

**ITEM 1  
COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**

**LGK ADVISORS, LLC  
LGK ADVISORS II, L.P.  
LGK ADVISORS III, L.P.  
LSV ADVISORS, LLC  
DTS ADVISORS, L.P.  
DJT ADVISORS II, L.P.**

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*This Brochure provides information about the qualifications and business practices of LGK Advisors, LLC and relying advisers DTS Advisors, L.P., DJT Advisors II, L.P., LGK Advisors II, L.P., and LGK Advisors III, L.P. (collectively, "LGK"). If you have any questions about the contents of this Brochure, please contact us at (212) 378-3700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about LGK is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Registration with the SEC does not imply that LGK or any of its principals or employees possess a particular level of skill or training in investment advisory or any other business.*

**The date of this brochure is: March 29, 2024**

*The delivery of this Brochure any time after the above date does not imply that the information contained herein is correct subsequent to such date except as required by the instructions of Form ADV Part 2A.*

## **ITEM 2**

### **MATERIAL CHANGES**

Since its prior annual update dated March 30, 2023, LGK has generally updated the descriptions or disclosures in this Brochure regarding LGK's business and advisory services, strategies, fees and expenses, risks, conflicts, and funds and accounts to ensure, in each case, that such descriptions or disclosures are current.

- Item 4 has been updated for readability and to provide additional details about LGK's strategies and funds.
- Item 5 has been updated to provide additional detail regarding the types of costs or expenses an LGK Client may bear, consistent with its offering documents or investment management agreement.
- Item 8 has been updated for readability and to provide additional detail about the types of potential risks that may be associated with LGK's current funds and strategies. Furthermore, discussion of certain risks that are duplicative of the risk factors contained in the offering documents or investment management or operating agreements of LGK's funds have been removed.
- Item 11 has been updated to provide additional information regarding LGK's Code of Ethics and discussion of certain conflicts.
- Item 17 has been updated to reflect the current text of LGK's Proxy Voting Policy.

While such updates generally constitute clarifications or wording edits to the existing disclosures contained throughout this Brochure, Clients and prospective Clients should carefully review this Brochure in its entirety.

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## ITEM 4 ADVISORY BUSINESS

### A. Advisory Business

LGK Advisors, LLC (“**LGK**”) was initially formed as a Delaware limited partnership on July 20, 2010 and converted to a Delaware limited liability company as of December 31, 2019. LGK registered as an investment adviser with the U.S. Securities and Exchange Commission (the “**SEC**”) effective as of September 13, 2010. LGK’s clients are private investment funds or vehicles for which LGK or its affiliates serve as the investment manager and/or general partner.

This family of affiliated investment managers and general partners are relying advisers relying on LGK’s single registration with the SEC and are collectively referred to as “LGK” in this Brochure. As of the date of this Brochure, LGK’s affiliated and relying investment advisers consist of LSV Advisors, LLC, DJT Advisors II, L.P., DTS Advisors, L.P., LGK Advisors II, L.P., and LGK Advisors III, L.P., but additional affiliated advisers may be formed after the date of this Brochure. LGK does business under the name of LSV Advisors, LLC, a limited liability company formed in the State of Delaware on November 21, 2005.

David G. Tisch is the principal owner of LGK through privately held intermediary vehicles and trusts that he owns or controls. Mr. Tisch has ultimate responsibility for LGK’s management, operations, and, together with LGK’s investment committee, investment decisions.

### B. Description of Advisory Services

LGK provides discretionary and non-discretionary investment advisory and management services to private pooled investment vehicles (“**Funds**”) and institutional managed accounts (“**Managed Accounts**”). As used herein, the terms “**Client**” or “**Clients**” generally refer to the Funds and the beneficial owners of the Managed Accounts. LGK offers advice with respect to a broad range of investments and securities and other financial instruments. Clients, prospective Clients, and investors and prospective investors in the Funds should review the applicable offering documents or investment management, operating, or similar agreements for information about the investments on which LGK may provide advice.

As further detailed in Item 8 below, LGK Clients typically acquire illiquid investments in side pockets, liquidating share classes, or other interests in publicly traded or privately held investment vehicles, such as continuation funds, hedge funds, funds-of-funds, private equity funds, credit funds, hybrid funds, venture capital funds, and other investment vehicles (collectively, the “**Investment Vehicles**”), each managed by an underlying unaffiliated investment adviser (the “**Portfolio Manager**”), as well as illiquid or strategic direct equity investments in publicly traded or privately held companies.

*This Brochure generally includes information about LGK and its relationships with its Clients and affiliates. While much of this Brochure applies to all such Clients and affiliates, certain information included herein applies to specific clients or affiliates only.*

*This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. Interests in and securities of the Funds and Managed Accounts are offered and sold on a private placement basis under exemptions promulgated under the U.S. Securities Act of 1933, as amended, and the rules thereunder, and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. Investors in the Funds generally must be both “accredited investors”, as defined in Regulation D under the U.S. Securities Act of 1933, and “qualified purchasers”, as defined in the U.S. Investment Company Act of 1940, as amended. Persons reviewing this Brochure should not construe this Brochure as an offer to sell or solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

C. Availability of Customized Services for Individual Clients

LGK’s investment decisions and advice with respect to each Fund are subject to each Fund’s investment objectives and guidelines, as set forth in such Fund’s offering documents. Individual investors in pooled investment vehicles generally may not impose restrictions or customized guidelines on the portfolios of such vehicles. LGK’s decisions and advice with respect to Managed Accounts may be the same as or similar to the Funds that have a similar investment strategy, although there may be investment or concentration limitations requested by the beneficial owner of the Managed Account. Investors in certain classes of interests in the Funds and, in some cases, investors in Managed Accounts have the ability to “opt-out” of investments. Additionally, LGK has and may in the future create separate classes of the Funds to allow for concentration limitations or investment restrictions within the Funds.

D. Assets Under Management

As of December 31, 2023, LGK and its affiliates managed funds and accounts with an aggregate Regulatory Assets Under Management of approximately \$2,552,981,022 on a discretionary basis and \$71,645,547 on a non-discretionary basis. LGK’s Regulatory Assets Under Management is determined based on the net asset value of the Funds or Managed Accounts and the uncalled capital commitments of the investors in the Funds or Managed Accounts.

## ITEM 5 FEES AND COMPENSATION

The advisory fees applicable to each Fund are set forth in detail in each Fund’s offering documents. The advisory fees applicable to each Managed Account are set forth in detail in each Managed Account’s investment management agreement or other agreement with LGK. LGK and its affiliates typically charge an asset-based fee and earn performance-based fees or compensation. The management fee for each Fund or Managed Account (the “**Management Fee**”) is generally calculated and paid quarterly in advance and ranges from 1% to 2% per annum of the applicable assets under management based on capital commitments (including uncalled capital commitments) or net asset value, depending on whether the applicable account’s investment period has expired. The performance-based fee or compensation (the “**Performance Compensation**”) for each Fund or Managed Account generally ranges from 15% to 20% of the

realized gains of the account as set forth in the applicable investment management or operating agreement.

Performance Fees are typically calculated and accrued quarterly or annually. LGK and/or its affiliates may and in the past have waived or reduced (by rebate or otherwise) the Management Fee or Performance Fee with respect to a Client or investor. LGK does not charge or earn fees on capital invested by affiliates or employees of LGK.

Fees and compensation paid or allocated by the Funds or Managed Accounts to LGK or its affiliates are generally deducted directly from the assets of such Clients by LGK instructing the administrator or custodian to effect such payments or allocations. For the Funds or Managed Accounts with Performance Fees structured as an incentive fee, the Performance Fees are generally paid or allocated from the applicable Fund or Managed Account into an escrow account, after tax payments are made, which escrowed amount is released to LGK upon meeting certain milestones. For Funds or Managed Accounts with Performance Fees structured as an allocation, the general partner or managing member of such vehicle receives the Performance Fees as an allocation of the vehicle's distributions. LGK has agreed and may in the future agree to serve as the investment adviser, investment manager, general partner, or manager or other similar role of a Fund or Managed Account and charge Management Fees or Performance Fees that are more favorable than the fees described above.

The ability of investors in the Funds or Managed Accounts to withdraw or redeem their investments is limited by the terms of the applicable partnership, governing, or operating agreement, and, typically, investors may not withdraw or redeem their interests. The ability of such investors to terminate the obligation to pay or bear the applicable Management Fees or Performance Fees or to terminate their investment in a vehicle is consequently limited. In the event of such a termination, the amount of any fees or expenses to be paid or refunded will be determined as provided for in the applicable agreement.

A. Expenses and Expense Allocations

In addition to the Management Fees and Performance Fees paid to LGK, unless provided otherwise, Clients also bear their operational expenses or reimburse LGK for any such expenses paid by LGK on their behalf. The expenses that Clients pay can vary, so Clients and investors in the Funds should review the applicable management agreement, partnership agreement, or offering memorandum to determine which expenses they may pay. Unless provided to the contrary in the management agreements, partnership agreements, or offering or similar documents governing a Fund or Managed Account, the expenses that Clients may pay or bear include the following:

- Organizational and initial offering costs, expenses relating to the offer and sale of the interests in Funds and Managed Accounts (including travel expenses related thereto), expenses relating to conducting due diligence on investors, and the legal and other out-of-pocket fees and expenses payable to third parties in connection with the creation of new classes of such interests and the negotiation of arrangements with investors therein.

- Costs and expenses incurred in connection with the operational activities of a Fund or legal vehicle.
- Expenses relating to the cost of purchasing and monitoring investments (e.g., due diligence expenses, brokerage commissions, escrow fees, and trading costs), investment related expenses, including but not limited to legal fees and investment sourcing expenses (whether or not such investments are consummated), and broker expenses.
- Expenses relating to a Client's hedging activities and a Client's share of the expenses of the investment, aggregating, or special purpose vehicles in which it invests, and the costs and expenses related to or connected with the establishment and activities of any special purpose vehicles.
- Valuation expenses, news and quotation equipment and services, and data-related services and subscriptions.
- Research expenses, fees and expenses of research-related service providers, expenses related to research-related publications, investor relations, and research and sourcing (including travel expenses related thereto).
- Administration fees, fees and expenses related to custodial and bank services (including custody audit fees and wire fees), expenses paid to third parties in connection with actions reasonably taken to protect the business or reputation of a Fund or Managed Account, and the fees and expenses of a partnership's tax representative.
- Expenses relating to technology, software, telecommunications, and LGK's and the Funds' or Managed Accounts' cyber-security efforts.
- Investment-related, economic, and investment introduction/sourcing consultants, other investment sourcing expenses, and other service providers' expenses ("**Consultant Expenses**").
- Insurance premiums, including, without limitation, for professional liability insurance policies for officers of LGK.
- Printing costs, mailing expenses, and all tax preparation, accounting, and audit fees and expenses (including the annual fee to a Fund's or Managed Account's auditors).
- Taxes, tax planning and tax structuring fees, penalties and other similar amounts, and government fees levied against a Client.
- Legal fees.
- Expenses of loan services and other service providers.
- Any extraordinary expenses (e.g., litigation and indemnification expenses).

- Any costs or expenses associated with a Fund's or Managed Account's borrowing facilities, including the payment of principal and interest thereon.

Certain Funds bear their allocable share of LGK's expenses (including compensation) relating to internal personnel performing (i) legal activities related to the acquisition (whether ultimately consummated or not), monitoring, or divestiture of investments and (ii) certain back-office and mid-office administrative activities on behalf of the Fund. LGK believes that performing such services internally (as compared to outsourcing such services to third-party service providers) will be more cost effective or otherwise will be in the best interest of such Funds.

Certain Funds will also bear expenses incurred by LGK in connection with LGK's or such entity's registration or compliance with the SEC, the Commodity Futures Trading Commission, the European Commission, the European Securities and Markets Authority, the Cayman Islands Monetary Authority, or any other regulatory body (whether U.S., non-U.S., state, federal or local), including expenses related to personnel associated with LGK's compliance efforts (including, for example, their compensation), the cost of research services to facilitate compliance with applicable regulatory requirements, compliance program audit expenses, anti-money laundering and sanctions monitoring expenses, the costs of preparing regulatory, tax, and other filings, the costs of preparing and reporting disclosure and compliance notifications or filings (e.g., Forms 13D, 13G, 13F, PF and D, BEA as well as the Foreign Account Tax Compliance Act ("FATCA") and FBAR reporting requirements applicable to a Fund, TIC Form SLT filings, or AIFMD Annex IV transparency reporting), or initial and ongoing compliance with any laws, rules or regulations currently in effect or adopted in the future, in each case relating to such entity's investment management activities ("**Investment Manager Regulatory Expenses**").

Typically, LGK allocates Consultant Expenses and Investment Manager Regulatory Expenses *pro rata* only among the Clients that have agreed to bear such expenses, notwithstanding that some or all of the benefit (or cause) of such expenses may be enjoyed by other funds and business endeavors. A Client's share of Consultant Expenses or Investment Manager Regulatory Expenses may increase or decrease over time, as applicable.

LGK is not limited in the number of Funds or Managed Accounts it may manage. Because there is no limit on the size or number of accounts, there can be no assurance of the level of the expenses to be borne by any one Client, or the relationship of those expenses to a Client's overall size. It is possible that such expenses will have a material adverse effect on the performance of a Client, both in absolute terms and relative terms to other Clients that do not bear their share of these costs.

In cases in which multiple Clients of LGK as well as LGK and its affiliates use or benefit from the same service, LGK determines how the cost of that service is allocated among such parties and has a conflict of interest in making such allocations. Moreover, LGK and certain or subsequent Managed Accounts may benefit from the products or services paid for by another Client.



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

LGK and its affiliates earn performance-based compensation from most if not all Clients, which compensation is based on the applicable Client's investment performance. The amount and structure of the performance-based compensation differ by Client, and in some cases such compensation may be paid or allocated to a company affiliated with LGK that acts as the general partner, managing member, or investment manager of an investment vehicle. Investors in such accounts should review the relevant offering memorandum or investment management, partnership, or operating agreement for further information about the performance-based compensation applicable to those accounts. The prospect of earning performance-based compensation can create an incentive for LGK to make investments that are riskier or more speculative than it might make in the absence of such compensation. Conversely, in circumstances when LGK has potentially earned performance compensation because of an account's investment gains, the desire to maintain the compensation may influence LGK to cause such an account to take less investment risk or exit an investment early and forgo additional investment gains so as to not jeopardize the compensation. In the allocation of investment opportunities, performance-based compensation arrangements may create an incentive to favor accounts from which any adviser may receive greater compensation over accounts from which an adviser may receive less performance-based compensation. LGK has adopted allocation policies to ensure that all Clients are treated fairly and LGK endeavors to treat each Client in a fair and equitable manner.

As described in Items 4 and 5 above and Item 8 below, by investing in underlying illiquid investments indirectly through LGK's Funds or Managed Accounts, Clients will bear the asset-based management fee and performance-based fee charged by the Portfolio Managers with respect to the Investment Vehicles in addition to LGK's Management Fees and Performance Fees. Thus, an investor may be subject to higher operating expenses and fees than if the investor invested in another fund without multiple fee and expense levels. Additionally, each underlying Portfolio Manager will receive any incentive-based allocations or fees to which it is entitled irrespective of the performance of the other underlying Investment Vehicles. As a result, an underlying Portfolio Manager with positive performance may receive compensation from an LGK Client, as an investor in the Portfolio Manager's underlying Investment Vehicle, even if the LGK Client has overall negative returns. The performance-based compensation received by an underlying Portfolio Manager also may create an incentive for that manager to make investments that are riskier or more speculative than those that it might have made in the absence of the performance-based fee. A Portfolio Manager's compensation may be based on calculations of realized and unrealized gains made by that underlying manager without independent oversight.

Investment vehicles managed by LGK have purchased and may in the future purchase illiquid assets such as shares or interests in private funds, side pockets, or liquidating share classes at a discount to their intrinsic estimated value, as well as illiquid or strategic direct equity investments in publicly traded or privately held companies. To the extent that the reported net asset values of such illiquid assets are not determined in accordance with U.S. GAAP fair value accounting, LGK may re-value these assets according to LGK's valuation procedures, which require that assets be valued at fair value. Such re-valuations, which could occur shortly after the purchase of the illiquid assets, may initially cause the net asset value of such assets to increase or

decrease compared to the acquisition costs. The increase of the illiquid assets' net asset value due to the re-valuations of the assets may result in LGK becoming entitled to receive a performance fee or increase LGK's accrued performance fees. Such effect, however, may be mitigated by the terms of LGK's performance fees, including paying performance compensation (after taxes) into escrow accounts with respect to incentive fee Clients, using performance fee clawbacks, or structuring performance allocations to accrue only after an account's capital contributions have been returned.

## **ITEM 7 TYPES OF CLIENTS**

LGK provides investment advisory services to Funds and Managed Accounts, as described above. The minimum investment amount and other requirements applicable to an investment in a Fund are described in the relevant offering memorandum or investment management, partnership, or operating documents and typically can be waived. The requirements for establishing a Managed Account or dedicated investment vehicle are negotiable and may vary by strategy or Client.

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

*The descriptions of LGK's advisory services, investment strategies, and investments set forth in this Brochure should not be understood to limit LGK's investment activities in any way. LGK may offer any advisory service, engage in any investment strategy, or make any investment that LGK considers appropriate, including a service, strategy, or investment not otherwise described in this Brochure, subject to each Client's investment objectives and guidelines. **The investment strategies LGK pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.** References herein to LGK investments include investments made by LGK's Clients where appropriate.*

LGK's investment committee is led by David Tisch, LGK's Chief Executive Officer, and also includes Saul Diamond and Aaron Shapiro, LGK's Co-Presidents (the "**Investment Committee**"). The Investment Committee meets on an ongoing basis to discuss existing and prospective investments. Investments are evaluated independently, as well as in the context of Clients' existing holdings and sector exposures.

In general, the principal investment objective of the investment funds and accounts that LGK manages is to achieve absolute returns through opportunistic investments in illiquid assets, securities, financial instruments and physical assets ("**Illiquids**"), directly and indirectly through private and publicly traded fund structures purchased at discounted levels relative to their estimated intrinsic values. LGK seeks to identify assets and securities that, due to their illiquid nature, are mispriced by their owners who are motivated to sell these investments as they, among other reasons, (i) may not have sufficiently long-term investment horizons to hold the Illiquids to a more optimal realization, (ii) may not have the resources to manage the Illiquids, (iii) may face operational burdens such as expense or regulatory requirements, or (iv) may demonstrate other non-economic behavioral reasons. As a result, LGK believes that opportunities can be created to

acquire Illiquids at significant discounts to their intrinsic values. LGK seeks to implement its investment programs by utilizing its experience in sourcing, identifying, structuring, negotiating, and managing investment opportunities in Illiquids across a broad range of securities, asset categories, industries, markets, and geographic regions.

While there are no limitations on the types of Illiquids in which LGK may invest, directly or indirectly, in its efforts to achieve its objective, LGK will generally invest directly or indirectly in: publicly traded and privately held equities and equity-like instruments; preferred securities, debt securities, bonds, loans, notes and other forms of indebtedness; debt tranches and equity of securitizations; interests in or financings of Investment Vehicles; financial assets (such as whole loans and accounts receivable); litigation and bankruptcy claims; physical assets such as inventories, fixed assets, or real estate; lease residuals; royalties or other participations; swaps or other derivative investments; and other distressed assets. Investments may be related to a variety of entities such as corporate entities, municipal or national governments, or real estate entities. It is expected that the Illiquids may be purchased directly or indirectly in any number of structures, including, without limitation, structured transactions, earnouts, deferrals, contractual arrangements, or other synthetic structures utilized to create a discount to intrinsic value, in each case typically through third party managed Investment Vehicles.

LGK intends to invest in Illiquids on a global basis, including through Investment Vehicles domiciled in non-U.S. jurisdictions.

A. Certain Material Risks Relating to LGK or LGK's Investment Strategies

Investors should review the applicable offering memorandum or investment management, partnership, operating, or other disclosure documents for a more detailed discussion of the risks associated with investment in the Funds or Managed Accounts managed by LGK. These risks include, but are not limited to, risks related to:

*Dependence on LGK*

With the exception of certain "opt-out" classes of interests in some of the Funds, investors in the Funds have no authority to make decisions or to exercise business discretion on behalf of a Fund.

*Illiquid Investment Strategy*

An investment in a Fund or Managed Account is illiquid and is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment.

*Different Investment Portfolios; Cross-Investment Liability*

Investors in a Fund may participate in a distinct portfolio of investments based upon the timing of an investor's admission to the Fund. Certain investors may be subject to risks and achieve returns that vary from other investors or are subject to claims or liabilities that relate to an investment in which not all investors participate.

*Projected Returns and Liquidity of Proposed Investments*

There can be no assurance that LGK's projections on returns and liquidity for any proposed investment will prove accurate.

*Investing in Complex Special Situations and Illiquid Investment Opportunities*

LGK will invest in complex special situations that involve the acquisition of Illiquids (on which LGK may be able to perform only limited due diligence and economic analysis) at values that LGK believes are discounted to their intrinsic value. Assets may still experience unprecedented losses even after being acquired at discounted prices.

*Competition; Availability of Appropriate Investment Opportunities; Clients May Not Fully Invest*

The markets in which LGK may invest can be competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. Even if LGK identifies potentially attractive investment opportunities, such opportunities may not be able to be consummated at the time or upon terms that LGK desires.

*Limited Information Regarding Portfolio Managers and Investment Vehicles*

Although LGK will receive information from each underlying investment vehicle regarding its investment performance and investment strategy, LGK may have little or no means of independently verifying this information or may not have access to detailed information regarding the underlying portfolios and operations of the underlying investment vehicles.

*No Current Income or Distributions*

LGK's investment policies should be considered speculative, as there can be no assurance that LGK's assessments of the short-term or long-term prospects of investments will generate a profit or distributions. There can be no assurance that the Funds or Managed Accounts will make distributions to investors.

*In-Kind Distributions*

Distributions from the Funds or Managed Accounts will generally be in cash but may also be made in kind in certain circumstances.

*Restricted and Illiquid Investments*

LGK generally invests in Illiquids, which often are not publicly traded and which may not be readily sold. Markets or assets that LGK expects to be liquid can experience periods of illiquidity, sometimes for extended periods.

*Redemptions from Investment Vehicles; Re-Allocation of Investments*

LGK's Clients generally not have any rights pursuant to which they may redeem, transfer, or otherwise liquidate their investments in underlying Investment Vehicles. Consent, if any, by LGK's Clients may redeem amounts invested in the underlying Investment Vehicles may be subject to restrictions and conditions, gates, suspensions, or distributions in-kind. In some cases, underlying Investment Vehicles may also suspend the determination of the net asset value of all or a portion of their portfolios.

*Valuation of Investment Vehicles*

Market prices are not readily available for most underlying Investment Vehicles in which LGK invests. LGK may have little or no means of independently verifying valuations provided by such underlying Investment Vehicles.

#### *Control over Portfolio Managers*

LGK invests in underlying Investment Vehicles that LGK believes will generally, and in the aggregate, be managed in a manner consistent with LGK's investment objective and strategy. There can be no assurances that an underlying Investment Vehicle not controlled by LGK will be managed by its Portfolio Manager in such a manner.

#### *General Economic and Market Conditions*

The success of LGK's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. Unexpected volatility or liquidity could impair LGK's profitability or result in its suffering losses. Changes in legal, tax, fiscal, and regulatory regimes are likely to occur during the life of the Funds and Managed Accounts, and such changes may have an adverse effect on such vehicles and their investments. Any political unrest, war, or acts of terrorism, or other force majeure events such as natural disasters, pandemics, and similar events would also increase the risks inherent in the Funds' and Managed Accounts' investments. Due to the illiquidity of LGK's investments, the Funds or Managed Accounts have limited ability to adapt to any such changes in the economic environment or mitigate any corresponding losses.

#### *Epidemics and Pandemics; Force Majeure*

The world has seen a number of outbreaks of new viral illnesses of varying severity, including Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), the H1N1 Flu (Swine Flu), and Covid-19, which resulted in enormous economic and social uncertainty throughout the world. The impact of any future pandemic, epidemic or outbreak of a contagious disease is difficult to predict, but it is possible that such outbreaks could have an enduring and materially adverse impact on global, national, and local economies or severely impair LGK's operational capabilities. Additionally, LGK, the Funds, Managed Accounts, Investment Vehicles, the Investment Vehicles' Illiquids, and the Portfolio Managers are all subject to risks associated with acts of God, including earthquakes, floods, wildfires, hurricanes, mudslides, volcanic eruptions, climate change, and other natural disasters, any of which could result in uninsured losses.

#### *Terrorist Action*

There is a risk of terrorist attacks on the United States and elsewhere, potentially causing significant loss of life and property damage and disruptions in global markets. The impact of such events is unclear but could have materially adverse effects on general economic conditions and market liquidity.

#### *Risks Associated with Actions by Russia*

In late February 2022, Russian military forces invaded Ukraine, significantly amplifying already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West. Russia's invasion, the responses of countries and political bodies to Russia's actions and the potential for wider conflict may increase global financial market volatility and could have severe adverse effects on regional and global economic markets. Sanctions imposed against certain Russian individuals, including politicians, and Russian corporate and banking entities, and a number of large private corporations, and the freezing of Russian assets could adversely affect global financial markets and thereby negatively affect the value of the Fund's investments beyond any

direct exposure to Russian issuers or those of adjoining geographic regions. The duration of ongoing hostilities and corresponding sanctions and related events cannot be predicted and may result in a negative impact on the performance and value of Fund investments.

#### *Highly Volatile Markets*

The prices of securities and commodities contracts and all derivative instruments, including futures and options, can be highly volatile. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. LGK's clients also are subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses.

#### *Inflation*

Inflation and rapid fluctuations in inflation rates as has occurred in the U.S. in recent years have had in the past, and may in the future have, negative effects on economies and financial markets. Inflation and rapid fluctuations in inflation rates can adversely affect the financial performance of the Funds and Managed Accounts. In addition, the market value of LGK's investments may decline in times of higher inflation rates given that the most commonly used methodologies for valuing investments (e.g., discounted cash flow analysis) are sensitive to rising inflation and real interest rates. Were significant inflation to continue, the effect on LGK's strategy could be materially adverse.

#### *Interest Rates*

Increases in interest rates could adversely affect the value of certain investments. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors beyond LGK's control. Concerns over the United States' debt ceiling and budget-deficit have increased the possibility of downgrades by rating agencies to the U.S. government's credit rating, which could cause interest rates and borrowing costs to rise. The future path of interest rates is highly uncertain. Any attempts to hedge an investment's exposure to changes in interest rates may not be successful or LGK may not be able to enter into or maintain such hedges.

#### *Market Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act*

The global financial markets have in the past gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. The Funds and Managed Accounts may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. Dodd-Frank and other new regulations could result in certain investment strategies in which LGK engages or may have otherwise engaged becoming non-viable or non-economic to implement.

#### *Concerns Regarding the Downgrade of the U.S. Credit Rating*

Like other fixed-income securities, the values of U.S. government securities change as interest rates fluctuate. It can be expected that if major credit rating agencies issue downgrades of the long-term sovereign credit rating on the U.S., the resulting market response would be extreme and possibly adverse to the Funds or Managed Accounts.

### *MiFID II*

The EU Markets in Financial Instruments Directive (Directive 2014/65/EU) and Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014) (together, “**MiFID II**”) governs the provision of investment services and activities in relation to, as well as the organized trading of, financial instruments such as shares, bonds, units in collective investment schemes and derivatives. The UK has equivalent rules to those in MiFID II. Certain aspects of MiFID II may have an impact on the Funds, Managed Accounts, or Investment Vehicles. More generally, EU regulated firms that have trading relationships with the Funds, Managed Accounts, or Investment Vehicles may be obliged by MiFID II to impose certain requirements, and there may be costs (whether direct or indirect) of compliance with MiFID II.

### *Cybersecurity Risk*

The computer systems, networks and devices used by LGK and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices can be breached and as a result, a Fund or a Managed Account could be negatively impacted.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Third parties may attempt to fraudulently induce employees, customers, third-party service providers, or other users of systems to disclose sensitive information in order to gain access to LGK’s data or that of its investors. A successful penetration or circumvention of the security of LGK’s systems or the systems of LGK’s or its Clients’ service providers or counterparties, or other market participants, could result in the loss or theft of an investor’s funds. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a Fund or a Managed Account; interference with our ability to calculate the value of an investment; impediments to trading; the inability of LGK and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a Fund or a Managed Account invests; counterparties with which a Fund or a Managed Account engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

### *Banking Risks*

Rising interest rates, various bank failures, and volatile markets have contributed to instability in certain banking sectors, including regional banks, raising a variety of risks for investors.

### *Leverage*

Certain of the Funds obtain leverage that may be secured by a Fund's assets and/or the capital commitments of the Funds' investors. Leverage will magnify both the overall returns to investors and their risk of loss. The Funds' lenders will have certain rights with respect to the investors' capital commitments and the Funds' investments in the event of a default under the applicable borrowing facility. These rights generally may be enforced against all assets of a Fund, even if the claim or liability relates to a particular investment that not all Fund investors participate in. The use of leverage will also result in interest expense and other costs to a Fund that may not be covered by the appreciation of the Fund's Investments. Some of the Investment Vehicles may also make margin purchases of securities or borrow money for investment purposes.

### *Concentration of Investments*

There can be no assurance that the selection of investments will result in an effective diversification of investments.

### *Valuation*

LGK's Clients will hold certain financial instruments that will not have readily assessable market values. In such instances LGK will determine the fair value of such financial instruments in good faith based on various factors. The valuation of certain illiquid financial instruments is inherently subjective and subject to increased risk that the information utilized to value the financial instrument or to create the price models may be inaccurate or subject to other errors. Inaccurate valuations may, among other things, prevent LGK from effectively managing its investment portfolios and risks, may result in LGK exceeding certain investment guidelines and may affect the diversification and risk management of LGK's clients' portfolios. The value of LGK's portfolio may also be affected by changes in accounting standards, policies, or practices.

### *Inability to Vote or Exercise Control*

LGK Clients may not acquire a sufficient percentage of the economic interests in any Investment Vehicle to control that Investment Vehicle, may elect to hold non-voting securities in Investment Vehicles, or may waive the right to vote in respect of an Investment Vehicle. In such cases, LGK will not be able to vote on matters that require the approval of the interest holders of the Investment Vehicle, including matters adverse to the Clients' interests.

### *Return of Capital to an Investment Vehicle*

Typically, an investor in an Investment Vehicle is liable for the repayment and discharge of all debts and obligations of such Investment Vehicle incurred at the time such person was an investor of such Investment Vehicle, to the extent of such investor's interest in such Investment Vehicle (i.e., a "clawback" mechanism). LGK's Clients may be required by an Investment Vehicle (even if no longer invested in such Investment Vehicle), under such clawback mechanism, to make contributions or payments to such Investment Vehicle during or after the time period in which a Client held an interest in such Investment Vehicle.

### *Global Investments*

LGK may invest in Investment Vehicles holding financial instruments of issuers located outside the United States. In addition to business uncertainties, such investments may be affected by political, social, and economic uncertainty affecting a country or region. Many financial markets



are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such non-U.S. issuers.

LGK may be subject to additional risks, which include possible adverse political and economic developments, possible seizure or nationalization of non-U.S. deposits and possible adoption of governmental restrictions which might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Income received by LGK from sources within some countries may be reduced by withholding and other taxes imposed by such countries. The risks associated with investing in non-U.S. securities may be greater with respect to those issued by companies located in emerging industrialized or less developed countries.

#### *Tax Considerations*

The taxation of a Fund or Managed Account, and partnerships and partners in general, is complex. Prospective investors are strongly urged to review the tax disclosures and discussions contained in the Funds' and Managed Accounts' offering documents or investment management, operating, or similar agreements and to consult their own tax advisors. There can be no assurance that a Fund's or Managed Account's distributions in any given taxable year will be in the amounts necessary for investors to pay all tax liabilities resulting from their investment in the Fund or Managed Account, if applicable. Dividend and interest payments and gains may be subject to withholding or other taxes, which could reduce net proceeds to a Fund, Managed Account, or investor. With respect to U.S. domiciled Funds or Managed Accounts, investors should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state, and local level.

#### **B. Certain Material Risks Relating to Particular Types of Investments**

##### *Equity Securities*

Equity securities fluctuate in value, including based on factors unrelated to the fundamental economic condition of the issuer of the securities, including general economic and market conditions. A Fund, Managed Account, or Investment Vehicle may purchase securities in all available securities trading markets and may invest in equity securities without restriction as to market capitalization, such as those issued by smaller capitalization companies, including micro-cap companies.

##### *Bonds and Other Fixed Income Securities*

Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk). Non-investment grade debt securities in the lowest rating categories may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher grade debt

securities. An economic downturn affecting an issuer of non-investment grade debt securities may result in an increased incidence of default. In addition, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities.

#### *Debt Securities Generally*

A Fund, Managed Account, or Investment Vehicle may invest in private and government debt securities and instruments, including debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

#### *Derivatives*

A Fund, Managed Account, or Investment Vehicle may invest in, or enter into, derivatives or derivatives transactions ("derivatives"). Derivatives are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index or interest rate. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of a particular derivative and the portfolio of the Fund, Managed Account, or Investment Vehicle as a whole. Derivatives may permit LGK or a Portfolio Manager to increase or decrease the level of risk of an investment portfolio or change the character of the risk to which an investment portfolio is exposed in much the same way as the manager can increase or decrease the level of risk, or change the character of the risk, of an investment portfolio by making investments in specific securities. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential effect on performance of a Fund, Managed Account, or Investment Vehicle. The use of derivatives may include total return swaps, forwards, options, and futures designed to replicate the performance of a Fund or to adjust market or risk exposure.

#### *Options and Futures*

A Fund, Managed Account, or Investment Vehicle may utilize options and futures contracts and so-called "synthetic" options or other derivatives written by broker-dealers or other permissible financial intermediaries. Options transactions may be effected on securities exchanges or in the OTC market. When options are purchased OTC, the holder bears the risk that the counterparty that wrote the option will be unable or unwilling to perform its obligations under the option contract. Options may also be illiquid, and, in such cases, the holder of the option may have difficulty closing out its position. OTC options also may include options on baskets of specific securities.

A Fund, Managed Account, or Investment Vehicle may purchase call and put options on specific securities and may write and sell covered or uncovered call and put options for hedging purposes in pursuing its investment objectives. A put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security at a stated exercise price, typically at any time prior to the expiration of the option. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying security at a stated exercise price, typically at any time prior to the expiration of the option. A covered call option is a call option

with respect to which the seller of the option owns the underlying security. The sale of such an option exposes the seller during the term of the option to possible loss of opportunity to realize appreciation in the market price of the underlying security or to possible continued holding of a security that might otherwise have been sold to protect against depreciation in the market price of the security. A covered put option is a put option with respect to which cash or liquid securities have been placed in a segregated account on the books of or with a custodian to fulfill the obligation undertaken. The sale of such an option exposes the seller during the term of the option to a decline in price of the underlying security while depriving the seller of the opportunity to invest the segregated assets.

Engaging in transactions in futures contracts involves risk of loss that could adversely affect the value of a Fund's, Managed Account's, or Investment Vehicle's net assets. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the trading day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, preventing prompt liquidation of futures positions and potentially subjecting a Fund, Managed Account, or Investment Vehicle to substantial losses. Successful use of futures is also subject to LGK's or a Portfolio Manager's ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to determine the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

A Fund, Managed Account, or Investment Vehicle may be required to segregate permissible liquid assets in connection with their options and commodities transactions in an amount generally equal to the value of the underlying option or commodity. The segregation of these assets will have the effect of limiting the applicable account's ability otherwise to invest those assets.

#### *Foreign Currency Transactions*

A Fund, Managed Account, or Investment Vehicle may engage in foreign currency transactions for a variety of purposes, including to "lock in" the U.S. dollar price of the security between trade and settlement date, the value of a security the Fund, Managed Account, or Investment Vehicle has agreed to buy or sell, or to hedge the U.S. dollar value of securities the Fund, Managed Account, or Investment Vehicle already owns. A Fund, Managed Account, or Investment Vehicle may also engage in foreign currency transactions for non-hedging purposes to generate returns.

### **ITEM 9 DISCIPLINARY INFORMATION**

LGK and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's or prospective Client's evaluation of LGK's advisory business or the integrity of LGK's management.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

None of LGK or its management persons are registered as or have an application pending to register as (i) a broker-dealer or registered representative of a broker-dealer, or (ii) a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

LGK provides advisory services to a number of pooled investment vehicles or institutional managed accounts and companies affiliated with LGK serve as the general partner or managing member of some of these vehicles.

Clients will generally invest in or through a special-purpose vehicle (SPV) formed to hold assets or formed to address certain tax, legal, accounting, regulatory, financing, or other concerns. LGK or an affiliate may manage or act as the general partner or managing member of such SPVs. Joint participation in SPVs by multiple Clients could lead to conflicts among them when, for example, one Client desires to end its participation or seek the resolution or disposition of an SPV's assets while other Clients wish to continue their participation.

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

A. Code of Ethics

LGK stands in a position of trust and confidence with respect to its Clients and has a fiduciary duty to act solely for the benefit of LGK's Clients and to place the interests of its Clients before LGK's interests or those of its employees. To assist in meeting LGK's fiduciary obligations, LGK has adopted a Code of Ethics (the "Code"). The Code requires all LGK personnel to comply with all applicable federal and state securities laws and regulations and contains the following policies:

- LGK employees generally must report their personal securities brokerage accounts and holdings in "reportable securities" and preclear transactions in most types of "reportable securities", as such term is defined in Rule 204A-1 under the Investment Advisers Act of 1940, as well as initial public offerings and private investments;
- LGK employees generally must preclear their outside business activities;
- LGK employees must comply with the Code's requirements for the giving and receiving of gifts and business entertainment;
- LGK employees must generally preclear "contributions" to "officials" of "government entities", as such terms are defined in Rule 206(4)-5 under the Investment Advisers Act of 1940; and
- LGK employees must comply with U.S. anti-bribery laws such as the Foreign Corrupt Practices Act.

Investors may request a copy of the Code by contacting LGK at the address or telephone number listed on the first page of this Brochure.

**B. Material Financial Interests in Client Transactions**

LGK and its employees have interests in certain of the Funds and, as explained above in this Brochure, LGK or affiliated entities receive performance-based compensation from Clients and Managed Accounts. Accordingly, LGK may have differing interests with respect to different Client accounts or with respect to individual transactions or investments made by or contemplated for those accounts. Conflicts of interest among Client accounts, for example when allocating investment opportunities, may be more pronounced because of differing direct or indirect interests of LGK or its affiliates or employees in such Client accounts. Set forth below is a summary of some of the circumstances in which such conflicts of interest may and do arise:

**Cross Trades and Principal Transactions**

LGK may determine that it would be in the best interests of certain Clients to transfer a security from to another Client (each such transfer, a “**Cross Trade**”) for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, or to reduce transaction costs that may arise in an open market transaction. If LGK decides to engage in a Cross Trade, LGK will determine that the trade is in the best interests of each Client involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each participating Clients. LGK will typically not receive a fee in connection with the completion of Cross Trade transactions.

To the extent that Cross Trades may be deemed to be principal transactions due to LGK’s or LGK employees’ ownership interest in one or more participating Funds, LGK will comply with the consent requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of the investors in such a Fund and approved or disapproved by (i) an advisory committee comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by LGK (or its affiliate), and effected using valuations approved by such a committee or determined by an independent third party or observable market price.

**Receipt of Material Non-Public Information**

LGK maintains Insider Trading policies and procedures (the “**Insider Trading Policies**”) that are designed to prevent the misuse of material, non-public information. LGK’s Insider Trading Policies prohibit LGK and its personnel from trading for Clients or themselves, or recommend trading, in securities of an issuer while in possession of material, non-public information (“**Inside Information**”) about the issuer, and from disclosing such information to any person not entitled to receive it. By reason of its various activities, LGK may have access to Inside Information and be restricted from effecting transactions in certain investments that might otherwise have been initiated on behalf of a Client. Conversely, LGK may elect to limit its access to Inside Information to avoid becoming restricted and have less information than other market participants or counterparties are eligible to receive. LGK seeks to minimize those cases whenever possible, consistent with applicable law and the Insider Trading Policies, but there can

be no assurance that such efforts will be successful and that such restrictions will not occur. LGK will have no responsibility or liability to a Client for not disclosing Inside Information to the Client (or the fact that LGK possesses such information) or not using Inside Information for the benefit of a Client as a result of following the Insider Trading Policies.

C. Investments in Securities Recommended to Clients

The Code places restrictions on employees' personal trades, including that employees disclose their personal securities holdings and transactions to the CCO or a compliance designee on a periodic basis and pre-clear most types of personal securities transactions.

LGK's personnel may buy, sell, or hold securities or other instruments for their own accounts while executing or recommending different investment decisions for Clients. These activities may adversely affect the prices or availability of other securities or instruments held by or potentially considered for one or more Clients. Potential conflicts also may arise due to the fact that LGK and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds. LGK has established policies and procedures to monitor and mitigate conflicts with respect to investment opportunities in a manner it deems to be fair and equitable, including the Code's restrictions on personal trading, as described above, and the monitoring of employee transactions for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities as Client trades.

D. Conflicts of Interest Created by Contemporaneous Investments

LGK and each of its principal decision makers may have financial or other incentives to favor one Client over another. LGK seeks, under normal conditions, to allocate investment opportunities between Clients on a fair and equitable basis, subject to applicable law and the Clients' investment program. The terms applicable to one Client may differ from those applicable to other Clients, including, without limitation, with respect to fees and the information available. LGK and its principal decision makers may be incentivized to accept additional capital contributions and capital commitments in certain Client accounts, in which case the amount of an investment opportunity available to allocate to another Client account may be decreased. LGK may sell/buy or recommend the sale/purchase of a particular investment for certain Clients, including accounts in which LGK or its employees have interests, while buying/selling or recommending the purchase/sale of such investment for other Clients, and, thus, transactions effected for one Client may not be consistent with transactions effected for other Clients or with LGK's investment recommendations. When there is a limited supply of investments, LGK will use reasonable efforts to allocate or rotate investment opportunities fairly and equitably among Clients over time, taking into account such factors as the relative amounts of capital available to Clients for new investments, Client tax consequences or regulatory restrictions, Client guidelines or risk restrictions, and the respective investment programs and existing portfolio positions of Clients.

### **Co-investments**

When an investment opportunity is larger in size than LGK believes advisable for eligible Clients, LGK may seek co-investors for the investment. Co-investors may include third parties and parties who have been Clients or who may in the future become Clients. The prospect of a future advisory or similar relationship with a co-investor can create a conflict of interest when LGK is negotiating with a co-investor on behalf of the participating Clients or making decisions or recommendations concerning Client participation in an investment with co-investors. Because co-investors make investments in the same instrument or transaction that Funds do, such co-investors effectively benefit from LGK's investment management advice and related decision-making with respect to the investment but may not pay LGK a management fee.

After LGK has first allocated an investment opportunity to the Funds and Managed Accounts that are eligible to invest in such quantities as LGK believes advisable, any remaining co-investment opportunities in such investment may be offered to a select number of investors based on factors including, but not limited to: (i) whether the potential co-investor has expressed an interest in participating in co-investment opportunities; (ii) LGK's evaluation of the potential co-investor's size and financial resources; (iii) the ability of the potential co-investor to participate in the investment opportunity on a timely basis without harming or otherwise prejudicing the other Clients participating; (iv) LGK's perception of whether the potential co-investor would accept the investment opportunity; (v) whether LGK believes that allocating the investment opportunity to a potential co-investor will help establish, recognize or strengthen LGK's relationship with the potential co-investor or sponsor or provide indirect, longer-term benefits to current or future clients or to LGK; and (vi) confidentiality concerns that may arise in connection with providing the potential co-investor with specific information regarding the investment opportunity.

### **Side Letters**

LGK or certain Funds have the discretion to waive or modify the application of certain terms of the vehicles' governing or operating documents or to grant special or more favorable rights to investors in such vehicles, including, without limitation, provisions relating to fees, incentive allocations, transfers, notices, reporting, or transparency. Such special or more favorable rights are customarily reflected in a "Side Letter" supplemental agreement. LGK has entered into such agreements with respect to certain Clients, Funds, or investors in Funds and may enter into future agreements without notice to, or the consent of, other investors or Clients. Neither LGK nor any Fund is required to offer additional, different, or preferential rights or terms to any investor.

### **New Activities and Affiliations**

LGK is not restricted from forming additional funds or vehicles, entering into other advisory relationships, or engaging in other business or charitable activities even though such activities may compete with a Client or may require substantial time and resources of LGK's employees. LGK and its principals and employees will devote as much of their time to the activities of Clients as they deem necessary and appropriate, but these other activities may create a conflict of interest if the time and effort required of LGK or its related persons for such activities is substantial.

**ITEM 12**  
**BROKERAGE PRACTICES**

**A. Factors in Selecting Broker-Dealers for Client Transactions**

As discussed in Items 4 and 8, LGK executes its investment strategies principally through opportunistic investments in Illiquids through private and publicly traded fund structures. LGK Clients typically acquire Illiquids through Investment Vehicles each managed by an underlying Portfolio Manager. LGK's strategies do not currently entail a large volume of trades in securities or instruments executed through broker-dealers in the public or over-the-counter markets. LGK may use broker-dealers in limited circumstances, such as to enter into hedging transactions or liquidate securities distributed in-kind from underlying Investment Vehicles. Where applicable, when LGK selects a broker-dealer to effect a Client trade, LGK seeks to obtain best execution, taking into consideration the price of a security offered by a broker-dealer, as well as a broker-dealer's full range and quality of services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to LGK, brokerage and research services provided to LGK (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance services, and settlement and custodial services. If LGK determines in good faith that a broker's commissions are reasonable in relation to the value of the trading and research-related services and facilities provided by such broker, a Client may pay commissions to such broker or execute at prices that are less favorable than another broker (even if the research services may not be for the exclusive benefit of that Client).

**Research and Other Soft Dollar Benefits**

In limited circumstances as described above, LGK may pay a broker-dealer commissions for effecting transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Research-related services or equipment provided by brokers through which transactions for Clients are executed, settled, and cleared may include research reports on industries or companies, economic surveys and analyses, recommendations as to specific securities, quotations or analytic tools, news and research services, pricing or valuation data, and other services that benefit LGK's investment decisions and trade execution. Such benefits are sometimes referred to as "soft dollar" benefits. Acceptance of such items can create a conflict of interest because they may be used by, or benefit, Clients other than the Clients that paid the commissions or may benefit LGK by allowing LGK not to have to pay for the research or service. LGK will effect such transactions, and receive such brokerage and research services, only to the extent that such benefits fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, subject to prevailing guidance provided by the SEC regarding Section 28(e), or such benefits constitute expenses that the applicable Client agreements or offering documents identify as eligible expenses to be borne by such Clients. LGK believes it is important to its investment decision-making processes to have access to independent research. If LGK receives "soft dollar" benefits from a broker-dealer, its use of such products and services may benefit all clients, and LGK will not seek to allocate soft dollars benefits based on the client that paid for them. In certain circumstances, a Client may pay



commissions to a broker that provides research or brokerage services to LGK but for which such Client does not receive a benefit.

Notwithstanding the foregoing, LGK has not entered into any formal soft dollar arrangements.

### **Brokerage for Client Referrals**

Certain brokers or other counterparties to LGK's Clients may offer capital introduction services intended to introduce LGK to potential investors, typically through individual meetings or in a conference format. Although capital introduction may be offered as a free service, conflicts of interest are presented by such arrangements because LGK may have an incentive to use the services of a specific broker due to the broker's ability to raise capital for management by LGK. LGK may have business arrangements with brokers used to execute transactions for Clients. For example, brokerage firms or their affiliates may invest in investment vehicles managed by LGK or may provide financing, underwriting, placement, or other services to LGK or its Clients. Brokers may invite LGK employees to entertainment or social events or industry conferences.

### **B. Order Aggregation**

Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better trade prices or lower execution costs. LGK is not required to aggregate Client trades, but will generally do so, subject to best execution factors. When aggregating orders, LGK will allocate executions of aggregated Client orders in a fair and equitable manner.

If LGK determines that the purchase or sale of a security is appropriate with regard to multiple Clients, LGK may, but is not obligated to, purchase or sell such a security on behalf of such Clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, participating Clients will generally receive the average price for such trades for such day, with transaction costs generally allocated *pro rata* based on the size of each Client's participation in the order (or allocation in the event of a partial fill) as determined by LGK in its reasonable discretion. In the event of a partial fill, allocations may be modified on a basis that LGK deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by LGK. As a result, certain trades in the same security for one Client (including a Client in which LGK and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Client, and orders placed later in the day may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

## **ITEM 13 REVIEW OF ACCOUNTS**

As the investment manager of the Funds and Managed Accounts, LGK monitors the Funds and Managed Accounts daily and performs various weekly, monthly, quarterly, and periodic reviews of Client portfolios. Such reviews are conducted by the members of LGK's Investment

Committee, operations personnel, and research associates. LGK strives to issue audited financial statements concerning the Funds or Managed Accounts that LGK manages within 180 days of the end of the applicable Client's fiscal year.

Investors in the Funds and Managed Accounts receive quarterly information documenting the performance of the relevant Fund or Managed Account, although LGK may provide certain investors in the Funds with information on a more frequent and detailed basis if agreed to by LGK. While all investors generally receive similar information, to the extent an investor receives information (that other investors have not received) that is in addition to the information provided in a Fund's regular investor reports, such information may provide such investor with greater insight into the Fund's activities. This may enhance such investor's ability to make investment decisions with respect to the Fund, although no Fund or Managed Account investor currently has voluntary redemption rights.

#### **ITEM 14**

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

LGK has retained placement agents to solicit investors and will enter into future engagements with placement agents. Such placement agents typically receive compensation in the form of a one-time or on-going payment of a portion of the management and/or performance fees that LGK or one of its affiliates would receive in respect of managing a Fund or Managed Account. Such compensation offsets an equivalent amount of the compensation that LGK or its affiliates would otherwise have received from the applicable Client. Fund investors that are solicited by a placement agent are generally required to acknowledge in the applicable Fund's subscription documents that (i) the investor is aware of the placement agent and the placement agent's form of compensation and (ii) the investor has received from the placement agent the disclosures that the placement agent is required to deliver regarding the conflicts of interests posed by a placement agent receiving compensation from the Fund or LGK in connection with soliciting an investor to invest in the Fund. LGK may engage placement agents that are, or are affiliated with, a broker-dealer (or equivalent non-U.S. person) that executes transactions on behalf of a Client or acts as a counterparty to transactions for a Client.

#### **ITEM 15**

#### **CUSTODY**

With certain exceptions, LGK is deemed under Rule 206(4)-2 of the Investment Advisers Act of 1940 (the "**Custody Rule**") to have custody of Client funds and securities because LGK or an affiliate acts as the general partner (or an equivalent role) of a Fund or Managed Account or has the authority to obtain possession of Client funds or securities, for example, by deducting advisory fees from a Client's accounts or otherwise directing the withdrawal or transfer of funds from a Client's accounts. For those Clients for which LGK is deemed to have custody, LGK satisfies the requirements of the Custody Rule by keeping required Client funds and securities at a "qualified custodian," such as a broker-dealer or a bank, and, typically, by arranging for the delivery of annual audited financial statements to the investors in the Funds or the owners of the Managed Accounts that LGK manages.

## ITEM 16 INVESTMENT DISCRETION

LGK generally has discretionary authority to manage the Funds and Managed Accounts, including authority to make decisions with respect to which securities or investments are bought and sold for a Client, the Investment Vehicles or Portfolio Managers (as defined in Item 4) with which a Client will engage, the amount and price of securities or assets transacted, the brokers or dealers to be used for a particular transaction, and the commissions or markups or markdowns paid. In certain cases, such as with respect to “opt-in” or “opt-out” classes of the Funds or certain Managed Accounts, LGK must seek or receive an investor’s permission before executing an underlying investment for such investor. LGK’s investment decision making authority, discretion, and advice with respect to each Client is subject to each Client’s investment objectives and guidelines and the terms set forth in the Client’s applicable offering documents, investment management agreements, or operating agreements, which investors should carefully review.

## ITEM 17 VOTING CLIENT SECURITIES

LGK generally has the authority to vote Client securities held by the Funds or Managed Accounts or to approve or consent to amendments proposed by the underlying Investment Vehicles. LGK, however, generally does not expect to receive a significant number of public company proxies based on LGK’s current investment strategies that invest primarily in Investment Vehicles that hold Illiquids managed by the Portfolio Managers. (See Item 8.) LGK has adopted proxy voting policies and procedures (the “**Proxy Voting Policy**”) as required by Rule 206(4)-6 under the Investment Advisers Act of 1940. The general policy is to vote proxy proposals, amendments, consents, or resolutions relating to Client securities, including interests in the Investment Vehicles (collectively, “proxies”), in a manner that serves the best interests of the Funds, as determined by LGK in its discretion, and taking into account relevant factors including, but not limited to (i) the impact on the value of the investments; (ii) the anticipated costs and benefits associated with the proposals; (iii) the effect on liquidity; and (iv) customary industry and business practices. LGK may conclude that abstaining from voting or reserving a Client’s rights in relation to a proxy is in a Client’s best interest. LGK may, from time to time, determine that it is in the best interests of its Clients to depart from the specific policies described in the Proxy Voting Policy.

Investors in the Funds and owners of Managed Accounts cannot direct the voting of securities held by such accounts. Conflicts of interest that arise in the course of voting Client securities may, depending upon the nature and degree of the conflict, be addressed by (a) delegating the voting decision for such proxy proposal to an independent third party; (b) delegating the voting decision to an independent committee of partners, members, directors, or other representatives of the Client, as applicable; (c) informing the Clients (or investors in the applicable Funds or the owners of the applicable Managed Accounts) of the conflict of interest and obtaining consent (majority consent in the case of a Fund) to vote the proxy as recommended by LGK; or (d) obtaining approval of the decision from LGK’s CCO and legal counsel.

A copy of the Proxy Voting Policy and information regarding how Client securities were voted may be obtained by contacting LGK at the address or telephone number listed on the first page of this Brochure.

**ITEM 18**  
**FINANCIAL INFORMATION**

Not applicable.