costs to the client.
- **General and Specific Market Risk:** Option positions tend to be adversely affected by company specific issues (the issuer of the underlying security) which can include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers, and acquisitions. In addition, market related actions, political issues, and economic issues may adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.
- **Valuation Risk:** Changes in value of the option do not always correlate with the underlying security, and the account could lose more than principal amount invested.

Options involve a high degree of risk and are not suitable for all clients. A client should read the current version of the "Characteristics and Risks of Standardized Options", which explains the characteristics and risks of exchange traded options, and which can be obtained from any exchange on which options are traded, at www.optionsclearing.com, by calling 1-888-OPTIONS, or by contacting your broker or custodian.

F. Alternative Investments

IDB Lido recommends Alternative Investments, including private funds, as an integral part of its overall investment strategy. In making these recommendations, IDB Lido evaluates clients on a number of factors, including, but not limited to, sophistication, risk tolerance and qualifications, investment objectives, and available assets. IDB Lido endeavors to allocate Alternative Investments to clients in a fair and equitable manner, but not all qualifying clients will have an opportunity to invest. A client's Alternative Investments are held at the custodian selected by each Alternative Investment sponsor or investment manager with IDB Lido's assistance. Alternative

Investment performance is typically reported directly by sponsor or manager and is monitored by IDB Lido.

Clients should review all offering materials, including private placement memoranda, if applicable, before investing as these materials provide important information about the investment's terms and conditions, risk factors, and actual or potential conflicts of interest. IDB Lido may also provide additional material to highlight important information concerning the Alternative Investment. Alternative Investments have material risks including the following:

- **Liquidity Risk:** Most, if not all, Alternative Investments do not have a ready, public market for resale. In those instances, a client cannot sell or otherwise dispose of the investment. In instances where a client is provided an opportunity to divest, those opportunities carry significant fees and potential loss in value. In other words, a client will be unable to sell the Alternative Investment without substantial loss, including principal loss.
- **Capital-Deployment Risk:** Certain Alternative Investments, particularly those involving real estate, may not have immediate opportunities to deploy investor capital. Although a client may have invested in the Alternative Investment, that investment may not be immediately utilized because appropriate opportunities may not yet exist or have been identified. As such, a client's investment may not be used until such opportunities are available, which may have an immediate and detrimental impact on a client's overall expected and actual return.
- **Tax Risk:** Many Alternative Investments are structured as limited partnerships. As a result, a client will receive K-1 s reflecting that limited partnership interest. In addition, depending on the nature of the Alternative Investment, these K-1 s may be issued for multiple states, resulting in a client filing tax returns in those states. Finally, a client may be required to file tax filing extensions as these K-1 s may be issued after the tax deadline.
- **Suitability Risk:** IDB Lido may recommend Alternative Investments as part of its overall investment strategy. These investments present unique risks that include but are not limited to, illiquidity, higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations, and limited regulatory oversight. Thus, IDB Lido only recommends these investments to clients that it believes can bear these risks. A client must also meet regulatory requirements to be eligible to make these investments, including minimum net worth and sophistication requirements. Any client investing in an Alternative Investment must carefully review corresponding offering documents to understand, among other things, the terms, conditions, risks, and conflicts of interest of the investment.
- **Performance-Based Fee Incentive Allocation Risk:** Alternative Investments often impose performance-based fees or incentive allocations payable to the fund manager or general partner. Those performance-based fee or incentive allocation structures create an incentive for the managers of these investments to make investment choices that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. When applicable, the performance-based fee structure could also cause those managers to devote a disproportionate amount of time to manage these investments, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management.

- **Leverage/Hedging Risk:** Certain Alternative Investments employ the use of leverage or hedging, which also creates additional risk. Leverage is the use of debt to finance an activity. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment.
- **“Fund of Funds” Risk:** IDB Lido also recommends Alternative Investments, including “funds of funds” with allocations in private credit, venture capital, hedge funds, private equity, real estate, among others. These investments engage in diverse strategies and come with high costs and significant risks. These risks encompass both general market risks and specific risks tied to each investment’s unique strategies. For example, private equity may not achieve their business objectives due to operational failures, management issues, or ineffective business strategies, and real estate investments could have property management risks, such as high tenant turnover, and hedge funds may introduce credit risks and complexities from derivative instruments. It’s vital for investors to recognize the possibility of substantial financial loss. IDB Lido strongly advises investors to thoroughly review and understand all strategies and risks outlined in the offering materials for each “fund of funds.”

4. First Deed Trusts and Real Property

IDB Lido recommends to certain clients that they consider investments in first trust deeds (whereby the client will lend money to a borrower to purchase real property and in return, receives a deed of trust on the real property until the loan is paid in full). In other cases, IDB Lido will recommend certain Alternative Investments that utilize invested assets to purchase real property (e.g., private residences, commercial property, or a combination of both) or first trust deeds. While IDB Lido believes these investments are suitable for certain clients, these investments can have substantial risk. There is no publicly traded securities market for these types of investments. In addition, investments in trust deeds and real estate are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other state or federal agency.

The following outlines the risks specific to First Deed Trusts:

- **Valuation Risk:** The value of the underlying property is appraised as of a specific date. There is no guarantee or assurance that the appraised value reflects a value that a buyer would be willing to pay.
- **Borrower Risk:** The borrower’s ability to continue to make payments and repay the loan will depend upon the borrower’s financial condition, which could change over time.
- **Default Risk:** Default by the borrower could affect monthly payments. Under extreme cases, it may be necessary to foreclose or take other actions to protect your investment. The total amount received upon foreclosure could be more or less than the total amount invested.
- **Bankruptcy Risk:** If a borrower files a reorganization or full insolvency bankruptcy, the foreclosure process could be stalled. Additionally, investors could incur significant legal fees and costs in attempting to obtain a relief. (Relief consists of getting court approval to release the property out of the bankruptcy so that the property can be foreclosed upon.) Furthermore, the court could modify the terms of the loan by extending

the due date, changing the interest rate and payment structure, or causing the priority of the loan to be subordinated to a bankruptcy court- approved financing plan.

- Environmental Risk: Investing in any trust deed investment also is subject to possible loss due to uninsured losses
- from disasters such earthquakes, floods, tsunamis, terrorist attacks, etc. Clients should carefully review the risk
- factors section in the relevant offering documents for complete information.

The following outlines the material risks specific to Real Property:

- Real Estate Market Risk: The value of the real estate property is generally appraised upon purchase. Over time, the value of the real estate property can vary widely depending on market conditions. There is no guarantee or assurance that the carried value reflects a value that a buyer would be willing to pay.
- Foreclosure Risk: If the real estate investments are obtained by a loan and the borrower is unable at any time to make the loan payments, it may cause the holder of the note to foreclose or take other actions to protect their investment.

Additional risks include economic conditions, neighborhood values, interest rates, the supply of and demand for properties of like kind, the ability of the borrower to obtain necessary alternative financing and certain city, state and/ or federal regulations. Investing in any general real estate investment also is subject to possible loss due to uninsured and unpredictable losses from acts of nature or systemic shocks such as earthquakes, floods, tsunamis, terrorist attacks, and acts of war. These risks are in addition to the principal risks associated with investing in a private investment vehicle, which are outlined in their respective offering materials provided to clients prior to investing.

ITEM 9: DISCIPLINARY INFORMATION

IDB Lido is required to disclose all material facts regarding any legal or disciplinary events in the past ten years that it believes would be material to a client's or prospective client's evaluation of IDB Lido or the integrity of its management. IDB Lido does not have any of these legal or disciplinary events and thus has no information to disclose with respect to this item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Other Financial Industry Activities

1. Passive Ownership Interests / Passive Investment Affiliations

- Discount Bancorp, Inc. – is the majority owner of IDBNY and a passive indirect owner of IDB Lido.
- Israel Discount Bank LTD – is the majority owner of Discount Bancorp, Inc. and a passive indirect owner of IDB Lido.

- IDB NY is a 50% owner of IDB Lido and refers certain of its clients and other persons to IDB Lido for investment advisory services. IDB Lido pays referral fees to IDB NY for introducing clients to it. IDB NY, as an owner of IDB Lido, indirectly benefits from any additional revenue earned by IDB Lido as a result of such referrals. To address these conflicts of interest, IDB Lido will disclose these conflicts to IDB Lido clients.
- Charlesbank Capital Partners (“Charlesbank”) has a majority ownership stake, achieved through certain pooled investment vehicles advised by its affiliates, in Lido. Members from Charlesbank serve as directors on Lido’s board of directors. Lido Advisors Colossus Master Fund, L.P. – CB III Onshore and Lido Advisors Colossus Master Fund, L.P. – CB III Offshore (together, the “Charlesbank Feeder Fund”), are ‘fund of funds’ that invest in underlying onshore or offshore vehicles related to Charlesbank Credit Opportunities Fund III, Limited Partnership, and Charlesbank Credit Opportunities Fund III Performing Sleeve Limited Partnership (together, the “Underlying Funds”). As a result, an investment in the Charlesbank Feeder Funds involves a direct investment in affiliates of its General Partner (in an investment also managed by affiliates of the General Partner). There is a conflict of interest because Lido has an incentive to recommend the Charlesbank Feeder Fund since it will benefit the Charlesbank Feeder Fund and Charlesbank, and Charlesbank approves compensation arrangements of certain Lido IARs and other Lido employees. Additionally, affiliates of the General Partner, including Charlesbank, will receive fees and other benefits from managing the Charlesbank Feeder Funds’ investment in the Underlying Funds. To address these conflicts of interest, Lido will disclose these conflicts to its clients and prospective investors.
- Constellation Wealth Capital (“CWC”) – is a minority owner of Lido and a passive indirect owner of IDB Lido. A member of CWC has an observer seat on Lido’s board of directors.
- Lido is a 50% owner of IDB Lido. Lido does not refer clients to IDB Lido. However, Lido and certain of its affiliates serve as the general partner for certain Alternative Investments recommended to IDB Lido clients. This creates a conflict of interest since IDB Lido has an incentive to recommend such investments because Lido and its affiliates receive compensation when IDB Lido clients invest in such Alternative Investments. IDB Lido addresses this conflict mainly by disclosure and policies and procedures to help ensure that recommendations are only provided to clients when deemed to be in the best interest of the clients.
- 2012 Lido GST, LLC (“2012 GST”): 2012 GST is a passive, minority owner with certain limited governance rights and participates in the profitability of Lido. 2012 GST also is a Lido client. Additionally, an affiliate of 2012 GST is in the business of loaning monies to, among others, certain private funds managed by Oakhurst Advisors, LLC (“Oakhurst”). Either its affiliates or 2012 GST, in their collective capacity as Lido clients, Lido’s owner, and lender, results in significant, potential conflicts of interest, including, but not limited to, Lido favoring 2012 GST over other clients, including IDB Lido clients, or Lido providing preferential or sole access to certain recommended investments. 2012 GST and its affiliates, by virtue of their investment experience, sophistication, risk tolerance, and substantial net worth, can and do invest in certain investments that would not be suitable for all but a few Lido and IDB Lido clients. Lido’s policies and procedures require that the CCO or the CCO’s designee review and approve transactions in these circumstances.
- William Henry Insurance, Inc. (“WHI”) is an affiliate of a Lido client and minority owner of Lido. WHI participates in Lido’s profitability and has certain limited ownership rights. WHI, however, is not involved in

Lido's day-to-day operations. As both a client and Lido owner, there are significant, potential conflicts of interest, including, but not limited to, Lido favoring WHI over other clients, including IDB Lido's clients, or Lido providing preferential or sole access to certain recommended investments. WHI and its affiliates, by virtue of their investment experience, sophistication, risk tolerance, and substantial net worth, can and do invest in certain investments that would not be suitable for all but a few of Lido's and IDB Lido's clients. Lido's policies and procedures require that the Chief Compliance Officer ("CCO") or the CCO's designee review and approve transactions in these circumstances.

- Lido Investor Holdings, LLC ("LIH") is a passive owner of Lido, LIH's managing member is a Lido client and certain LIH members are also Lido clients. LIH participates in Lido's profitability and has certain limited ownership rights. LIH, however, is not involved in Lido's day-to-day operations. As both a client and Lido owner, there are significant, potential conflicts of interest, including, but not limited to, Lido favoring LIH members over other clients, including IDB Lido clients, or Lido providing preferential or sole access to certain recommended investments. Lido's policies and procedures require that the CCO or the CCO's designee review and approve transactions in these circumstances.
- Other Passive Investments or Affiliations – Lido's principals, some of whom are also IDB Lido principals, are from time to time introduced to certain investment opportunities from Lido clients, from family members of Lido clients, and from a variety of other sources. The principals conduct their own independent due diligence and obtain approval from Lido's and IDB Lido's CCOs or designees to participate in these investments. Most, if not all, of these investments are deemed too speculative for any clients. In instances where Lido and/or IDB Lido believe that the opportunity is suitable for clients, they will establish the criteria for determining suitability and then obtain an indication of interest from those clients Prior to any investment by any principals.

B. Additional Affiliations

Mr. Karan Kanapathipillai, who serves as the Chief Executive Officer of IDB Lido, also serves as the Head of Wealth Management Strategy for IDB NY. Mr. Kanapathipillai spends approximately 5% of his time on this outside business activity, including, but not limited to, his role at IDB.

Mr. Jason Ozur, who serves as a board member on the Board of Directors of IDB Lido, is a minority owner of Lido and serves as Lido's Chief Executive Officer and Senior Managing Director. Mr. Ozur also provides back office, accounting, and related services to certain Alternative Investments that are recommended to IDB Lido clients. These include Private Funds managed by Mapleton Capital Management, LLC and related entities, and Thomas James Capital ("TJC"). Additionally, Mr. Ozur is a managing member of a limited liability company that invests in commercial and residential real estate, both directly and through investments in private limited partnerships, including certain Alternative Investments with client investments. Mr. Ozur spends approximately 95% of his time on these outside business activities.

Mr. Ken Stern, who serves as a board member on the Board of Directors of IDB Lido, is a minority owner of Lido and serves as Lido's President and Senior Managing Director. Mr. Stern is also a member and part owner of Lido

Advisors Holdings, LLC ("LAH"). Additionally, Mr. Stern is also a board member of Enterprise Trust & Investment Company ("ETIC"), an affiliate of Lido and IDB Lido. Mr. Stern is a consultant/business manager, and has also authored and published several books and DVDs on money management. From time to time, he hosts various personal finance and financial planning television and radio shows. He is neither compensated for nor a fiduciary pursuant to this role. Mr. Stern spends approximately 95% of his time on these outside business activities.

Mr. Jason P. Lee, serves as a board member on the Board of Directors of IDB Lido and serves as Lido's Chief Legal & Compliance Officer and Senior Managing Director. Mr. Lee spends approximately 95% of his time on these outside business activities.

The outside business activities performed by senior management creates conflicts of interest since it takes time away from the time spent on performing duties for IDB Lido. However, senior management always endeavors to devote the amount of time necessary to fulfill their duties for IDB Lido.

G. Oakhurst Advisors, LLC

- Oakhurst Advisors, LLC ("Oakhurst") is an SEC-registered investment adviser that manages illiquid alternatives, namely private funds ("Oakhurst Private Funds"). Lido and certain of its principals, some of whom are also IDB Lido principals, have long-standing professional relationships with Oakhurst principals and as a result IDB Lido will, from time to time recommend Oakhurst Private Funds to clients, which is a conflict of interest. Also, from time to time, Lido's clients or owners present certain investment opportunities to Oakhurst, which has in the past, and may in the future subsequently invest in the opportunity through an Oakhurst Private Fund. Such opportunities and investments present conflicts of interest in that IDB Lido may be biased in favor of these opportunities and that these Lido's clients or owners will benefit when an investment is made. In order to mitigate these conflicts, Lido and IDB Lido provide additional disclosures to clients that identify and describe the conflicts and its efforts to remediate these conflicts, which may include, but are not limited to, negotiated reductions in fees and balancing the conflicts in light of the opportunities and potential benefit that would not otherwise be available to clients. Lido and IDB Lido will continue to monitor this conflict of interest and address as appropriate.
- Lido's Relationship to the Oakhurst-affiliated investments' Bridge Loan Lender: Oakhurst has obtained in the past, and may obtain in the future bridge loans from certain clients ("Bridge Loan Lender") that have and will be used to secure certain underlying assets of Oakhurst Private Funds prior to the Oakhurst Private Fund being opened to other clients for investment. To date, the only Bridge Loan Lender has been an affiliate of 2012 GST, which is a part owner of Lido. For those Oakhurst Private Funds involving the Bridge Loan Lender, the Bridge Loan Lender receives interest during the loan's duration. Oakhurst makes these interest payments from subsequent investments in the fund. Typically, if the loan is not fully paid by a specific date, the remaining balance is converted into an equity stake in the Oakhurst Private Fund. Oakhurst has provided in the past and will provide in the future due diligence services to the Bridge Loan Lender regarding several investment opportunities unrelated to the Oakhurst Private Funds. Additionally, the Bridge Loan Lender shares in revenues generated by Lido. Conflict of interest exists in that the Bridge Loan Lender has received

in the past and may receive in the future an investment opportunity and economic benefit unavailable to other clients, and the placement of Oakhurst Private Funds with other clients directly results in the repayment of the portion of the outstanding principal of the loan. Any bridge loans and any use of equity offering proceeds to redeem those loans are specifically disclosed in offering materials relating to Oakhurst Private Funds.

- Oakhurst operational allocations: Lido allocates certain services and employees to Oakhurst for operational purposes. These services include, but are not limited to, information technology and equipment. Employees include those serving legal and compliance, marketing, investment, and office services, among other functions. Oakhurst is allocated expenses for these services and employees, which are accrued and ultimately reimbursed. Lido and Oakhurst's arrangement creates potential conflicts of interest based on competing resources devoted to Lido and Oakhurst functions, which creates operational risks. These risks are mitigated through routine supervision and coordination with Lido and Oakhurst management.
- IDB Lido, Lido, and Oakhurst compliance functions: Lido's Chief Legal Officer and CCO, IDB Lido's Board member, and Oakhurst's General Counsel and CCO are the same individual and many of Lido's and Oakhurst's compliance functions are performed by dual Lido and Oakhurst employees. Both entities' overlapping compliance functions can result in actual or potential conflicts of interest, including, but not limited to, the allocation of resources dedicated to the respective entities' compliance functions, Lido or IDB Lido clients being disadvantaged by the potential bias in favor of Lido or Oakhurst, and the relationship between IDB Lido, Lido and Oakhurst resulting in potential unidentified compliance risks. IDB Lido and Lido will remediate these potential and actual conflicts of interests by policies and procedures, including, but not limited to, appointing a third party to serve as IDB Lido's CCO and requiring disclosures in IDB Lido's, Lido's and Oakhurst's respective Form ADV Part 2B and disclosures reflected in Oakhurst's private fund offering documents.
- Palladius Capital Management, LLC ("Palladius"), an affiliate of Lido and Oakhurst, is a private fund advisor focused on real estate-related assets. Lido and IDB Lido offers these private funds to Lido and IDB Lido clients as a regular course of business. Lido and Mr. Jason Ozur have ownership interests in Palladius. Specifically, Mr. Ozur holds a minority interest in and a board of director's seat at Palladius. Mr. Ozur spends less than 5% of his time on these outside business activities. As a result of Lido's and Mr. Ozur's ownership interest, Lido, as subadvisor to IDB Lido, has an actual conflict of interest in that recommending this investment to clients will result in an indirect financial benefit (Lido and Mr. Ozur may receive its share of profits, if any, from the management of this investment. This conflict is remediated by disclosure of this conflict and, as noted above, IDB Lido's practice of assessing the suitability of this and all investments prior to its recommendation.

H. Additional Affiliated Companies

- Enterprise Trust & Investment Company ("ETIC") is a California-chartered trust company wholly owned by Lido. ETIC provides trust-related services, such as trust administration and investment management to trusts and their assets. Lido receives economic benefit from ETIC activities, given its interest in the firm. Further, Lido and its IARs, some of whom are IARs of IDB Lido, may receive compensation from ETIC in

return for client referrals. Lido's interest in ETIC, and the referral arrangements between ETIC, Lido, and its IARs results in a conflict of interest whereby IDB Lido is incentivized to direct IDB Lido's clients to ETIC for trust services. To mitigate such conflicts of interest, IDB Lido provides specific disclosures of the conflicts to clients prior to engaging ETIC. Further, IDB Lido will monitor its relationship with ETIC to determine whether additional disclosure, policies, or procedures are required.

- Lido Tax, LLC ("L-Tax") is a separate, affiliated entity that provides tax consulting services, including tax preparation, primarily to Lido clients And its services are offered to IDB Lido clients. L-Tax is majority owned by Lido with a minority interest held by a Lido IAR. Typically, when Lido and IDB Lido clients engage L-Tax for services, Lido and IDB Lido will provide certain respective clients with an Asset Management fee credit to offset all of or a portion of the client's L-Tax consulting services fee. Outside of this fee credit, Lido and IDB Lido clients are responsible for all other L-Tax-related fees. As owners of L-Tax, Lido and the Lido IAR receive an economic benefit from L-Tax activities, which results in a conflict of interest whereby Lido and IDB Lido are incentivized to direct Lido and IDB Lido clients to L-Tax for tax consulting services. In certain instances such as the amount of assets being managed by IDB Lido or consolidation of assets across other third-party advisors or custodians, however, Lido's and IDB Lido's clients will not pay fees to L-Tax "out of pocket" for tax consulting services due to Lido's and IDB Lido's above-described Asset Management fee credit. L-Tax also sublets office space in Lido's Boca Raton, Florida office. To mitigate such conflicts of interest, Lido, IDB Lido, and L-Tax provide specific disclosures to Lido and IDB Lido clients prior to engaging L-Tax. Further, IDB Lido and Lido will monitor the relationship with L-TAX to determine whether additional policies and procedures are required.
- Lido Administrative Services, LLC ("Lido Admin") is a separate, affiliated entity that provides administrative services to Lido's Private Funds. Lido Admin is wholly owned by Lido.
- Oakhurst Capital Management ("OCM") is an affiliated, SEC-registered investment adviser that manages mutual funds and separately managed accounts ("SMA") strategies. OCM is a joint venture between Lido and another independent, unaffiliated entity. OCM is less than majority owned by Lido and Lido shares in OCM's profit or loss. Lido has sub-advisory agreements with OCM for management of certain Lido client assets. Barry Julien, an IAR of OCM and Lido, and OCM's President, leads OCM's asset management efforts and has an ownership interest in OCM. OCM manages three mutual funds, Oakhurst Fixed Income Fund ("OHFIX"), Oakhurst Short Duration Bond Fund ("OHSDX"), and Oakhurst Short Duration High Yield Bond Fund ("OHSHX"). OCM will, at times, utilize OCM mutual funds in its SMAs. In addition, from time to time, the OCM mutual funds are recommended to IDB Lido clients for investment. There is a conflict of interest because as owners of OCM, Lido and Mr. Julien receive a benefit from Lido and IDB Lido clients' investments in OCM funds, and from Lido clients' investments in the OCM SMA strategies since OCM serves as the adviser and receives management fees. In addition, Mr. Julien has additional conflicts of interest as a result of his roles, in certain instances as a fiduciary, at Lido and OCM. In order to mitigate these conflicts, IDB Lido and Lido will not assess an Asset Management fee on any OCM managed SMAs or the above-referenced mutual funds. Lido and IDB Lido will also monitor Lido's and Mr. Julien's conflicts of interest to determine whether any additional policies and procedures are necessary.

- Lido Pay, LLC (“L-Pay”) is a wholly owned subsidiary of Enterprise and provides accounting and bill payment services to Lido clients and others. L-Pay’s fees for such services are separate and apart from Lido’s fees. Lido’s ownership of L-Pay, through Enterprise, presents a conflict of interest in that Lido referrals of its clients to L-Pay may be influenced by Lido’s economic benefit relating to the additional fees charged by L-Pay to Lido clients. This actual conflict is remediated by disclosure to clients and negotiated lower fees for such services.

I. Independent Contractors and Outside Activities

Gina Sanchez, Lido’s Chief Market Strategist, is an independent contractor of Lido, performs various investment and marketing related services for Lido and is the owner and founder of Chantico Global, an investment consulting firm. Ms. Sanchez conducts business through Chantico Global and receives compensation for doing so. Although she devotes as much time to the business and affairs of Lido as is necessary to perform her duties, she also devotes a significant amount of time to performing services for her other outside businesses. The dual roles and additional compensation create conflicts of interests because her obligations to the outside business takes time away from her Lido duties. To address these conflicts of interest, IDB Lido and Lido will disclose these conflicts to clients.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Summary

IDB Lido has adopted a Code of Ethics (“Code”) in compliance with Advisors Act Rule 204A-1. The Code establishes standards of conduct for supervised persons and includes general requirements that supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, potential conflicts of interest and confidentiality of client information. The Code reflects policies reasonably designed to prevent the unlawful use of material, non-public information by IDB Lido or any of its associated persons. The Code also requires that certain of IDB Lido’s personnel (“Access Persons”) report their personal securities assets and transactions and obtain pre-approval of certain investments, including initial public offerings and limited offerings. Other than certain exceptions that are outlined in the Code, IDB Lido’s Access Persons generally may not effect transactions for themselves or for their immediate family members (i.e., spouse, minor children, and adults living in the same household as the Access Person) within three (3) business days before and one (1) business day after any client transaction in the same security.

The Code also requires supervised persons to report any violations of the Code promptly to the CCO. Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year. IDB Lido will provide a copy of its Code of Ethics to any client or prospective client upon request.

Consistent with the Code, the following is a summary of IDB Lido’s potential conflicts of interest. Certain IDB

Lido affiliates have developed close business relationships with entities and individuals deemed to possess certain levels of experience, expertise, and results, among other things. As a general matter, IDB Lido affiliates initiate and continue these relationships consistent with their fiduciary duty and, ultimately, to the benefit of their and IDB Lido clients. As these relationships develop, deepen, and mature, actual or potential conflicts of interest develop. Correspondingly, IDB Lido has developed policies and procedures to identify, address, and remediate, to the extent possible, these actual or potential conflicts of interest, which are more fully described in detail below.

Alternative Investments Allocation Practices

The Non-Liquid Alternative Investments that IDB Lido recommends are generally considered limited offerings due to a limited aggregate investment amount or total number of investors. In certain instances, there will be more clients interested in investing in these Alternative Investments than available offerings. IDB Lido attempts to allocate client investments to these Alternative Investments fairly and equitably, including, but not limited to, assessing its clients' overall total allocation to a specific Alternative Investment, reviewing an Alternative Investment's investor capacity, underlying assets, projected and targeted returns, and risks, in undertaking recommendations to its clients. In addition, as clients' individual financial wherewithal, sophistication, and risk tolerance may vary, IDB Lido's allocation recommendations may also be subjective. Not all clients who are interested in investing in these Alternative Investment may have an opportunity to do so.

Finally, there may be instances where certain IDB Lido principals invest in these Alternative Investments. These investments may result in clients not being able to invest due to the above-described limitations.

These situations present potential and actual conflicts of interest. IDB Lido mitigates these potential and actual conflicts by having additional policies and procedures relating to Alternative Investment allocations, including, but not limited to, procedures establishing a defined "queue" arranging clients in chronological order based upon receipt of their investment commitment and consultation with IDB Lido's CCO or designee to identify, discuss, and resolve any conflicts concerning acceptance of clients' investments outside of IDB Lido's queue.

Soft Dollars and Other Brokerage-related Compensation or Benefits

From time to time, IDB Lido will enter into soft dollar arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products or services. Although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client's interest in receiving the most favorable trade execution. Additionally, IDB Lido generally recommends that clients use Schwab as their custodial broker-dealer. Schwab makes available to IDB Lido other products and services that benefit IDB Lido but do not directly benefit clients.

IDB Lido has an incentive to recommend that clients maintain their assets in accounts at Schwab due to the benefit to IDB Lido and its affiliates and the availability of some of the products and services provided, which creates potential conflicts of interest. *See also Item 12 (Brokerage Practices).*

B. Participation or Interest in Client Transactions

IDB Lido's policy prohibits principal transactions or agency cross transactions on behalf of clients. Principal

transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction, which may also be another advisory client. There are circumstances when appropriate where an agency or principal transaction may occur, upon CCO review and approval, typically in certain Private Funds. In those circumstances, IDB Lido will provide pricing and disclosures to the respective clients. In all cases, neither IDB Lido nor its affiliates receive any compensation relating to these principal or cross transactions.

Based upon a client's stated objectives, IDB Lido may, under certain circumstances, recommend the purchase or sale of securities in which IDB Lido or its affiliates have invested personally. These recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Importantly, as part of IDB Lido's fiduciary duty to clients, IDB Lido and its Access Persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to IDB Lido's Code of Ethics. IDB Lido and its Access Persons also invest personally in certain securities that are purchased for clients, including Private Funds. IDB Lido's Code contains certain requirements designed to address the potential conflicts that arise with regard to personal trading by IDB Lido or its Associated Persons. For example, other than certain exceptions as outlined below, when IDB Lido is purchasing or considering for purchase a security on behalf of a client, no Access Person may knowingly effect a transaction in that security within three (3) business days before and one (1) business day after any client transaction in the same security. The exceptions include: (i) when the Access Person's transaction is aggregated with client transactions and the Access Person receives the same average price as all client participating in such aggregated transaction, (ii) a limited amount of shares of any common stock listed on the S&P 500 Index; (iii) when pre-approved by the CCO or designee; (iv) direct obligations of the U.S. Government; (v) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (vi) shares issued by mutual funds or money market funds; and (vii) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Finally, IDB Lido permits its Access Persons to buy and sell certain securities for their own accounts and on their own behalf based on personal investment considerations. In order to do so, Access Persons must comply with IDB Lido's Code of Ethics concerning personal securities transactions. Access Persons' personal securities transactions are separate and apart from IDB Lido's trading on behalf of its clients. Access Persons' personal securities transactions are based on Access Persons' investment decisions and IDB Lido's Code of Ethics. IDB Lido has corresponding policies and procedures designed to address and mitigate actual or potential conflicts of interests, including, but not limited to, pre-approval of certain personal securities transactions and quarterly and annual attestations by Access Persons of their securities holdings.

ITEM 12: BROKERAGE PRACTICES

The following discussion summarizes the material aspects of IDB Lido's practices for the recommendation of custodians and the selection of broker-dealers to execute client transactions.

A. Selection Criteria

IDB Lido does not maintain physical custody of clients' assets although we are deemed to have custody of clients' assets where the client has given us authority to debit fees from the client's account. Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. The custodian that IDB Lido recommends that clients use is Charles Schwab, & Co., Inc. ("Schwab"), which is a FINRA registered broker-dealer and member of Securities Investor Protection Corporation (SIPC). IDB Lido is independently owned and operated and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities at IDB Lido's instruction. While IDB Lido recommends that clients use Schwab, the client will decide whether to open an account with them by entering into an account agreement directly with Schwab. IDB Lido does not open the custodian account for clients.

IDB Lido will execute transactions for clients through Schwab since they generally do not charge custodian fees so long as transactions for clients are executed through them as broker-dealer. IDB Lido periodically evaluates the commissions charged and the services provided by the custodian and compares those with other broker-dealer/custodians to evaluate whether overall best qualitative execution could be achieved by using alternative custodians.

Other factors IDB Lido considers when evaluating its choice of custodian include but are not limited to:

- Ability to trade mutual funds and other investments that IDB Lido determines suitable for a client's portfolio;
- Any custodial relationship between the client and the broker-dealer;
- Quality of customer service and interaction with IDB Lido;
- Discount transaction rates; and
- Reliability and financial stability of the broker-dealer.

For those clients who wish to direct brokerage and select broker-dealers/custodians not recommended by IDB Lido, clients should be aware that IDB Lido does not negotiate specific brokerage commission rates with the broker on the client's behalf or seek better execution services or prices from other broker-dealers. As a result, the client could pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case, and IDB Lido will have limited ability to ensure that the broker-dealer selected by the client will provide best possible execution. *See also Item 15 (Custody).*

1. Schwab Custodian Arrangement

The following highlights IDB Lido's custodial relationship with Schwab:

Client Custody and Brokerage Costs: For clients' accounts that Schwab maintains, Schwab is compensated by charging the client commissions or other fees on trades that it executes or that settle into the client's Schwab account. Schwab's commission rates applicable to client accounts were negotiated based on a commitment for IDB Lido and its affiliates to maintain \$10 million of clients' assets at Schwab. This commitment benefits clients utilizing Schwab because the overall commission rates a client pays may be lower than they would be if IDB Lido and its affiliates had not made the commitment. In certain circumstances, Schwab does not charge commissions for trades. In addition to commissions, Schwab charges custodial clients a flat dollar amount as a "prime broker"

or “trade away” fee for each trade that IDB Lido has had executed by a different broker dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client’s Schwab account. These fees are in addition to the commissions or other compensation a client pays the executing broker dealer. Because of this, in order to minimize client trading costs, IDB Lido has Schwab execute most trades for client accounts maintained at Schwab.

Products and Services Available to IDB Lido from Schwab: Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms. They provide IDB Lido and the clients custodied at Schwab with access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help IDB Lido manage or administer Schwab-custodied client accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis and at no charge to IDB Lido as long as IDB Lido keeps a total of at least \$10 million of our clients’ assets in accounts at Schwab.

Services that Benefit IDB Lido’s Clients: Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which IDB Lido might not otherwise have access or that would require a significantly higher minimum initial investment by clients. Schwab’s services described in this paragraph generally benefit IDB Lido Schwab-custodied client accounts.

Services that Do Not Directly Benefit IDB Lido’s Client: Schwab also makes available to IDB Lido other products and services that benefit IDB Lido but do not directly benefit IDB Lido clients. These products and services assist IDB Lido in managing and administering our clients’ accounts maintained at Schwab. They include investment research, both Schwab’s own and that of third parties. IDB Lido can use this research to service all or a substantial number of our client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that provide access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocates aggregated trade orders for multiple client accounts; provides pricing and other market data; facilitates payment of our fees from our clients’ accounts; and assists with back-office functions, record keeping and client reporting.

Services that Generally Benefit Only IDB Lido: Schwab also offers other services intended to help IDB Lido manage and further develop our business enterprise. These services include educational conferences and events; technology, compliance, legal, and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers. Schwab’s provision of these services increases IDB Lido’s profitability as IDB Lido would typically pay for these services from its operating revenue.

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Schwab also discounts or waives certain of its fees for some of these services or will pay all or a part of a third party’s fees. Schwab also provides us with other benefits such as occasional business entertainment of personnel of IDB Lido and its affiliates.

IDB Lido benefits from Schwab's services as those services are either little or no cost to IDB Lido. Schwab provides these services at little or no cost as long as IDB Lido maintains at least \$10 million in assets with Schwab. The \$10 million minimum gives IDB Lido an incentive to recommend that a client maintain their account with Schwab. This is a potential conflict of interest. Based on the foregoing and including, but not limited to, Schwab's higher level of customer service to both the client and IDB Lido, lower trading costs comparable to its industry peers and equivalent to our other chosen preferred custodians, IDB Lido believes that its selection of Schwab as a recommended custodian and broker is consistent with the best interests of clients even in light of the low or no-cost services offered by other custodians.

2. Additional Trading Practices

In certain circumstances, IDB Lido will "trade away" from its primary custodial relationships to achieve better pricing on behalf of its clients, among other things. In engaging a broader market for the buying and selling of securities, IDB Lido may or may not achieve better pricing or execution. IDB Lido utilizes its judgment, within reason, to identify circumstances when trading away is more beneficial to its clients. There, however, may be circumstances where IDB Lido fails to achieve these objectives by trading away, resulting in higher costs to the client. IDB Lido seeks to mitigate this possibility by analyzing comparable pricing and best execution by its custodians on a per-trade and annual basis.

B. Best Execution

Except as otherwise provided in the client's Agreement, IDB Lido has full discretion to place buy and sell orders with or through such brokers-dealers as it deems appropriate. IDB Lido's general policy is to place client trades with Schwab, and IDB Lido will continue to do so as long as IDB Lido believes that the brokerage custodian is providing the best overall value for its clients, and they remain competitive in relation to executions and the cost of each transaction ("best execution").

Although IDB Lido will seek, within reason, to achieve the best execution possible for client securities transactions, this does not require IDB Lido to solicit competitive bids and IDB Lido does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while IDB Lido will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. IDB Lido is not required to negotiate "execution only" commission rates; thus, the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker-dealer which are included in the commission rate.

To ensure that brokerage firms recommended by IDB Lido are conducting overall best qualitative execution, IDB Lido will periodically (and no less often than annually) evaluate its trading process and broker-dealer/custodian selections. IDB Lido's evaluation will consider the full range of brokerage services offered by the broker-dealers,

which may include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, and administrative ability.

1. Research and Other Soft Dollar Benefits

IDB Lido selects a broker-dealer in recognition of the value of various services or products, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors, it believes the broker-dealer can provide best execution. Directing advisory clients to a broker-dealer in exchange for services or products provided to the investment adviser other than transaction execution is known as a “soft dollar” arrangement. The amount of compensation paid to such broker-dealer (which may include disclosed markups and markdowns on riskless principal transactions with market-makers if IDB Lido were to conduct such transactions) may be higher than what another, equally capable broker-dealer might charge absent a soft dollar arrangement. Except for the benefits received from Schwab, IDB Lido currently has no other soft dollar arrangements in place. The following discussion is intended to provide clients with certain important information regarding these practices, including the potential conflicts of interest that arise under soft dollar arrangements. *See* Item 14 (Client Referrals and Other Compensation).

The receipt of these services and products benefits IDB Lido, because IDB Lido does not have to produce or pay for the research or other products or services when it obtains such products and services by using client commissions. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select or recommend a broker-dealer based on IDB Lido’s interest in receiving the research or other products or services, rather than based on clients’ interest in receiving most favorable execution. Additionally, IDB Lido may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The agreements between IDB Lido and its clients generally authorize IDB Lido to use client soft dollars for a wide range of purposes. The extent of any such potential conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

Section 28(e) of the Securities Exchange Act of 1934 recognizes the potential conflicts of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, “research” means services or products used to provide lawful and appropriate assistance to IDB Lido in making investment decisions for its clients. “Brokerage” services and products are those used to effect securities transactions for IDB Lido’s clients or to assist in effecting those transactions.

Consistent with obtaining best execution, brokerage transactions have been in the past and likely will be in the future be directed to certain broker-dealers in return for investment research and brokerage products and services which assist IDB Lido in its investment decision-making process. IDB Lido can cause clients to pay

commissions that are higher than those that another qualified broker-dealer might charge to effect the same transaction where IDB Lido determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. Research and other products and services purchased with soft dollars will generally be used to service all of IDB Lido's clients, but brokerage commissions paid by one client can be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there can be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Brokerage services obtained with soft dollars can include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement, and message services used to transmit orders.

Research and related services furnished by broker can include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by IDB Lido under such soft dollar arrangements can include both proprietary research (created or developed by the broker dealer) and research created or developed by a third party.

As stated above, IDB Lido recommends that clients establish brokerage accounts with Schwab to maintain custody of clients' assets and to effect trades for their accounts. While there is no direct link between the investment advice given to clients and IDB Lido's recommendation to use the custodial or brokerage services of Schwab, certain benefits are received by IDB Lido due to this arrangement. *See* Item 14 (Client Referrals and Other Important Information).

2. Directed Brokerage

If requested by a client, IDB Lido may accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and IDB Lido will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by IDB Lido (as described below). IDB Lido will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client could pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, IDB Lido may decline a client's request to direct brokerage if, in IDB Lido's sole discretion, these directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by

other broker-dealers.

C. Trade Aggregation and Allocation

Transactions for each client will be initiated independently unless IDB Lido decides to purchase or sell the same securities for several clients at approximately the same time. IDB Lido performs investment management services for various clients, some of which may have similar investment objectives. IDB Lido will aggregate sale and purchase orders with other clients, including proprietary (employee) accounts that have similar orders being made at the same time, if in IDB Lido's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. These benefits can include better transaction prices and lower trade execution costs. IDB Lido can (but is not obligated to) combine or "block" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among IDB Lido's clients any differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among participating accounts pro rata to the purchase and sale orders placed for each participating account on any given day. If these orders cannot be fully executed under prevailing market conditions, IDB Lido will allocate the securities traded among participating accounts and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, clients' investment objectives, and liquidity of the security.

D. Alternative Investment Allocation

IDB Lido recommends investments in Alternative Investments, including Private Funds, to certain clients. Generally, these investments are available only to a limited number of sophisticated investors who meet the definitions of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and "qualified client" under the Investment Advisers Act of 1940 or "qualified purchaser" under the Investment Company Act of 1940. Additionally, Private Funds are considered "limited offerings" since they only accept a limited amount of funds for investment.

When determining which clients should receive a recommendation to invest in a Private Fund, IDB Lido considers a number of factors, including but not limited to a client's sophistication, risk tolerances and qualifications, investment objectives, and the amount of available assets. IDB Lido's goal is to allocate in a fair and balanced manner; however, given these differing factors, the allocation of investment opportunities in Private Funds to clients is mainly subjective and not all qualifying clients will be provided an investment opportunity. Additionally, there are times when IDB Lido Associated Persons invest in certain Private Funds that are recommended to clients. When this occurs, a potential conflict exists and to address the potential conflict Associated Persons are required to receive prior written approval by the CCO.

Qualifying clients receiving a recommendation to invest in a Private Fund must read the offering or private placement memorandum prior to investing to fully understand the risks and potential conflicts pertaining to the Private Fund investment. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal

Trading).

E. Brokerage for Client Referrals

In selecting or recommending broker-dealers, IDB Lido receives client referrals from a broker-dealer, which creates a potential conflict of interest. This is because IDB Lido has an incentive to select or recommend a broker-dealer based on its interest in receiving client referrals rather than on the client's interest in receiving most favorable execution.

To mitigate this potential conflict, IDB Lido reviews and monitors execution and services provided to all clients to help ensure that the client's accounts are managed as effectively as possible and are receiving best execution.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

IDB Lido investment strategies are reviewed by the Lido Investment Committee on a continuous basis. IDB Lido reviews client assets and risk profiles on a periodic basis; IARs review client assets not less than annually. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

Financial plans are reviewed only upon request unless IDB Lido is retained to update the plan on a recurring basis.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews also are triggered by changes in an account holder's reported personal, tax, or financial status. Other events that can trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to promptly notify IDB Lido and its advisory representatives of any changes in the client's financial situation that might affect the client's investment needs, objectives, risk tolerance, financial profile, or time horizon.

C. Regular Reports

Custodian account statements are generated by the custodian no less than quarterly and are sent directly from the account custodian to the client. The account statement reports the account positions, activity in the account over the covered period, and other related information, including all additions and withdraws from the account. Clients also receive confirmations following each account transaction unless receipt of confirmations has been waived. These reports are provided in written form sent from the custodian to the client.

In addition to the regular statements clients receive from their custodian, IDB Lido will provide detailed reports concerning relevant account and/or market-related information. Our client reports will generally consist of: (1) a list of client assets by class that includes the reported purchase date, name of security, number of shares, purchase price per share, current price per share, current market value and unrealized gain/loss; (2) the account performance; and (3) the total market value of the account(s). If a client has more than one account, the accounts are consolidated into one report. IDB Lido reports are provided on at least an annual basis, and are based on information received from the custodian or, in some instances, from the client or the client's other

agents. IDB Lido does not independently verify the accuracy of such reported information received from the custodian and/or client.

Clients are urged to compare the statements received from IDB Lido to those received from the account custodian.

For clients in Private Funds, those assets may not appear on their custodian statement (depending on the custodian), but they are included in account reports and statements provided by IDB Lido. IDB Lido's policy for valuing these types of securities is to rely upon the valuations provided by the operator/issuer of the holding. IDB Lido does not independently verify the accuracy of such reported valuation information. There can be times when IDB Lido does not receive an updated valuation prior to IDB Lido sending account statements to clients. When this happens, IDB Lido will report the last known valuation received by the issuer, or depending on circumstances, will provide a fair valuation estimate based on a good faith valuation determined by either IDB Lido, the applicable issuer, or third-party firms. These fair valuations are unaudited and actual values can be higher or lower than the amount reported. *See* Item 5 (Fees and Compensation).

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received

As discussed above, from time-to-time IDB Lido will enter into soft dollar arrangements whereby brokerage transactions are directed to certain broker dealers in return for investment research products or services which assist IDB Lido in its investment decision-making process. The receipt of these services is deemed to be the receipt of an economic benefit by IDB Lido, and although customary, these arrangements give rise to potential and actual conflicts of interest, including the incentive to allocate securities transactional business to a broker-dealer based on the receipt of these benefits rather than on a client's interest in receiving most favorable execution. *See* Item 12 (Brokerage Practices).

Additionally, IDB Lido generally recommends that clients use Schwab as their custodian and broker of record and certain benefits are received by IDB Lido due to this arrangement. Schwab makes available to IDB Lido other products and services that benefit IDB Lido but do not benefit its clients' accounts. Some of these other products and services assist IDB Lido in managing and administering clients' accounts. While as a fiduciary, IDB Lido endeavors to act in its clients' best interests, IDB Lido has an incentive to recommend that clients maintain their assets in accounts at Schwab due to the benefit to IDB Lido and the availability of some of the products and services provided, which create a potential conflict of interest.

See Item 12 (Brokerage Practices).

B. Compensation for Client Referrals

From time-to-time, IDB Lido will entered into promoter arrangements with both affiliated and unaffiliated individuals and organizations that refer potential clients to IDB Lido.

Where required, these arrangements will be documented by written agreements in accordance with the

requirements under Rule 206(4)-1 of the Advisers Act. If a promoter introduces a potential client to IDB Lido, IDB Lido pays that promoter a fee. . While the specific terms of each arrangement may differ, generally, the compensation will be based upon IDB Lido's engagement of the referred clients and the retention of those clients and calculated using a varying percentage of the fees paid to IDB Lido by those clients. IDB Lido also pays compensation to its employees for their referrals of potential clients, which is disclosed to the referred IDB Lido client. Any referral fee paid is solely from IDB Lido's Asset Management fee and clients do not pay a higher fee as a result of the payment of referral fees. In accordance with Rule 206(4)-1 of the Advisers Act, promoters introducing a prospective client to IDB Lido (unless specifically exempted in Rule 206(4)-1) are required to prominently disclose the nature of the relationship between such promoter and IDB Lido, whether the promoter is a client or investor of IDB Lido, details on the compensation paid for the promoting activities, and any material conflicts of interest on part of the promoter, among other details.

1. IDBNY Promoter Agreement

As discussed above in Item 10, IDB Lido pays referral fees to IDBNY under a promoter arrangement for introducing potential clients to the firm. IDBNY, as an owner of IDB Lido, directly benefits from any additional revenue earned by IDB Lido as a result of such referrals. This type of arrangement creates a conflict of interest since the promoter has an incentive to endorse IDB Lido. To address this conflicts, disclosures are provided to prospects and clients regarding the arrangements, including information on the compensation paid and any conflicts surrounding the arrangement.

2. Schwab Custodian Arrangement

IDB Lido recommends Schwab to clients for custody and brokerage services. There is no direct link between IDB Lido's participation in Schwab's custodial program and the investment advice it gives to its clients, although IDB Lido receives economic benefits through its participation in the program that are typically not available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving IDB Lido participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to IDB Lido accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to IDB Lido by third-party vendors. Schwab also offers payment for business consulting and professional services received by IDB Lido related persons. These products or services can assist IDB Lido in managing and administering client accounts. Other services made available by Schwab are intended to help IDB Lido manage and further develop its business enterprise. The benefits received by IDB Lido or its personnel through participation in the Schwab program do not depend on the amount of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, IDB Lido endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by IDB Lido or its related persons in and of itself creates a potential conflict of

interest and can indirectly influence the IDB Lido's choice of Schwab for custody and brokerage services.

C. Other Compensation

Certain IDB Lido IARs have outside business activities with unaffiliated registered investment advisers and other firms. Consequently, these activities create potential and actual conflicts of interest. Please refer to Item 10 for detailed information, including on the conflicts surrounding these activities and how they are addressed, and the respective IDB Lido IAR's Form ADV Part 2B (Supplemental Brochure), which is provided to new clients at the time of engagement.

D. Testimonials and Endorsements.

From time to time, IDB Lido will enter into written agreements with third parties (commonly referred to as "promoters") to provide endorsements.⁸ When engaging with such third parties, IDB Lido will comply with the requirements of Rule 206(4)-1 of the Advisers Act, which includes, among other things, ensuring that the promoters are not otherwise disqualified and providing specific disclosure to prospects and clients regarding the arrangements. Although the specific terms of each agreement may differ, IDB Lido will generally provide compensation to these promoters based on a portion of the Asset Management fee, when a prospective client becomes a client, and the duration of the client relationship with IDB Lido. This type of arrangement creates a conflict of interest since the promoter has an incentive to endorse IDB Lido.

IDB Lido also provides compensation to its employees and affiliates when they refer a new client to the Firm. Although this compensation is not directly tied to new clients' Asset Management fee, a conflict of interest exists as employees and affiliates may be incentivized to refer clients based on the receipt of compensation. To address these conflicts, disclosures are provided to prospects and clients regarding the arrangements, including information on the compensation paid and any conflicts surrounding the arrangement. IDB Lido also maintains policies and procedures pertaining to third-party endorsement arrangements and compensation paid to employees for client referrals.

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, IDB Lido is deemed to have custody of client funds, with details outlined in Item 9 of Form ADV Part 1. To mitigate any potential and actual conflicts of interests, IDB Lido will, when possible, maintain client assets with an independent qualified custodian. In certain instances, client assets, such as certain private funds, cannot be held at such custodians. IDB Lido will identify additional necessary procedures, such as surprise audits or designation of non-discretionary authority over those assets, consistent with its obligations under the Rule 206(4)2.

⁸ **Endorsement** means any statement by a person other than a current client or investor in a private fund advised by the investment adviser that: (i) Indicates approval, support, or recommendation of the investment adviser or its supervised persons or describes that person's experience with the investment adviser or its supervised persons; (ii) Directly or indirectly solicits any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser; or (iii) Refers any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser.

Generally, IDB Lido recommends Schwab for custodial services, but from time to time, other custodians may be accepted by IDB Lido for custody of client assets. In the case of asset management services utilizing a TPAM, the TPAM may select the custodian.

Notably, in most cases a client's broker-dealer also acts as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets held at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology, and the difference in the Securities Investor Protection Corporation ("SIPC") protection that protects against certain types of loss of cash and securities at a financially troubled SIPC-member broker-dealer versus the protection for cash at a Federal Deposit Insurance Corporation (FDIC) insured banking institution, to the extent provided for under the SIPC or FDIC coverage rules. It is a client's responsibility to monitor their total deposits to determine the extent of their SIPC or FDIC insurance coverage available to them, and IDB Lido does not conduct that monitoring for clients.

IDB Lido will only implement its investment management recommendations after the client has arranged for and furnished IDB Lido with all information and authorization regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by IDB Lido. IDB Lido's statements vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. *See* Item 12 (Brokerage Practices).

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

IDB Lido performs services generally on a discretionary basis, unless otherwise agreed upon at the inception of the client relationship and memorialized in the Agreement. In exercising its discretionary authority, IDB Lido has the ability to determine the type and amount of securities to be transacted and whether a client's purchase or sale should be combined (aggregated) with those of other clients and traded as a "block". This discretion is to be exercised in a manner consistent with each client's investment objectives, risk tolerance, financial profile, and time horizon. In addition, IDB Lido's authority to trade securities can be limited in certain circumstances by applicable legal and regulatory requirements, as well as IDB Lido's compliance policies. Clients are permitted to impose reasonable limitations on IDB Lido's discretionary authority, including restrictions on investing in certain securities or types of securities. All limitations, restrictions, and investment guidelines must be provided to IDB Lido in writing, and accepted by IDB Lido.

B. Limited Power of Attorney

For discretionary accounts, Clients authorize IDB Lido to exercise full discretionary authority with respect to all investment transactions in their designated accounts upon execution of the Agreement. Among other things, the Agreement designates IDB Lido as the client's attorney-in-fact with discretionary authority to conduct investment transactions, including, but not limited to, giving instructions to third parties in furtherance of such authority. Should a client desire to limit IDB Lido's authority, either by designating the account as non-discretionary or other specific limitations, the client must do so in writing.

ITEM 17: VOTING CLIENT SECURITIES

IDB Lido's policy and practice is to not vote proxies on behalf of its clients and therefore, shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. IDB Lido shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client unless the account is an ERISA account, and such authority has not been delegated to another named fiduciary in the plan's written documents. Furthermore, in the case of ERISA clients, while IDB Lido generally does not vote proxies for ERISA client accounts, should proxy materials be forwarded on to IDB Lido at the request of the plan sponsor, IDB Lido will strive to vote the proxy in the best interest of the client. A copy of IDB Lido's proxy voting record and policies are available upon written request by the plan sponsor

IDB Lido typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

ITEM 18: FINANCIAL INFORMATION

IDB Lido does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. IDB Lido does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.