



FORM ADV PART 2A
BROCHURE

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This brochure provides information about the qualifications and business practices of Lake Street Financial, LLC. If you have any questions about the contents of this brochure, please contact Justin M. Terzo or Joseph D. Stock at 312-766-7040 and at info@lakest.com. 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 Lake Street Financial, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for this Adviser is 296761.

Lake Street Financial, 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.

February 10, 2021

Item 2 – Summary of Material Changes

This brochure dated February 10, 2021 is an updated Part2A from the firm's annual update on January 14, 2020 and last update on June 4, 2020.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We will also provide you with other interim disclosures about material changes to the information provided in this Brochure as necessary or required.

Whenever you would like to receive a complete copy of the current Brochure, please contact us at 312-766-7040 or info@lakest.com. We will be happy to provide you with a complete copy.

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Item 4 – Advisory Business

Lake Street Financial, LLC. ("Lake Street" or "Adviser") is an SEC Registered Investment Adviser located in Chicago, Illinois. It is owned by Justin M. Terzo and Joseph D. Stock. Lake Street was registered as an SEC Adviser in the spring of 2018.

Wealth Management Services Generally

Lake Street provides discretionary investment management services, non-discretionary assets under advisement services, ERISA co-fiduciary 3(21) investment advisor services and financial planning and consulting to individuals, high net worth individuals, business entities, defined contribution plans, defined benefit plans, trusts, estates, charitable organizations and private foundations.

Prior to engaging Lake Street to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with Lake Street for the terms and conditions under which it shall render its services (collectively the "*Agreement*"). Likewise, Lake Street will use certain investment tools to determine the clients' risk parameters, time horizon and investment objectives. These include in person meetings, a risk profile, client questionnaire and other documentation.

Lake Street's clients are advised to properly notify the firm if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Adviser's management services.

The client may make additions to and withdrawals from the account at any time, subject to Lake Street's right to terminate an account. Clients may withdraw account assets on notice to Lake Street, subject to the usual and customary securities settlement procedures. However, Lake Street generally designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

Additions may be in cash or securities provided that Lake Street reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. The Advisor may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Neither Lake Street nor the client may assign the *Agreement* without the consent of the other party. Transactions that do not result in a change of actual control or management of the Adviser shall not be considered an assignment. Lake Street or client may terminate the advisory agreement upon 30 days written notice to the other party.

Lake Street offers many services through its network of Investment Advisory Representatives ("Advisory Representatives" or "IARs"). IARs may conduct advisory services under a trade name (i.e. "Doing Business As" or "DBA ") or other corporate structure that is held out to the public for marketing purposes. Lake Street does not have any ownership interest in the IAR's trade name or other corporate structure. IARs of Lake Street set the annual advisory fee charged to the client which cannot exceed the advisory fee listed in Item 5 of this Brochure. While not the primary focus of their business, Advisory Representatives of Lake Street may also be Registered Representatives of Purshe Kaplan Sterling Investments, Inc., an unaffiliated broker/dealer firm and Member FINRA and SIPC and may be licensed insurance representatives.

Discretionary Investment Management Services

Lake Street offers advice primarily on individual equities, fixed income, mutual funds, closed-end funds, exchange-traded funds, structured notes, and alternative private funds. However, the Adviser intends to primarily allocate its client's investment management assets, on a discretionary basis among individual equities, exchange traded funds, individual debt securities, and mutual funds in accordance with the investment objectives of the client.

Lake Street may only implement its investment management recommendations after the client has arranged for and furnished the Adviser with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include but are not limited to Raymond James & Associates, Inc. ("Raymond James"), Charles Schwab & Co., Inc. ("Schwab"), any broker-dealer recommended by Lake Street, any broker-dealer directed by the client, trust companies, and banks (collectively referred to herein as the "*Financial Institution(s)*").

Advisement Services (Non-Discretionary)

Lake Street also will review and make recommendations for assets that are housed outside of the Adviser's selected custodian and are not under its discretionary management. Typically, these are 401(k) assets and corporate stock option plans. This service is provided on a non-discretionary basis and Lake Street will not execute the trades based on its recommendations. Lake Street will review a client's portfolio at least quarterly and make recommendations for the purchase or sale of securities.

ERISA Co-Fiduciary 3(21) Investment Advisor Services

Lake Street may also act as an ERISA co-fiduciary 3(21) investment advisor. Lake Street will enter into a contract with the ERISA Plan or Plan Sponsor/Trustee to provide investment menu recommendations to the Plan, and the employer retains the discretion to accept or reject the advice. Lake Street will review the investment options quarterly and to ensure the menu is in accordance to the Investment Policy Statement (IPS). Lake Street will not have discretionary authority to execute its recommendations for the Plan.

Financial Planning & Consulting Services

Lake Street provides financial consulting on a range of matters for clients. These services include analysis and recommendations relating to cash flow, projected income taxes, estate objectives, education funding, investment portfolio evaluation, long term health care planning, retirement planning, tax planning, and insurance provisions and needs. Once Lake Street completes this analysis, a representative from the firm meets with the client and finalizes a financial plan where different financial and/or estate planning and investment strategies are discussed. The client is provided with a summary in regard to the firm's analysis and recommendations. When a specific strategy is decided upon, the implementation of that strategy begins and is reviewed, monitored, and updated by meetings, telephone calls and correspondence. Not all clients engage Lake Street for every service described.

Participation in Wrap Fee Programs

Lake Street does not offer or sponsor a wrap fee program.

Assets Under Management

As of December 31, 2020, Lake Street had approximately \$509,772,192 in client assets under management. As of that date, Lake Street managed \$478,553,507 on a discretionary basis and \$31,218,685 on a non-discretionary basis.

Item 5 – Fees and Compensation

Fees Generally

Lake Street's investment management fee is generally inclusive of any basic investment-related financial planning and/or consulting services. For non-investment management clients and investment management clients that require a disproportionate amount of consulting services, the Adviser may charge a separate fee for investment-related consulting services. In these limited circumstances, an additional hourly or fixed fee shall be agreed upon prior to rendering the consulting services. For clients with assets in excess of \$250,000, Lake Street shall not charge for additional financial planning and consulting services as described in Item 4 above. Assets under advisement will be considered in conjunction with assets under management to reach the \$250,000 level.

Discretionary Investment Management Services

Lake Street charges an annual management (or advisory) fee based upon the value of a client's assets under management. Lake Street's annual advisory fee shall be charged monthly, in advance, based on the market value of the asset under management on the last day of the previous month as valued by the custodian. The annual advisory fee shall be up to, but never more than, 2% of the client's assets under management. Clients should refer to their individual

advisory agreement for defined fee schedule.

Lake Street, in its sole discretion, may negotiate to charge a lesser management fee or no management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, minimum work flow, etc.).

Lake Street's *Agreement* and/or the separate agreement with the *Financial Institution(s)* authorizes Lake Street through the *Financial Institution(s)* to debit the client's account for the amount of its fee and to directly remit that management fee to Lake Street in accordance with applicable custody rules. The *Financial Institution(s)* recommended by Lake Street have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management of fees paid directly to the Adviser.

For the initial month of investment management services, the first month's fees shall be calculated on a *pro rata* basis. The *Agreement* between Lake Street and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Lake Street's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner. Additionally, Lake Street will prorate billing on intra-month deposits and withdrawals at a threshold of +/- \$5,000.

Advisement Services (Non-Discretionary)

Lake Street will charge fees for advisement (non-discretionary) services similar to the annual fees charged for discretionary investment management services described above. Fees may be charged either monthly or quarterly, in advance, based on the market value of the account on the last day of the previous month as valued by the custodian statement provided by the client. The annual fee shall be up to, but never more than, 1.5% of the client's assets under management. Clients should refer to their individual advisement service agreement for defined fee schedule.

ERISA Co-Fiduciary 3(21) Investment Advisor Services

Lake Street also provides non-discretionary defined contribution investment consulting, pursuant to which it assists plan sponsors with the selection and/or monitoring of investment options offered to plan participants (generally open-end mutual funds) for the plan. Lake Street charges an annual fee based off of plan assets. The fee varies depending on the scope of the relationship and the size of the plan.

The annual fee shall be paid either monthly or quarterly, in advance or arrears, based upon the market value of the plan's assets on the last day of the preceding month/quarter. Lake Street can also engage a client on a flat fee arrangement. Lake Street, in its sole discretion, may charge a lesser retirement consulting fee based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be advising on, related accounts, account composition, and negotiations with the client).

Financial Planning & Consulting Services

Generally, Lake Street will charge a stand-alone fee for financial planning and consulting services for those clients whose assets under management or advisements are less than \$250,000. Lake Street's financial consulting fees begin at \$2,500 on a fixed fee basis and continue thereafter on an hourly basis between \$100 - \$300 depending upon the level and scope of the service(s) required and the professional(s) rendering the service.

Transaction Costs

Clients may incur certain charges imposed by third parties such as commissions, custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. In addition, for certain fixed income transactions, traded away from the custodian, clients may pay a trade-away fee charged by the custodian. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee. The Adviser shall not receive any portion of these commissions, fees, and costs.

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

Lake Street does not charge performance-based fees. This section is not applicable to the Adviser.

Item 7 – Types of Clients

Lake Street provides portfolio management services to individuals, high net worth individuals, business entities, defined contribution plans, defined benefit plans, trusts, estates, charitable organizations and private foundations.

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

Methods of Analysis

Lake Street's investment process is based on objective research and rational investment methodology. The tenets of the firm's management are as follows: 1) remain independent and objective at all times; 2) recognize that the markets are efficient and the selection of an asset class is more important than the selection of an individual security; 3) utilize institutional cost structures and low cost investments wherever possible; 4) control risk through global diversification and modern portfolio theory; and 5) minimize taxes whenever possible.

Lake Street employs fundamental, technical, relative strength, cyclical, and charting analysis methods in developing investment strategies for its Clients. Research and analysis from Lake

Street is derived from numerous sources, including financial media companies, third-party research materials, internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental Analysis: The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a security using fundamental analysis, such as a stock or bond, there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk.; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security.; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysts also widely use market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a

given time and what the interpretation of that pattern should be.

Relative Strength Analysis: In this type of technical analysis, our firm looks at the rate at which a stock falls relative to other stocks in a falling market or rises relative to other stocks in a rising market. Analysts reason that a stock that holds value on the downside will be a strong performer on the upside and vice versa. Comparative relative strength, as the concept is more accurately called, compares a security's price performance with that of a "base security," which is often a market index. The security price is divided by the base security's price to get the ratio between the two, which is called the comparative relative strength indicator. When the indicator is moving up, the security is outperforming the base security and vice versa. Comparative relative strength analysis should not be confused with what technical analysts call the Relative Stock Index (RSI). The analysis of relative strength is based on past performance therefore one should be cautioned that past performance is not indicative of future results.

Cyclical Analysis: Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

Charting Analysis: In this type of technical analysis, our firm reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse. While this type of analysis helps the Adviser in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The Adviser monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

Investment Strategies

Lake Street employs the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-Term Purchases: Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm makes a decision to sell.

Short-Term Purchases: When utilizing this strategy, our firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm does this in an attempt to take advantage of conditions that our firm believes will soon result in a price swing in the securities our firm purchase.

Trading: Our firm purchase securities with the idea of selling them very quickly (typically within 30 days or less). Our firm utilizes this strategy in an attempt to take advantage of our predictions of brief price swings. Trading involves risk that may not be suitable for every investor and may involve a high volume of trading activity. Active trading accounts should be considered speculative in nature with the objective being to generate short-term profits.

Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Portfolios are routinely measured for risk primarily by analyzing beta and standard deviation and are monitored and rebalanced on an ongoing basis to determine if adjustments to strategic asset allocations are appropriate. While the methods of analysis described above help the Adviser in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. Clients should expect the loss of principal at any time.

We have no control over and cannot predict the day-to-day fluctuations of stock, bond, and other markets. While we believe that volatility can sometimes lead to favorable investing conditions, every Client is at the risk of loss from adverse movements in general security prices, which have been substantial in recent years and can continue for a prolonged period. Moreover, a Client's overall investment gain or loss may be significantly influenced by the market prices and conditions at the time of the opening or closing of an account. Clients should be prepared to bear the potential risk of loss at any time during our engagement. Lake Street will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's accounts. The Adviser shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Adviser of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular investment strategy are provided to each Client in advance of investing the Client's accounts. The Adviser will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

General Risks

Although the firm's investment strategy does not involve frequent trading, leverage, or short selling, there still exists material risks with our investment strategy. For example, with fixed income investing the principal factors of risk are interest rate and default risk. Lake Street

attempts to manage this risk by performing due diligence and close monitoring. Investing in equities presents risk of loss and the firm attempts to manage this risk with due diligence, global asset allocation and systematic rebalancing.

All investment programs have certain risks that are borne by the investor and Lake Street's investment approach is to always keep the risk of loss in mind with every investment decision. Regardless, investors face the following general investment risks:

Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Default Risk: The chance that a bond-issuing company or government would fail to make its debt and interest payments. As a bond investor, you can lose 100% of your investment along with uncollected interest.

Market Risk: The price of a security, stock, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Concentration Risk: Concentrated investment strategies may result in greater volatility and greater risk of loss than other more diversified strategies.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. To the extent we buy securities for our Clients that are thinly traded or illiquid, it may be difficult or impossible to sell a position during times of market stress, leading to significant potential capital loss. To the extent we own illiquid

securities based on a business whose fundamentals become impaired, we may not be able to sell all or a portion of our investment and may incur significant losses as a result.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a declining market value.

Specific & Material Investment Strategy Risk:

In certain cases, the firm will employ riskier investment strategy for our clients. These respective strategies have material and significant risks outside of our traditional investment strategy. Clients are encouraged to review their financial plan with their Investment Advisor Representative before engaging in the following unusual investment strategies:

Short Sales: Short selling is an investment strategy with a high level of inherent risk. Short selling involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third-party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin Transactions: Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Please note: To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

Options: The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting or "hedging" a potential market

risk in a client's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Alternative (Illiquid) Investments: Hedge funds, Private Placements, Real Estate Investment Trusts ("REITs"), Business Development Companies ("BDCs"), and other alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment. Alternative investments may lack transparency as to share price, valuation and portfolio holdings. Complex tax structures often result in delayed tax reporting. Compared to mutual funds, hedge funds and commodity pools are subject to less regulation and often charge higher fees. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with their Investment Advisor Representative.

Item 9 – Disciplinary Information

Neither Lake Street nor any of its principals has any disciplinary history.

Item 10 – Other Financial Industry Activities and Affiliations

Insurance Agents

The principals of Lake Street, Justin M. Terzo and Joseph D. Stock, as well as IARs of Lake Street, are licensed insurance agents for life and health with various insurance companies, and in such capacity, may recommend, on a fully-disclosed basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Lake Street or its advisory affiliates recommend the purchase of insurance products where Lake Street or its advisory affiliates receive insurance commissions or other additional compensation.

Lake Street monitors this conflict by the following methods: 1) Lake Street does a point of sale analysis as to the suitability and the comportment of the product with the client's investment objective; and 2) Lake Street does an analysis of the commission cost and determines if it is fair and reasonable based upon industry standards.

Registered Representative

One of the principals of Lake Street, Joseph D. Stock, is a registered representative of Purshe Kaplan Sterling Investments, Inc., a broker-dealer and member of FINRA/SIPC. As such he is able to accept compensation for the sale of securities or other investment products, including distribution and service ("trail") fees for the sale of mutual fund shares. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives Lake Street and/or its representatives an incentive to recommend investment products based on the compensation received. Lake Street generally addresses commissionable sales conflicts that arise when explaining to clients that these sales create an incentive to recommend products based on the compensation to be earned and/or when recommending commissionable mutual funds explaining that "no-load" funds are also available.

Mr. Stock does not receive commissions on any advisory client trades. Finally, Mr. Terzo is on the board of directors of a foundation owned and operated by a client of Lake Street. He receives no remuneration for this activity.

Lake Street is not registered, nor does it have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Lake Street does not recommend or select other investment advisers for its clients. Lake Street does not directly or indirectly receive compensation for the recommendation or selection of other investment advisers.

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

Code of Ethics

Lake Street has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Adviser or any of its associated persons. The Code of Ethics also requires that certain of the Adviser's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Finally, the Code also governs the Access Persons personal securities trading, receipt of gifts or gratuities and the confidentiality of client information. All Lake Street personnel receive Code of Ethics training and are required to acknowledge the terms of the Code of Ethics on an annual basis, or as amended. Clients may contact Lake Street to request a copy of its Code of Ethics.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transaction beyond the provision of investment advisory services as disclosed in this brochure. Lake Street, the Adviser, does not receive any compensation from any advisory clients' brokerage.

Personal Trading

Lake Street and persons associated with Lake Street are permitted to trade simultaneously with clients consistent with the firm's policies and procedures. If a security is limited, the clients' transactions will always go first. Neither Lake Street nor any of its Advisory Affiliates shall receive preferential treatment in trading or receive a better price than the clients if done simultaneously.

Item 12 – Brokerage Practices

The Custodians and Brokers Lake Street Uses

Lake Street does not maintain custody of its clients' assets on which it advises. Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Lake Street is independently owned and operated and not affiliated with any qualified custodian. Selected custodians will hold client assets in a brokerage account and buy and sell securities when instructed. Lake Street uses multiple custodians to be used as custodian/broker, and the client decides whether to open an account with the selected custodian by entering into an account agreement directly with the custodian. Lake Street may assist in the account opening process, but it does not open the account for you.

Lake Street recommends that clients use either Raymond James & Associates, Inc. ("Raymond James") or Charles Schwab & Co., Inc. ("Schwab"), both FINRA-registered broker-dealers and members of SIPC, as the client's qualified custodian. Both firms are independently owned and operated and are not affiliated with Lake Street. The custodians will hold client assets in a brokerage account and buy and sell securities when instructed.

How Lake Street selects Brokers/Custodians

Lake Street recommends custodians and brokers that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. Lake Street considers a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts);

- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist Lake Street in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, security and stability;
- Prior service to Lake Street and its clients; and
- Availability of other products and services that benefit Lake Street, as discussed below (see "Products and Services available to Lake Street from Raymond James and Schwab")

Clients' Brokerage and Custody Costs

For our clients' accounts that Raymond James and Schwab maintain, the custodians generally do not charge separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into the clients' accounts at Raymond James or Schwab. Certain trades (for example, many mutual funds and ETFs) may not incur commissions or transaction fees. The custodians may also be compensated by earning interest on the uninvested cash in clients' accounts (for example, in Raymond James's Bank Deposit Program and Schwab's Cash Features Program). In addition to commissions, both custodians charge clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into clients' account. These fees are in addition to the commissions or other compensation clients' pay the executing broker-dealer. Because of this, in order to minimize trading costs, Lake Street generally will have the custodian execute most trades for client accounts. Lake Street has determined that having the custodians execute most trades is consistent with its duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How Lake Street selects Brokers/Custodians").

Products and Services Available to Lake Street from Raymond James and Schwab

Raymond James and Schwab provide Lake Street and its clients with access to its institutional brokerage-trading, custody, reporting, and related services-many of which are not typically available to retail customers. Raymond James and Schwab also make available various support

services. Some of those services help manage or administer clients' accounts; while others help Lake Street manage and grow its business. The following is a more detailed description of the custodians' support services provided to Lake Street:

Services that benefit clients: The services of Raymond James and Schwab include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through each custodian include some to which Lake Street might not otherwise have access or that would require a significantly higher minimum initial investment by Lake Street's clients. These services and products generally benefit Lake Street's clients and their accounts.

Services that may not directly benefit clients: Each of the custodians also make available to Lake Street other products and services that benefit the firm but may not directly benefit clients or their accounts. These products and services assist the firm in managing and administering client accounts. These include investment research, both the custodians' own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts. In addition to investment research, Raymond James and Schwab also make available software and other technology that:

- Provide access to client account data (such as duplicate confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of Lake Street's fees from clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only Lake Street: Raymond James and Schwab also offer other services intended to help the firm manage and further develop its business enterprise. These services include:

- Educational conferences and events;
- Consulting on technology, compliance, legal, and business needs;
- Publications and conferences on practice management and business succession;
- Access to employee benefits providers, human capital consultants, and insurance providers; and
- Marketing consulting and support

Raymond James and Schwab may provide some of these services directly. In other cases, the custodian will arrange for third-party vendors to provide the services to the firm. Both custodians may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Raymond James and Schwab may also provide the firm with other benefits such as occasional business entertainment of its personnel.

Lake Street's Interest in Raymond James and Schwab Services

Lake Street has an interest in certain services from Raymond James and Schwab that benefit Lake Street because the firm does not have to produce or purchase them. Schwab has agreed to pay a sum toward the cost of technology, marketing or research related expenses that Lake Street may incur, once the value of Lake Street's client assets in accounts at Schwab reaches a certain asset level. In addition, Raymond James has paid transition assistance to Lake Street ("Transition Assistance") based upon negotiations between Raymond James and Lake Street. Generally, in order to receive or keep the Transition Assistance, an adviser is required to meet or maintain certain assets under management levels and other benchmarks with Raymond James for a certain period.

The receipt of these benefits creates an incentive to recommend that clients maintain their accounts with Schwab or Raymond James, based on the firm's interest in receiving the custodians' assistance with either technology or software costs or receiving the Transition Assistance. These items benefit Lake Street's business and allow them the receipt of services for which Lake Street would otherwise have to pay. These benefits and payments create a conflict of interest between Lake Street, for the benefits and payments it receives from the custodian/broker-dealers, and the client interest in receiving favorable execution of transactions.

Lake Street has the responsibility to appropriately disclose how these incentives affect its clients. Lake Street is also responsible for placing controls and implementing policies related to the use of the Transition Assistance, which may include limiting the use of such funds to costs that are beneficial to its customers. The client benefit related to such costs should be evaluated based on Lake Street's unique operations, but might include expenses related to technology, marketing, and research.

Lake Street believes, however, that its selection of Schwab and Raymond James, as custodians and brokers is in the best interests of its clients. This selection is primarily supported by the scope, quality, and price of Raymond James and Schwab's services (see "How Lake Street Selects Brokers/ Custodians") and not custodial services that benefit only Lake Street.

Brokerage for Client Referrals

Lake Street does not direct brokerage in exchange for client referrals.

Directed Brokerage

Generally, Lake Street does not accept client directed brokerage arrangements.

Trade Aggregation

Transactions for each client generally will be effected independently. Lake Street may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Lake Street’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Lake Street’s clients pro rata to the purchase and sale orders placed for each client on any given day. In the event that Lake Street determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, including cash available, asset allocation and timing.

Trade Errors

Lake Street corrects all trade errors through the impacted client account. If there are any losses due to Lake Street’s trade error, the client will be made whole by Lake Street. Any gains due to trade errors are dependent upon the policies of the client’s custodian. If the client caused the error, the client will bear the error.

Item 13 – Review of Accounts

For those clients to whom the Adviser provides investment management services and advisement services, the Adviser monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom the Adviser provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of the Investment Advisor Representatives of the firm. All investment advisory clients are encouraged to discuss their needs, goals and objectives with the Adviser and to keep the Adviser informed of any changes thereto. The Adviser shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Client accounts are also reviewed at the request of client or, if in sole the discretion of Adviser a material or significant event has occurred. Such events may include economic, geopolitical, political, tax or legal changes.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Adviser provides investment advisory services may also, periodically, receive a report from the Adviser that may include such relevant account and/or

market-related information such as an inventory of account holdings, asset allocation, account performance, risk metrics of the portfolios, projected cash flow from investments, and realized/unrealized gain/loss tax reporting. All written reports from the firm include notification that clients should review the information to confirm that it agrees with the statements of their custodians.

Those clients to whom the Adviser provides financial consulting services may receive reports from the Adviser summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by the Adviser.

Item 14 – Client Referrals and Other Compensation

Lake Street receives an economic benefit from Raymond James and Schwab in the form of support products and services it makes available to it and other independent investment advisers whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services, namely portfolio software or a portion thereof, for which Lake Street would otherwise have to pay once the value of Lake Street's client assets reach a certain level. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Client Referrals

Lake Street does not pay referral fees to affiliated or independent persons or firms ("Solicitors") for introducing clients to the firm.

Other Compensation

The principals of Lake Street, Justin M. Terzo and Joseph D. Stock, are also licensed insurance agents of various insurance companies and may recommend insurance products to advisory clients and non-clients. From such transactions, the advisory affiliates will receive the usual and ordinary compensation for those transactions.

Commissionable Securities Sales

In addition, one of the principals of Lake Street, Joseph D. Stock, is a registered representative of Purshe Kaplan Sterling Investments, Inc., a broker-dealer and member of FINRA/SIPC. As such he is able to accept compensation for the sale of securities or other investment products, including distribution and service ("trail") fees from the sale of mutual fund shares. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives Lake Street and/or its representative an incentive to recommend investment products based on the compensation received. Lake Street generally addresses commissionable sales conflicts that arise when explaining to clients that these sales create an incentive to recommend based on the compensation to be earned and/or when recommending commissionable mutual funds, explaining that "no-load" funds are also available.

Mr. Stock does not receive commissions from any advisory clients' trades.

Item 15 – Custody

Lake Street does not take custody of client assets. Rather, Lake Street uses Raymond James and Schwab to act as custodians for client assets. Clients receive account statements and trade confirmations directly from Raymond James and Schwab at least quarterly and should review such statements for accuracy. Lake Street maintains copies of client statements and confirmations electronically. In addition, if Lake Street sends its own reports directly to clients, then Lake Street urges clients to compare the custodial statements with the reports received from Lake Street for completeness and accuracy.

Item 16 – Investment Discretion

In some of its services, Lake Street exercises discretion over the specific securities to be bought or sold, the amount of securities to bought or sold and the broker-dealer to be used for such transactions. Lake Street will have authority to exercise full direction in the above- named factors without restriction. Lake Street also will observe any specific limitations imposed by clients in relation to this discretion.

Item 17 – Voting Client Securities

Lake Street does not vote proxies for its clients.

Item 18 – Financial Information

Neither Lake Street, nor any of its principals, has ever filed a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

As an SEC Registered Investment Adviser, this item does not apply to Lake Street.

Additional Information / Privacy Policy

PRIVACY NOTICE (Regulation S-P)

Pursuant to Regulation S-P adopted by the Securities and Exchange Commission, it is the policy of Lake Street Financial, LLC ("Lake Street") to keep confidential nonpublic personal information ("*information*") pertaining to each current and former client (i.e., *information* and records pertaining to personal background, investment objectives, financial situation, investment holdings, account numbers, account balances, etc.) unless Lake Street is (1) previously authorized by the client to disclose *information* to individuals and/or entities not affiliated with Lake Street, including, but not limited to the client's other professional advisors and/or service providers (i.e., attorney, accountant, insurance agent, broker-dealer, investment advisor account custodian, etc.); (2) required to do so by judicial or regulatory process; or (3) permitted to do so in accordance with the parameters of regulation S-P. The disclosure of *information* contained in any document completed by the client for processing and/or transmittal by Lake Street in order to facilitate the commencement/ continuation/ termination of a business relationship between the client and nonaffiliated third party service provider (i.e. broker- dealer, investment adviser, account custodian, insurance company, etc.), including *information* contained in any document completed and/or executed by the client for Lake Street (i.e., advisory agreement, client information form, etc.), shall be deemed as having been automatically authorized by the client with respect to the corresponding nonaffiliated third party service provider. Each individual and/or entity affiliated with Lake Street is aware of Lake Street's *privacy policy* and has acknowledged his/her/its requirement to comply with same. In accordance with Lake Street's *privacy policy*, each such affiliated individual and/or entity shall have access to *information* to the extent reasonably necessary for Lake Street to perform its services for the client, and to comply with applicable regulatory procedures and requirements. If you have any questions, please contact Justin M. Terzo or Joseph D. Stock at 312-766-7040 and at info@lakest.com.