

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

**LotusDew Wealth and Investment Advisors, Private Limited  
Cabin 9, T-HUB, IIIT Gachibowli University Campus, Nanakramguda  
Hyderabad, Telangana, India 500032**

This brochure provides information about the qualifications and business practices of LotusDew Wealth and Investment Advisors, Private Limited. If you have any questions about the contents of this brochure, please contact us at +91-7731082221 and/or [abhishek.banerjee@lotusdew.in](mailto:abhishek.banerjee@lotusdew.in).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about LotusDew Wealth and Investment Advisors, Private Limited also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 308112.

LotusDew Wealth and Investment Advisors, Private Limited’s registration as an investment adviser does not imply a certain level of skill or training.

Effective Date: April 6, 2020

## **Item 2 Material Changes**

### **Summary of Material Changes**

This section will be updated as required in the event any material changes are made to the LotusDew Wealth and Investment Advisors, Private Limited Firm Brochure (the “Brochure”):

- As of April 2020, LotusDew Wealth and Investment Advisors, Private Limited has no material changes to report at this time.

### **Delivery Requirements**

We will provide a summary of any material changes to this Brochure to our clients at least annually, within 120 days of our fiscal year end. Furthermore, we will provide our clients with other interim disclosures about material changes as necessary.

A complete copy of our current Form ADV Part 2A and/or 2B may be requested free of charge by contacting us by telephone at +91-7731082221 or by email at [abhishek.banerjee@lotusdew.in](mailto:abhishek.banerjee@lotusdew.in).

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## Item 4 Advisory Business

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### FIRM DESCRIPTION

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LotusDew Wealth and Investment Advisors, Private Limited (hereinafter referred to as “LotusDew,” “we,” “us,” or “our firm”) is a private limited company with its principal office located in Telanganan, India. The sole owner and president of the firm is Abhishek Banerjee, and the Chief Compliance Officer is Mitalee Acharyya.

As a registered investment adviser, we are a fiduciary to you, our client, meaning we have a fundamental obligation to act and provide investment advice that is in your best interest. Should any material conflicts of interest exist that might affect the impartiality of our investment advice, they will be disclosed to you in this Brochure. We urge you to review this Brochure carefully and consider our qualifications, business practices and the nature of our advisory services before becoming our client.

In addition to investment management services, LotusDew provides IT consulting service to customers based in the United Kingdom.

As of March 31, 2020, LotusDew has \$0 in assets under management on a discretionary basis and \$554,075 in assets under management on a non-discretionary basis. Clients may request more current information at any time by contacting our firm.

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### ADVISORY PROGRAMS

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LotusDew provides investment management services to our clients. In connection with our investment management services, LotusDew provides advice with respect to stocks and exchange traded funds. We may use derivative such as futures to hedge market exposure. Our advice is generally limited to these types of investments, but we reserve the right to advise or not advise our clients on certain investments should we deem it appropriate based on their particular circumstances.

LotusDew’s advisory services are tailored to the needs of our clients based on their individual investment objectives, risk tolerance, cash or income needs, and any investment restrictions. Although LotusDew seeks to accommodate any reasonable investment restrictions or guidelines set by our clients, we may decline to accommodate certain investment restrictions that are incompatible with our firms’ investment philosophy or that may have an adverse effect on our ability to manage your account.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client’s investment guidelines, we will maintain quarterly contact with our clients in terms of portfolio construction, transactions and performance.

LotusDew enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our advisory services (the “Investment Management Agreement”). The Investment Management Agreement sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Investment Management Agreement may be terminated by either party in writing at any time by giving thirty (30) days signed written notice to the other party.

Our advisors offer the advisory service described below to our clients:

### ***Investment Management***

LotusDew provides investment management services on a discretionary basis to our clients. Discretionary authority means clients grant our firm the ability to utilize discretion in managing their investment account(s). Specifically, the client grants our firm full power to direct, manage, and change the investment and reinvestment of the assets in the account, the proceeds and any additions. Our authority over clients’ investments includes discretionary authority to purchase and sell securities for the client’s account and to give instructions concerning these transactions to the qualified custodian with which the clients’ accounts are held. We are not required to first consult with clients before placing any specific order or obtain specific authorization from the client for each specific transaction. We receive discretionary authority from our clients through our advisory agreement at the outset of our advisory relationship.

We also manage client accounts on a non-discretionary basis. Specifically, we make recommendations to clients, but we will not purchase or sell securities for the client’s account, submit aggregated trader orders for the client and others in order to obtain best execution, or give instructions concerning these transactions to the qualified custodian with which the clients’ account without first receiving consent from clients.

**Important Note:** It is the client’s responsibility to ensure that LotusDew is promptly notified if there are ever any significant changes to their financial situation, goals, objectives or needs so we can review our previous recommendations and make any necessary adjustments.

## **Item 5 Fees and Compensation**

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### **ADVISORY FEES**

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The following information describes how LotusDew is compensated for the advisory services we provide to our clients. The specific manner in which fees are charged and the compensation we receive may differ between clients depending upon the individual Investment Management Agreement with each client and the type of client, non-qualified clients versus qualified clients. LotusDew reserves the right to negotiate our compensation with clients depending on the scope of our advisory relationship, and we may charge higher or lower fees than are available from other firms for comparable services. LotusDew has the general discretion to waive all or a portion of our fees, but typically only exercises this discretion for our employees.

- A. Investment Management Fees – Non-Qualified Clients.** In consideration for providing investment management services, LotusDew receives compensation from our **non-qualified clients** based on a specified percentage of the assets we manage, as described below.

**Management Fee.** For **non-qualified clients**, pursuant to the terms of the Investment Management Agreement with the client, LotusDew charges an annualized fee of **2.0%** based on the client's assets under management ("AUM"), taken quarterly in arrears. These fees are negotiable.

- B. Investment Management Fees – Qualified Clients.** For **qualified clients**, if agreed upon in writing and pursuant to the terms of the Investment Management Agreement with the client, LotusDew charges an annualized fee of **1.0%** based on the client's assets under management ("AUM"), taken quarterly in arrears and performance-based profit allocation of up to **10%** of each investor's annual net realized and unrealized profits, taken annually in arrears; provided, however, that such performance-based compensation is also subject to a hurdle rate of 2.5%, so that the performance-based compensation will only be deducted when the investor's account value at year end, exceeds the hurdle rate of 2.5%. Our performance-based profit allocations are deducted from each investor's account at the end of each year or when an investor makes a withdrawal (pro-rated based on the amount withdrawn). These fees are subject to specific negotiations with each particular client.

**Additional Fees and Expenses.** Clients will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or qualified custodian through which account transactions are executed. For more information on our brokerage practices, please refer to Item 12 (Brokerage Practices) of this Brochure.

The fees that clients pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by exchange traded funds (described in each fund's prospectus) to their shareholders. The fees charged directly by exchange traded funds will typically include a management fee and other fund expenses.

To fully understand the total costs associated with their investment portfolio, clients should review all the fees charged by exchange traded funds, our firm and others.

**Termination.** The Investment Management Agreement with our clients may be terminated by either party at any time upon thirty (30) days written notice. Upon termination of our status as the client's investment adviser, LotusDew will not take any further action with respect to the client's account(s) unless specifically notified by the client in writing. Clients will be responsible for instructing their custodian and monitoring their account for the final disposition of assets.

**Refunds.** Upon receipt of a proper notice of termination from the client, as described in the Investment Management Agreement, any earned unpaid fees will be billed on a pro-rata basis based on the amount of work performed by us up to the point of termination.

**Brokerage Commissions.** LotusDew does not receive brokerage commissions from the sale of securities or other investment products. Our compensation for recommending securities and investment products is limited to the advisory fees described above.

Any material conflicts of interest between clients and LotusDew or our employees are reasonably disclosed in this Brochure. If at any time, additional material conflicts of interest develop, LotusDew will provide our clients with written notification of those material conflicts of interest or an updated Brochure.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

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### **PERFORMANCE BASED FEES**

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LotusDew may enter into performance-based fee arrangements with “qualified clients.” Performance-based fees will only be charged in accordance with provisions of Rule 205-3 under the Advisers Act.

LotusDew participates in side-by-side management, as we manage both accounts that are charged a performance-based fee and accounts that are charged an asset-based fee. Conflicts of interest may occur when we manage these accounts at the same time. For example, we may have an incentive to favor accounts for which we receive a performance-based fee over accounts for which we receive an asset-based fee. To address these potential conflicts and uphold our fiduciary duty to all of our clients, LotusDew has adopted a compliance manual and a code of ethics to ensure that we treat both types of accounts equally.

## **Item 7 Types of Clients**

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### **TYPES OF CLIENTS**

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LotusDew offers investment advisory services to clients including individuals and high net worth individuals. Client relationships may vary in scope and length of service.

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### **ACCOUNT REQUIREMENTS**

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LotusDew generally requires a minimum account balance of \$100,000 for our investment management services. However, LotusDew in its sole discretion may waive or lower our minimum account balance requirement based on various criteria (i.e., anticipated future additional assets to be managed, related accounts, account composition, negotiations with the client, etc.).

For performance-based fee arrangements, clients must meet the definition of a “qualified client” in Rule 205.3 under the Advisers Act, as described above in response to Item 6.

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

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### METHODS OF ANALYSIS

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LotusDew's investment process is based on analyzing market data that is used to quantitatively select investment opportunities. This is used to shortlist investment opportunities in US markets. The firm is constantly looking for catalysts and change indicators to identify attractive investment opportunities.

**Fundamental Analysis.** Fundamental analysis focuses around the idea that at any given time a company's shares have an intrinsic or enterprise value, which the market will acknowledge eventually. To identify this value, the investor must observe the corporation's financial performance. However, fundamental analysts also assess the state of that firm's industry and overall economic health.

**Quantitative Analysis.** Quantitative analysis focuses on finding patterns of stock price movements that's discovered through analysis of a security's prices and volume of share trades. While fundamental analysis focuses on the intrinsic value of a stock, the technical analysis evaluates the strength or weakness of a security by reviewing a variety of analytical charting tools, trading signals, and price movements.

Our methods rely on the assumption that the entities and whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

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### INVESTMENT STRATEGIES

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LotusDew primarily invests in small and mid-cap stocks with market capitalization of less than 5 billion USD. We believe this is the fastest growing part of the economy where these are individual opportunities that we select bottom up using quantitative analysis. LotusDew intends to identify improving fundamentals and industry conditions while selecting these opportunities. LotusDew will primarily invest in listed equity and listed derivatives like futures will be used occasionally to hedge market exposure. LotusDew will also invest in exchange traded funds.

While screening for companies we look for:

*Efficiency of capital allocation*

- Look for companies that are trying to improve their return on equity for shareholders.
- Look for efficiency of capital employed and return on capital on the balance sheet.
- We prefer companies that are generating positive cashflows and have less leverage.



### *Industry positioning*

- We prefer standalone business that are leaders in a niche or growing market share by dominating a niche.
- Companies that are able to improve market share while not expanding capital deployed.
- Try to find cost leaders as a moat in their respective industry.
- We aim to identify business that have demonstrated management leadership in their history.

### *Valuation Considerations*

- We look for business that are not excessively leveraged and hence lower on risk.
- Try to find opportunities where there is constant cashflow but the industry is out of favor.
- Where the enterprise value of the company has improved over quarters.

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## **RISK OF LOSS**

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Any investment carries a certain degree of risk, including a possible loss of principal that clients should be prepared to bear. The value of securities used in all of our strategies may go up or down in response to factors not within our control, such as but not limited to the status of an individual company underlying a security, or the general economic climate. There is no guarantee that any of the investment strategies that our firm employs will outperform the investment strategies used by other firms. Past performance is no guarantee of future results.

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. The investment risks described below may not be all-inclusive but should be considered carefully:

**ETF Investing:** ETFs are subject to risks relating to market trading that include the potential lack of an active market for ETF shares and disruptions in the creation and redemption process. Although ETF shares are listed on a national securities exchange, it is possible that an active trading market in the shares of a particular ETF may not develop or be maintained, particularly during times of severe market disruption. If ETF shares need to be sold when trading markets are not properly functioning, the ETF shares may be sold at a significant discount to their Net Asset Value ("NAV"). An ETF also may be subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, if an ETF's underlying or target index becomes focused in stocks of a particular market sector, the ETF would have proportionately higher exposure to the risks of that sector.

**Market Risk:** Market Risk is the risk that various factors may affect security prices, including but not limited to monetary & fiscal policies, political developments, natural disasters, wars and terrorist attacks.

**Reinvestment Risk:** Reinvestment Risk is the risk that the future cash flows of coupon and principal payments, related to bond investments, may be reinvested at a reduced rate in a lower interest rate environment.

**Equities Risk:** Equity securities can decline in value over short or extended periods as a result of changes in a company's financial condition and in overall market, economic and political conditions.

**Potential Lack of Diversification:** While diversification is generally a portfolio objective, there is no assurance as to the degree of diversification that a portfolio will actually achieve. Because a substantial portion of a certain account's capital could be invested in a single stock investment, a loss with respect to any single stock investment could have a significant adverse effect on a portfolio's returns. Even if a portfolio achieves significant diversification, such diversification would not necessarily provide meaningful risk control, and may reduce a portfolio's profit potential.

**Liquidity Risk:** Liquidity is the ability to convert an investment into cash. Investment assets are usually more liquid when established markets exist to trade those securities. For instance, U.S. Treasury bills and most equity securities have highly developed markets, while tangible property, such as real estate and precious stones, are less liquid. In case of extreme market activity, we may be unable to liquidate investments in thinly traded and relatively illiquid securities promptly if necessary. Also, sales of thinly traded securities could depress the market value of those securities and reduce the investments' profitability or increase its losses.

**Financial Risk:** Excessive use of credit (borrowing) to finance a business' operations increases the risk of profitability, because the company must cover its debt obligations in good and bad years.

**Omission of Risks:** This Brochure does not provide a comprehensive list of every source of risk. Every potential outcome of an investment cannot be predicted, and it cannot disclose every potential risk factor for every investment to clients. The value of securities that the Firm invests in may go up or down in response to factors not within our firm's control, including but not limited to the status of an individual company underlying a security, or the general economic climate. Clients may suffer losses for any reason or no discernible reason.

**Business Risks:** The companies identified for investment face a wide variety of operational risks, including competitive threats, regulatory changes, execution challenges, and responses to external changes. For businesses listed on US exchanges, the Securities and Exchange Commission requires companies to disclose the most significant risk factors that could impact the business. However, these disclosures could be incomplete or inaccurate. An assessment of the relevant risk factors for any business could be incomplete or inaccurate. Both unforeseen and known risk factors may transpire, resulting in a deterioration of corporate performance.

**Interim Underperformance:** The long-term and concentrated nature of a strategy means that even if the strategy is "working properly" and the analysis is correct and leads to profitable realized outcomes, clients may experience multi-year periods of significant underperformance relative to market indexes and other investment strategies. This interim underperformance poses a significant risk of permanent capital loss for clients with short time horizons or who require withdrawals from their account.

**Systemic Risk:** Our firm relies on the stability of the overall financial system to implement its investment strategy. The security of client assets depends on the solvency of a third-party custodian and brokerage firm, upon which the Firm also relies for prime brokerage and trading services. In the event of a disruption to the custodian's business or the overall functioning of securities markets, the Firm may be unable to implement its investment strategy and clients may experience a significant or complete loss of their capital.

**Strategy Risk:** The Firm cannot guarantee that its strategy will be implemented at all times, or in full. The Firm has full discretion and a broad mandate, and it may make investments not in keeping with the general description provided in this Brochure. There can be no guarantee that suitable investment opportunities will be available at all times.

**Management Risk:** The Firm is dependent on the services of its Managing Member. If he were incapacitated or otherwise unable to continue providing services, the Firm would not be able to continue to implement its strategy and clients could experience a significant or total loss of capital.

**Frequent Trading:** Although many of the Firm's investments are long-term in nature, any capital gains due to positions held for less than one year may be taxable at a higher rate. Frequent trading could result in lower returns due to these costs.

**Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.**

## **Item 9 Disciplinary Information**

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### **REQUIRED DISCLOSURES**

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Our firm and our management persons have not been involved in any legal or disciplinary events that would have a material adverse effect on the integrity of our management or the services we provide to our clients.

## **Item 10 Other Financial Industry Activities and Affiliations**

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### **OUTSIDE BUSINESS ACTIVITIES**

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Neither LotusDew nor the president or the CCO are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Mr. Banerjee, president of the firm, provides IT consulting service to customers based in the United Kingdom only. Mr. Banerjee does not solicit the firm's UK customers for investment management services, nor does he recommend IT consulting service to the firm's advisory clients. Any compensation paid to the firm for its IT consulting service is separate and distinct from the firm's investment management services and will not offset investment management fees.

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**AFFILIATED ENTITIES**

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LotusDew has no relationships or arrangements with any entities that creates a potential conflict of interest.

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**OTHER INVESTMENT ADVISERS**

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LotusDew does not recommend or select other investment advisers for our clients, and that LotusDew does not receive compensation directly or indirectly from any other investment advisers that creates a material conflict of interest. LotusDew does not have any business relationships with other investment advisers that create a material conflict of interest for our clients.

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

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**CODE OF ETHICS**

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LotusDew has adopted a Code of Ethics (the “Code”) that sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

LotusDew and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Clients and prospective clients may request a full copy of our firm’s Code of Ethics by contacting our firm in writing at [abhishek.banerjee@lotusdew.in](mailto:abhishek.banerjee@lotusdew.in) or calling our firm at +91-7731082221.

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**PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

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LotusDew and/or our advisor(s) may invest in the same securities that are recommended to and/or purchased for our clients. Conflicts of interest may arise when LotusDew has the ability to trade the same securities that recommended to and/or purchased for our clients ahead of executing clients’ orders, in favor of LotusDew. That is because LotusDew possesses proprietary information as to the positions and volumes of securities in client’s accounts. LotusDew and/or our advisors do not recommend securities to our clients in which LotusDew and/or our advisors has a material financial interest.

LotusDew addresses these conflicts in a number of ways, including disclosure of conflicts in this Brochure. In addition, LotusDew has adopted a compliance manual which establishes a number of restrictions, procedures and disclosures designed to address potential conflicts of interest and to assure that the personal securities transaction, activities and interests of LotusDew and/or our advisors will not interfere with our ability to make investment decisions in the best interest of our clients.

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## **PERSONAL TRADING**

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LotusDew maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by our firm or any access persons of our firm with regards to their personal securities transactions. Personal trading activities are continually monitored to reasonably prevent conflicts of interest.

## **Item 12 Brokerage Practices**

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### **SELECTION OF BROKER-DEALERS**

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Securities transactions are generally executed through Interactive Brokers, LLC. (“Interactive Brokers”), member FINRA/SIPC/NYSE. Interactive Brokers maintains custody of our clients’ assets and effect securities transactions for our investment management clients’ accounts. LotusDew is independently owned and operated and is not affiliated with or a related person of Interactive Brokers.

LotusDew considers a number of factors prior to recommending a particular broker-dealer to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverage. The commissions charged by Interactive Brokers and Charles Schwab are competitive with similarly situated retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

**Research and Other Soft Dollar Benefits.** LotusDew does not participate in soft-dollar arrangements with Interactive Brokers. LotusDew does not participate in any commission-sharing arrangements or receive soft dollar credits. While the benefits we receive from Interactive Brokers do not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the abovementioned products and services, and not solely on our clients’ interest in receiving most favorable execution. Nonetheless, we seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Our firm routinely compares order execution disclosure information at Interactive Brokers to other broker-dealers to ensure that Interactive Brokers remains competitive in providing best execution for our clients' securities transactions. Although the brokerage commissions and/or transaction fees charged by Interactive Brokers may be higher or lower than those charged by other broker-dealers, in seeking best execution for our clients our firm strives to ensure that our clients pay brokerage commissions and/or transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

**Brokerage for Client Referrals.** LotusDew does not consider broker-dealer or third-party referrals in selecting or recommending broker-dealers to our clients as this would create a conflict of interest.

**Directed Brokerage.** While LotusDew may recommend that clients direct transactions through certain broker-dealers, we do not have discretionary authority to determine the broker-dealer to be used for the purchase or sale of securities for client accounts or the commission rates paid to a broker-dealer for client securities transactions.

In rare cases, LotusDew may utilize other broker-dealers when requested by the client. Clients of LotusDew must be aware that if they direct us to use a particular broker-dealer that it may limit our ability to achieve best execution or limit their participation in block trading. As a result, clients may pay higher commissions, have higher transaction costs, or receive less favorable prices. In situations where the client directs us to effect their transactions through a particular broker-dealer, we require such directions to be in writing.

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## **TRADE AGGREGATION**

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As a matter of policy and practice, LotusDew does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

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## **TRADE ERRORS**

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From time to time, our firm may make a trade error when servicing a client's account. When this occurs, we will correct the trade as soon as we discover the error. Trading errors will be corrected at no cost to clients. In most cases, we will correct trade errors via our executing broker-dealer's trade error desk. If there is a cost associated with this correction, such cost is borne by LotusDew and not the client. Note that we do not credit accounts for market losses unrelated to our error.

## **Item 13 Review of Accounts**

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### **ACCOUNT REVIEWS**

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LotusDew conducts account reviews on at least a monthly ongoing basis for clients subscribed to our investment management services. The frequency of the review depends upon a variety of factors such as: the client's risk profile, activity in the account, economic and market conditions, and the client's preferences, if any. Additional reviews may be triggered by changes in the investment objectives or guidelines for a particular client or specific arrangements with the client.

Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by Abhishek Banerjee, the president.

Formal client review meetings are generally conducted on a regular basis at intervals mutually agreed upon by the advisor and the client, but no less than annually. During these reviews, any changes in the client's investment objectives are discussed so we can review our previous recommendations and make any necessary adjustments.

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### **ACCOUNT REPORTS**

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Those clients to whom LotusDew provides investment management services receive at least annually reports from our firm summarizing their account(s) and investment results. Reports may be furnished in writing or electronically as requested by the client. Clients are urged to compare the account statements they receive from their qualified custodian to any written reports received from our firm.

Clients have direct and continuous access to their account information and related documents via the password-protected website of the qualified custodian with which their accounts are held.

## **Item 14 Client Referrals and Other Compensation**

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### **CLIENT REFERRALS**

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LotusDew does not compensate third-parties (or "solicitors") to promote the investment advisory services offered by our firm, because the solicitor would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

It is our firm's policy not to compensate clients for referring potential clients to our firm, because the client would be considered a solicitor and would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act or similar state rules regarding solicitation arrangements before a cash referral fee could be paid to them.

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**OTHER COMPENSATION**

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LotusDew does not receive an economic benefit from anyone who is not a client in exchange for our provision of investment advice or other advisory services.

**Item 15 Custody**

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**CUSTODY OF CLIENT FUNDS AND SECURITIES**

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LotusDew does not have custody of clients' funds or securities. Interactive Brokers is the qualified custodian and maintains custody of client funds in separate brokerage account(s) for each client under the client's name. LotusDew personnel may assist the client in preparing paperwork to open a new brokerage account at Interactive Brokers, but only the client is permitted to authorize, by their signature, the opening of the account. Interactive Brokers sends an account-opening letter to each client at their physical mailing address after the account is approved.

Clients can access daily, monthly and annual account statements as well as daily trade confirmations through a password protected portion of Interactive Brokers' website, [www.interactivebrokers.com](http://www.interactivebrokers.com). Clients should also expect to receive quarterly account summaries from the qualified custodian by first-class mail. Clients should carefully review the account statements and summaries received from the qualified custodian(s) and compare such official custodial statements to any account reports provided by LotusDew. Any client that does not receive an account statement or summary from the qualified custodian should call our firm immediately so that we can arrange to have another statement sent by the custodian.

Clients can also access information concerning their account(s) and access (and generally change) the settings for their brokerage account online on the Interactive Brokers website at [www.interactivebrokers.com](http://www.interactivebrokers.com).

**Item 16 Investment Discretion**

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**DISCRETIONARY AUTHORITY**

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LotusDew manages client securities portfolios on a discretionary basis. LotusDew is granted limited discretionary authority in writing by the client at the outset of the advisory relationship. This limited discretionary authorization gives LotusDew the authority to manage the client's investment assets at our firm's sole discretion and without consulting with the client in advance, subject to the investment objectives, guidelines and restrictions set by the client. This authorization will remain in full force and effect until we receive a written termination notice of the Investment Management Agreement from the client.

LotusDew does not have discretionary authority to determine what broker-dealer to use or the amount of commissions that are charged by the broker-dealer or custodian.



In addition, we may manage client accounts on a non-discretionary basis. Specifically, we make recommendations to clients, but we will not purchase or sell securities for the client's account, submit aggregated trader orders for the client and others in order to obtain best execution, or give instructions concerning these transactions to the qualified custodian with which the clients' account without first receiving consent from clients.

## **Item 17 Voting Client Securities**

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### **AUTHORITY TO VOTE CLIENT PROXIES**

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LotusDew does not accept authority from clients with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held in client portfolios. The qualified custodian(s) holding clients' assets will send all such proxy documents it receives to the client so that the client may take whatever action the client deems appropriate. LotusDew does not offer clients any consulting assistance regarding proxy issues. Clients will receive their proxies or other solicitation directly from their custodian or a transfer agent. Clients may not contact us with questions about a particular solicitation.

## **Item 18 Financial Information**

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### **REQUIRED DISCLOSURES**

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LotusDew does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. LotusDew receives limited discretionary authority to manage the client's investment assets. However, LotusDew has no financial commitments that would impair our firm's ability to meet our contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceed