
Item 1: Cover Page



Lokken Investment Group, LLC

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Form ADV Part 2A – Firm Brochure

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(302) 645-6650

Dated February 18, 2021

This Brochure provides information about the qualifications and business practices of Lokken Investment Group, LLC, (herein “LIG”). If you have any questions about the contents of this Brochure, please contact us at (302) 645-6650. 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 LIG is available on the SEC’s website at www.adviserinfo.sec.gov which can be found using the firm’s identification number 283696.

Item 2: Material Changes

This Item of the Brochure discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. This is the annual updating amendment filing and we had no material changes.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting our Chief Compliance Officer.

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Item 4: Advisory Business

Description of Advisory Firm

Lokken Investment Group, LLC is a registered investment advisory firm registered with the Securities and Exchange Commission (“SEC”). Previously, it was registered with the State of Delaware. Its principal place of business located in Delaware. LIG was formed in October of 2008 and Jonathan Lokken is the principal owner. As of December 31, 2020, LIG manages \$222,870,631 on a discretionary basis.

Types of Advisory Services

Investment Management Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

Adviser to Pooled Investment Vehicle (the Fund)

As of October 2018, LIG serves as the discretionary investment manager of Big Oak Partners Fund, LP (the “Fund”), a Delaware limited partnership operating as a private investment fund. LIG performs investment advisory services for the Fund and is responsible for the investment of the Fund's assets. Clients of LIG will be solicited to invest in the Fund pursuant to the terms of the subscription documents.

Big Oak Investors, LLC, a limited liability company organized under the laws of Delaware, serves as the general partner of the Funds. As general partner, it is primarily responsible for the management of these Funds. Both the general partner and LIG are controlled by Jonathan Lokken.

Financial Planning

LIG provides clients financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state which uses currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing

this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to help the client achieve his or her stated financial goals and objectives. The client always has the right to decide whether or not to act upon the recommendations provided within the financial plan. If the client elects to act on any of the recommendations, the client has the right to affect the transactions through anyone of their choosing.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to be covered within a financial plan. These areas may include, but are not limited to, the following:

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to the education of grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

Clients are asked to consult with their qualified attorney when you initiate, update, or complete estate planning activities. Upon request, we may provide recommendations for attorneys who specialize in estate planning services. When necessary and requested to, we can participate in meetings or phone calls with you and your attorney.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of the likelihood of achieving your retirement financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon each client's current situation (income, tax levels, and risk tolerance levels, etc.) which is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. Clients are permitted to place reasonable restrictions on the management of their investment portfolios.

Wrap Fee Programs

We do not participate in wrap fee programs.

Item 5: Fees and Compensation

How we are paid is disclosed in the investment advisory agreement or financial planning agreement with the client and depends on the type of advisory service we are performing. Please review the fee and compensation information provided below.

Investment Management Services

Our standard advisory fee is based on the market value of the assets under management and ranges from 1% to 2% annually, depending upon the account size and services to be provided. Annual fees are negotiable and paid in advance on a quarterly basis. The advisory fee is calculated by assessing

the negotiated percentage rates against the client's assets under management. The fee is recalculated on a quarterly basis in advance using current quarter-end market values.

Advisory fees are either directly debited from client accounts, or the client may choose to pay LIG by check. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least thirty (30) calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client on a pro-rated basis.

Pooled Investment Vehicle (the Fund)

Investors in the Fund will be subject to (i) a quarterly management fee, payable in advance equal to 0.20% (0.80% *per annum*) of such investor's capital account balance as of the beginning of each quarter; and (ii) an annual performance allocation equal to 20% of each investor's ratable share of the Fund's profits for such year in excess of a 5% hurdle, but only to the extent that such profits exceed such investor's "high water mark." Investors in the Partnership who are not qualified clients will be subject to a quarterly management fee, payable in advance, equal to 0.50% (2.0% *per annum*) of such investor's capital account balance as of the beginning of each quarter, but such investors will not be subject to any performance allocation.

Financial Planning Fixed Fee

Financial Planning will generally be offered on a fixed fee or hourly fee basis. The fixed fee will be agreed upon prior to the start of any work. The fixed fee will range between \$500.00 and \$1,500.00, depending on the complexity of the client's situation and goals. The financial planning fee is negotiable. The fee is due at the beginning of the process, however, LIG will not request the prepayment of fees more than \$1,200.00 more than 6 months in advance.

The fee for Financial Planning fee may also be charged on an hourly basis at a rate of \$250.00 per hour. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by client, any fees for the hours already completed will be due.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

The Fund: The Fund shall pay for all ordinary operating and other expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses and investment banking expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with LIG's compliance obligations under applicable federal and/or state securities and investment adviser laws arising out of its relationship to the Fund, as well as extraordinary legal expenses); accounting fees and audit expenses; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Fund; director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of LIG; costs of printing and mailing reports and notices; and other similar expenses related to the Fund, as LIG determines in its sole discretion. To the extent that expenses borne by the Fund are paid by LIG, the Fund will reimburse LIG for such expenses. There may be additional fees or charges that result from the maintenance of a Limited Partners participation, including but not limited to, fees associated with purchasing interests via an IRA and Qualified Retirement Plan. Other fees are generally deducted from the capital account of each Limited Partner.

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

Performance-Based Fees ("Performance Fees") are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means LIG participates directly in the account's results. The Performance Fee may, indirectly, create an incentive for the Firm to make investments on behalf of the client that are riskier or more speculative than would be the case in the absence of such a fee.

For LIG's separately managed accounts, LIG does not assess a Performance-Based Fee.

LIG's related entity, Big Oak Investors, LLC, which serves as the General Partner of the Fund, will receive an annual performance allocation equal to 20% of each investor's ratable share of the Funds' profits per annum, but only to the extent that such profits exceed a 5% hurdle and each investor's "high water mark." Performance Allocations may be made at any time, in the sole discretion of LIG, for an investor who makes a partial or complete withdrawal. As noted, performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. LIG provides concurrent advisory services to individual separately managed accounts that are not charged a performance-based fee and to the Fund, which is charged such a fee by the Fund's General Partner. Thus, the potential for LIG's related entity (the General Partner) to receive greater fees from performance-based accounts creates a conflict of interest. Although many of LIG's best ideas are shared between both the Funds and the separately managed accounts, it isn't feasible to replicate the

active trading strategy developed by the Fund in the separately managed accounts. For example, a potential conflict includes the incentive to allocate potentially more favorable investment opportunities to the accounts subject to the performance fees because LIG shares in the potential performance of such investment opportunities. Other conflicts may include the incentive to give preferentiality to performance-based fee transactions over other accounts or intentionally allocating trades to increase value of assets thereby generating higher advisory compensation. To mitigate any conflict of interests, LIG has developed policies and procedures with respect to allocation, block trading, and aggregation of trades.

Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals, high net-worth individuals, corporations, private fund(s) and charitable organizations. Our minimum account size requirement is \$100,000.00. Exceptions may be made at LIG's sole discretion.

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

Our primary methods of investment analysis is based on fundamental, technical and cyclical analysis.

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's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. 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.

Technical analysis involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may under perform other trading methods when fundamental factors dominate price moves within a given market.

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

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investments or securities. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should

compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

With respect to the Fund, investors should refer to the offering and subscription documents for a full list of all applicable risks associated with investing via a private investment vehicle.

Item 9: Disciplinary Information

Criminal or Civil Actions

LIG and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

LIG and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

LIG and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of LIG or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

No LIG employee is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. No LIG employee is registered, or have an application

pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Big Oak Investors, LLC, serves as the General Partner of the Big Oak Partners Fund. Big Oak Investors, LLC is controlled by Mr. Lokken and therefore is an affiliated entity to LIG.

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

LIG strives to identify, eliminate and/or mitigate conflicts and potential conflicts of interest and has adopted policies, procedures and oversight mechanisms to address such conflicts and potential conflicts of interest. LIG has specifically adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics emphasizes LIG's fiduciary obligation to put client interests first and is designed to ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibilities to make decisions in the best interest of clients.

LIG has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at LIG must acknowledge the terms of the Code of Ethics annually, or as amended.

LIG anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which LIG has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which LIG, its affiliates and/or clients, directly or indirectly, have a position of interest. LIG's employees and persons associated with LIG are required to follow LIG's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of LIG may trade for their own accounts in securities which are recommended to and/or purchased for LIG's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of LIG will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of LIG's clients. Nonetheless, because the Code of Ethics would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. We will not trade non-mutual fund securities 5 days prior to the same security for clients. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between LIG and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with LIG's obligation of best execution. In such circumstances, the affiliated

and client accounts will share commission costs equally and receive securities at a total average price. LIG will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

LIG's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our Chief Compliance Officer.

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

LIG will, however, recommend to clients an investment in its affiliated Fund, which therefore presents a conflict of interest.

Item 12: Brokerage Practices

For assets directly managed by LIG, discretionary authority to select brokers and to negotiate commissions on behalf of clients will be requested. LIG will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help LIG in providing investment management services to clients. LIG may select a broker(s) who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

LIG utilizes Trade-PMR, Inc. ("Trade-PMR") and Charles Schwab & Co., Inc. ("Schwab") for brokerage and trade execution services. Trade-PMR clears trades and custodies assets with First Clearing, FINRA member broker-dealers. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, a non-bank affiliate of Wells Fargo & Company. Trade-PMR, Schwab and First Clearing are members of SIPC and are unaffiliated registered broker dealers and FINRA members. The brokerage commissions and/or transaction fees charged by Trade-PMR, Schwab or any other designated broker-dealer are exclusive of and in addition to LIG's fee. LIG regularly reviews these programs to seek to ensure that its recommendation is consistent with its fiduciary duty. Factors which LIG considers in recommending Trade-PMR and First Clearing or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

In addition, Trade-PMR and Schwab provide LIG with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Additionally, LIG may receive the following benefits from the above stated brokers: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

The commissions paid by LIG's clients are intended to be consistent with LIG's duty to obtain "best execution." However, a client may pay a commission that is higher than what another qualified broker-dealer might charge to affect the same transaction when LIG determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealers' services, including among others, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while LIG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

We currently do not receive soft dollar benefits. We receive no referrals from a broker-dealer or third party in exchange for using that broker- dealer or third party.

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients' money over using a lower-cost custodian.

Aggregating (Block) Trading for Multiple Client Accounts

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. We do not engage in block trading. It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments, we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Jonathan Lokken, Managing Principal. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest. LIG will provide written reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian.

Item 14: Client Referrals and Other Compensation

LIG is neither paid nor pays for client referrals.

Custodians and Trade-PMR provide LIG with electronic systems that assist in the management of LIG client accounts. Custodians of client accounts may further provide access to research, the ability to directly debit client fees, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.

Item 15: Custody

LIG does not accept custody of separately managed account client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

LIG is deemed to have custody of the Fund due to the common control of the general partner. As such, LIG will ensure the Fund is subject to an annual financial audit and Fund investors will be provided with copies of the annual audited financial statement within 180 days after the end of each fiscal year.

Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Item 17: Voting Client Securities

LIG does not vote proxies ballots on behalf of clients. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.