

Levitt Capital Management, LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Levitt Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 561-893-9901. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Levitt Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Levitt Capital Management, LLC is 111543.

Levitt Capital Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last Annual Updating Amendment dated March 21, 2013 we have made the following material changes:

We revised our disclosure in Item 4 indicating that our annual portfolio management fee is based on the value of your account on the last day of the previous quarter to state that it is now based on the value of your account on the last day of the previous month.

We also simplified our disclosure in Item 4 of the types of investments we recommend to simply state that we recommend various types of investments without describing the specific types of partnerships and alternative investment techniques we may use.

Additionally, we also clarified in Item 6 that we only charge performance based fees to clients investing in the LCM Globally Diversified Fund I, L.P. and certain legacy clients who invest in the fund may be charged different fee amounts based on when they became investors.

We have removed the reference in Item 8 to short sales because it is not part of our investment strategy.

We also added a disclosure in Item 12 to note that we maintain relationships with several broker-dealers. Oftentimes the broker-dealer we use is determined by the local markets when dealing with emerging market investments. For domestic securities we will recommend a broker-dealer based on many factors, including, but not limited to, commission rates. Relationships we have with broker-dealers may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Additionally, we added a disclosure in Item 13 stating that we use the Bloomberg service for market valuation of our positions and base the valuation on trade date while the custodian, State Street, has their own valuation source and bases valuation on settlement date. This, as well as other factors such as the currency exchange rate, may cause the value on your State Street statements to differ from that listed on our statements.

We revised our disclosure in Item 14 to note that we do not have any solicitor relationships and when existing clients give us a referral for a new separately managed account client, we only make a charity donation and do not compensate the client directly with a referral fee.

We also clarified in Item 17 that we use the services of Institutional Shareholder Services Inc. ("ISS") to vote proxies.

Finally, note that Jessica Lim is our new Chief Compliance Officer and may be reached at 561-893-9901.

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Item 4 Advisory Business

Levitt Capital Management, LLC is a registered investment adviser based in Boca Raton, Florida. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory services since 2000. Robert S. Levitt is our principal owner.

As used in this brochure, the words "we", "our" and "us" refer to Levitt Capital Management, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Portfolio Management Services

We provide discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions, and over the commission rates to be paid. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. In limited circumstances we may also provide self directed account services.

Currently, our annual fee for portfolio management services is equal to 1.25% of the market value of your assets under our management or a minimum of US \$37,500 per annum. In special circumstances, and in our sole discretion, we may negotiate a lesser management fee. Thus, existing client relationships may be subject to a different fee schedule.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous month. For the initial quarter of portfolio management services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

We will send you an invoice showing the amount of our advisory fee that is deducted from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

Either party may terminate the portfolio management agreement at any time by providing written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Investors in privately held investment companies managed by our firm should refer to the offering documents of such companies for further information regarding fee arrangements.

Types of Investments

We recommend various types of securities and we do not necessarily recommend one particular type of security over another. Additionally, we may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

Assets Under Management

As of December 31, 2013, we manage \$196,613,070 in client assets on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5 Fees and Compensation

Please refer to the *Advisory Business* section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

In addition to, and exclusive of, our investment advisory fees disclosed under the *Advisory Business* section above, you will also be charged brokerage commissions, custodial fees, transaction fees, and other related costs and expenses for trade execution. These transaction charges are paid to, and retained by, the account custodian and brokers for their clearance and execution services. We do not receive any portion of these commissions, fees, or costs. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section below.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in shares of registered investment companies, exchange traded funds, hedge funds, and/or other specialty investments. You should be aware that such companies/investments typically assess a management fee to investors and, in certain cases, may charge administrative, servicing and/or other fees, including performance fees. Any fees paid to such companies or their affiliates are separate and in addition to the fees that you pay us for investment advisory services.

If you have mutual funds and/or limited partnerships in your portfolio, you are effectively paying both our firm and the investment advisors or general partners for management of your assets because the mutual funds and limited partnerships charge a management fee that is charged to all holders of mutual funds and limited partnerships. If you place mutual fund shares or interests in limited partnerships under our management, you are subject to our direct management fee and the indirect management fee of the advisors. In some cases, we use fund of fund arrangements for limited partnerships only. In those cases, you are paying fees to the general partners of the investment partnership, the general partners of the fund of funds, and our firm's direct management fee. You should review all fees charged by mutual funds, our firm, and others to fully understand the total amount of fees you will pay specific to these types of investments.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not charge performance-based fees to clients in our separately managed account program.

We charge performance-based fees only to clients investing in the LCM Globally Diversified Fund I, L.P. (the "Partnership"). Clients who have invested in the Partnership are only charged performance-based fees if they meet the definition of "qualified clients." That means that, immediately after entering into an agreement for services with us, they must have a net worth greater than \$2,000,000 or we manage at least \$1,000,000 for them. Performance-based fees are fees based on a share of

capital gains or capital appreciation of a client's account. The amount of the performance-based fee we charge is negotiated on a client-by-client basis and will be clearly set forth in the executed agreement for services.

Certain Limited Partners may pay a different management fee and/or may or may not receive a performance-based allocation based on when they became a partner in the Fund.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to mitigate this conflict we, as fiduciaries, put the interests of clients before our own interests.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as private placements and/or specialty investments, to clients who are charged performance-based fees over clients who are charged asset based fees or fixed fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Item 7 Types of Clients

Our clients include individuals, pension and profit sharing plans, trusts, estates, corporations, and other business entities. In general, we require a minimum of \$3,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size; however, where we waive the minimum account size, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

We will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

- **Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

- **Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may

reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

- **Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

- **Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Modern Portfolio Theory (MPT) - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

- **Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

- **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

- **Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the "Highest Cost" accounting method for calculating the cost basis of your investments.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As noted above, we recommend various types of securities and we do not necessarily recommend one particular type of security over another. Additionally, we may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

When appropriate for a client's circumstances, we may offer advice on partnerships investing in a variety of alternative investment techniques, for example, hedge funds, real estate and operating companies, and private equity. A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Item 9 Disciplinary Information

Levitt Capital Management, LLC has been registered and providing investment advisory services since 2000. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Robert Levitt, Managing Member of our firm, is also the Director of Levitt Capital Management (BVI) Corp. an investment adviser registered in the British Virgin Islands. Although Levitt Capital Management (BVI) Corp. is an active company, at the present time it is not engaged in any business activity and Mr. Levitt does not spend any of his professional time in this capacity. Refer to the *Other Financial Industry Activities and Affiliations* section of our firm brochure for additional disclosures on this topic.

Where appropriate, you may be solicited to invest as a limited partner in a private limited partnership in which we serve as the general partner and investment adviser. The current limited partnership(s) includes the following:

- LCM Globally Diversified Fund I, L.P. (the "Partnership"), a Delaware limited partnership. The primary objective of the Partnership is to seek absolute positive return regardless of a rise or fall in the equity or fixed income markets. The Partnership's portfolio consists of domestic and foreign equity and debt securities, U.S. Government securities, debt obligations of foreign

governments, supranational debt and currencies. Clients should refer to the Partnership's offering documents for a full description of relevant information including the risks, investment objectives and financial requirements regarding investments in the Partnership.

The Partnership may purchase securities that are not purchased by our firm for you as an individual client. Furthermore, the Partnership may purchase securities in foreign markets, which may entail risks that are not common to purchasing securities on domestic exchanges and/or for which transactions costs may be cost prohibitive for individual clients. In the event such securities are purchased for the Partnership and deemed suitable for our individual clients, we may purchase such securities for the Partnership ahead of your individual client account. As a result, you may not receive the same price received by the Partnership.

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

Description of Code of Ethics

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. You may contact us at 561-893-9901 to request a copy of our Code of Ethics.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

Agency Cross Transactions

An agency cross transaction for an advisory client occurs when we, or one of our affiliates, acts as a broker for a transaction in which one of our advisory clients is on one side of the transaction and another person (not an advisory client) is on the other side of the transaction. We may, when we consider the transaction to be in your best interest, execute such transactions. While we could receive compensation from each party to the transaction, and would therefore have a conflict of interest, we do not directly or indirectly receive commissions or transaction-based compensation from cross trades. Clients may revoke the authorization to effect agency cross transactions at any time by providing us with written notice. In circumstances where we execute an agency cross transaction, we undertake to confirm that the buyer and seller are not related parties and that the transactions are executed at market price. We will review all trades executed as an agency cross for compliance with our best execution policy.

Internal Cross Transactions

A internal cross trade occurs when the Company effects a transaction between two advisory clients. It may be the case that we effect a transaction between two or more of our managed accounts. This would occur where one client desires or needs to purchase certain securities which another client desires or needs to sell. In such transactions a potential conflict of interest exists in that one client may be disadvantaged by the transaction. For example, we could cause a transaction in a security to occur at a price above the market price for such security that would then be available on the open market, which would benefit the selling account and harm the buying account. As a fiduciary, we effect cross transactions only to the extent such transactions are consistent with our duty to obtain best execution,

and seek to ensure that no client is disfavored by the cross trade. We will maintain a written record of each cross transaction annotated to disclose the terms of the transaction. In doing so, we do not receive additional compensation other than our advisory fees, as disclosed at Item 5 above.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor our Associated Persons shall have priority over your account in the purchase or sale of securities. Specifically, our firm and our Associated Persons are subject to a 5-day blackout period when purchasing or selling securities that have been purchased or sold for, or are being considered for, client accounts.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Item 12 Brokerage Practices

We will recommend State Street Bank and Trust ("State Street") as custodian for your accounts. State Street is an unaffiliated and independent custodian. When recommending a custodian, we will attempt to minimize the total cost for all custodial services paid by the client. However, it may be the case that the recommended custodian charges a higher fee for a particular type of service than can be obtained from another custodian.

We maintain relationships with several broker-dealers. Oftentimes the broker-dealer we use is determined by the local markets when dealing with emerging market investments. For domestic securities we will recommend a broker-dealer based on many factors, including, but not limited to, commission rates. Relationships we have with broker-dealers may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Research and Other Soft Dollar Benefits

In selecting or recommending a broker-dealer, we will consider the value of research and additional brokerage products and services a broker-dealer has provided or will provide to our clients and our firm. Receipt of these additional brokerage products and services are considered to have been paid for with "soft dollars." Because such services could be considered to provide a benefit to our firm, we may have a conflict of interest in directing your brokerage business. We could receive benefits by selecting a particular broker-dealer to execute your transactions, and the transaction compensation charged by that broker-dealer might not be the lowest compensation we might otherwise be able to negotiate. Most soft dollar arrangements are pursuant to formal agreements with the broker dealer. However in certain situations we may direct trades to broker dealers that we do not have a formal arrangement with because of the research they provide.

Products and services that we may receive from broker-dealers may consist of research data and analyses, financial publications, recommendations, or other information about particular companies and industries (through research reports and otherwise), and other products or services (software and data bases) that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our firm to effect securities transactions and perform functions incidental to transaction execution. We use the products and services in our general investment decision making, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

The test for determining whether a service, product or benefit obtained from or at the expense of a broker constitutes "research" under this definition is whether the service, product or benefit assists our firm in investment decision-making for discretionary client accounts. Services, products or benefits that do not assist in investment decision-making for discretionary client accounts do not qualify as "research." Also, services, products or benefits that are used in part for investment decision-making for discretionary client accounts and in part for other purposes (such as accounting, corporate administration, recordkeeping, performance attribution analysis, client reporting, or investment decision-making for the firm's own investment accounts) constitute "research" only to the extent that they are used in investment decision-making for discretionary client accounts.

Examples of products or services that may constitute research, but only to the extent used by our firm in investment decision-making for discretionary Client accounts, include the following: general economic and market reviews, industry and company reviews, evaluations of investments, recommendations as to the purchase and sale of investments, newspapers, magazines, pricing services, quotation services, news services and computer facilities utilized by portfolio managers and analysts.

Before placing orders with a particular broker-dealer, we determine that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker-dealer. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts charged by another broker-dealer that did not provide research services or products.

We do not exclude a broker-dealer from receiving business simply because the broker-dealer does not provide us with soft dollar research. However, we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

The products and services we receive from broker-dealers will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services. In addition, we may not allocate soft dollar benefits to your accounts proportionately to the soft dollar credits the accounts generate. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware that the receipt of economic benefits by our firm is considered to create a conflict of interest.

We have instituted procedures governing soft dollar relationships including preparation of a brokerage allocation budget, mandated reporting of soft dollar irregularities, annual evaluation of soft dollar relationships, and an annual review of our brochure to ensure adequate disclosures of conflicts of interest regarding our soft dollar relationships.

Associated Persons of our firm may attend conferences offered by various vendors and/or wholesalers. These conferences may be available to Associated Persons of our firm at a discounted price or no cost.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Block Trades

Generally, we will aggregate orders with respect to a security if such aggregation is consistent with achieving best execution for the various client accounts. When orders are aggregated, each participating account receives the average share price for the transaction and bears a proportionate share of all transaction costs, based upon each account's participation in the transaction, subject to our discretion depending on factual or market conditions and the duty to achieve best execution. Clients participating in block trading may include LCM Globally Diversified Fund and/or other proprietary or related accounts. Such accounts are treated as client accounts and are neither given preferential nor inferior treatment versus other client accounts.

When orders are aggregated, each participating account will receive the weighted average share price for all transactions in a particular security effected to fill such orders on a given business day.

As a general rule, allocations are made pro rata based upon the size of the accounts. There is no allocation to an account or set of accounts based on account performance or the amount or structure of management fees. However, the following factors may justify an allocation that deviates from the general rule:

1. Specific allocations may be chosen based upon an account's existing positions in securities.
2. Specific allocations may be chosen because of the cash availability of one or more particular accounts.
3. Specific allocations may be chosen based on a partial fill of the block trade.
4. Specific allocations may be chosen for tax reasons.
5. Specific allocations may be chosen based on required minimum trade lot sizes for foreign securities.

In the event we aggregate orders for thinly traded or other securities where the securities are not sufficient to allocate to all accounts deemed suitable to our clients, aggregated orders will be allocated on a random allocation basis. The random allocation process is computer generated and accomplished using our Order Management System and ensures impartial random allocations for all clients.

Item 13 Review of Accounts

Certain Associated Persons of our firm, including our chief compliance officer, will monitor client portfolios as part of an ongoing process while regular account reviews are conducted at least quarterly. You are encouraged to discuss your needs, goals, and objectives with our firm, and to keep us informed of any changes in this information. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to, contributions and withdrawals, year-end tax planning, quarterly from date of contract, imbalance of portfolio asset allocation, security specific events, and/or, changes in your risk/return objectives.

We will provide you with a quarterly report, which outlines your current position, security cost basis, and current market value. You will also receive performance analysis reports, which display the rates of return realized in your account. Additional reports are available upon request. You will also receive regular summary account statements, at least quarterly, directly from your account custodian.

We use the Bloomberg service for market valuation of our positions and base the valuation on trade date while the custodian, State Street, has their own valuation source and bases valuation on settlement date. This, as well as other factors such as the currency exchange rate, may cause the value on your State Street statements to differ from that listed on our statements. If you have any questions regarding your statements you should contact us immediately.

Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Where existing clients refer new clients to us for separately managed accounts only, we may make monetary donations on behalf of the referring client, to a charitable organization of their choosing, as compensation for the referral. The referring client may or may not have an affiliation with the receiving charitable organization.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with our independent, qualified custodian. You will receive account statements from the independent, qualified custodian holding your funds and securities at least quarterly. The account statements from your custodian will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact our firm at the telephone number on the cover page of this brochure.

We serve as investment adviser and General Partner to the LCM Globally Diversified Fund (the "Partnership"), a Delaware limited partnership, and pooled investment vehicle. In our capacity as General Partner of the Partnership, we will have access to the Partnership's funds and securities, and therefore have custody over such funds and securities. In accordance with the offering documents of the Partnership, we provide each investor in the Partnership with audited annual financial statements within 120-days of the Partnership's fiscal year end. If you are an investor in the Partnership and have questions regarding the financial statements or if you did not receive a copy of the financial statements, please contact Jessica Lim, Chief Compliance Officer, at 561-893-9901.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary investment management agreement.

Clients are required to grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s), the broker or dealer to be used for each transaction, and over the commission rates to be paid without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular

stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

Item 17 Voting Client Securities

We use the services of Institutional Shareholder Services Inc. ("ISS") to vote proxies. We have determined, after reviewing ISS' proxy voting guidelines, that ISS' service will vote in a manner most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on proxies were voted and/or obtain a full copy of ISS' proxy voting guidelines and procedures by making a written or oral request to our firm.

Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 19 State Registered Investment Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our firm at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Class Action Lawsuits

From time to time, securities held in your accounts may be the subject of class action lawsuits. Without exception, we have no obligation to determine if securities held by you are subject to a pending or resolved class action lawsuit. We also have no duty to evaluate your eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, we have no obligation or responsibility to initiate litigation to recover damages on your behalf if you may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held in your account.

Where we receive written or electronic notice of a class action lawsuit, settlement or verdict affecting securities you own, we will forward all notices, proof of claim forms and other materials, to you for further action. Electronic mail is acceptable where appropriate, and you authorize contact in this manner.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.