



FIRM BROCHURE

(Part 2A of Form ADV)

September 9, 2022

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Part 2A of Form ADV (the "Brochure") provides information about the qualifications and business practices of Lido Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (310) 278-8232 or compliance@lidoadvisors.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Lido Advisors, LLC is a registered investment adviser with the U.S. Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Lido Advisors, LLC and its investment adviser representatives are also available on the SEC's website at <https://adviserinfo.sec.gov>.

Lido Advisors, LLC
Form ADV Part 2A

September 9, 2022

ITEM 2: MATERIAL CHANGES

There have been material changes, described below, to this Brochure since the prior filing as of March 31, 2022. All other changes are updates and routine in nature.

Updated Item 4 (Advisory Business) to include the Oakhurst Strategic Defined Risk Fund.

Updated Item 5 (Fees and Compensation) to include the Oakhurst Strategic Defined Risk Fund.

Updated Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) to include the Oakhurst Strategic Defined Risk Fund.

Updated Item 10 (Other Financial Industry Activities and Affiliations) to include Enterprise Trust & Investment Company.

Updated Item 11 (Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading) to include Enterprise Trust & Investment Company and Oakhurst Strategic Defined Risk Fund.

Updated Item 15 (Custody) to include Enterprise Trust & Investment Company.

Updated Item 17 (Voting Client Securities) to include the Oakhurst Strategic Defined Risk Fund.

This Brochure is being provided to all clients and prospective clients.

Pursuant to SEC Rules, Lido Advisors, LLC will send clients a summary of any materials changes to this Brochure within 120 days of the close of Lido Advisors, LLC's fiscal year. For more information about the firm, please visit www.lidoadvisors.com. Additional information about Lido Advisors, LLC and its Investment Advisors Representatives is available on the SEC's website at <https://advisorinfo.sec.gov>.

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ITEM 4: ADVISORY BUSINESS

A. Description of Firm

Lido Advisors, LLC ("LAL") is an SEC-registered, Los Angeles-based investment advisor founded in 2001.¹ LAL offers a variety of services, including, but not limited to, investment management and asset allocation, financial planning, family office services, and retirement and estate planning. LAL offers these services to high-net-worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other types of business entities. LAL has more than 25 offices located across the United States including the corporate headquarters in Los Angeles, California and additional significant offices in Dallas, Chicago, Boca Raton, San Diego, and New York City. LAL conducts business in states reflected in its Form ADV Part 1 (copy available upon request or at <https://advisorinfo.sec.gov>).

LAL is primarily owned by certain pooled investment vehicles advised by affiliates of Charlesbank Capital Partners LLC (collectively, "Charlesbank"), a middle market private equity firm. Jason Ozur, Chief Executive Officer, Ken Stern, President, Gregory Kushner, Chairman and Founder, Alyssa Weinberger, Chief Marketing Officer, and Jeffrey Westheimer, Senior Managing Director hold LAL membership interests directly or through affiliated entities. Collectively, Messrs. Ozur, Stern, Kushner, Westheimer, and Ms. Weinberger own the majority of LAL membership interests outside of Charlesbank's controlling LAL membership interest. The remaining LAL membership interests are owned by Lido 2012 GST, LLC ("2012 GST"), William Henry Insurance, Inc. ("WHI"), Lido Investor Holdings, LLC ("LIH"), and other key LAL employees. 2012 GST, WHI, and LIH are not involved in LAL's day-to-day management. 2012 GST is owned by a family office and LAL client. WHI is a LAL client. LIH's managing member is a LAL client and certain of its members are LAL clients. Mr. Ozur is the designated representative for all non-Charlesbank owners on LAL's governing Board and assumes super-majority rights over certain material governance and operational aspects of LAL.

B. Advisory Services

1. Investment Management

LAL utilizes unique investment strategies to seek to help our clients achieve their investment goals while aiming to reduce market risks and manage volatility. LAL uses an integrated wealth strategy that involves tailored investment services that, among other things, select assets for our clients that are less correlated to one another. These assets include not only the traditional asset classes such as fixed income², equities³, and cash⁴, but also real

¹ The Firm operated as Lido Advisors, Inc. prior to July 1, 2015.

² Fixed income includes, but is not limited to, government bonds, municipal bonds, corporate bonds, high yield bonds, foreign bonds, preferred stocks, CDs, loans, Exchange Traded Funds "ETFs" based on bond indices, fixed income mutual funds, short-term fixed income instruments, structured notes, and certain preferred stocks.

³ Equities includes, but is not limited to, common stocks, ETFs based on stock indices, equity mutual funds, publicly-traded master limited partnerships, and publicly-traded real estate investment trusts ("REITs").

⁴ Cash includes, but is not limited to, money market funds, certain mutual funds or ETFs, or other cash equivalents.

estate debt, foreign securities, American Depositary Receipts, hybrid offerings⁵, and Alternative Investments, such as Liquid⁶ and Non-Liquid⁷ Alternative Investments and Non-Liquid Fixed Income investments⁸. LAL believes it has the discipline to implement a strategy while remaining nimble to take advantage of potential opportunities. LAL's main strategies include:

- **Core Equity Strategies** are driven by asset allocations that emphasizes stocks with a certain geography or market capitalization, economic cycles, momentum, and fundamental drivers that can result in tactical opportunities, all reflected in combined mutual funds, ETFs, or separate account managers.
- **"Cap and Cushion"** Equity Collar Strategy is an options-based equity strategy that seeks to limit downside participation by both purchasing downside protection (buying a put option) while financing (partially or fully) the protection with selling some potential upside participation (writing a covered call option). In connection with this strategy, LAL, through wholly owned entities, offers and manages variations of this strategy through several private funds ("Lido Private Funds").
- **Fixed Income** is a strategy that seeks both the potential for current income and reduction in portfolio risk by using various fixed income strategies. We utilize bonds, mutual funds, and ETFs to diversify the fixed strategy with an aim to assist in better control duration and credit risk.
- **Alternative Investments** is a strategy that seeks to provide critical diversification and can, under the right circumstances, achieve results uncorrelated to equity and fixed income strategies.
- LAL also utilizes additional equity and fixed income-based strategies that supplement the above-described strategies. In some cases, LAL will utilize certain independent, third-party, or affiliated asset managers ("TPAMs") and sub-advisors to affect various strategies on behalf of a client. See Items 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

LAL generally manages all client assets on a fully discretionary basis.⁹ In exercising full discretionary authority, LAL selects, without first obtaining client's authorization:

- the securities to be bought and sold;
- the amounts of securities to be transacted and whether it will be individually or blocked traded;
- the broker dealer through which transactions will be executed; and

⁵ Hybrid offerings generally includes merger funds, long-short commodity funds, structured notes, covered options, and other hybrid mutual funds (based on equity volatility).

⁶ Liquid Alternative Investments are investments in exclusively single sector or commodities ETFs or mutual funds.

⁷ Non-Liquid Alternative Investments, which include, but are not limited to, private funds, hedge funds, fund of funds, real estate funds, managed futures funds, mezzanine funds, private equity funds, venture capital funds, and other types of private pooled investment vehicles, private real estate investment trusts, private real estate holdings, and oil and gas limited partnerships.

⁸ Non-liquid fixed income investments are defined as longer-term investments in loans secured by first trust deed mortgages, including, but not limited to, first trust deed loans, bridge loans and client directed family mortgages.

⁹ In certain instances, and at its sole discretion, LAL will arrange for clients to open trading accounts at a broker dealer/custodian on a non-discretionary basis. These non-discretionary accounts are subject to third-party fees, including, but not limited to, commissions and other custodial-related fees. These broker dealers/custodians will as a general practice provide disclosures concerning these fees directly to clients. Clients should review this information carefully and are encouraged to discuss these fees with LAL and the broker dealer/custodian.

- the TPAM used to manage the client assets.

A client may, at LAL's sole discretion, impose parameters to LAL's discretionary authority, including, but not limited to, restrictions in certain companies or industry sectors or directed brokerage. In these instances, clients are solely responsible for informing LAL in writing of these parameters, changes to these parameters, or their overall investment goals and objectives. Finally, clients may also direct LAL to execute certain trades or purchase certain investments. In these instances, clients assume full responsibility for these directed trades or investments, including any negative impact these may have on LAL's strategies employed on their other assets. LAL cannot and does not make any assurance that client directed trades will be timely executed or executed at all.

LAL integrates Alternative Investments as part of its overall investment strategy. These investments are not suitable for all clients. For those clients whom these investments are suitable, LAL recommends, among other alternative investments, real estate-related Private Funds sponsored or operated by Oakhurst Advisors, LLC ("Oakhurst"), which is a separately registered investment adviser owned and controlled in part by certain LAL principals. Additional information about Oakhurst is available on the SEC's website at <https://adviserinfo.sec.gov>. LAL also sublets a certain portion of its office to Oakhurst. This long-standing relationship and the resulting business combination present significant, actual, or potential conflicts of interests, including, but not limited to, the potential that LAL and its principals are biased in favor of Oakhurst investments given that certain LAL principals have an ownership interest in Oakhurst. Moreover, it is possible that LAL clients may incur higher fees in connection with Oakhurst investments than those associated with other Alternative Investments. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) regarding LAL's mitigation efforts; *See* Item 5 (Fees and Compensation) regarding the fees paid to Oakhurst.

2. Asset Allocation Services

At the onset of a client relationship, LAL develops an asset allocation plan that aims to balance a client's overall financial objectives with individual attributes including risk tolerance, income requirements, liquidity requirements, income taxes, and time horizon. LAL accomplishes this by gathering pertinent information from a client during the account opening process through a Client Risk Profile Form, Investment Policy Statement ("IPS"), or other similar documentation.

LAL performs the following services in determining and maintaining the appropriate asset allocation plan for clients:

- Analysis of the client's current financial situation and prior investment experience;
- Assistance in setting goals to determine appropriate time horizons, investment objectives, income taxes, family structure, and amounts needed to accomplish investment goals;
- Analysis of the client's risk tolerance;
- Selection of appropriate asset classes;
- Investment selection utilizing, as appropriate, mutual funds, equity and fixed income securities, Private Funds, and TPAMs;

- Ongoing monitoring of fund, securities, and manager performance;
- Ongoing portfolio performance analysis; and
- Portfolio modifications and reallocation as appropriate

3. Mutual Fund

LAL serves as investment advisor to the Oakhurst Strategic Defined Risk Fund ("OASDX"), a mutual fund, which seeks capital appreciation while seeking to limit short-term risk through the use of derivatives. Please refer to the OASDX prospectus for more detailed information, a copy of which can be provided upon request.

4. TPAM Selection

LAL may delegate management of all or part of a client's assets to TPAMs. LAL provides access to TPAMs through a third-party platform of approved investment managers made available by agreement between LAL and the platform provider, or through an arrangement between LAL and TPAMs. LAL will utilize TPAMs that are affiliated with LAL for certain strategies. In those instances, LAL will provide further information concerning these TPAMs as well as the nature and scope of its affiliation, among other information. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

TPAMs have discretionary authority over those assets allocated to them and they are authorized to buy, sell, and trade in securities in accordance with the client's investment objectives, risk tolerance, and time horizon, among other factors. If and when LAL determines that a TPAM is in the client's best interest, LAL, on the client's behalf, or the client will enter into a separate and independent advisory relationship with that TPAM. As such, the client will incur fees separate from and in addition to any fees charged by LAL. The TPAM may invoice its fee to the client through LAL or debit the client's custodial account directly.

LAL continues to monitor TPAMs to ensure their adherence to the philosophy and investment style for which they were selected and will provide recommendations to the client accordingly. If the client has entered into a direct relationship with the TPAM, only the client can terminate that relationship.

5. Sub-Advisory Arrangements

In certain circumstances, LAL enters into a sub-advisory arrangement for management of a particular style or strategy desired by or suitable for clients. Certain sub-advisors are affiliated with LAL. In those instances, LAL will provide further information concerning these sub-advisors as well as the nature, scope, among other information, of its affiliation. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

LAL conducts due diligence on each sub-advisor, which includes review of its performance returns, management team, and adherence to the guidelines and restrictions of the strategy. In its sole discretion, LAL has the authority to add, replace, or remove any sub-advisor on behalf of a client without the client's prior consent.

6. Financial Planning

LAL may also provide financial planning services. These services include, but are not limited to, providing advice on the following:

- Investment portfolio analysis and asset allocation;
- Evaluation of outside investment accounts and assessment of overall financial position;
- Insurance and risk management evaluation;
- Estate and retirement planning;
- Tax awareness;
- Wealth transfer and charitable giving;
- College savings; and
- Family governance and living expense considerations.

To begin the process, LAL generally collects, organizes, and assesses client data including information concerning the client's lifestyle, risk tolerance, and cash flow, as well as identification of the client's financial concerns, goals, and objectives. LAL's primary objective is to assist clients in developing a strategy for the successful management of income, assets, and liabilities to meet their financial goals and objectives.

LAL will provide clients with a comprehensive plan and options of utilizing LAL to implement this plan. Should a client adopt LAL's plan, LAL will advise on actual or potential conflicts of interest arising from LAL's use of its own advisory services or products including those offered in connection with pre-existing broker dealer or insurance agency relationships. Finally, LAL makes no assurances that its plan will be successful in meeting a client's financial goals and objectives.

In some circumstances, LAL will charge an additional fee for advanced financial planning. Such arrangements will be negotiated with the client in terms of services needed and fees charged and be memorialized under separate agreement. The fees for these advanced planning services will vary based on the service required and are negotiable.

Clients can accept or reject LAL's plan and may retain the authority and discretion over all implementation decisions. Should the client proceed with LAL's plan, actual or potential conflicts of interest will arise as LAL will likely utilize its own allocations, strategies, products, or services and will receive fees or other monetary benefits as a result. LAL will endeavor to address these conflicts through disclosures and other remediation efforts as the circumstances warrant. A client, however, is under no obligation to utilize LAL's plan or its services to implement the plan. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

7. Family Office Services

LAL also provides a broad range of family office services, which include non-investment related matters, such as a review of estate and tax planning issues. LAL and its Investment Adviser Representatives ("IARs") do not provide

specific estate or income tax advice but will introduce the client to affiliated or unaffiliated accountants or attorneys. LAL will also work directly with a client's advisors as needed. A client who initially engages LAL for consultation services only and later wishes to engage LAL for discretionary investment management services is required to enter into a separate written agreement with LAL for those services, for which LAL will be paid a separate and additional fee based on the client's assets under management.

8. Financial-Related Services through Affiliates and Third Parties

LAL has arranged for affiliates and third parties, such as independent contractors and other licensed professionals, to provide clients with certain financial-related services that supplement or are complementary to the aforementioned advisory services. These financial-related services, which include, but are not limited to, estate planning, trust services, tax consulting, tax preparation, and corresponding legal advice on such matters, will incur additional fees, which may, at LAL's discretion, be offset by a corresponding credit, in full or in part, against other LAL fees, including, but not limited to, LAL's Asset Management fee or a direct payment, in full or in part, by LAL to these affiliates or certain third parties. *See* Item 5 (Fees and Compensation). Clients will in almost all instances engage directly with LAL affiliates or third parties for these financial-related services. During this process, LAL, its affiliates, or the third-parties will provide additional information concerning the nature and scope of the financial-related services, the relevant agreements concerning the provision of such services, and disclosures concerning any actual or potential conflicts. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading)

C. Important Information About All LAL Services

1. Gathering Individual Client Information

LAL's investment advice is customized to each client's portfolio based upon the individual needs, objectives, and other financial goals of the client. At the onset, LAL memorializes a client's investment objectives, risk tolerance, time horizon, and other relevant information in a client's Risk Profile, IPS, or similar document. The Risk Profile or IPS, together with the information gathered by LAL will be used to determine an investment strategy or financial plan.

A client is also responsible for promptly notifying LAL in writing of any material changes in the client's financial situation, investment objectives, risk tolerance, time horizon, or any other factor that may impact LAL's recommended investments.

LAL requires a client to execute certain agreements reflecting the terms and conditions of LAL's services (collectively, the "Agreement"). The Agreement sets forth the entirety of LAL's and a client's relationship and can only be amended or modified in writing upon both LAL's and the client's agreement. An LAL IAR will generally meet with all clients no less than annually to review the client's investment goals and current advisory portfolios. LAL IARs are also available during normal business hours to consult with clients.

2. Client Relationship

LAL substantially relies on the information provided by the client and that client's other advisors, such as accountant and lawyers, to provide its services. A client authorizes LAL to rely on this information and LAL will not assume any responsibility for information provided by a client or third parties on behalf of the client. LAL's relationship with a client is further described in this Brochure, Forms ADV Part 2B, and Form ADV Part 3 ("Form CRS"), which are provided when LAL provides investment advice or to the client at the onset of the relationship. LAL's and the client's relationship will remain in effect until the Agreement is terminated by either LAL or the client. LAL does not participate in any wrap fee programs.

D. Assets Under Management

As of December 31, 2021, LAL manages the following client assets on a discretionary and non-discretionary basis:

Type of Account	Account Assets Under Management (" AUM")
Discretionary	\$10,608,695,492
Non-Discretionary	\$433,219,834
Total:	\$11,041,915,326

Assets currently managed by Oakhurst are reflected separately on Oakhurst's Form ADV.

ITEM 5: FEES AND COMPENSATION

A. Advisory Fees

LAL typically charges a percentage fee based on a client's total assets managed by LAL ("Asset Management fee"). LAL has also entered into other fee arrangements including, but not limited to, fixed fees based on client specific circumstances or the advisory service being rendered. The Agreement will reflect all fee arrangements with the client. Although LAL believes its fees are competitive, the client should be aware that lower fees for comparable services may be available from other sources.

1. Asset Management Fees

LAL's Asset Management fee is calculated based on a variable, annual percentage determined by the client's managed assets' value as of the last quarter end. The variable annual percentage is determined by the client's managed assets' value reflected below:

Percentage	Managed Asset Amount
1.25%	on account assets under \$2,000,000
1.00%	over \$2,000,000

This fee schedule applies only to LAL's Asset Management fee. Other fees, such as those levied by custodians, TPAMs, or sub-advisors, will be in addition to the Asset Management fee.

Relevant in determining the total Asset Management fee is LAL's valuation of the client's account at the time the fee is assessed. When determining market value of an account for purposes of calculating advisory fees, LAL's policy is as follows.

- For all publicly-traded, marketable securities held by the client, LAL receives daily prices electronically from a third-party provider, which are reconciled with daily prices received by clients' custodians. Any noted discrepancies are promptly corrected, and the reconciled prices are used for determining market value. Market value of an account includes securities and cash and cash equivalents in the account.
- For privately-held, hard to value, or illiquid (where no public market or ready access to buyers or sellers) securities, such as Alternative Investments, LAL evaluates the value provided by the third party managing the investment, LAL's own valuation due diligence practices, and at least a quarterly review of those investments.

The Asset Management fee is prorated by quarter and is paid per quarter in arrears in four quarter increments. LAL determines the average daily balance of a client's assets on the fifteenth (15th) of the last month of each quarter and assesses the Asset Management fee based on that average daily balance for each day of that quarter. This calculation includes the market value of assets held on margin. For example, for the first quarter, LAL will determine the average daily balance of the client's assets on March 15 and use that average daily balance to calculate the Asset Management fee from January 1 through March 31.

A \$2,500 minimum Asset Management fee per quarter applies, and the minimum fee is not reduced by fees or other amounts paid to Oakhurst, an affiliated SEC-registered adviser primarily advising real estate-based private funds, that LAL recommends to its clients. LAL has discretion to waive or reduce this minimum. LAL also has discretion to waive or reduce the Asset Management fee with respect to any client, based on account size, the investment strategy, and the relationship between the client and LAL, among other factors. LAL generally waives fees for its employees and their friends or relatives. LAL, at its discretion, will provide billing credits against its management fees for professional legal and tax services to qualifying clients. Lower fees for comparable services may be available from other sources.

Finally, should a client begin its relationship with LAL in the middle of a quarter, the Asset Management fee will be prorated for assets held for a partial quarter based on the number of days that the account was open during the quarter. If LAL's services are terminated prior to quarter end, LAL will prorate the Asset Management fee. *See* Item 13 (Review of Accounts).

2. OASDX Fees and Expenses

OASDX fees and expenses are reflected on the below table. For more detail concerning OASDX fees and expenses, a copy of the prospectus may be requested from LAL. Currently only OASDX institutional class shares are available, these shares require a \$25,000 minimum investment, which may be waived by LAL.

Currently, OASDX is comprised of exchange traded funds and other investments that have their own independent expenses, such as brokerage and other expenses discussed in the prospectus. These expenses are not reflected in the table above. LAL has agreed to cap its direct expenses to 1.5% of OASDX's average daily net assets until August 23, 2024. See Item 12 (Brokerage Practices).

OASDX Institutional Shares	
Sales Charge (Load)	\$0
Deferred Sales Charge (Load)	\$0
Management Fees	1%
Shareholder Servicing Fee	0.10%
Other Expenses	0.50%
Acquired Fund Fees and Expenses	0.08%
Total Annual Expenses	1.68%

3. Solicitor Fees, Referral Arrangements and Fees

LAL utilizes solicitors that solicit and refer clients to it and receive compensation from LAL for the referrals. See Items 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) and 14 (Client Referrals and Other Compensation). LAL may, as an accommodation to a client, track or monitor client assets that are not being actively managed in which LAL has no discretionary authority. LAL incorporates these unmanaged assets into a customized and comprehensive periodic client report. LAL typically charges a reduced annual fee for these unmanaged assets of 0.25%. As with all its fees, LAL retains discretion on its application and amount.

4. Fixed Management Fees

LAL generally negotiates a fixed rate management fee with certain ultra-high-net-worth clients. This fixed fee generally includes other services, such as tax and estate planning, in coordination with a client's advisors, such as lawyers and accountants, and concierge services. LAL's billing schedule varies based on individual client negotiations. LAL will credit any unearned fees should its relationship with the client end.

5. Client Consultation Fees

LAL offers consultation services at a \$500 hourly or negotiated fixed rate. LAL maintains sole discretion as to these rates. In some circumstances, LAL will charge an additional fee for advanced financial planning. Such arrangements will be negotiated with the client in terms of services needed and fees charged and be memorialized under separate agreement. The fees for these advanced planning services will vary based on the service required and are negotiable.

6. Billing Authorization

A client authorizes the automatic debit of quarterly fees through the custodial account as soon as practicable following the last business day of each calendar quarter. A client may pay LAL's quarterly fees by check. In such cases, LAL will send the invoice directly to the client. The custodian will issue periodic statements to the client that will reflect any fees paid to LAL. A client is urged to compare fees for accuracy, the independent custodian's statements, and LAL's information. *See* Item 13 (Review of Accounts).

B. Other Fees and Expenses

LAL's fees do not include third-party fees, such as custodial, mutual funds, ETFs, TPAMs, and Alternative Investment-related fees and expenses. The client is also subject to, as applicable, transaction costs, retirement plan administration fees, deferred sales charges on mutual funds initially deposited in the account, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees. In addition, Lido's fees do not include taxes.

LAL, in certain circumstances, absorbs third-party fees, including, but not limited to, fees charged by Alternative Investments, TPAMs, and other third parties. In those instances, LAL will inform the client. A client should review all LAL and third-party fees charged, in addition to the LAL fees, to understand the full cost of LAL's investment recommendations. Notably, all fees will have a substantial impact on an investment's overall performance and must be accounted for in a client's investment decisions.

1. General Mutual Fund and ETF Fees

Client assets invested in mutual funds and/or ETFs will be subject to certain fees and expenses imposed directly by mutual funds and ETFs to their shareholders, which are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a distribution fee (e.g., 12b-1 fees). These fees are referred to as a fund's "expense ratio" and are deducted at the mutual fund level when calculating the fund's net asset value ("NAV"). The deduction of these fees has a direct bearing on the fund's performance. If a mutual fund also pays sales charges, a client will pay initial or deferred sales or surrender/redemption charges.

In addition, certain open-end mutual funds offer different share classes with expense ratios and sales/redemption fees that are higher with a typically lower minimum investment ("Investor Share Class") than other share classes,

which can have lower expense ratios and sales/redemption fees but typically require a higher minimum investment ("Institutional Share Class"). The most beneficial share class – Investor or Institutional – will depend on a number of different factors, including, but not limited to, the amount of time the shares are held by a client and the amount a client will be investing. Mutual fund expense ratios and sales/redemption fees vary by mutual fund, so it is important for a client to read the mutual fund prospectus to fully understand all the fees charged.

Transaction costs also factor into the overall costs when investing in mutual funds. Such costs can be charged by the broker dealer for both purchases and redemptions. Some custodians offer certain mutual fund share classes with no transaction costs while charging transaction costs for other mutual fund share classes.

LAL will account for the availability of different share classes and their respective transactional costs, or lack thereof, among other factors, to ascertain the appropriateness of any mutual fund for its clients at all stages of their relationship with LAL, including, but not limited to:

- LAL's initial allocation involving mutual fund-related assets for a client;
- LAL's changes to any allocation involving mutual fund-related assets for a client; and
- LAL's review, assessment, and, if deemed appropriate, changes to a client's pre-existing mutual fund-related holdings at the onset of the client's relationship with LAL.

Although LAL believes that there will seldom be circumstances when LAL does not have access to certain mutual fund share classes with overall lower costs, for example when a custodian does not offer that share class or that a minimum investment amount cannot be met, LAL will invest a client in the mutual fund share class that is available.

2. LAL-affiliated Mutual Fund Fees

LAL, at its discretion, invests clients in the Oakhurst Strategic Defined Risk Fund ("OASDX") or the mutual funds managed by Oakhurst Capital Management, LLC ("OCM Funds").

OASDX is managed by LAL. LAL earns management fees, among other fees, for advising OASDX. A conflict of interest exists as LAL principals economically benefit from client investments in OASDX and OCM Funds. LAL addresses this conflict through disclosure to its clients investing in these funds and will conduct periodic analysis to review suitability for its clients, including, but not limited to, other non-affiliated investments that provide materially better terms, conditions, risk, and performance, among other factors. LAL has elected to waive its Asset Management fee on client assets invested in OASDX. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

3. LAL-affiliated Joint Venture Fees

Oakhurst Capital Management, LLC ("OCM"), an affiliated joint venture between LAL and an independent, unaffiliated SEC-registered investment adviser, manages OCM Funds that are utilized by LAL to manage its client assets. LAL is a less than majority owner of OCM, has certain material governance rights, and does not have day-to-day operating authority. As LAL has an ownership interest in OCM, a conflict of interest exists as LAL benefits

economically from LAL client investments in OCM funds. LAL addresses this conflict through disclosure to its clients investing in OCM funds and assessing whether or not similar strategies can be executed on behalf of the client with similar effect and lower costs. In certain instances, LAL may elect to waive or reduce its Asset Management fee on client assets invested in OCM funds. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

4. LAL-affiliated Alternative Investment Fees

A client invested in Alternative Investments, such as Private Funds, is also subject to management fees, performance fees, and other expenses as described in the Alternative Investments' offering materials. These fees are in addition to LAL's fees.

LAL has in many cases negotiated substantial discounts for investments in Oakhurst-affiliated real estate-related Private Funds, which should be reflected in the applicable Oakhurst offering materials or other supplemental materials.

In certain circumstances, Oakhurst negotiates an equity stake in the managing member of Oakhurst-affiliated Private Funds. As a consequence, LAL principals, by virtue of their ownership interest in Oakhurst, receive compensation should the Oakhurst-affiliated fund managing member receive certain compensation, including, but not limited to, performance fees, which creates a conflict of interest with LAL and any LAL client that invests in these Oakhurst-affiliated Private-Funds. Oakhurst will disclose such arrangements in these Oakhurst-affiliated Private Funds' offering materials. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

LAL clients that have invested in certain Oakhurst "fund of funds" – funds that have invested in other third-party funds – are also charged other transaction and real property-related fees by these third-party funds, including, for example, acquisition and disposition fees, property and improvement management fees, and loan origination and exit fees. These fees were charged in addition to any LAL fees charged to its clients.

These discounted fees are a result of, in part, Oakhurst-affiliated funds being offered only to LAL clients and the long-standing but then-independent relationships between certain owners of LAL and Oakhurst. *See* Items 4 (Advisory Business), 5 (Fees and Compensation), 8 (Methods of Analysis, Investment Strategies, and Risk of Loss), and 10 (Other Financial Industry Activities and Affiliations). These fees and any discounts varied based on, for example, the amount of capital invested by the specific LAL client, and whether the specific Oakhurst-affiliated fund was a "fund of funds." These amounts are in addition to fees charged by LAL. Additional information regarding the negotiated fees is available in Oakhurst's Brochure, which is available at <https://adviserinfo.sec.gov>.

5. Third-Party Asset Manager Fees

TPAMs will also charge fees in addition to LAL fees. TPAMs should provide disclosures relating to those fees in

their respective Form ADV Part 2A, which will be provided at the time of engagement of the TPAM and should be fully read before proceeding.

6. LAL-affiliated or Third-Party Research Fees

LAL will, in certain instances, charge its clients for specific research services provided by affiliates or third parties that are specifically tailored to certain strategies utilized for its clients which include, but are not limited to, Chantico Global, LLC and ESG Strategies. In those instances, clients will be notified of the nature and scope, the fee incurred, and any actual or potential conflicts resulting from such services.

7. Broker Dealer/Custodian Fees

Clients will incur brokerage commissions and other execution costs charged by the custodian or executing broker dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by LAL. *See* Item 12 (Brokerage Practices).

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

LAL does not charge fees calculated based on a share of capital gains upon or capital appreciation of an investment, otherwise described as performance-based fees. Consequently, LAL does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee.

ITEM 7: TYPES OF CLIENTS

A. Clients

LAL provides advisory services to high-net-worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, insurance companies, pooled investment vehicles, a registered investment company, and other types of business entities.

B. Client Accounts

LAL generally requires a minimum of \$1 million to open an account. LAL may waive this minimum as well as decline any potential client for any reason. LAL's client relationship is reflected in the Agreement. *See* Items 4 (Advisory Business) and 5 (Fees and Compensation).

Clients covered under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") will be provided certain required disclosures to the "responsible plan fiduciary" in accordance with ERISA Section 408(b)(2). These disclosures provide notice setting forth LAL services and the direct and indirect compensation LAL receives from these services. LAL provides information related to its compensation arrangements in its Brochure and Agreement. These disclosures are collectively designed to enable the ERISA fiduciary to determine the reasonableness of all compensation received by LAL, identify any potential conflicts of interests and satisfy reporting and disclosure requirements to plan participants.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

LAL analyzes its recommended investments using a combination of qualitative and quantitative information, including, but not limited to, news, financial publications, internal and external research reports, interviews, prospectuses, and exchange market data. *See* Items 4 (Advisory Business), 10 (Other Financial Industry Activities and Affiliations), 12 (Brokerage Practices), and 14 (Client Referrals and Other Compensation). LAL recommends investment strategies that are informed by each client's investment objectives, risk tolerance, and time horizon, among other factors. LAL will also:

- Redistribute investment allocations in order to diversify a client's portfolio and in an effort to reduce risk and increase performance.
- Utilize specific investments to increase sector weighting and/or dividend potential and employ cash positions in an effort to hedge against market movement.
- Sell positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in a client's portfolio, change in the risk tolerance of the client, or any risk deemed unacceptable for the client's risk tolerance.

LAL provides no assurances that these strategies will ultimately meet client objectives. LAL's recommended investments bear risk, some more than others, and a client should be prepared to assume those risks, including the potential for complete loss. *See* Item 4 (Advisory Business).

1. OASDX

Under normal circumstances, OASDX invests in a portfolio of equity securities of companies that are representative of the S&P 500 Index ("Index") or in ETFs that are designed to replicate the performance of the Index or whose holdings are representative of the Index.

The Index is a market capitalization weighted index of the 500 largest U.S. publicly traded companies by market value. OASDX's investments include ETFs that seek to track the performance of the Index, but the performance of OASDX is not intended to match the performance of the Index. OASDX will simultaneously use options on ETFs in combination with U.S. Treasury securities to enhance OASDX's potential returns during up markets while seeking to limit losses during down markets. OASDX investment strategy utilizes multiple approaches, including investing in an equity portfolio of companies that are representative of the Index; writing (selling) call options against OASDX's equity positions that are covered by cash or U.S. Treasury securities; purchasing and/or selling combinations of Index-related puts and put spreads and calls and call spreads; and purchasing U.S. Treasury securities.

OASDX will write call options with strike prices and expiration dates designed to reduce the volatility of OASDX's investment portfolio and to earn premiums. A call option gives the holder (buyer) the right to purchase a security at a specified price (the exercise price) at any time until a certain date (the expiration date). OASDX will use cash, U.S. Treasury securities, or other collateral like ETFs, to cover the written call options. OASDX is permitted to utilize put options to lower the overall volatility of OASDX's investment portfolio, to "hedge" or limit the exposure of OASDX's position.

B. Material Risks

LAL's recommended investments, as with all securities, involve the potential for a significant risk of loss, including, but not limited to, complete loss of any initially invested capital or principal. LAL's recommendations are subject to various market, currency, economic, political, and business risks, and these investment decisions are not always profitable. Moreover, there is risk that the initial principal will be lost due to these risks. Clients must be prepared to bear these risks and the possibility of total loss for any LAL recommended investment. LAL cannot and does not make any assurance that any recommended investment will successfully meet a client's expectations.

Before investing, clients should:

- Commit assets that can be invested on a long-term basis, usually a minimum of three to seven years, at times even longer horizons;
- Understand that volatility from investing can occur and recommended investments can fluctuate widely; and
- Understand that over time the client's assets may be valued more or less than the amount invested.

LAL typically invests for the long-term and generally does not engage in daily or high-frequency trading. Nevertheless, TPAMs selected by LAL can employ such strategies, and as a result, such frequent trading can result in increased brokerage and other transaction costs, which may lower an investment's overall performance.

The following is an outline of overall risks relevant to the asset classes utilized by LAL:

- **Risks associated with the global health concerns.** Pandemics, such as COVID-19, and similar public health concerns have and can continue to cause severe disruptions in the global economy, and may have a material, negative impact on various types of funds and the ability of the funds to meet investment objectives. Pandemics and preventative measures taken to contain or mitigate their spread have caused, and can continue to cause, business shutdowns, cancellations of events and travel, significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both globally and in the United States. While significant medical progress has been made to contain the COVID-19 pandemic, it has continued to cause supply chain issues as well as volatility in the equity and commodity markets. Additionally, there continue to be mutations and new variants of the novel coronavirus responsible for the COVID-19 pandemic which could force health officials to reinstate some public health orders seen earlier in the pandemic.
- **Market Risk:** A security's price can drop for any reason, including reasons independent of the security's underlying assets perceived value in reaction to tangible and intangible, publicly known and unknown events and conditions.
- **Equity Risk:** Historically, the equity markets have moved in cycles, and the value of equity securities can fluctuate significantly from day-to-day. A public company may report poor results or be negatively affected by industry or economic trends and developments. Consequently, a public company's securities can suffer a price decline in response. These factors contribute to price volatility.
- **Business Risk:** This risk is 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 generating a profit. These companies carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity regardless of the economic environment.
- **Foreign Risk:** Investments in foreign securities pose special risks, including currency fluctuation and political risks, and these investments can be more volatile than that of a U.S. public company's securities. The risks are generally intensified for investments in emerging markets.
- **Currency Risk:** Foreign 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.
- **Political and Legislative Risk:** Public companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the U.S. or those companies who conduct a substantial amount of their business outside of the U.S.
- **Credit Risk:** The risk that principal and/or interest on a fixed income investment will not be paid in a timely manner or in full due to changes in the financial condition of the issuer. Generally, the higher the perceived credit risk, the higher the rate of interest investors will receive on their investment.

- **Interest Rate Risk:** The risk that the value of an interest-bearing investment will change due to changes in the general level of interest rates in the market. The market value of a bond fluctuates inversely to the change in interest rates; that is, as interest rates rise, bond prices fall and vice versa. Interest rate risk is commonly measured by a bond's duration; the greater a bond's duration, the greater the impact on price of a change in interest rates. Investors can incur a gain or loss from bonds sold prior to the final maturity date. Many bonds are rated by third-party Nationally Recognized Statistical Rating Organization (NRSRO), for example, Moody's Investor Services or Standard & Poor's Inc. While ratings may assist investors to determine the creditworthiness of the issuer, they are not a guarantee of performance. U.S. Treasury bills, notes and bonds are guaranteed by the full faith and credit of the U.S. and therefore are deemed to carry little risk of default. We are currently in a low interest environment, but rate increases appear likely in the near term.
- **Reinvestment Risk:** The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- **Call Risk:** The risk that a bond will be called by its issuer. A callable bond has a provision which allows the issuer to purchase the bond back from the bondholders at a predetermined price. Generally, issuers call bonds when prevailing rates are lower than the cost of the outstanding bond. Call provisions allow an issuer to retire high-rate bonds on a predefined call schedule.
- **Prepayment Risk:** Some types of bonds are subject to prepayment risk. Similar to call risk, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bonds. Prepayment risk is particularly prevalent in the mortgage-backed bond market, where a drop in interest rates can trigger a refinancing wave. When investors in a bond comprised of the underlying pool of mortgages receives his or her principal back sooner than expected, they may be forced to reinvest at prevailing, lower rates.
- **Liquidity Risk:** The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread or large price movements or recover invested capital to meet other financial needs. Alternative Investments typically are subject to this risk.
- **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. In response to recent economic events, including the global financial crisis and the current COVID-19 global pandemic, countries around the world have significantly loosened monetary policy and injected trillions of dollars into the economy in an effort to prevent more severe economic turbulence. This unprecedented amount of government funding and support may give rise to significant increases in government spending and (in many instances) significant increases to the amount of debt issued by governments in the international bond markets. In addition, the United States and other countries have experienced, and may in the future experience, supply chain disruptions for a number of goods in the marketplace. This potential disruption in supply of goods, combined with unprecedented levels of such government spending and monetary policy, may

materially increase inflation of the U.S. dollar and other currencies in the coming years. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. For example, if an investment is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Investments may have revenues linked to some extent to inflation, including without limitation, by government regulations and contractual arrangement. As inflation rises, an investment may earn more revenue but may incur higher expenses. As inflation declines, an investment may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy, which may include central banks raising interest rates. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on returns.

- **Opportunity Cost Risk:** The risk that an investor can forego profits or returns from other investments.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity Risk:** With the increased use of technologies such as the Internet to conduct business, LAL is susceptible to operational, information security, and related risks. Cyber incidents affecting LAL or its service providers may cause disruptions and impact business operations, potentially resulting in financial losses, the release of private investor information or other confidential information, impediments to processing transactions, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

The following is an outline of risks pertaining to investments in OASDX, which is a reflection of LAL's assessment at a particular point in time. As with all investment-related risks, general and specific market conditions as well as U.S. and international economic and political environments may result in new, unforeseen risks, elimination or moderation of certain risks, or the heightening of certain risks. For a complete listing of risks associated with investments in OASDX, please review the fund's prospectus which is available upon request:

- **As with any mutual fund, there are risks to investing in OASDX.** An investment in OASDX is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Remember that, in addition to possibly not achieving an investor's goals, **it is possible to lose all or a portion of the principal invested in OASDX over short or even long periods of time.** The principal risks of investing in OASDX are summarized below. The principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with other funds. Each risk summarized below is considered a "principal risk" of investing in OASDX, regardless of the order in which it appears.

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- **Active Management Risk.** OASDX is actively managed and subject to the risk that LAL's use of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause OASDX to lose value.
 - **Correlation Risk.** OASDX's investment strategy of buying and selling options will result in performance that differs from that of the Index. The call options written by OASDX will limit OASDX's opportunity to participate in increases when the ETFs in which OASDX invests perform well.
 - **Debt Securities Risk.** Increases in interest rates typically lower the value of debt securities. Investments in debt securities include credit risk. There is also the risk that a bond issuer may "call," or repay its high yielding bonds before their maturity dates. Debt securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain debt securities may make it more difficult to sell or buy a security at a favorable price or time.
 - **Derivatives Risk.** OASDX buys and sells options, which are instruments that derive their performance from underlying equity securities, also referred to as "derivatives." Derivatives can be volatile, and OASDX could experience a loss if its derivatives do not perform as anticipated or are not correlated with the performance of their underlying security or index.
 - **Equity Risk.** OASDX invests in common stocks or ETFs that invest in common stocks and options that derive their performance from the Index, which is made up of common stocks. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change.
 - **Exchange-Traded Funds Risk.** The risks of investments in ETFs reflect the risks of the underlying instruments in which the ETF invests. When OASDX invests in ETFs, shareholders of OASDX indirectly bear a proportionate share of the ETF's fees and expenses, as well as their share of OASDX's fees and expenses. As a result, an investment by OASDX in an ETF could cause OASDX's operating expenses (taking into account indirect expenses such as the fees and expenses of the ETF) to be higher and, in turn, performance to be lower than if OASDX were to invest directly in the instruments held by the ETF. Trading on an exchange does not guarantee a liquid market will exist for an ETF. ETFs may trade at a premium or a discount to their net asset value.
 - **General Market Risk.** The value of OASDX's shares will fluctuate based on the performance of OASDX's investments and other factors affecting the securities markets generally. The value of OASDX's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics.
 - **High Portfolio Turnover Risk.** A high portfolio turnover rate (100% or more annually) has the potential to result in the realization and distribution to shareholders of higher capital gains, which may be subject to a higher tax liability, depending on an investor's individual tax situation. High portfolio turnover also necessarily results in greater transaction costs which may reduce OASDX's performance.
 - **Large Capitalization Risk.** Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.
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- **Leverage Risk.** Some transactions may give rise to a form of economic leverage and may expose OASDX to greater risk and increase its costs. Leverage can magnify OASDX's gains and losses, and therefore increase its volatility.
- **Management Risk.** Oakhurst's investment strategies for OASDX may not result in an increase in the value of an investment or in overall performance equal to other investments, and the investment may lose value.
- **Options Risk.** Options transactions involve special risks that may make it difficult or impossible to close a position when OASDX desires. A fund that purchases options, which are a type of derivative, is subject to the risk that gains, if any, realized on the position, will be less than the amount paid as premiums to the writer of the option. A fund that writes options receives a premium that may be small relative to the loss realized in the event of adverse changes in the value of the underlying instruments. A fund that writes covered call options gives up the opportunity to profit from any price increase in the underlying security above the option exercise price while the option is in effect.
- **Tax Risk.** OASDX's investments in options may subject OASDX to special tax rules, the effect of which may be to accelerate income to OASDX, defer losses to OASDX, cause adjustments in the holding periods of OASDX's securities, convert long-term capital gains into short-term capital gains or convert short-term capital losses into long-term capital losses. Premiums earned by OASDX from its use of options investments are treated as short-term capital gains and are taxable as ordinary income.
- **U.S. Government Securities Risk.** Investing in securities backed by the U.S. Treasury or the full faith and credit of the U.S. government are guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market values for these securities will fluctuate with changes in interest rates.
- **Valuation Risk.** The sales price OASDX could receive for any particular portfolio investment may differ from OASDX's valuation of the investment. Investors who purchase or redeem OASDX shares on days when OASDX is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if OASDX had not fair-valued the security or used a different valuation methodology.
- **Risks associated with the global health concerns.** Many countries have become susceptible to epidemics and pandemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and, currently, the coronavirus "COVID-19" which the World Health Organization has declared to be a pandemic. The outbreak of such communicable diseases could result in a widespread health crisis that could adversely affect general commercial activity and the economies and financial markets of many countries, and may have a material, negative impact on various types of LAL Funds. Pandemics and preventative measures taken to contain or mitigate their spread have caused, and can continue to cause, business shutdowns, cancellations of events and travel, significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions and overall economic and financial market instability both globally and in the U.S. Some, like supply chain interruptions, will continue to impact local and global economies, for a substantial period of time, which may extend beyond the end of the current pandemic, and may move from market to market due to various factors, including interdependencies between markets. Additionally, LAL's operations could also be affected if some or all

its employees were unable to access its offices or remote work systems due to an outbreak of an epidemic or pandemic. None of these conditions are within LAL's control.

The following is an outline of risks pertaining to strategies involving options utilized by LAL:

- **Call Risk:** When writing covered call options to produce income for a client's account, there can be times when the underlying stock is "called" (call option contract exercised or assigned) by the investor that purchased the call option. That means the client would be required to sell the underlying security at the exercise (pre-determined) price to that investor.
- **Margin Risk:** Clients are usually required to open a margin account in order to invest in options, which carries additional risks and would result in margin interest costs to the client.
- **General and Specific Market Risk:** Option positions tend to be adversely affected by company specific issues (the issuer of the underlying security) which can include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers, and acquisitions. In addition, market related actions, political issues, and economic issues may adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.
- **Valuation Risk:** Changes in value of the option do not always correlate with the underlying security, and the account could lose more than principal amount invested.

Options involve a high degree of risk and are not suitable for all clients. A client should read "Characteristics and Risks of Standardized Options", which can be obtained from any exchange on which options are traded, at www.optionsclearing.com, by calling 1-888-OPTIONS, or by contacting your broker or custodian.

The following outlines risks relevant to Alternative Investments recommended by LAL:

LAL recommends Alternative Investments, including Private Funds, as an integral part of its overall investment strategy. In making these recommendations, LAL evaluates clients on a number of factors, including, but not limited to, sophistication, risk tolerances and qualifications, investment objectives, and available assets. LAL endeavors to allocate Alternative Investments to clients in a fair and equitable manner, but not all qualifying clients will have an opportunity to invest. A client's Alternative Investments are held at the custodian selected by each Alternative Investment sponsor or investment manager with Lido's assistance. Alternative Investment performance is typically reported directly by sponsor or manager and is monitored by LAL.

Clients should review all offering materials, including private placement memoranda, if applicable, before investing as these materials provide important information about the investment's terms and conditions, risk factors, and actual or potential conflicts of interest. LAL may also provide additional material to highlight important information concerning the Alternative Investment. This may include, but is not limited to, information concerning:

- **Liquidity Risk:** Most, if not all, Alternative Investments do not have a ready, public market for resale. In those instances, a client cannot sell or otherwise dispose of the investment. In instances where a client is provided an opportunity to divest, those opportunities carry significant fees and potential loss in value. In other words, a client will be unable to sell the Alternative Investment without substantial loss, including principal loss.
- **Capital-Deployment Risk:** Certain Alternative Investments, particularly those involving real estate, may not have immediate opportunities to deploy investor capital. Although a client may have invested in the Alternative Investment, that investment may not be immediately utilized because appropriate opportunities may not yet exist or have been identified. As such, a client's investment may not be used until such opportunities are available, which may have an immediate and detrimental impact on a client's overall expected and actual return.
- **Tax Risk:** Many Alternative Investments are structured as limited partnerships. As a result, a client will receive K-1 s reflecting that limited partnership interest. In addition, depending on the nature of the Alternative Investment, these K-1 s may be issued for multiple states, resulting in a client filing taxes in those states. Finally, a client may be required to file tax filing extensions as these K-1 s may be issued after the tax deadline.
- **Bridge Loan Financing Risk:** If a client is contemplating an Oakhurst-affiliated investment, Oakhurst may have obtained a bridge loan to initially fund the investment. If Oakhurst obtained a bridge loan, that bridge loan may be structured so that investor monies will be used to pay the bridge loan interest until repayment. In those circumstances, a client's investment will be used to satisfy the interest obligation until the bridge loan is paid in full, which will have an adverse impact on the timing of returns and expected and actual performance.
- **Suitability Risk:** LAL may recommend Alternative Investments as part of its overall investment strategy. These investments present unique risks that include but are not limited to, illiquidity, higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations, and limited regulatory oversight. Thus, LAL only recommends these investments to clients that it believes can bear these risks. A client must also meet regulatory requirements to be eligible to make these investments, including minimum net worth and sophistication requirements. Any client investing in an Alternative Investment must carefully review corresponding offering documents to understand, among other things, the terms, conditions, risks, and conflicts of interest of the investment.
- **Performance-Based Fee Incentive Allocation Risk:** Alternative Investments often impose performance-based fees or incentive allocations payable to the fund manager or general partner. Those performance-based fee or incentive allocation structures create an incentive for the managers of these investments to make investment choices that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. When applicable, the performance-based fee structure could also cause those managers to devote a disproportionate amount of time to manage these investments, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management. *See* Item 6 (Performance-Based fees and Side-by-Side Management).

- **Leverage/Hedging Risk:** Certain Alternative Investments employ the use of leverage or hedging, which also creates additional risk. Leverage is the use of debt to finance an activity. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment.
- **"Fund of Funds" Risk:** LAL also recommends Alternative Investments that are considered "funds of funds" and the investments and strategies for some of the underlying portfolio funds include leverage, short sales, uncovered options, futures, derivative instruments, forward and swap foreign exchange contracts, non-U.S. securities, "junk" bonds, and illiquid investments. These investments carry high costs, substantial risks, such as the risks inherent in an investment in securities, as well as specific risks associated with each underlying fund's investment strategy.

The following outlines risks relevant to First Trust Deeds and Real Property:

LAL recommends to certain clients that they consider investments in first trust deeds (whereby the client will lend money to a borrower to purchase real property and in return, receives a deed of trust on the real property until the loan is paid in full). In other cases, LAL will recommend certain Alternative Investments that utilize invested assets to purchase real property (e.g., private residences, commercial property, or a combination of both) or first trust deeds. While LAL believes these investments are suitable for certain clients, these investments may have substantial risk. There is no publicly traded securities market for these types of investments. In addition, investments in trust deeds and real estate are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other state or federal agency.

The following outlines the risks specific to First Deed Trusts:

- **Valuation Risk:** The value of the underlying property is appraised as of a specific date. There is no guarantee or assurance that the appraised value reflects a value that a buyer would be willing to pay.
- **Borrower Risk:** The borrower's ability to continue to make payments and repay the loan will depend upon the borrower's financial condition, which could change over time.
- **Default Risk:** Default by the borrower could affect monthly payments. Under extreme cases, it may be necessary to foreclose or take other actions to protect your investment. The total amount received upon foreclosure could be more or less than the total amount invested.
- **Bankruptcy Risk:** If a borrower files a reorganization or full insolvency bankruptcy, the foreclosure process could be stalled. Additionally, investors could incur significant legal fees and costs in attempting to obtain a relief. (Relief consists of getting court approval to release the property out of the bankruptcy so that the property can be foreclosed upon.) Furthermore, the court could modify the terms of the loan by extending the due date, changing the interest rate and payment structure, or causing the priority of the loan to be subordinated to a bankruptcy court- approved financing plan.

- **Environmental Risk:** Investing in any trust deed investment also is subject to possible loss due to uninsured losses from disasters such earthquakes, floods, tsunami, terrorist attacks, etc. Clients should carefully review the risk factors section in the relevant offering documents for complete information.

The following outlines the risks specific to Real Property:

- **Real Estate Market Risk:** The value of the real estate property is generally appraised upon purchase. Over time, the value of the real estate property can vary widely depending on market conditions. There is no guarantee or assurance that the carried value reflects a value that a buyer would be willing to pay.
- **Foreclosure Risk:** If the real estate investments are obtained by a loan and the borrower is unable at any time to make the loan payments, it may cause the holder of the note to foreclose or take other actions to protect their investment.

Additional risks include economic conditions, neighborhood values, interest rates, the supply of and demand for properties of like kind, the ability of the borrower to obtain necessary alternative financing and certain city, state and/ or federal regulations. Investing in any general real estate investment also is subject to possible loss due to uninsured and unpredictable losses from acts of nature or systemic shocks such as earthquakes, floods, tsunami, terrorist attacks, and acts of war. Clients should carefully review the risk factors section in the relevant offering documents for complete information. These risks are in addition to the principal risks associated with investing in a private investment vehicle, which are outlined in their respective offering materials provided to clients prior to investing.

The following outlines risks relevant to Bridge Loans:

Oakhurst or other third parties may independently request that certain ultra-high-net-worth clients contemplate bridge loan opportunities. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading). LAL may play a role on behalf of clients exploring these opportunities. There are material risks involved in bridge loan investment opportunities. Bridge loan opportunities are high risk investments that are only suitable for clients that can tolerate complete loss of the Bridge loan principal, which may be in upwards of \$10 million.

A bridge loan is a short-term investment which provides interim financing until next stage or permanent financing is made available. Bridge loans are typically for and provided to Oakhurst and are used for Oakhurst-affiliated investments, namely to purchase commercial real estate or to develop a property and may offer a higher rate of return than other investments. Bridge loans have substantial risks and there is no guarantee that, for example, Oakhurst-affiliated investments will be formed, completed, or meet client expectation on performance. Clients considering bridge loans should consult with their legal counsel prior to committing to a bridge loan.

The following outlines risks relevant to Oakhurst-affiliated investments:

- **Concentration Risk:** Notably, the majority of Oakhurst investors originate from LAL, which causes a potential bias in the level of due diligence provided by LAL related to the fund investments. This is mitigated through the use of an independent due diligence service provider that evaluates the strength of the underlying investment opportunities, including, but not limited to, if applicable, the underlying sponsor's or operator's business operations, track record, and regulatory compliance. LAL and Oakhurst also meet on an ad hoc and routine basis to discuss due diligence. Should LAL determine that following due diligence the fund, sponsor or operator, or underlying assets are not suitable for client investment, LAL will not proceed. As LAL and Oakhurst have overlapping ownership, efficiencies can be created through due diligence by both or either entity. LAL's and Oakhurst's affiliation, however, does create actual and potential conflicts of interest. Furthermore, due to the concentration of clients in the Oakhurst-affiliated investments, certain risks exist related to Oakhurst's reliance on LAL to fund its offerings, and there is the potential for LAL investment adviser representatives to be biased in their recommendations to the Oakhurst-affiliated investments in order for certain real estate deals to close. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).
- **Control Risk:** In addition, in most if not all cases, the Oakhurst-affiliated investments are minority investors in the underlying opportunity and do not have management rights or voting control rights. Therefore, investors in the Oakhurst-affiliated investments do not have the power to exercise significant control over the activities of the underlying company, and thus, must rely upon the judgment and experience of the underlying company and its managers, officers, directors, employees and affiliated individuals and entities.

Additional conflicts of interest and policies to address those conflicts are disclosed in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

ITEM 9: DISCIPLINARY INFORMATION

LAL is required to disclose all material facts regarding any legal or disciplinary events in the past ten years that it believes would be material to a client's or prospective client's evaluation of LAL or the integrity of its management. LAL does not have any of these legal or disciplinary events and thus has no information to disclose with respect to this Item 9.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Other Financial Industry Activities

1. Independent Contractors and Outside Activities

Craig Sheftell, a LAL IAR, performs advisory services on behalf of LAL as an independent contractor and is a Fallbrook Capital Securities Corporation Registered Representative. Mr. Sheftell conducts business through his outside brokerage firm and also receives compensation for doing so. Although he devotes as much time to the business and affairs of LAL as is necessary to perform his duties, he also devotes a significant amount of time to performing services for his other outside businesses. The dual roles and additional compensation create potential conflicts of interest because his obligations to the outside businesses take time away from his LAL duties. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

Gina Sanchez, LAL's Chief Market Strategist, is an independent contractor of LAL, performs various investment and marketing related services for LAL and is the owner and founder of Chantico Global, and investment consulting firm. Ms. Sanchez conducts business through Chantico Global and receives compensation for doing so. Although she devotes as much time to the business and affairs of LAL as is necessary to perform her duties, she also devotes a significant amount of time to performing services for her other outside businesses. The dual roles and additional compensation create potential conflicts of interests because her obligations to the outside business takes time away from her LAL duties. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

2. Passive Ownership Interests / Passive Investment Affiliations

- **2012 Lido GST, LLC:** 2012 GST is a passive owner of LAL. 2012 GST also is a client. Due to these relationships, potential conflicts of interest exist in that 2012 GST will receive benefits not available to other clients. *See* Item 4 (Advisory Business).
- **WHI** is a passive owner of LAL and LAL client. Due to these relationships, potential conflicts of interests exist in that WHI will receive benefits not available to other clients. *See* Item 4 (Advisory Business).
- **LIH** is a passive owner of LAL, LIH's manager's member is a LAL client and certain LIH members are also LAL clients. Due to these relationships, potential conflicts of interests exist in that LIH may receive benefits not available to other clients. *See* Item 4 (Advisory Business).
- **Lido Flamingo, LLC ("LF")** was created to purchase and hold minority interests in real estate-related investments. LF members include Mr. Kushner, Mr. Ozur, Mr. Westheimer, Ms. Weinberger, and their family members. Messrs. Kushner and Ozur serve as LF's Managing Members. In certain circumstances, LF makes investments that result in significant minority interests in those investments. These investments generally do not meet the investment criteria for the majority of other LAL clients due to investment size or risk. Certain clients, however, have made the decision to participate in the same investments as LF. In those circumstances, clients make those investments on the same terms as LF.
- **AG Associate, LLC ("AG")** is co-managed by Mr. Goldman. He and certain LAL clients are members and managers of AG. Pursuant to the Oakhurst Consulting Agreement, AG is to invest up to \$250,000 into any Oakhurst-affiliated investment, which is intended to be a side-by-side investment with clients. LAL

principals or entities owned or controlled by them are members of AG and have invested in AG opportunities in the past. The LAL clients, including those that are managers, became involved or associated with AG prior to them becoming LAL clients. AG no longer invests in Oakhurst Private Funds.

- **Leviathan Co-Invest I, LLC (“Leviathan”)** is a co-investment vehicle for certain LAL and Oakhurst principals, employees, and other affiliates to invest in Oakhurst Private Funds. Leviathan’s co-investment is typically \$1 million although the investment may vary fund by fund. Leviathan does not charge management fees, which creates a conflict of interest whereby LAL and Oakhurst principals, employees, and affiliates ultimately receive better performance than LAL clients invested in the same fund. LAL addresses this actual conflict by disclosure and believes that this aligns the interests of its principals, employees, and affiliates with the interests of LAL clients.
- **Mapleton Capital Management, LLC (“Mapleton”)** is a hedge fund that has and continues to receive LAL client investments. Mr. Goldman is a Mapleton principal. Mapleton also sublets space from LAL. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.)
- **Lakeside Housing (“Lakeside”)** is a real estate investment fund organized to purchase and operate apartment buildings. LAL is entitled to receive a carried interest from Lakeside pursuant to a written agreement with the Lakeside operator. Clients and LAL principals, through LF (which holds a minimal, minority interest), are investors in Lakeside, and participate in this investment on the same terms and conditions. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).
- **Oakhurst** is an SEC-registered investment adviser to a mutual fund and real estate-related Private Funds. Oakhurst has either affiliations or joint ventures with Portal Investment Management, LLC, Archway Capital, LLC and Palladius Capital Management, LLC, all of which manage private real estate-related private funds. LAL offers these private funds to LAL clients as a regular course of business. Members and partial owners of this affiliated investment adviser include Mr. Kushner, Mr. Ozur, Ms. Weinberger, Mr. Westheimer, Mr. Stern, Jeff Garden, and Jason Lee. Mr. Goldman, Mr. Itskowitch, and Mr. Ng also became Oakhurst principals when S&R merged with Oakhurst in June 2018. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).
- **Oakhurst Capital Management (“OCM”)** is an affiliated, SEC-registered investment adviser that manages mutual funds and SMA strategies. OCM is a joint venture between LAL and F/m Acceleration, LLC (“F/m”), an unaffiliated, SEC-registered investment adviser. OCM is less than majority owned by LAL and shares in OCM’s profit or loss. LAL has sub-advisory agreements with OCM and F/m that provides for management of certain LAL client assets. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).
- **Palladius Capital Management, LLC (“Palladius”)**, an affiliate of Oakhurst and LAL, is a private fund advisor focused on real estate-related assets. LAL offers these private funds to LAL clients as a regular course of business. LAL as well as Mr. Ozur have ownership interests in Palladius. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal trading)
- **Affiliated Trust Company – Enterprise Trust & Investment Company (“ETIC”)** is a California-chartered trust company that is wholly owned by LAL. LAL has a referral arrangement with ETIC, which creates a

conflict of interest whereby LAL principals are incentivized to refer clients to ETIC for trust services. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal trading)

- **LAL client or owner investment opportunities** – From time to time, LAL clients or owners present certain investment opportunities to Oakhurst Real Estate Funds and that Oakhurst deems suitable for investment. Such opportunities and investments present conflicts of interest in that Oakhurst Real Estate Funds may be biased in favor of these opportunities due to the relationship between Oakhurst and LAL and that these LAL clients or owners will benefit when an investment is made by the relevant Oakhurst Real Estate Fund. In order to mitigate these conflicts, Oakhurst discloses the conflicts of interest and performs due diligence on these opportunities and determines, prior to investment, that the investment is not only suitable for a fund but also presents at least the same potential benefits and involve standard terms and conditions other available third-party opportunities reasonably then known to Oakhurst.
- **Other Passive Investments/Affiliations** – LAL principals are from time to time introduced to certain investment opportunities from their clients, from family members of their clients, and from a variety of other sources. The principals conduct their own independent due diligence and obtain approval from LAL's CCO to participate in these investments. Most if not all of these investments are deemed too speculative for clients. In instances where LAL believes that the opportunity is suitable for clients, they will establish the criteria for determining suitability and then obtain an indication of interest from those clients. *See* Items 11 (Code of Ethics, Potential Conflicts of Interest).

3. Subletting Activities

LAL subleases office space to multiple subtenants, including Oakhurst, Westridge Lending Fund, and Archway Capital. The rental fees, activities performed by certain subtenants create potential conflicts of interest. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

B. Affiliations

Mr. Kushner is a member and partial owner of an affiliated investment adviser, Oakhurst. He also serves as the managing member for several limited liability companies that invest in commercial and residential real estate, both directly and through investments in private limited partnerships, including certain Alternative Investments with client investments. The LLC members are family members and close friends, and the main purpose of each LLC is passive real estate investing. Although Mr. Kushner serves as the managing member for the LLCs, he is not involved in the day-to-day management of the various properties.

Additionally, Mr. Kushner serves as trustee to two family related trusts and CFO to a family foundation, and all three are clients of LAL. Also, Mr. Kushner serves as CFO and is a shareholder of a California corporation that performs real estate management services. This company does provide management services to some of the real estate invested in by the family LLCs. Mr. Kushner spends less than 10% of his work time performing his duties for these outside entities.

Mr. Ozur also provides back office, accounting, and related services to certain Alternative Investments, including Private Funds managed by Mapleton Capital Management, LLC and related entities, and Thomas James Capital ("TJC")¹⁰, in which LAL has and may recommended to its clients. Mr. Ozur also is a member and partial owner of Oakhurst. Additionally, Mr. Ozur is a managing member of a limited liability company that invests in commercial and residential real estate, both directly and through investments in private limited partnerships, including certain Alternative Investments with client investments. Mr. Ozur is a part owner and board member of Palladius Capital Management, LLC, an LAL and Oakhurst affiliated company. Mr. Ozur spends less than 5% of his time on these outside business activities.

As noted above, Mr. Stern is also an Oakhurst principal. Mr. Stern also is a member of GTIS Qualified Opportunity Zone Fund's Advisory Board. He is neither compensated for nor a fiduciary pursuant to this role. Mr. Stern spends less than 5% of his time on these outside business activities.

Messrs. Kushner, Ozur, Westheimer, Lee and Mses. Weinberger and Browne among others, invest through affiliated entities in Alternative Investments in which clients also invest, which creates a potential conflict of interest. Certain Alternative Investments, including LAL and Oakhurst Private Funds, are limited by the number of investors due to, among other things, applicable law and regulations or the investment's structure. Investments under these circumstances may result in a displacement of a client. In other words, these investments will have used a "slot" that would otherwise have been available to a client. LAL addresses and mitigates the potential conflicts through its Code of Ethics that includes pre-approval and reporting requirements of certain personal securities transactions by LAL principals, directors, officers, agents, or employees, including Alternative Investments, and through disclosures to clients.

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

A. Code of Ethics Summary

LAL has adopted a Code of Ethics ("Code") in compliance with Advisors Act Rule 204A-1. The Code establishes standards of conduct for supervised persons and includes general requirements that supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, potential conflicts of interest and confidentiality of client information. The Code reflects policies reasonably designed to prevent the unlawful use of material, non-public information by LAL or any of its associated persons. The Code also requires that certain of LAL's personnel ("Access Persons") report their personal securities assets and transactions and obtain pre-approval of certain investments, including initial public offerings and limited offerings. Other than certain exceptions that are outlined

¹⁰ TJC is a fund managed and operated by Richard Goldman. See Items 4 (Advisory Business) and 11 (Code of Ethics, Potential Conflicts of Interest).

in the Code, LAL's Access Persons generally may not affect transactions for themselves or for their immediate family members (i.e., spouse, minor children, and adults living in the same household as the Access Person) within three (3) business days before and one (1) business day after any client transaction in the same security.

The Code also requires supervised persons to report any violations of the Code promptly to the CCO. Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year. LAL will provide a copy of its Code of Ethics to any client or prospective client upon request.

Consistent with the Code, the following is a summary of LAL's potential conflicts of interest. Since inception, LAL has developed close business relationships with entities and individuals deemed to possess certain levels of experience, expertise, and results, among other things. As a general matter, LAL initiates and continues these relationships consistent with its fiduciary duty and, ultimately, to the benefit of its clients. As these relationships develop, deepen, and mature, actual or potential conflicts of interest develop. Correspondingly, LAL has developed policies and procedures to identify, address, and remediate, to the extent possible, these actual or potential conflicts of interest, which are more fully described in detail below.

1. LAL-Related Actual or Potential Conflicts of Interest

2012 Lido GST, LLC

Conflicts:

2012 GST is a minority owner of LAL and certain of its affiliates are LAL clients. 2012 GST participates in LAL's profitability and has certain limited ownership rights. 2012 GST, however, is not involved in LAL's day-to-day operations. Additionally, an affiliate of 2012 GST is in the business of loaning monies to, among others, Oakhurst Private Funds. Either its affiliates or 2012 GST, in their collective capacity as LAL clients, LAL owner, and lender, results in significant, potential conflicts of interest, including, but not limited to, LAL favoring 2012 GST over other clients or LAL providing preferential or sole access to certain recommended investments. 2012 GST and its affiliates, by virtue of their investment experience, sophistication, risk tolerance, and substantial net worth, can and do invest in certain investments that would not be suitable for all but a few LAL clients. LAL policies and procedures require that the CCO or the CCO's designee review and approve transactions in these circumstances.

William Henry Insurance, Inc.

Conflicts:

WHI is an affiliate of a LAL client and minority owner of LAL. WHI participates in LAL's profitability and has certain limited ownership rights. WHI, however, is not involved in LAL's day-to-day operations. As both a client and LAL owner, there are significant, potential conflicts of interest, including, but not limited to, LAL favoring WHI over other clients or LAL providing preferential or sole access to certain recommended investments. WHI and its affiliates, by virtue of their investment experience, sophistication, risk tolerance, and substantial net worth, can

and do invest in certain investments that would not be suitable for all but a few LAL clients. LAL policies and procedures require that the CCO or the CCO's designee review and approve transactions in these circumstances.

Lido Investor Holdings, LLC

Conflicts:

LIH's managing member is a LAL client and certain members are also LAL clients. LIH participates in LAL's profitability and has certain limited ownership rights. LIH, however, is not involved in LAL's day-to-day operations. As both a client and LAL owner, there are significant, potential conflicts of interest, including, but not limited to, LAL favoring LIH members over other clients or LAL providing preferential or sole access to certain recommended investments. LAL policies and procedures require that the CCO or the CCO's designee review and approve transactions in these circumstances.

Enterprise Trust & Investment Company

Conflicts:

Enterprise Trust & Investment Company ("ETIC") is a California-chartered trust company wholly owned by LAL. ETIC provides trust-related services, such as trust administration and investment management to trusts and their assets. LAL receives economic benefit from ETIC activities, given its interest in the firm. Further, LAL and its IARs may receive compensation from ETIC in return for client referrals. LAL's interest in ETIC, and the referral arrangements between ETIC, LAL, and its IARs results in a conflict of interest whereby LAL is incentivized to direct LAL clients to ETIC for trust services. To mitigate such potential conflicts of interest, LAL provides specific disclosures of the conflicts to LAL clients prior to engaging ETIC. Further, LAL will monitor its relationship with ETIC to determine whether additional disclosure, policies, or procedures are required.

OASDX

Conflicts:

LAL manages one mutual fund, Oakhurst Strategic Defined Risk Fund. LAL's potential conflict of interest arises as LAL principals benefit from the sale of OASDX shares. Should LAL recommend OASDX to clients, LAL earns a management fee from OASDX. To mitigate the conflict of interest, LAL has waived its asset management fee on client assets invested in OASDX and will conduct periodic analysis to review suitability for its clients, including, but not limited to, other non-affiliated investments that provide materially better terms, conditions, risk, and performance, among other factors.

Oakhurst Advisors, LLC

Conflicts:

Oakhurst is an SEC-registered investment adviser that manages liquid and illiquid alternatives, namely Private Funds. Oakhurst is owned by certain LAL principles and Messrs. Goldman, Ng, and Itskowitz.

LAL recommends Oakhurst Private Funds provided that these Private Funds meet LAL's suitability and other requirements. Any LAL principal that is also a principal of Oakhurst is generally precluded from receiving any revenue derived from an Oakhurst Private Fund management fee earned from any LAL client investment. In certain

Oakhurst Private Funds, Oakhurst negotiates an economic or equity stake in the funds' managing members. Oakhurst may earn a portion of performance fees, among other fees, as a result. As LAL principals also own, in varying percentages, Oakhurst, this arrangement may result in LAL principals receiving a proportional share of these accrued performance and other fees. Thus, LAL principals' receipt of this compensation is a potential conflict of interest. Oakhurst will disclose the existence of any such arrangement in the relevant offering materials.

LAL's recommendation of Oakhurst-affiliated funds to LAL clients will indirectly benefit LAL principals who are also Oakhurst principals by increasing Oakhurst's assets under management and thus increasing Oakhurst's enterprise value. Relatedly, LAL principals that are also Oakhurst principals may favor Oakhurst Private Funds over other alternative investments in order to increase Oakhurst's enterprise value, which would cause these LAL principals' ownership interest in Oakhurst to appreciate. LAL will continue to monitor this potential conflict of interest and address as appropriate. LAL will request specific consent for investment from its clients in all Oakhurst Private Funds.

Other Oakhurst-related potential conflicts of interest include:

Shared Premises and Address: Oakhurst is a LAL subtenant. LAL and Oakhurst share use of various common areas.

LAL's Relationship to the Oakhurst-affiliated investments' Bridge Loan Lender: Oakhurst may obtain or has obtained bridge loans from certain clients ("Bridge Loan Lender") that have or will be used to secure certain underlying assets of Oakhurst-affiliated investments prior to being opened to other clients for investment. To date, the only Bridge Loan Lender has been an affiliate of 2012 GST, which is a part owner of LAL. For those Oakhurst-affiliated investments involving the Bridge Loan Lender, the Bridge Loan Lender will receive interest during the loan's duration. Oakhurst makes these interest payments from subsequent investments. Typically, if the loan is not fully paid by a date certain, the remaining balance is converted into an equity stake in the fund. Oakhurst has provided in the past and will provide in the future due diligence services to the Bridge Loan Lender regarding several investment opportunities unrelated to the Oakhurst-affiliated investments. Additionally, the Bridge Loan Lender shares in revenues generated by LAL. Potential conflict of interest exists in that the Bridge Loan Lender may receive an investment opportunity and economic benefit unavailable to other clients, and the placement of Oakhurst-affiliated investment with other clients directly results in the repayment of the portion of the outstanding principal of the loan. Any bridge loans and any use of equity offering proceeds to redeem those loans are specifically disclosed in offering materials relating to Oakhurst-related funds.

Oakhurst allocations: LAL allocates certain services and employees to Oakhurst for operational purposes. These services include, but are not limited to, information technology and equipment. Employees include those serving legal and compliance, marketing, investment, and office services, among other functions. Oakhurst is allocated expenses for these services and employees, which are accrued and ultimately reimbursed. LAL and Oakhurst's arrangement creates potential conflicts of interest based on competing resources devoted to LAL and Oakhurst

functions, which creates operational risks. These risks are mitigated through routine supervision and coordination with LAL and Oakhurst management.

LAL and Oakhurst Compliance functions: LAL's Chief Legal Officer and CCO and Oakhurst's General Counsel and CCO are the same individual and many of their compliance functions are performed by dual LAL and Oakhurst employees. Both entities' overlapping compliance functions can result in actual or potential conflicts of interests, including, but not limited to, the allocation of resources dedicated to the respective entities' compliance functions, LAL clients being disadvantaged by the potential bias in favor of LAL or Oakhurst, and the relationship between LAL and Oakhurst resulting in potential unidentified compliance risks. LAL will remediate these potential conflicts of interests by enhancing its policies and procedures, including, but not limited to, disclosures in LAL's and Oakhurst's respective Form ADV Part 2B and disclosures reflected in Oakhurst's private fund offering documents.

Oakhurst Capital Management

Barry Julien

Conflicts:

OCM is an SEC-registered investment adviser that manages mutual funds and SMA strategies. OCM is a joint venture between LAL and F/m Acceleration, LLC, an independent, SEC-registered investment adviser. LAL owns a less-than-majority interest in OCM. Barry Julien, an IAR of OCM, LAL, and F/m Acceleration, LLC and OCM President, leads OCM's asset management efforts and has an ownership interest in OCM.

OCM manages three mutual funds, Oakhurst Fixed Income Fund ("OHFIX"), Oakhurst Short Duration Bond Fund ("OHSDX"), and Oakhurst Short Duration High Yield Bond Fund ("OHSHX"). OCM will, at times, utilize OCM mutual funds in its SMAs.

LAL has sub-advisory agreements with OCM and F/m Acceleration, LLC in which the two entities, at one time or another, will manage LAL client assets.

LAL's and Mr. Julien's conflicts of interest arises as they both benefit from LAL client investments in OCM funds and SMA strategies. In addition, Mr. Julien has additional conflicts of interest as a result of his roles, in certain instances as a fiduciary, at LAL, OCM, and F/m Acceleration, LLC. OCM will earn fees for managing LAL client assets in OCM funds and SMAs. LAL and Mr. Julien will receive a portion of these fees as a result of their respective ownership interests in OCM. In order to mitigate this conflict, LAL will provide an Asset Management fee credit to offset, in part, any potential profit share from OCM. LAL will also monitor LAL's and Mr. Julien's conflicts of interest to determine whether any additional policies and procedures are necessary.

LAL client or owner investment opportunities

Conflicts:

From time to time, LAL clients or owners present certain investment opportunities to Oakhurst and are deemed to be suitable for investment in Oakhurst Private Funds. Such opportunities and investments present conflicts of

interest in that LAL, Oakhurst, and Oakhurst Private Funds may be biased in favor of these opportunities due to the relationship between Oakhurst and LAL and that these LAL clients or owners will benefit when an investment is made by the relevant Oakhurst Real Estate Fund. In order to mitigate these conflicts, Oakhurst performs due diligence on these opportunities and determines, prior to investment, that the investment is not only suitable for the fund but also presents at least the same potential benefits as other third-party opportunities. To date, Oakhurst Real Estate Funds have made two investments in LAL client or owner related opportunities, which were also disclosed by the relevant Oakhurst Real Estate Fund. In order to address this potential conflict, Oakhurst will review any LAL client or owner investment opportunities to ensure that its terms and conditions are at the very least consistent with industry standards and return expectations. In addition, LAL will provide additional disclosures to LAL clients that identify and describe the conflicts and its efforts to remediate these conflicts, which may include, but are not limited to, negotiated reductions in fees and balancing the conflicts in light of the opportunities and potential benefit that would not otherwise be available to LAL clients.

Leviathan Co-Invest I, LLC

Conflicts:

Leviathan is a co-investment vehicle for certain LAL and Oakhurst principals, employees, and other affiliates to invest in Oakhurst Private Funds. Leviathan's co-investment is typically \$1 million although the investment may vary fund by fund. Leviathan does not charge management fees, which creates a conflict of interest whereby LAL and Oakhurst principals, employees, and affiliates ultimately receive better performance than LAL clients invested in the same fund. LAL addresses this potential conflict by disclosure and believes that this arrangement aligns the interests of its principals, employees, and affiliates, through Leviathan, with the interests of LAL clients.

Palladius Capital Management, LLC

Conflicts:

Palladius, an affiliate of Oakhurst and LAL, is a private fund advisor focused on real estate-related assets. Palladius was co-founded by Mr. Ozur, who sits on the company's governing board, alongside Mr. Goldman and Nitin Chexal. Mr. Ozur has certain material governing rights as well as an economic interest in Palladius. LAL, through an affiliate, is an investor in Palladius but does not have further control rights outside of those exercised by Mr. Ozur. LAL has an actual conflict of interest relating to Palladius as LAL recommend Palladius-related investment to its clients and receives an economic benefit through sharing in Palladius' overall financial performance, which includes revenue from both LAL and non-LAL clients. LAL addresses this conflict by negotiating lower overall fees for LAL clients and through disclosure to clients. Clients, however, may nonetheless find comparable investment products with better performance or lower total costs.

LAL Subletting Relationships

Conflicts:

LAL receives rental payments for subletting space to certain clients and strategic partners. This relationship may give rise to certain conflicts:

Potential Conflicts Created by Receipt of Additional Rental Fees: While these sublease arrangements were done at arm's length, subtenants pay LAL a rental rate per square foot that exceeds the rate that LAL pays to its landlord. The increased rental rate compensates LAL for the subtenant's use of common areas, certain office equipment, phone and internet licenses, and administrative and support services. Certain subtenants perform advisory services on behalf of LAL and its clients and LAL's receipt of higher rental fees creates a potential conflict of interest in that LAL can be incentivized to utilize subtenants for advisory services as opposed to other similarly situated providers who do not pay rent to LAL. In these instances, LAL assesses the subtenants' expertise, experience, familiarity with LAL and its clients and corresponding fees to ascertain whether these costs are comparable to other unaffiliated third parties and whether use of the subtenant is in the best interest of the client.

Potential Conflicts Due to Activities between Subtenants and LAL: Although subtenants' activities are conducted independently of LAL, there exist potential conflicts of interest between LAL and certain subtenants due to certain interactions and agreements described below. These situations can create conflicts of interest in that LAL can be incentivized to utilize subtenants for advisory services as opposed to other similarly situated providers who do not pay rent to LAL. LAL subtenants currently include Oakhurst, Mapleton, Westridge Lending Fund, and Archway Capital, LLC.

Mapleton is a subtenant of LAL that performs advisory activities on behalf of LAL and its clients and has pre-existing business relationships with LAL personnel. Mapleton pays Ozur Consulting, LLC, an entity controlled by Mr. Ozur, to provide accounting and back-office support. Mr. Ozur also served as a Mapleton Vice President prior to joining LAL in 2009. Finally, Mr. Goldman, a member of Mapleton, is also an Oakhurst principal. This creates potential conflicts of interest in that there may be an incentive for LAL to sublet space to Mapleton and utilize Mapleton as a sub-advisor for client assets, even though Mapleton's rates for these sub-advisory services may not be the lowest rates in the market.

Archway-Affiliated Companies

Conflicts:

Archway Capital LLC ("Archway") is a sub-tenant of LAL and a joint venture between Oakhurst and certain third parties involving Oakhurst-affiliated Private Funds ("Archway Funds") investing in real estate loans. LAL will, should Archway Funds be determined to be a suitable investment for its clients, invest its client's assets in these affiliated funds. This relationship creates a potential conflict of interest due to the proximity of Archway to LAL and the potential to influence LAL to invest its client assets in the Archway Funds. Archway's lease payments to LAL may also further influence LAL similarly. To mitigate such potential conflicts of interests, in addition to negotiating reduced fees for its clients, LAL will monitor its relationship with Archway to determine whether additional policies and procedures are required aside from LAL's standard allocation practices.

Lido Tax, LLC

Conflicts:

Lido Tax, LLC ("L-TAX") is a separate, affiliated entity that provides tax consulting services, including tax preparation, primarily to LAL clients. L-TAX is majority owned by LAL with a minority interest held by a Lido IAR.

Typically, LAL will provide certain clients with an Asset Management fee credit for application against L-TAX tax consulting services. Outside of this potential fee credit, LAL clients are responsible for all other L-TAX-related fees. LAL may receive an economic benefit from L-TAX activities, given its majority interest in the firm, which results in a conflict of interest whereby LAL may be incentivized to direct LAL clients to L-TAX for tax consulting services. In certain instances, however, LAL clients may not pay fees to L-TAX "out of pocket" for tax consulting services due to LAL's above-described Asset Management fee credit. L-TAX also sublets office space in Lido's Boca Raton office. To mitigate such potential conflicts of interest, LAL and L-TAX provides specific disclosures to LAL clients prior to engaging L-TAX. Further, LAL will monitor its relationship with L-TAX to determine whether additional policies and procedures are required.

Client-Sponsored or Operated Alternative Investments

Conflicts:

Clients or their relatives have sponsored or operated Alternative Investments that certain LAL principals have invested in, including, but not limited to, 11905 Alpheus LLC, Champion Greenhill, Cottages, Fossil Creek RE, Overton Trails, Redwood, Scotchmore Green, Victory, Vieux Coulee, and West Gate Series LLC. Certain LAL principals were and continue to be passive investors in these entities. This creates a potential conflict of interest as LAL may be incentivized to recommend these investments that may result in a direct or indirect benefit to other clients or their relatives. LAL discloses this conflict when it exists. In addition, LAL utilizes a third-party, independent due diligence service provider to ensure operational and investment suitability and reviews these Alternative Investments for returns, risk, and fees that are consistent with other, if discernable, Alternative Investments. In many instances, LAL's ability to work closely with these operators provide for customized or tailored investment opportunities that leverage LAL's expertise in real estate, for instance, which are deemed to be more beneficial to its clients than other third-party Alternative Investments.

Alternative Investments compensation to LAL for providing specific services

Conflicts:

LAL also has entered into business arrangements for certain services with certain Alternative Investment affiliates. Certain Alternative Investment affiliates have also entered into business arrangements for certain services with LAL, certain LAL principals, or employees. Although these services do not generally relate to Alternative Investments, there are instances where Alternative Investment affiliates engage LAL to provide investor services, which include, but is not limited to, investor communication, reporting, and marketing coordination, for a fee. LAL typically rebates earned fees in these arrangements back to its clients that are investors in the applicable Alternative Investment. A potential conflict of interest exists since LAL recommends these Alternative Investments to clients. Some of these conflicts are remediated by LAL rebating fees, as described above and through negotiating reduced overall fees when possible.

Additionally, Alternative Investment affiliates, on occasion, will sponsor sales training for LAL employees or sponsor client events or gifts. This situation presents a conflict of interest in that LAL IARs may feel incentivized to allocate client monies to those Alternative Investment affiliates which sponsor LAL events or trainings. LAL

mitigates these potential conflicts by additional policies and procedures relating to Alternative Investment allocations, as described immediately below.

Shareholder Services Agreements

Conflicts:

From time to time, Lido or its affiliate, Oakhurst, will enter into shareholder services agreements with independent, third-party private funds (not Oakhurst Funds) to provide certain supplemental services, including operational, logistic, and marketing support. In instances where LAL clients are investors in those funds, the portion of those fees that would be allocable to LAL clients are credited to those clients. Additional information concerning these services and resulting conflicts are included in the offering memoranda of these independent third-party funds.

Alternative Investments Allocation Practices

Conflicts:

The Alternative Investments that LAL recommends are generally considered limited offerings due to a limited aggregate investment amount or total number of investors. In certain instances, there will be more clients interested in investing in these Alternative Investments than space available. LAL attempts to allocate client investments to these Alternative Investments fairly and equitably, including, but not limited to, assessing its clients' overall total allocation to a specific Alternative Investments, reviewing an Alternative Investment's investor capacity, underlying assets, projected and targeted returns, and risks, in undertaking recommendations to its clients. In addition, as clients' individual financial wherewithal, sophistication, and risk tolerance may vary, LAL's allocation recommendations may also be subjective. Not all clients who are interested in investing in these Alternative Investment may have an opportunity to do so. *See* Item 4 (Advisory Business).

Further, Oakhurst has an independent fiduciary duty to its funds, which are its clients, and must allocate investors in its funds consistent with its duty. LAL's allocation policies and procedures may be different than and conflict with Oakhurst's policies and procedures. As certain LAL principals are also Oakhurst principals, there may be instances where the outcome of LAL's and Oakhurst's allocation policies and procedures will differ. LAL may present certain clients for investment in Oakhurst-affiliated funds in accordance with its allocation policies and procedures but Oakhurst may allocate LAL client investments differently, either in order of or amount of investment. This presents a potential conflict of interest.

Finally, there may be instances where LAL principals invest in these Alternative Investments. These investments may result in clients not being able to invest due to the above- described limitations.

These situations present potential conflicts of interest. LAL mitigates these potential conflicts by additional policies and procedures relating to Alternative Investment allocations, including, but not limited to, procedures establishing a defined "queue" arranging clients in chronological order based upon receipt of their investment commitment and consultation with LAL's and Oakhurst's CCO to identify, discuss, and resolve any conflicts concerning acceptance of clients' investments outside of LAL's queue. In addition, LAL and Oakhurst co-invest in

certain Oakhurst Private Funds through Leviathan, which mitigates this conflict by maximizing available space for all LAL clients. *See* Item 12.D. (Alternative Investment Allocation).

Soft Dollars and Other Brokerage-related Compensation or Benefits

Conflicts:

From time to time, LAL will enter into soft dollar arrangements whereby brokerage transactions are directed to certain broker dealers in return for investment research products or services. Although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client's interest in receiving most favorable trade execution. Additionally, LAL generally recommends that clients use Fidelity, Schwab, or TD Ameritrade, as their custodial broker dealer. Fidelity, Schwab, and TD Ameritrade make available to LAL other products and services that benefit LAL but do not directly benefit clients.

LAL has an incentive to recommend that clients maintain their assets in accounts at Fidelity, Schwab, or TD Ameritrade due to the benefit to LAL and the availability of some of the products and services provided, which creates potential conflicts of interest. In order to remediate this potential conflict, LAL conducts best execution analyses on at least an annual basis to determine, among other things, pricing and execution consistency for its clients. Further, LAL has and continues to explore additional custodial platforms in order to decrease any actual or perceived reliance on one custodian. *See* Item 12 (Brokerage Practices).

Solicitors and Compensation for Client Referrals

Conflicts:

LAL has entered into written agreements to refer clients to LAL for compensation. These solicitor agreements comply with the requirements of Rule 206(4)-3 of the Advisers Act. Although the specific terms of each agreement may differ, LAL generally provides compensation to these individuals calculated based on a portion of the Asset Management fee, when a prospective client becomes a client, and the duration of the client relationship with LAL.

LAL provides for compensation to its employees and affiliates when they refer a new client to the firm. Although this compensation is not directly tied to new clients' Asset Management fee, a conflict of interest exists as employees and affiliates may be incentivized to refer clients based on the receipt of compensation. Clients that are referred to LAL are provided disclosures concerning employee compensation and are required to affirm their review and acceptance of this arrangement prior to establishing the clients' relationship with LAL.

Compensation for Testimonials and/or Endorsements

Conflicts:

LAL anticipates that starting November 2022, from time to time, LAL will enter into written agreements and compensate third parties (commonly referred to as "promoters") to provide endorsements¹¹. When engaging

¹¹ *Endorsement means any statement by a person other than a current client or investor in a private fund advised by the investment adviser that: (i) Indicates approval, support, or recommendation of the investment adviser or its supervised persons or describes that person's experience with the investment adviser or its supervised persons; (ii) Directly or indirectly*

with such third parties, LAL will comply with the requirements of Rule 206(4)-1 of the Advisers Act, which includes, among other things, ensuring that the promoters are not otherwise disqualified and are providing specific disclosures to prospects and clients regarding the arrangements. This type of arrangement creates a conflict of interest since the promoters have an incentive to endorse LAL.

2. THIRD-PARTY-RELATED POTENTIAL CONFLICTS OF INTEREST

Fallbrook Capital Securities Corp.

Craig Sheftell

Conflicts:

Craig Sheftell, a LAL IAR, performs advisory services on behalf of LAL as an independent contractor and is a Fallbrook Capital Securities Corporation ("Fallbrook") RR. Fallbrook is an SEC-registered broker dealer and FINRA member. Mr. Sheftell conducts business through Fallbrook and receives compensation for doing so. His relationships present potential conflicts of interest. Although he devotes as much time to the business and affairs of LAL as is necessary to perform his duties, he also devotes a significant amount of time to performing services for Fallbrook. His obligations may take time away from his LAL duties and his compensation arrangement may result in them favoring Fallbrook clients over LAL clients.

Chantico Global

Gina Sanchez

Conflicts:

Gina Sanchez, LAL's Chief Market Strategist, is an independent contractor of LAL, performs various investment and marketing related services to LAL and is the owner and founder of Chantico Global, and investment consulting firm. Ms. Sanchez conducts business through Chantico Global and receives compensation for doing so. Although she devotes as much time to the business and affairs of LAL as is necessary to perform her duties, she also devotes a significant amount of time to performing services for her other outside businesses. The dual roles and additional compensation create potential conflicts of interests because her obligations to the outside business takes time away from her LAL duties.

Richard Goldman

Mapleton Capital Management, LLC

Conflicts:

LAL recommends Alternative Investments sponsored or operated by Oakhurst, the affiliated SEC-registered investment advisor that entered into a business combination with S&R in June 2018. Many LAL clients have invested in real estate-related Private Funds that were sponsored or operated previously by S&R and are now sponsored or operated by Oakhurst. Mr. Goldman, who was a S&R principal and is now an Oakhurst principal,

solicits any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser; or (iii) Refers any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser.

has long-standing relationships with LAL principals. This relationship and the resulting business arrangements result in significant, potential conflicts of interest, as described below.

Other of Mr. Goldman's relationships that may present potential conflicts of interest include:

Mr. Goldman and certain LAL clients are members and managers of AG. Pursuant to the Oakhurst Consulting Agreement, AG is to invest up to \$250,000 into any Oakhurst-affiliated investment, which is intended to be a side-by-side investment with clients. LAL principals or entities owned or controlled by them are members of AG and have invested in AG opportunities in the past. The LAL clients, including those that are managers, became involved or associated with AG prior to them becoming LAL clients. Although AG is no longer utilized for co-invest purposes, AG still retains co-investments in prior Oakhurst Private Funds. *See* Item 11A (AG and Leviathan).

LAL recommends investments in Mapleton, a hedge fund, which Mr. Goldman is a principal. Mapleton also sublets space from LAL. Mr. Goldman introduced LAL to almost all of its current subtenants. Pursuant to the Oakhurst Consulting Agreement, Mr. Goldman benefits from LAL recommendations to its clients to invest in Oakhurst-relationships with affiliates, among others. affiliated investments.

Collectively, there are significant business dealings between LAL, its principals and Mr. Goldman – Mr. Ozur has been involved in various business dealings with Mr. Goldman for over 20 years – that benefit Mr. Goldman and may cause a bias in favor of Mr. Goldman or his affiliates. LAL mitigates these potential conflicts of interest with policies and procedures relating to this relationship, including, but not limited to, review of ongoing and potential business relationships, disclosure and approval of any additional outside business activities, and an annual process that all LAL principals participate in identifying, and the CCO reviewing and when appropriate approving, any potential or actual conflicts of interests concerning their respective actual or potential business relationships with affiliates, among others.

American Discovery Capital, LLC

Bruce Pompan

Conflicts:

Bruce Pompan and American Discovery Capital have entered into a consulting relationship with LAL for financial, banking, merger, acquisitions, and other services. Mr. Pompan is a LAL client and LAL owner through LIH. Based on these relationships, a potential conflict of interest exists where Mr. Pompan or American Discovery Capital may receive benefits not accorded to other LAL clients. LAL addresses this conflict through disclosures. Further, LAL reviews any business relationship with American Discovery Capital and Mr. Pompan and its client relationship with Mr. Pompan consistent with its fiduciary duty to all of its clients, including that duty to Mr. Pompan.

B. Participation or Interest in Client Transactions

LAL's policy prohibits principal transactions or agency cross transactions on behalf of clients. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any client.

Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Based upon a client's stated objectives, LAL may, under certain circumstances, recommend the purchase or sale of securities in which LAL or its affiliates have invested personally. These recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Importantly, as part of LAL's fiduciary duty to clients, LAL and its Associated Persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to LAL's Code of Ethics. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading). LAL and its Associated Persons also invest personally in certain securities that are purchased for clients, including Private Funds. LAL's Code contains certain requirements designed to address the potential conflicts that arise with regard to personal trading by LAL or its Associated Persons. For example, other than certain exceptions as outlined below, when LAL is purchasing or considering for purchase a security on behalf of a client, no Associated Person may knowingly affect a transaction in that security within three (3) business days before and one (1) business day after any client transaction in the same security. The exceptions include: (i) when the Associated Person's transaction is aggregated with client transactions and the Associated Person receives the same average price as all client participating in such aggregated transaction, (ii) a limited amount of shares of any common stock listed on the Russell 1000 Index; (iii) when pre-approved by the CCO or designee; (iv) direct obligations of the Government of the U.S.; (v) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (vi) shares issued by mutual funds or money market funds; and (vii) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Finally, LAL permits its Associated Persons to buy and sell certain securities for their own accounts and on their own behalf based on personal investment considerations. In order to do so, Associated Persons must comply with LAL's Code of Ethics concerning personal securities transactions. Associated Persons' personal securities transactions are separate and apart from LAL's trading on behalf of its clients. Associated Persons' personal securities transactions are based on Associated Persons' investment decisions, LAL's Code of Ethics, and corresponding policies and procedures designed to address and mitigate actual or potential conflicts of interests, including, but not limited to, pre-approval of certain personal securities transactions and quarterly and annual attestations by Associated Persons of their securities holdings.

ITEM 12: BROKERAGE PRACTICES

The following discussion summarizes the material aspects of LAL's practices for the recommendation of custodians and the selection of broker dealers to execute client transactions.

A. Selection Criteria

LAL does not maintain physical custody of clients' assets although we are deemed to have custody of clients, assets where the client has given us authority to debit fees from the client's account. *See* Item 15 (Custody). Client assets must be maintained in an account at a "qualified custodian," generally a broker dealer or bank. The custodians that LAL recommends that clients use are National Financial Services LLC ("NFC"), Fidelity Brokerage Services LLC ("FBS") ("NFC" and "FBS", collectively, "Fidelity"), Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade, Inc. ("TD Ameritrade"), and APEX Clearing, all of which are FINRA registered broker dealers and members of Securities Investor Protection Corporation (SIPC). LAL is independently owned and operated and not affiliated with any of these broker dealers. These broker dealers will hold client assets in a brokerage account and buy and sell securities at LAL's instruction. While LAL recommends that clients use one of these custodians, the client will decide whether to open an account with one of them by entering into an account agreement directly with the selected custodian. LAL does not open the custodian account for clients.

LAL will execute transactions for clients through their appointed custodian since these custodians generally do not charge custodian fees so long as transactions for clients are executed through them as broker dealer. LAL periodically evaluates the commissions charged and the services provided by the custodian and compare those with other broker dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians.

Other factors LAL considers when evaluating its choice of custodian include but are not limited to:

- Ability to trade mutual funds and other investments that LAL determines suitable for a client's portfolio;
- Any custodial relationship between the client and the broker dealer;
- Quality of customer service and interaction with LAL;
- Discount transaction rates; and
- Reliability and financial stability.

For those clients who wish to direct brokerage and select broker dealers/custodians not recommended by LAL, clients should be aware that LAL does not negotiate specific brokerage commission rates with the broker on the client's behalf or seek better execution services or prices from other broker dealers. As a result, the client could pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case, and LAL will have limited ability to ensure that the broker dealer selected by the client will provide best possible execution.

1. Fidelity Custodian Arrangement

LAL has an arrangement with Fidelity that provides LAL with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping, and related services that are intended to support intermediaries like LAL in conducting business and in serving the best interests of their clients but that benefit LAL. LAL is not affiliated with Fidelity.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables LAL to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. In certain circumstances, Fidelity does not charge commissions for trades. However, Fidelity's commissions and transaction fees may be higher or lower than those charged by other custodians and broker dealers. As part of the arrangement, Fidelity also makes available to LAL, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by LAL within specified parameters. LAL's use of these research and brokerage services may or may not directly or indirectly benefit clients. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

LAL also receives certain no-cost services that do not directly benefit clients. As a result, LAL has an incentive to continue to use or expand the use of Fidelity's services, which creates a potential conflict of interest. Based on the foregoing and including, but not limited to, Fidelity's higher level customer service to both the client and LAL, technology capabilities, access to fixed income markets, lower trading costs comparable to its industry peers (and equivalent to our other chosen preferred custodians, LAL reviewed this potential conflict at the onset of its relationship with Fidelity and has determined that the relationship consistent with its clients' best interest. A client may, however, pay a commission or transaction fee that is higher than another qualified broker dealer might charge for that same transaction. LAL has determined that the commission or transaction fee is reasonable in relation to the value of the brokerage and research services received.

2. Schwab Custodian Arrangement

The following highlights LAL's custodial relationship with Schwab:

- **Client Custody and Brokerage Costs:** For clients' accounts that Schwab maintains, Schwab is compensated by charging the client commissions or other fees on trades that it executes or that settle into the client's Schwab account. Schwab's commission rates applicable to client accounts were negotiated based on a commitment to maintain \$10 million of clients' assets at Schwab. This commitment benefits clients utilizing Schwab because the overall commission rates a client pays may be lower than they would be if LAL had not made the commitment. In certain circumstances, Schwab does not charge commissions for trades. In addition to commissions, Schwab charges custodial clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that LAL has had executed by a different broker dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation a client pays the executing broker dealer. Because of this, in order to minimize client trading costs, LAL has Schwab execute most trades for client accounts maintained at Schwab.
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- **Products and Services Available to LAL from Schwab:** Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firm. They provide LAL and the clients custodied at Schwab with access to its institutional brokerage, trading, custody, reporting and related services many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help LAL manage or administer Schwab custodied clients, accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to LAL as long as LAL keeps a total of at least \$10 million of our clients' assets in accounts at Schwab.
- **Services that Benefit LAL's Client:** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which LAL might not otherwise have access or that would require a significantly higher minimum initial investment by clients. Schwab's services described in this paragraph generally benefit LAL Schwab custodied client accounts.
- **Services that Do Not Directly Benefit LAL's Client:** Schwab also makes available to LAL other products and services that benefit LAL but do not directly benefit LAL clients. These products and services assist LAL in managing and administering our clients' accounts maintained at Schwab. They include investment research, both Schwab's own and that of third parties. LAL can use this research to service all or a substantial number of our clients, accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that provide access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocates aggregated trade orders for multiple client accounts; provides pricing and other market data; facilitates payment of our fees from our clients' accounts; and assists with back-office functions, record keeping and client reporting.
- **Services that Generally Benefit Only LAL:** Schwab also offers other services intended to help LAL manage and further develop our business enterprise. These services include educational conferences and events; technology, compliance, legal, and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers. Schwab's provision of these services increases LAL's profitability as LAL would typically pay for these services from its operating revenue.

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Schwab also discounts or waives certain of its fees for some of these services or will pay all or a part of a third party's fees. Schwab also provides us with other benefits such as occasional business entertainment of our personnel.

LAL benefits from Schwab's services as those services are either little or no cost to LAL. Schwab provides these services at little or no cost as long as LAL maintains at least \$10 million in assets with Schwab. The \$10 million minimum gives LAL an incentive to recommend that a client maintain their account with Schwab. This is a potential conflict of interest. Based on the foregoing and including, but not limited to, Schwab's higher level customer service to both the client and LAL, lower trading costs comparable to its industry peers and equivalent to our

other chosen preferred custodians, LAL believes that our selection of Schwab as a recommended custodian and broker is consistent with the best interests of our clients even in light of the low or no cost services offered by other custodians.

3. TD Ameritrade Custodian Arrangement

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from TD Ameritrade through participation in the Program.

4. Apex Clearing Corporation Custodian Arrangement

LAL has an arrangement with Apex Clearing Corporation ("Apex") that provides LAL with Apex's brokerage and custodial services for primarily Lido Private Funds. Apex's services may also include administrative support, record keeping, and related services that are intended to support these funds. Apex may charge Lido brokerage commissions and other fees for effecting certain securities transactions. LAL is not affiliated with Apex.

5. Additional Trading Practices

In certain circumstances, LAL will "trade away" from its primary custodial relationships to achieve better pricing on behalf of its clients, among other things. In engaging a broader market for the buying and selling of securities, LAL may or may not achieve better pricing or execution. LAL utilizes its judgment, within reason, to identify circumstances when trading away is more beneficial to its clients. There, however, may be circumstances where LAL fails to achieve these objectives by trading away, resulting in higher costs to the client. LAL seeks to mitigate this possibility by analyzing comparable pricing and best execution by its custodians on a per-trade and annual basis.

B. Best Execution

Except as otherwise provided in the client's investment advisory agreement, LAL has full discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. LAL's general policy is to place client trades with Fidelity, Schwab, TD Ameritrade, or Apex, and LAL will continue to do so as long as LAL believes that the custodian is providing the best overall value for its clients and they remain competitive in relation to executions and the cost of each transaction ("best execution").

Although LAL will seek, within reason, to achieve the best execution possible for client securities transactions, this does not require LAL to solicit competitive bids and LAL does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker dealer's services, including among other things, the value of research provided, execution capability,

commission rates, and responsiveness. Consistent with the foregoing, while LAL will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. LAL is not required to negotiate "execution only" commission rates; thus, the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate.

To ensure that brokerage firms recommended by LAL are conducting overall best qualitative execution, LAL will periodically (and no less often than annually) evaluate its trading process and broker/custodian selections. LAL's evaluation will consider the full range of brokerage services offered by the brokers, which may include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

1. Research and Other Soft Dollar Benefits

LAL selects a broker dealer in recognition of the value of various services or products, beyond transaction execution, that such broker dealer provides where, considering all relevant factors, it believes the broker dealer can provide best execution. Selecting a broker dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." The amount of compensation paid to such broker dealer (which may include disclosed markups and markdowns on riskless principal transactions with market-makers if LAL were to conduct such transactions) may be higher than what another, equally capable broker dealer might charge. Except for the benefits received from Fidelity, Schwab, and TD Ameritrade, LAL currently has no other soft dollar arrangements in place. The following discussion is intended to provide clients with certain important information regarding these practices, including the potential conflicts of interest that arise under soft dollar arrangements. *See* Item 14 (Client Referrals and Other Compensation).

The receipt of these services benefit LAL, because LAL does not have to produce or pay for the research or other products or services when it obtains such products and services by using client commissions. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker dealers in exchange for soft dollar benefits, including an incentive to select or recommend a broker dealer based on LAL's interest in receiving the research or other products or services, rather than on clients' interests in receiving most favorable execution. Additionally, LAL may have an incentive to affect more transactions than might otherwise be the case in order to obtain those benefits. The agreements between LAL and its clients generally authorize LAL to use client soft dollars for a wide range of purposes. The extent of any such potential conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

Section 28(e) of the Securities Exchange Act of 1934 recognizes the potential conflicts of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to

LAL in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for LAL's clients or to assist in effecting those transactions.

Consistent with obtaining best execution, brokerage transactions have been in the past, and can be in the future, directed to certain broker dealers in return for investment research and brokerage products and services which assist LAL in its investment decision-making process. LAL can cause clients to pay commissions that are higher than those that another qualified broker dealer might charge to affect the same transaction where LAL determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. Research and other products and services purchased with soft dollars will generally be used to service all of LAL's clients, but brokerage commissions paid by one client can be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there can be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker dealer providing the services.

Brokerage services obtained with soft dollars can include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders.

Research and related services furnished by brokers can include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by LAL under such soft dollar arrangements can include both proprietary research (created or developed by the broker dealer) and research created or developed by a third party.

As stated above, LAL recommends that clients establish brokerage accounts with Fidelity, Schwab, or TD Ameritrade to maintain custody of clients' assets and to effect trades for their accounts. Fidelity, Schwab, and TD Ameritrade are SEC-registered broker dealers and members of FINRA/SIPC. While there is no direct link between the investment advice given to clients and LAL's recommendation to use the custodial or brokerage services of these custodians, certain benefits are received by LAL due to this arrangement. *See* Item 14 (Client Referrals and Other Important Information).

2. Directed Brokerage

If requested by a client, LAL may accept written direction from a client regarding the use of a particular broker dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker dealer, and LAL will not seek better execution services or prices

from other broker dealers or be able to “batch” client transactions for execution through other broker dealers with orders for other accounts managed by LAL (as described below). LAL will have limited ability to ensure the broker dealer selected by the client will provide best possible execution. As a result, the client could pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, LAL may decline a client’s request to direct brokerage if, in LAL’s sole discretion, these directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker dealers.

C. Trade Aggregation and Allocation

Transactions for each client will be initiated independently unless LAL decides to purchase or sell the same securities for several clients at approximately the same time. LAL performs investment management services for various clients, some of which may have similar investment objectives. LAL may aggregate sale and purchase orders with other clients, including proprietary (employee) accounts that have similar orders being made at the same time, if in LAL’s judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. These benefits can include better transaction prices and lower trade execution costs. LAL can (but is not obligated to) combine or “block” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among LAL’s clients any differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among participating accounts pro rata to the purchase and sale orders placed for each participating account on any given day. If these orders cannot be fully executed under prevailing market conditions, LAL will allocate the securities traded among participating accounts and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, clients’ investment objectives, and liquidity of the security.

Currently, LAL advises one mutual fund, OASDX. If LAL launched additional Liquid Alternatives, LAL would aggregate and allocate transactions accordingly.

D. Alternative Investment Allocation

LAL recommends investments in Alternative Investments, including Private Funds, to certain clients. Generally, these investments are available only to a limited number of sophisticated investors who meet the definitions of “accredited investor” under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”) and “qualified client” or “qualified purchaser” under the Investment Advisers Act of 1940. Additionally, Private Funds are considered “limited offerings” since they only accept a limited amount of funds for investment.

When determining which clients should receive a recommendation to invest in a Private Fund, LAL considers a number of factors, including but not limited to, a client’s sophistication, risk tolerances and qualifications, investment objectives, and the amount of available assets. LAL’s goal is to allocate in a fair and balanced manner; however, given these differing factors, the allocation of investment opportunities in Private Funds to clients is

mainly subjective and not all qualifying clients will be provided an investment opportunity. Additionally, there are times when LAL Associated Persons invest in certain Private Funds that are recommended to clients. When this occurs, a potential conflict exists and to address the potential conflict Associated Persons are required to receive prior written approval by the CCO.

Qualifying clients receiving a recommendation to invest in a Private Fund must read the offering or private placement memorandum prior to investing to fully understand the risks and potential conflicts pertaining to the Private Fund investment. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

E. Brokerage for Client Referrals

In selecting or recommending broker dealers, LAL receives client referrals from a broker dealer, which creates a potential conflict of interest. This is because LAL has an incentive to select or recommend a broker dealer based on its interest in receiving client referrals rather than on the client's interest in receiving most favorable execution. To mitigate this potential conflict, LAL reviews and monitors execution and services provided to all clients to help ensure that the client's accounts are managed as effectively as possible and are receiving best execution.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

LAL's Chief Investment Officer oversees LAL's Investment Committee, which comprises members of LAL senior management provides additional oversight over these strategies. LAL reviews client assets and risk profiles on a periodic basis; IARs review client assets not less than annually. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

Financial plans are reviewed only upon request unless LAL is retained to update the plan on a recurring basis.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews also are triggered by changes in an account holder's personal, tax, or financial status. Other events that can trigger a review of an account are material changes in market conditions as well as macroeconomic and company- specific events. Clients are encouraged to notify LAL and its advisory representatives of any changes in the client's personal financial situation that might affect the client's investment needs, objectives, or time horizon.

C. Regular Reports

Custodian account statements are generated no less than quarterly and are sent directly from the account custodian. The account statement lists the account positions, activity in the account over the covered period, and other related information, including all additions and withdraws from the account. Clients also receive confirmations following each account transaction unless confirmations have been waived. These reports are provided in written form.

In addition to the regular statements clients receive from their custodian, LAL provides detailed reports concerning relevant account or market-related information. LAL client reports generally consist of: (1) a list of client assets by class that includes the purchase date, name of security, number of shares, purchase price per share, current price per share, current market value and unrealized gain/loss; (2) the account performance; and (3) the total market value of the account(s). If a client has more than one account, the accounts are consolidated into one report. LAL reports are provided on at least an annual basis.

Clients are urged to compare the statements received from LAL to those received from the account custodian.

For clients in Private Funds, those assets may not appear on their custodian statement (depending on the custodian), but they are included in account reports and statements provided by LAL. LAL's policy for valuing these types of securities is to rely upon the valuations provided by the operator/issuer of the holding. However, there can be times when LAL does not receive an updated valuation prior to LAL sending account statements to clients. When this happens, LAL will report the last known valuation received by the issuer, or depending on circumstances, will provide a fair valuation estimate based on a good faith valuation determined by either LAL, the applicable issuer, or third-party firms. These fair valuations are unaudited and actual values can be higher or lower than the amount reported. *See* Item 5 (Fees and Compensation).

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received

LAL enters into soft dollar arrangements whereby brokerage transactions are directed to certain broker dealers in return for investment research products or services which assist LAL in its investment decision-making process. The receipt of these services is deemed to be the receipt of an economic benefit by LAL, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker dealers based on the receipt of these benefits rather than on a client's interest in receiving most favorable execution. *See* Item 12 (Brokerage Practices).

Additionally, LAL generally recommends that clients use Fidelity, Schwab, or TD Ameritrade as their custodian and broker of record and certain benefits are received by LAL due to these arrangements. Fidelity, Schwab, and TD Ameritrade make available to LAL other products and services that benefit LAL but do not benefit its clients'

accounts. Some of these other products and services assist LAL in managing and administering clients' accounts. While as a fiduciary, LAL endeavors to act in its clients' best interests, LAL has an incentive to recommend that clients maintain their assets in accounts at Fidelity, Schwab, or TD Ameritrade due to the benefit to LAL and the availability of some of the products and services provided, which create a potential conflict of interest. In order to remediate this potential conflict, LAL conducts best execution analyses on at least an annual basis to determine, among other things, pricing and execution consistency for its clients. Further, LAL has and continues to explore additional custodial platforms in order to decrease any actual or perceived reliance on one custodian. *See* Item 12 (Brokerage Practices).

B. Compensation for Client Referrals

LAL has entered into agreements with individuals and organizations, some of whom are affiliated with LAL, that refer clients to LAL.

All of these agreements are in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. If a solicitor introduces a client to LAL, LAL pays that solicitor a fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon LAL's engagement of new clients and the retention of those clients and is calculated using a varying percentage of the fees paid to LAL by those clients. LAL may also pay compensation to its employees for their referrals of LAL clients, which is disclosed to the referred LAL client. Any fee is paid solely from LAL's Asset Management fee. Any solicitor introducing a prospective client to LAL is required to provide this Brochure and a separate disclosure reflecting the nature of the relationship between the solicitor and LAL and the amount of compensation that will be paid by LAL to the solicitor. The solicitor is required to obtain the client's signature acknowledging receipt of both documents. *See* Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

1. Fidelity Custodian Arrangement

LAL participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which LAL receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. LAL is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control LAL, and FPWA has no responsibility or oversight for LAL's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for LAL, and LAL pays referral fees to FPWA for each referral received based on LAL's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to LAL does not constitute a recommendation or endorsement by FPWA of LAL's particular investment management services or strategies. More specifically, LAL pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other

assets held in client accounts. In addition, LAL has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program.

These referral fees are paid by LAL and not the client.

To receive referrals from the WAS Program, LAL must meet certain minimum participation criteria, but LAL may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, LAL will have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and LAL may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to LAL as part of the WAS Program. Under an agreement with FPWA, LAL has agreed that LAL will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, LAL has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when LAL's fiduciary duties would so require, and LAL has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, LAL may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit LAL's duty to select brokers on the basis of best execution.

C. Other Compensation

Certain LAL IARs have outside business activities with unaffiliated registered investment advisers, unaffiliated registered broker dealers, and other firms. Consequently, these activities create potential conflicts of interest. *See* Item 10 (Other Financial Industry Activities and Affiliations) and respective LAL IAR's Form ADV Part 2B (Supplemental Brochure).

LAL subleases office space to multiple lessees. The sublease arrangements were done at arm's length; however, potential conflicts of interest are present with regards to these sub-letting arrangements. Moreover, one sub-tenant is a client that remits subletting payments to LAL directly and another is a vendor that provides research services. *See* Items 4 (Advisory Business), 5 (Fees and Compensation), 10 (Other Financial Industry Activities and Affiliations), and 11 (Code of Ethics, Potential Conflicts of Interest).

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, LAL is deemed to have custody of client funds, with details outlined in Item 9 of Form ADV Part 1. To mitigate any potential conflicts of interests, LAL will, when possible, maintain client assets with an independent qualified custodian. In certain instances, client assets, such as certain private funds, cannot be held at such custodians. In these circumstances, LAL will identify additional necessary

procedures, such as annual surprise examinations or designation of non-discretionary authority over those assets, consistent with its obligations under the Rule 206(4)2.

There are specific situations where LAL may be deemed to have custody of client assets, such as by virtue of its affiliation with Enterprise Trust & Investment Company, and in cases where certain representatives of LAL act as trustees of client accounts in their personal capacity. In these cases, LAL engages an independent accounting firm to perform appropriate procedures consistent with LAL's regulatory obligations.

Generally, LAL recommends Fidelity, Schwab, TD Ameritrade, or Apex for custodial services, but from time to time, other custodians may be accepted by LAL for custody of client assets. In the case of asset management services utilizing a TPAM, the TPAM may select the custodian.

Notably, in most cases a client's broker dealer also acts as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets held at a broker dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

LAL will only implement its investment management recommendations after the client has arranged for and furnished LAL with all information and authorization regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by LAL. LAL's statements vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. *See* Item 12 (Brokerage Practices).

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

LAL performs services generally on a discretionary basis, unless otherwise agreed upon at the inception of the client relationship and memorialized in the Agreement. In exercising its discretionary authority, LAL has the ability to determine the type and quantity of securities to be transacted and whether a client's purchase or sale should be combined (aggregated) with those of other clients and traded as a "block". This discretion is to be exercised in a manner consistent with each client's investment objectives, risk tolerance, and time horizon. In addition, LAL's authority to trade securities can be limited in certain circumstances by applicable legal and regulatory requirements, as well as LAL's compliance policies. Clients are permitted to impose reasonable limitations on LAL's discretionary authority, including restrictions on investing in certain securities or types of securities. All limitations, restrictions, and investment guidelines must be provided to LAL in writing.

B. Limited Power of Attorney

Clients authorize LAL to exercise full discretionary authority with respect to all investment transactions in their designated accounts upon execution of the Agreement. Among other things, the Agreement designates LAL as the client's attorney-in-fact with discretionary authority to conduct investment transactions, including, but not limited to, giving instructions to third parties in furtherance of such authority. Should a client desire to limit LAL's authority, either by designating the account as non-discretionary or other specific limitations, the client must do so in writing.

ITEM 17: VOTING CLIENT SECURITIES

With the exception of OASDX, LAL's policy and practice is to not vote proxies on behalf of its clients and therefore, shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account.

Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. LAL shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client unless the account is an ERISA account, and such authority has not been delegated to another named fiduciary in the plan's written documents. Furthermore, in the case of ERISA clients, while LAL generally does not vote proxies for ERISA client accounts, should proxy materials be forwarded on to LAL at the request of the plan sponsor, LAL will strive to vote the proxy in the best interest of the client. A copy of LAL's proxy voting record and policies are available upon written request by the plan sponsor.

LAL typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

PROPOSALS SPECIFIC TO MUTUAL FUNDS

LAL invests a majority of OASDX's assets in securities that do not generally serve proxies under the reliance of Section 12(d)(1)(F) of the Investment Company Act of 1940, as amended (the "1940 Act"). In accordance with Section 12(d)(1)(F) of the 1940 Act and as outlined in OASDX's Statement of Additional Information, for any proxy vote with respect to shares of another investment company purchased and held by OASDX under Section 12(d)(1)(F), OASDX will vote such shares in the same proportion as the vote of all other holders of such securities.

SPECIAL PROXY SITUATIONS

LAL expects to choose not to vote proxies in certain situations, such as where LAL deems the cost of voting would exceed any anticipated benefit to OASDX, or where a proxy is received for a security no longer held in OASDX's portfolio (i.e., LAL had previously sold the entire position).

ITEM 18: FINANCIAL INFORMATION

LAL does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. LAL does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.
