

IDB Lido Wealth, LLC

FIRM BROCHURE

(Part 2A of Form ADV)

March 31, 2022

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Part 2A of Form ADV (the "Brochure") provides information about the qualifications and business practices of IDB Lido Wealth, LLC. If you have any questions about the contents of this Brochure, please contact us at (310) 278-8232. 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.

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

ITEM 2: MATERIAL CHANGES

IDB Lido Wealth, LLC has made the following updates to this Brochure:

Item 4 – Advisory Business – updated to: (i) add information on a sub-advisor arrangement with Lido Advisors, (ii) reflect that IDB Lido has discretion to use affiliated and non-affiliated third-party asset managers, (iii) expand disclosures on sub-adviser relationships, associated conflicts, and how the conflicts are addressed.

Item 5 – Fees and Compensation – updated to: (i) add information the minimum fee can be higher than 1.25% when an account is less than a certain amount, (ii) clarify the fee calculation process, (iii) reflect that Lido Advisors is now the manager of the Oakhurst Defined Risk Fund, and (iv) clarify that IDB Lido does not charge asset management fees for clients' assets invested in any Oakhurst affiliated funds.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – updated risk disclosures.

Item 10 – Other Financial Industry Activities and Affiliations – updated ownership and affiliation disclosures.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading - updated conflict disclosures.

Item 12 – Brokerage Practices – updated to remove reference to Fidelity and include information that IDB Lido recommends Schwab to clients for providing custodian and brokerage services.

Item 14 – Client Referrals and Other Compensation – updated to: (i) remove reference to Fidelity and include information on the benefits IDB Lido receives from Schwab as part of its custodian platform, (ii) revised disclosures on use of solicitors/promoters, and (iii) revised disclosures on IDB Lido representatives' outside business activities.

The previous version of this Brochure is dated September 22, 2022. Our prospective clients are strongly encouraged to read this Brochure in its entirety prior to engaging IDB Lido for any advisory services.

Pursuant to SEC Rules, IDB Lido Wealth, LLC will send clients a summary of any materials changes to this Brochure, along with an offer to provide the full Brochure within 120 days of the close of IDB Lido Wealth, LLC's fiscal year. Additional information about IDB Lido Wealth, 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

IDB Lido Wealth, LLC ("IDB Lido") is an SEC-registered, New York-based investment adviser founded in 2021. IDB Lido 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. IDB Lido offers these services to high-net-worth individuals, pension, and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other types of business entities. IDB Lido conducts business in states reflected in its Form ADV Part 1 (copy available upon request or at <https://adviserinfo.sec.gov>).

IDB Lido is owned 50% by Lido Advisors, LLC ("Lido Advisors") and 50% by Israel Discount Bank of New York ("IDBNY").

B. Advisory Services

1. Investment Management

IDB Lido utilizes unique investment strategies to seek to help our clients achieve their investment goals while aiming to reduce market risks and manage volatility. We offer 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 income ², equities ³, and cash ⁴, but also real estate debt, foreign securities, American Depositary Receipts, hybrid offerings ⁵, and Alternative Investments, such as Liquid⁶ and Non-Liquid ⁷ Alternative Investments and Non-Liquid Fixed Income investments⁸. IDB Lido believes it has the discipline to implement a strategy while remaining nimble to take advantage of potential opportunities. IDB Lido's main strategies offered include:

- **Core Equity Strategy** is a strategy 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 upside participation (writing a covered call option). In connection with this strategy, IDB Lido's affiliate, Lido Advisors, offers and manages variations of this strategy through several affiliated private funds ("Lido Private Funds").

² Fixed income includes 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 include common stocks, ETFs based on stock indices, equity mutual funds, publicly-traded master limited partnerships, publicly-traded royalty trusts, 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.

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 alternative mutual funds.

⁷ Non-Liquid Alternative Investments include Private Funds, which include, but are not limited to, 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 first trust deed loans, bridge loans, and client-directed family mortgages.

Lido Private Funds offers and manages this strategy applied to the S&P 500 Index through limited partnership interests in the Lido Private Funds. In addition, Lido Advisors utilizes variations of this strategy with similar hedging arrangements. These variations are materially distinguishable from “Cap and Cushion” and any notable differences are disclosed to clients prior to deployment in their portfolio.

- **Fixed Income** is a strategy that seeks both the potential for current income and reduction in portfolio risk by using various fixed income strategies. Bonds, mutual funds, and ETFs are utilized 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.
- **Weighted Sector** Strategy seeks to track the investment results of a sector index and is designed to outperform the index due to slight differences in the sector weights used by IDB Lido versus the sector weights used by the index. This strategy uses ETFs and offers exposure to each sector in the market. Sectors are examined on a monthly basis and are over or under-weighted based on factor analysis.

IDB Lido also offers additional equity and fixed income-based strategies that supplement the above-described main strategies. IDB Lido has entered into a sub-advisory agreement with its affiliate, Lido Advisors, LLC to provide investment management services to IDB Lido clients covering certain investment strategies. In addition to this sub-advisory arrangement IDB Lido can also utilize other independent, third-party and/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). IDB Lido generally manages all client assets on a fully discretionary basis.⁹ In exercising full discretionary authority, IDB Lido 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/or
- the TPAM and/or sub-advisor used to manage the client assets.

A client may, at IDB Lido’s sole discretion, impose parameters to IDB Lido’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 IDB Lido in writing of these parameters, changes to these parameters, or their overall investment goals and objectives. Finally, clients may also direct IDB Lido 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 IDB Lido’s strategies employed on their other assets. IDB Lido cannot and does not make any assurance that client directed trades will be timely executed or executed at all.

⁹ In certain instances, and at its sole discretion, IDB Lido 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 IDB Lido and the broker dealer/custodian.

2. Asset Allocation Services

At the onset of a client relationship, IDB Lido 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. IDB Lido 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.

IDB Lido performs the following services in determining and maintaining the appropriate 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, no-load mutual funds, equity and fixed income securities, Private Funds, sub-advisors, and/or TPAMs;
- Ongoing monitoring of fund, securities, and third-party investment manager performance;
- Ongoing portfolio performance analysis; and
- Portfolio modifications and reallocation as appropriate.

3. TPAM Selection

As referenced in Item 1.B.1 above, IDB Lido has the discretion to delegate management of all or part of a client's assets to both affiliated and unaffiliated TPAMs. IDB Lido will provide access to TPAMs through a third-party platform of approved investment managers made available by agreement between IDB Lido and the platform provider, or through an arrangement between IDB Lido and TPAMs. IDB Lido will utilize TPAMs that are affiliated with IDB Lido for certain strategies. In those instances, IDB Lido 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 will 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 IDB Lido determines that a TPAM is in the client's best interest, IDB Lido, 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 IDB Lido. The TPAM may invoice its fee to the client through IDB Lido or debit the client's custodial account directly.

IDB Lido will continue to monitor the TPAMs to ensure the TPAMs adhere 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.

4. Sub-Advisory Arrangements

As reference above, IDB Lido has entered into a sub-advisory agreement with its affiliate, Lido Advisors, LLC. IDB Lido has the discretion to enter into other sub-advisory arrangements for management of a particular style or strategy desired by or suitable for clients. These sub-advisors can be non-affiliated third-parties or affiliates of IDB Lido. When engaging an affiliated sub-advisor, IDB Lido 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), and *Item 12* (Brokerage Practices) In addition, there are conflicts of interest when IDB Lido engages an affiliated sub-advisor, including the fact that the sub-advisor receives compensation from the Advisor in exchange for the management services, and the provision of certain investment personnel and other resources. To address the conflicts, IDB Lido will provide each client with a copy of Lido Advisors' Form ADV Part 2A, Part 2Bs, Form CRS, Privacy Notice, and a Conflicts Disclosure form at the beginning of the engagement. At least annually, IDB Lido will deliver a written summary of material changes to Lido's Form ADV Part 2A. IDB Lido will provide updated copies of Form ADV Part 2Bs and Form CRS anytime such forms are amended with material changes.

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

5. Financial Planning

IDB Lido also offers 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, IDB Lido will generally collect, organize, and assess 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. IDB Lido'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.

IDB Lido will provide clients with a comprehensive plan and options of utilizing IDB Lido to implement this plan. Should a client adopt IDB Lido's plan, IDB Lido will advise on potential conflicts of interest arising IDB Lido's use of its own advisory

services or products including those offered in connection with pre-existing broker dealer or insurance agency relationships. Finally, IDB Lido makes no assurances that its plan will be successful in meeting a client's financial goals and objectives.

In some circumstances, IDB Lido 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 IDB Lido's plan and may retain the authority and discretion over all implementation decisions. Should the client proceed with IDB Lido's plan, potential conflicts of interest will arise as IDB Lido will likely utilize its own allocations, strategies, products or services and will receive fees or other monetary benefits as a result. A client, however, is under no obligation to utilize IDB Lido's plan or its services to implement the plan. *See Item 11* (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

6. Family Office Services

IDB Lido also offers a broad range of family office services, which include non-investment related matters, such as a review of estate and tax planning issues. IDB Lido 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 attorney. IDB Lido will also work directly with a client's advisor as needed. A client who initially engages IDB Lido for consultation services only and later wishes to engage IDB Lido for discretionary investment management services is required to enter into a separate written agreement with IDB Lido for those services, for which IDB Lido will be paid a separate and additional fee based on the client's assets under management.

7. Financial-Related Services through Affiliates and Third Parties

IDB Lido has arranged for affiliates, including Lido Advisors, 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, fiduciary and trust services, tax consulting, tax preparation, and corresponding legal advice on such matters, will incur additional fees, which may, at IDB Lido's discretion, be offset by a corresponding credit, in full or in part, against other IDB Lido fees, including, but not limited to, IDB Lido's Asset Management fee or a direct payment, in full or in part, by IDB Lido to these affiliates or certain third parties. *See Item 5* (Fees and Compensation). Clients will, in some cases, engage directly with IDB Lido affiliates or third parties for these financial-related services. During this process, IDB Lido, 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 IDB Lido Services

1. Gathering Individual Client Information

IDB Lido'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, IDB Lido will memorialize 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 IDB Lido will be used to determine an investment strategy or financial plan.

A client is also responsible for promptly notifying IDB Lido 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 IDB Lido's recommended investments.

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

2. Client Relationship

IDB Lido 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 IDB Lido to rely on this information and IDB Lido will not assume any responsibility for information provided by a client or third parties on behalf of the client. IDB Lido's relationship with a client is further described in this Brochure and certain Brochure Supplements (Form ADV Part 2B), which are provided to the client at the onset of the relationship. IDB Lido's and the client's relationship will remain in effect until the Agreement is terminated by either IDB Lido or the client. IDB Lido does not participate in any wrap fee programs.

D. Assets Under Management

IDB Lido is a newly registered investment adviser and as of the date of this Brochure, the Firm does not have any assets under management.

ITEM 5: FEES AND COMPENSATION

A. Advisory Fees

IDB Lido typically charges a percentage fee based on a client's total assets managed by IDB Lido ("Asset Management fee"). IDB Lido 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 IDB Lido 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

IDB Lido's Asset Management fee is calculated based on a variable, annual percentage determined by the client's managed assets' value, as described below. 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 IDB Lido'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. Clients are charged a minimum fee of \$2,500 per quarter (\$10,000 annually). Please note that when a client's managed asset amount is less than \$800,000 the minimum fee paid equals more than 1.25% of assets.

Relevant in determining the total Asset Management fee is IDB Lido's valuation of the client's account at the time the fee is assessed. IDB Lido determines the client managed assets' value in order to calculate its Asset Management fee. When determining market value of an account for purposes of calculating advisory fees, IDB Lido's policy is as follows.

- For all publicly-traded, marketable securities held by the client, IDB Lido will receive 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, IDB Lido will calculate the value by analyzing values provided by the third-party managing the investment, IDB Lido's own valuation due diligence practices, and at least a quarterly review of those investments.

The Asset Management fee will be prorated by quarter and paid per quarter in arrears in four quarter increments. IDB Lido will determine the average daily balance (including cash and cash equivalents) of a client's assets on the last day of each quarter and will assess the Asset Management fee based on that average daily balance for each day of that quarter. This calculation will include the market value of assets held on margin.

As mentioned above, a \$2,500 minimum Asset Management fee per quarter applies, and the minimum fee is not reduced by fees or other amounts paid to IDB Lido. IDB Lido has discretion to waive or reduce this minimum. IDB Lido 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 IDB Lido. IDB Lido generally waives fees for its employees and their friends or relatives. IDB Lido, at its discretion, will provide billing credits against our 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 IDB Lido 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 IDB Lido's services are terminated prior to quarter end, IDB Lido will prorate the Asset Management fee.

See *Item 13* (Review of Accounts).

2. Promoter Fees and Reporting Fees

IDB Lido will utilize promoters that promote and refer clients to the firm and receive compensation from IDB Lido 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).

IDB Lido can, as an accommodation to a client, track or monitor client assets that are not being actively managed in which IDB Lido has no discretionary authority. IDB Lido will incorporate these unmanaged assets into a customized and comprehensive periodic client report. IDB Lido will typically charge a reduced annual fee for these unmanaged assets of 0.25%, which will be included on the asset management fee invoice. As with all its fees, IDB Lido retains discretion on its application and amount.

3. Fixed Management Fees

IDB Lido will generally negotiate 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. IDB Lidos billing schedule varies based on individual client negotiations. IDB Lido will refund any prepaid unearned fees should its relationship with the client end.

4. Client Consultation Fees

IDB Lido offers consultation services at a \$500 hourly or negotiated fixed rate. IDB Lido will maintain sole discretion as to these rates. In some circumstances, IDB Lido 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.

5. 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 IDB Lidos quarterly fees by check. In such cases, IDB Lido will send the invoice directly to the client. The custodian will issue periodic statements (at least quarterly) to the client that will reflect any fees paid to IDB Lido. IDB Lido will also provide information concerning its fees on a periodic basis. A client will then be able to compare fees to accuracy, the independent custodian's statements and IDB Lidos information. *See Item 13* (Review of Accounts).

B. Other Fees and Expenses

IDB Lido'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 and taxes.

IDB Lido, in certain circumstances, will absorb third-party fees, including, but not limited to, fees charged by Alternative Investments, TPAMs, and other third parties. In those instances, IDB Lido will inform the client. A client should review all IDB Lido and third-party fees charged, in addition to the IDB Lido fees, to understand the full cost of IDB Lido'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 would 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 (commonly referred to as "Investor Share Class") than other share classes, which can have lower expense ratios and sales/redemption fees but typically require a higher minimum investment (commonly referred to as "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 duration and amount of client's investment. Mutual fund expense ratios and sales or redemption fees vary by mutual fund and typically a mutual fund's prospectus will detail all its fees.

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.

IDB Lido 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 IDB Lido, including, but not limited to:

- IDB Lido's initial allocation involving mutual fund-related assets for a client;
- IDB Lido's changes to any allocation involving mutual fund-related assets for a client; and
- IDB Lido'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 Lido.

Although IDB Lido believes that there will seldom be circumstances when IDB Lido 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, IDB Lido will invest a client in the mutual fund share class that is available.

2. IDB Lido-affiliated Mutual Fund Fees

IDB Lido may, at its discretion, invest clients in the Oakhurst Strategic Defined Risk Fund ("OASDX") or the mutual funds managed by Oakhurst Capital Management, LLC ("OCM" or "OCM Funds"), which is an affiliate.

OASDX is managed by IDB Lido's affiliate, Lido Advisors. Lido Advisors earns management fees, among other fees, for advising OASDX. As certain IDB Lido principals have an ownership interest in Lido Advisors, a conflict of interest exists as certain IDB Lido principals economically benefit from client investment in these funds. IDB Lido addresses this conflict through disclosure to its clients investing in OASDX and assessing whether similar strategies can be executed on behalf of the client with similar effect and lower costs. In certain instances, IDB Lido will 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. IDB Lido-affiliated Joint Venture Fees

Oakhurst Capital Management, LLC ("OCM"), an affiliated joint venture between Lido Advisors and an independent, unaffiliated SEC-registered investment adviser, manages OCM funds that are utilized by IDB Lido to manage certain of its clients' assets. Lido Advisors is a less than majority owner of OCM, has certain material governance rights, and does not have day-to-day operating authority. As Lido Advisors has an ownership interest in OCM, a conflict of interest exists because Lido Advisors and certain owners of IDB Lido, will benefit economically from IDB Lido client investments in OCM funds. IDB Lido addresses this conflict through disclosure to its clients investing in OCM funds and assessing whether similar strategies can be executed on behalf of the client with similar effect and lower costs. In certain instances, IDB Lido will waive its Asset Management fee on client assets invested in OCM funds. *See also Item 11* (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading).

4. IDB Lido-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 IDB Lido's fees.

5. Third-Party Asset Manager Fees

TPAMs will also charge fees in addition to IDB Lido fees. TPAMs will provide disclosures relating to those fees in their respective Form ADV Part 2A, which will be provided at time of engagement of the TPAM and should be fully read.

6. IDB Lido-affiliated or Third-Party Research Fees

IDB Lido 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. 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 IDB Lido.

See Item 12 (Brokerage Practices).

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

IDB Lido does not charge fees calculated based on a share of capital gains upon or capital appreciation of an investment, otherwise termed performance-based fees. Consequently, IDB Lido 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

IDB Lido offers advisory services to high-net-worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, insurance companies, and other types of business entities.

B. Client Accounts

IDB Lido generally requires a minimum of \$1 million to open an account. IDB Lido may waive this minimum as well as decline any potential client for any reason. IDB Lido'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 written notice setting forth IDB Lido services and the direct and indirect compensation IDB Lido receives from the services. IDB Lido 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 IDB Lido, identify any conflicts of interests, and satisfy reporting and disclosure requirements to plan participants.

A client meeting the definition of "qualified client" prior to the definitional change is grand fathered from these new requirements.

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

A. Methods of Analysis and Investment Strategies

IDB Lido 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. IDB Lido recommends investment strategies that are informed by each client's investment objectives,

risk tolerance, and time horizon, among other factors. IDB Lido 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.

IDB Lido provides no assurances that these strategies will ultimately meet client objectives. IDB Lido's recommend 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).*

B. Material Risks

IDB Lido'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. IDB Lido'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 IDB Lido recommended investment. IDB Lido 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.

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

IDB Lido has deemed the following asset classes, investment products or structures, or specific strategies to be of particular risk or complexity and has set forth the respective and corresponding material risks below. IDB Lido urges clients to review additional general and specific disclosures, prospectuses and related materials provided by TPAMs, sub-advisors, and other asset managers, and other important supplemental materials provided at the onset of and throughout the course of a client's relationship with IDB Lido.

1. General Risks

- **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 they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity 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 no risk of default.
- **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.
- **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.

- **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.
- **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.

2. Options

IDB Lido utilizes options, in isolation or in combination of other securities, as part of its strategies. Options are complex products, require margin (and borrowing at times), bear high and material risks:

- **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.

3. Alternative Investments

IDB Lido recommends Alternative Investments, including private funds, as an integral part of its overall investment strategy. In making these recommendations, IDB Lido evaluates clients on a number of factors, including, but not limited to, sophistication, risk tolerances and qualifications, investment objectives, and available assets. IDB Lido 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 IDB Lido's assistance. Alternative Investment performance is typically reported directly by sponsor

or manager and is monitored by IDB Lido.

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. IDB Lido 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.
- **Suitability Risk:** IDB Lido 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, IDB Lido 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.
- **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:** IDB Lido 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.

4. First Deed Trusts and Real Property

IDB Lido 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, IDB Lido 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 IDB Lido believes these investments are suitable for certain clients, these investments can 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, tsunamis, terrorist attacks, etc. Clients should carefully review the risk
- factors section in the relevant offering documents for complete information.

The following outlines the material 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, tsunamis, terrorist attacks, and acts of war. 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.

ITEM 9: DISCIPLINARY INFORMATION

IDB Lido 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 IDB Lido or the integrity of its management. IDB Lido does not have any of these legal or disciplinary events and thus has no information to disclose with respect to this item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Other Financial Industry Activities

1. Passive Ownership Interests / Passive Investment Affiliations

- **Discount Bancorp, Inc.** – is the majority owner of IDBNY and a passive indirect owner of IDB Lido.
- **Israel Discount Bank LTD** – is the majority owner of Discount Bancorp, Inc. and a passive indirect owner of IDB Lido.
- **IDBNY** is a 50% owner of IDB Lido and refers certain of its clients and other persons to IDB Lido for investment advisory services. Neither IDB Lido, nor any of its affiliates or employees, pay referral fees to IDBNY for introducing clients to it. While IDBNY does not receive any direct compensation for referrals made to IDB Lido, IDBNY, as an owner of IDB Lido, indirectly benefits from any additional revenue earned by IDB Lido as a result of such referrals.
- **Charlesbank Equity Fund X, LP** – is a private equity fund that owns less than 50% of Lido Advisors.
- **Lido Advisors** is a 50% owner of IDB Lido. Lido Advisors does not refer clients to IDB Lido. However, Lido Advisors and certain of its affiliates (including but not limited to Lido Cap and Gap GP, LLC, Lido Private Funds, LLC, Lido Uncapped Diversified GP, LLC, Lido Uncapped GP, LLC, and Lido Uncapped Platinum GP, LLC) serve as the general partner for certain Alternative Investments recommended to IDB Lido clients. This creates a conflict of interest since IDB Lido has an incentive to recommend such investments because Lido Advisors and its affiliates receives compensation when IDB clients invest in such Alternative Investments. IDB Lido addresses this conflict mainly by disclosure and policies and

procedures to help ensure that recommendations are only provided to clients when deemed to be in the best interest of the clients.

- **2012 Lido GST, LLC:** 2012 GST is a passive, minority owner with certain limited governance rights and participates in the profitability of Lido Advisors. 2012 GST also is a Lido Advisors' client. Additionally, an affiliate of 2012 GST is in the business of loaning monies to, among others, certain private funds managed by Oakhurst. Either its affiliates or 2012 GST, in their collective capacity as Lido Advisors clients, Lido Advisors' owner, and lender, results in significant, potential conflicts of interest, including, but not limited to, Lido Advisors favoring 2012 GST over other clients, including IDB Lido clients, or Lido Advisors 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 Lido Advisors' and IDB Lido's clients. Lido Advisors' policies and procedures require that the CCO or the CCO's designee review and approve transactions in these circumstances.
- **William Henry Insurance, Inc. ("WHI")** is an affiliate of a Lido Advisors' client and minority owner of Lido Advisors. WHI participates in Lido Advisors' profitability and has certain limited ownership rights. WHI, however, is not involved in Lido Advisors' day-to-day operations. As both a client and Lido Advisors' owner, there are significant, potential conflicts of interest, including, but not limited to, Lido Advisors favoring WHI over other clients, including IDB Lido's clients, or Lido Advisors 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 Lido Advisors' and IDB Lido's clients. Lido Advisors' policies and procedures require that the CCO or the CCO's designee review and approve transactions in these circumstances.
- **Lido Investor Holdings, LLC ("LIH")** is a passive owner of Lido Advisors, LIH's manager's member is a Lido Advisors' client and certain LIH members are also Lido Advisors' clients. LIH participates in Lido Advisors' profitability and has certain limited ownership rights. LIH, however, is not involved in Lido Advisors' day-to-day operations. As both a client and Lido Advisors' owner, there are significant, potential conflicts of interest, including, but not limited to, Lido Advisors favoring LIH members over other clients, including IDB Lido clients, or Lido Advisors providing preferential or sole access to certain recommended investments. Lido Advisors' policies and procedures require that the CCO or the CCO's designee review and approve transactions in these circumstances.
- **Leviathan Co-Invest I, LLC ("Leviathan")** is a co-investment vehicle for certain Lido Advisors and Oakhurst principals, employees, and other affiliates, some of whom are also IDB Lido principals, employees, and affiliates, to invest in private funds managed by Oakhurst and its affiliates. 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 these principals, employees, and affiliates may receive better performance than Lido Advisors' and IDB Lido's clients invested in the same private fund. Further, certain Alternative Investments, including Lido Advisors' Private Funds, are limited to a certain threshold of investors due to, among other things, applicable law and regulations or the investment's structure. Further, Alternative Investments may have limitations to the total amount that can actually be invested in any particular Alternative Investment. Investments under these circumstances may result in a displacement of or materially decreasing the amount of total investment available to a client. In other words, these investments will

have used a “slot” or invested up to the monetary capacity of the Alternative Investment that would otherwise have been available to a client. Lido Advisors’ and IDB Lido address and mitigate these actual and potential conflicts through their respective Code of Ethics that includes pre-approval and reporting requirements of certain personal securities transactions by Lido Advisors’ and IDB Lido’s principals, directors, officers, agents, or employees, including Alternative Investments, and through disclosures to clients. Finally and more broadly, Lido Advisors and IDB Lido believe that investing parallel to their clients further aligns the interests of their principals, employees, and affiliates with the interests of clients.

- **Other Passive Investments or Affiliations** – Lido Advisors’ principals, some of whom are also IDB Lido principals, are from time to time introduced to certain investment opportunities from Lido Advisors’ clients, from family members of Lido Advisors’ clients, and from a variety of other sources. The principals conduct their own independent due diligence and obtain approval from Lido Advisors’ and IDB Lido’s CCOs to participate in these investments. Most if not all of these investments are deemed too speculative for any clients. In instances where Lido Advisors and/or IDB Lido believe 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.

B. Additional Affiliations

Mr. Karan Kanapathipillai, who serves as the Chief Executive Officer of IDB Lido, also serves as the Head of Wealth Management Strategy for IDBNY. Mr. Kanapathipillai spends approximately 5% of his time on this outside business activity.

Mr. Jason Ozur, who serves as a board member on the Board of Directors of IDB Lido, is a minority owner of Lido Advisors and serves as the Chief Executive Officer and Senior Managing Director. Mr. Ozur also provides back office, accounting, and related services to certain Alternative Investments that are recommended to IDB Lido clients. These include Private Funds managed by Mapleton Capital Management, LLC and related entities, and Thomas James Capital (“TJC”).¹⁰ 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 spends approximately 95% of his time on these outside business activities.

Mr. Ken Stern, who serves as a board member on the Board of Directors of IDB Lido, is a minority owner of Lido Advisors and serves as President and Senior Managing Director. Mr. Stern also is the majority owner of Asset Planning Solutions, Inc. (“APS”), an insurance agency. As the owner of the insurance agency, Mr. Stern receives a portion of the fees or commissions received by the agency. Some of these fees or commissions can be generated by any insurance products that are recommended by certain licensed IDB Lido IARs and sold to IDB Lido clients, among others. Additionally, Mr. Stern serves as the Managing Director for APS Holdings, Inc. (“APS Holdings”), the holding company for APS. Also, through 5X International, LLC (“5X International”), in addition to his role as Senior Managing Director, Mr. Stern is a consultant/business manager and has also authored and published several books and DVDs on money management. From time to time, he hosts various personal finance and financial planning television and radio shows and periodically serves as a consultant for various companies through 5X International. 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 approximately 95% of his time on these outside business activities.

The outside business activities performed by senior management creates conflicts of interest since it takes time away from the time spent on performing duties for IDB Lido. However, senior management always endeavors to devote the amount of time necessary to fulfill their duties for IDB Lido.

C. Oakhurst Advisors, LLC

- **Oakhurst Advisors, LLC** (“Oakhurst”) is an SEC-registered investment adviser that manages illiquid alternatives, namely private funds. Lido Advisors and certain of its principals, some of whom are also IDB Lido principals, have long-lived professional relationships with Oakhurst principals and as a result may be inclined to recommend Oakhurst’s and its affiliates’ investments, including those managed by Palladius, to clients to The Lido Companies, which is a potential conflict of interest. From time to time, Lido Advisors’ clients or owners present certain investment opportunities to Oakhurst and are deemed to be suitable for investment in Oakhurst private funds, which are then recommended to clients. Such opportunities and investments present conflicts of interest in that Lido Advisors may be biased in favor of these opportunities and that these Lido Advisors’ clients or owners will benefit when an investment is made. In order to mitigate these conflicts, Lido Advisors provides additional disclosures to 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 clients. Lido Advisors will continue to monitor this potential conflict of interest and address as appropriate.
- **Lido Advisors’ 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 Lido Advisors. 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 private 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 Lido Advisors. 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 private funds.
- **Oakhurst operational allocations:** Lido Advisors 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. Lido Advisors and Oakhurst’s arrangement creates potential conflicts of interest based on competing resources devoted to Lido Advisors

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

- **Lido Advisors and Oakhurst compliance functions:** Lido Advisors’ 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 Lido Advisors 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, Lido Advisors clients being disadvantaged by the potential bias in favor of Lido Advisors or Oakhurst, and the relationship between Lido Advisors and Oakhurst resulting in potential unidentified compliance risks. Lido Advisor will remediate these potential conflicts of interests by enhancing its policies and procedures, including, but not limited to, disclosures in Lido Advisors’ and Oakhurst’s respective Form ADV Part 2B and disclosures reflected in Oakhurst’s private fund offering documents.
- **Palladius Capital Management, LLC (“Palladius”),** an affiliate of Lido Advisors and Oakhurst, is a private fund advisor focused on real estate-related assets. Lido Advisors and IDB Lido offers these private funds to Lido Advisors and IDB Lido clients as a regular course of business. Lido Advisors and Mr. Jason Ozur have ownership interests in Palladius. Specifically, Mr. Ozur holds a minority interest of and a board seat at Palladius. Mr. Ozur spends less than 5% of his time on these outside business activities.

D. Additional Affiliated Companies

- **Enterprise Trust & Investment Company (“ETIC”)** is a California-chartered trust company wholly owned by Lido Advisors. ETIC provides trust-related services, such as trust administration and investment management to trusts and their assets. Lido Advisors receives economic benefit from ETIC activities, given its interest in the firm. Further, Lido Advisors and its IARs, some of whom are IARs of IDB Lido, may receive compensation from ETIC in return for client referrals. Lido Advisors’ interest in ETIC, and the referral arrangements between ETIC, Lido Advisors, and its IARs results in a conflict of interest whereby Lido Advisors is incentivized to direct Lido Advisors’ clients to ETIC for trust services. To mitigate such potential conflicts of interest, Lido Advisors provides specific disclosures of the conflicts to clients prior to engaging ETIC. Further, Lido Advisors will monitor its relationship with ETIC to determine whether additional disclosure, policies, or procedures are required.
- **Colorado Financial Management, LLC (“CFM”)** is a wholly-owned, SEC-registered investment adviser that provides investment advisory services to clients primarily located in the Mountain West Region of the United States.¹ CFM is also a sub-advisor to Lido Advisors and its investment activities are overseen by Lido Advisors and Lido’s Chief Investment Officer. Lido Advisors also provides for substantially all of CFM’s administrative, operational, and compliance related functions, among others, and certain Lido Advisors IARs are also CFM IARs, and will, in certain circumstances do business as “Colorado Financial Services, A Lido Company”. In addition, CFM will facilitate or offer

¹ On February 24, 2023, Lido Advisors acquired the assets and gained control of Sargent Bickham Lagudis LLC (doing business as Colorado Financial Management), a separate SEC-registered investment adviser (“SBL”). Pursuant to the terms of the acquisition: (i) SBL’s clients assigned their contractual relationship with SBL to Lido Advisors; (ii) SBL changed its name to Colorado Financial Management, LLC; (iii) SBL preserved its investment adviser registration with the SEC; (iv) SBL continued its business activities in the Mountain West region; (v) Lido Advisors registered a d/b/a “Colorado Financial Management, A Lido Company” in Colorado; (vi) Lido Advisors will utilize this d/b/a in this same region; and (vii) Lido Advisors will preserve SBL’s asset management fee schedule and billing methodology for its former clients, now Lido Advisors clients, for no less than three years.

The Lido Companies-related services, including, but not limited to, investment services, affiliated investment products, and trust and related fiduciary services. As Lido Advisors owns and controls CFM, The Lido Companies have actual conflicts of interests as The Lido Companies will provide its strategies and affiliated investment products. To address these conflicts of interest, CFM will disclose these conflicts to CFM clients.`

- **Lido International Partners, Ltd. ("Lido International")** is a separate, non-U.S. financial services firm registered with the Dubai Financial Services Authority headquartered in Dubai, United Arab Emirates, that is intended to provide financial-related services and products to non-U.S.-based individuals and entities. Lido International is the result of a joint venture between Lido Advisors and an independent and unaffiliated entity. Lido International does not anticipate offering any advisory or financial-related services to any The Lido Companies clients.
- **Lido Tax, LLC ("L-TAX")** is a separate, affiliated entity that provides tax consulting services, including tax preparation, primarily to Lido Advisor clients. L-TAX is majority owned by Lido Advisors with a minority interest held by a Lido Advisors' IAR. Typically, Lido Advisors will provide certain clients with an Asset Management fee credit for application against L-TAX tax consulting services. Outside of this potential fee credit, Lido Advisors clients are responsible for all other L-TAX-related fees. Lido Advisors receives an economic benefit from L-TAX activities, given its majority ownership interest in the firm, which results in a conflict of interest whereby Lido Advisors is incentivized to direct Lido Advisors clients to L-TAX for tax consulting services. In certain instances, however, Lido Advisors' clients may not pay fees to L-TAX "out of pocket" for tax consulting services due to Lido Advisors above-described Asset Management fee credit. L-TAX also sublets office space in Lido Advisors' Boca Raton office. To mitigate such potential conflicts of interest, Lido Advisors and L-TAX provides specific disclosures to Lido Advisors clients prior to engaging L-TAX. Further, Lido Advisors will monitor its relationship with L-TAX to determine whether additional policies and procedures are required.
- **Oakhurst Capital Management ("OCM")** is an affiliated, SEC-registered investment adviser that manages mutual funds and SMA strategies. OCM is a joint venture between Lido Advisors and another independent, unaffiliated entity. OCM is less than majority owned by Lido Advisors and shares in OCM's profit or loss. Lido Advisors has sub-advisory agreements with OCM for management of certain Lido Advisors' client assets. Barry Julien, an IAR of OCM and Lido Advisors 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. Lido Advisor's and Mr. Julien's conflicts of interest arises as they both benefit from Lido Advisors' 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 Lido Advisors and OCM. OCM will earn fees for managing Lido Advisors' client assets in OCM funds and SMAs. Lido Advisors 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, Lido Advisors will provide an Asset Management fee credit to offset, in part, any potential profit share from OCM. Lido Advisors will also monitor Lido's and Mr. Julien's conflicts of interest to determine whether any additional policies and procedures are necessary.

E. Independent Contractors and Outside Activities

Gina Sanchez, Lido Advisors' Chief Market Strategist, is an independent contractor of Lido Advisors, performs various investment and marketing related services for Lido Advisors and is the owner and founder of Chantico Global, an

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 Lido Advisors 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 Lido Advisor duties.

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

A. Code of Ethics Summary

IDB Lido 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 IDB Lido or any of its associated persons. The Code also requires that certain of IDB Lido’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 in the Code, IDB Lido’s Access Persons generally may not effect 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. IDB Lido 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 IDB Lido’s potential conflicts of interest. Certain IDB Lido affiliates have 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, IDB Lido affiliates initiate and continue these relationships consistent with their fiduciary duty and, ultimately, to the benefit of their and IDB Lido clients. As these relationships develop, deepen, and mature, actual, or potential conflicts of interest develop. Correspondingly, IDB Lido 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.

Alternative Investments Allocation Practices

The Alternative Investments that IDB Lido 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. IDB Lido 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, IDB Lido'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.

Finally, there may be instances where certain IDB Lido 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. IDB Lido 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 IDB Lido's CCO or designee to identify, discuss, and resolve any conflicts concerning acceptance of clients' investments outside of IDB Lido's queue. In addition, Lido and Oakhurst co-invest in certain Oakhurst private funds through Leviathan, which mitigates this conflict by maximizing available space for all IDB Lido clients by utilizing only one "slot" for this co-invest¹³.

Soft Dollars and Other Brokerage-related Compensation or Benefits

From time to time, IDB Lido 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, IDB Lido generally recommends that clients use Schwab as their custodial broker dealer. Schwab makes available to IDB Lido other products and services that benefit IDB Lido but do not directly benefit clients.

IDB Lido has an incentive to recommend that clients maintain their assets in accounts at Schwab due to the benefit to IDB Lido and the availability of some of the products and services provided, which creates potential conflicts of interest. See *Item 12 (Brokerage Practices)*.

Testimonials and Endorsements.

From time to time, IDB Lido will enter into written agreements with third parties (commonly referred to as "promoters") to provide endorsements.² When engaging with such third parties, IDB Lido 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 providing specific disclosure to prospects and clients regarding the arrangements. Although the specific terms of each agreement may differ, IDB Lido will generally provide compensation to these promoters 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 IDB Lido. This type of arrangement creates a conflict of interest since the promoter has an incentive to endorse IDB Lido.

IDB Lido also provides compensation to its employees and affiliates when they refer a new client to the Firm. Although this

² **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 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.

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.

To address these conflicts, disclosures are provided to prospects and clients regarding the arrangements, including information on the compensation paid and any conflicts surrounding the arrangement. IDB Lido also maintains policies and procedures pertaining to third party endorsement arrangements and compensation paid to employees for client referrals.

B. Participation or Interest in Client Transactions

IDB Lido'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, IDB Lido may, under certain circumstances, recommend the purchase or sale of securities in which IDB Lido 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 IDB Lido's fiduciary duty to clients, IDB Lido 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 IDB Lido's Code of Ethics. IDB Lido and its Associated Persons also invest personally in certain securities that are purchased for clients, including Private Funds. IDB Lido's Code contains certain requirements designed to address the potential conflicts that arise with regard to personal trading by IDB Lido or its Associated Persons. For example, other than certain exceptions as outlined below, when IDB Lido is purchasing or considering for purchase a security on behalf of a client, no Associated Person may knowingly effect 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 S&P 500 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, IDB Lido 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 IDB Lido's Code of Ethics concerning personal securities transactions. Associated Persons' personal securities transactions are separate and apart from IDB Lido's trading on behalf of its clients, Associated Persons' personal securities transactions are based on Associated Persons' investment decisions, IDB Lido'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 IDB Lido's practices for the recommendation of custodians and the selection of broker dealers to execute client transactions.

A. Selection Criteria

IDB Lido 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 custodian that IDB Lido recommends that clients use is Charles Schwab, & Co., Inc. ("Schwab"), which is a FINRA registered broker dealer and member of Securities Investor Protection Corporation (SIPC). IDB Lido is independently owned and operated and not affiliated Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities at IDB Lido's instruction. While IDB Lido recommends that clients use Schwab, the client will decide whether to open an account with them by entering into an account agreement directly with Schwab. IDB Lido does not open the custodian account for clients.

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

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

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

For those clients who wish to direct brokerage and select broker dealers/custodians not recommended by IDB Lido, clients should be aware that IDB Lido 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 IDB Lido will have limited ability to ensure that the broker dealer selected by the client will provide best possible execution.

1. Schwab Custodian Arrangement

The following highlights IDB Lido'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 IDB Lido 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 IDB Lido 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, IDB Lido has Schwab execute most trades for client accounts maintained at Schwab.

– **Products and Services Available to IDB Lido from Schwab:** Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firm. They provide IDB Lido 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 IDB Lido 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 IDB Lido as long as IDB Lido keeps a total of at least \$10 million of our clients’ assets in accounts at Schwab.

– **Services that Benefit IDB Lido’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 IDB Lido 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 IDB Lido Schwab custodied client accounts.

– **Services that Do Not Directly Benefit IDB Lido’s Client:** Schwab also makes available to IDB Lido other products and services that benefit IDB Lido but do not directly benefit IDB Lido clients. These products and services assist IDB Lido in managing and administering our clients’ accounts maintained at Schwab. They include investment research, both Schwab’s own and that of third parties. IDB Lido 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 IDB Lido:** Schwab also offers other services intended to help IDB Lido 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 IDB Lido’s profitability as IDB Lido 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.

IDB Lido benefits from Schwab’s services as those services are either little or no cost to IDB Lido. Schwab provides these services at little or no cost as long as IDB Lido maintains at least \$10 million in assets with Schwab. The \$10 million minimum gives IDB Lido 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 IDB Lido, lower trading costs comparable to its industry peers and equivalent to our other chosen preferred custodians, IDB Lido 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.

2. Additional Trading Practices

In certain circumstances, IDB Lido 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, IDB Lido may or may not achieve better pricing or execution. IDB Lido utilizes its judgment, within reason, to identify circumstances when trading away is more beneficial to its clients. There, however, may be circumstances where IDB Lido fails to achieve these objectives by trading away, resulting in higher costs to the client. IDB Lido 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, IDB Lido has full discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. IDB Lido's general policy is to place client trades with Schwab and IDB Lido will continue to do so as long as IDB Lido believes that the broker 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 IDB Lido will seek, within reason, to achieve the best execution possible for client securities transactions, this does not require IDB Lido to solicit competitive bids and IDB Lido 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 IDB Lido will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. IDB Lido 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 IDB Lido are conducting overall best qualitative execution, IDB Lido will periodically (and no less often than annually) evaluate its trading process and broker/custodians selections. IDB Lido'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

IDB Lido 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 IDB Lido were to conduct such transactions) may be higher than what another, equally capable broker dealer might charge. Except for the benefits received from Schwab, IDB Lido 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 IDB Lido, because IDB Lido 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 IDB Lido’s interest in receiving the research or other products or services, rather than on clients’ interests in receiving most favorable execution. Additionally, IDB Lido may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The agreements between IDB Lido and its clients generally authorize IDB Lido 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 IDB Lido in making investment decisions for its clients. “Brokerage” services and products are those used to effect securities transactions for IDB Lido’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 IDB Lido in its investment decision-making process. IDB Lido can cause clients to pay commissions that are higher than those that another qualified broker dealer might charge to effect the same transaction where IDB Lido 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 IDB Lido’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 IDB Lido 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, IDB Lido recommends that clients establish brokerage accounts with Schwab to maintain custody of clients' assets and to effect trades for their accounts. While there is no direct link between the investment advice given to clients and IDB Lido's recommendation to use the custodial or brokerage services of Schwab, certain benefits are received by IDB Lido due to this arrangement. *See Item 14* (Client Referrals and Other Important Information).

2. Directed Brokerage

If requested by a client, IDB Lido 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 IDB Lido 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 IDB Lido (as described below). IDB Lido 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, IDB Lido may decline a client's request to direct brokerage if, in IDB Lido'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 IDB Lido decides to purchase or sell the same securities for several clients at approximately the same time. IDB Lido performs investment management services for various clients, some of which may have similar investment objectives. IDB Lido 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 IDB Lido'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. IDB Lido 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 IDB

Lido'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, IDB Lido 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.

D. Alternative Investment Allocation

IDB Lido 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, IDB Lido 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. IDB Lido'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 IDB Lido 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, IDB Lido receives client referrals from a broker dealer, which creates a potential conflict of interest. This is because IDB Lido 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, IDB Lido 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

IDB Lido investment strategies are reviewed by the Investment Committee on a continuous basis. IDB Lido 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 IDB Lido 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 IDB Lido and its advisory representatives of any changes in his/her personal financial situation that might affect his/ her 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, IDB Lido will provide detailed reports concerning relevant account and/or market-related information. Our client reports will 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. IDB Lido reports are provided on at least an annual basis.

Clients are urged to compare the statements received from IDB Lido 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 IDB Lido. IDB Lido'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 IDB Lido does not receive an updated valuation prior to IDB Lido sending account statements to clients. When this happens, IDB Lido 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 IDB Lido, 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

IDB Lido enters into soft dollar arrangements whereby brokerage transactions are directed to certain broker dealers in return for investment research products or services which assist IDB Lido in its investment decision-making process. The

receipt of these services is deemed to be the receipt of an economic benefit by IDB Lido, 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, IDB Lido generally recommends that clients use Schwab as their custodian and broker of record and certain benefits are received by IDB Lido due to this arrangement. Schwab makes available to IDB Lido other products and services that benefit IDB Lido but do not benefit its clients' accounts. Some of these other products and services assist IDB Lido in managing and administering clients' accounts. While as a fiduciary, IDB Lido endeavors to act in its clients' best interests, IDB Lido has an incentive to recommend that clients maintain their assets in accounts at Schwab due to the benefit to IDB Lido and the availability of some of the products and services provided, which create a potential conflict of interest. *See Item 12 (Brokerage Practices).*

As discussed above in Item 10, neither IDB Lido, nor any of its affiliates or employees, pay referral fees to IDBNY for introducing clients to it. While IDBNY does not receive any direct compensation for referrals made to IDB Lido, IDBNY, as an owner of IDB Lido, indirectly benefits from any additional revenue earned by IDB Lido as a result of such referrals.

B. Compensation for Client Referrals

IDB Lido has entered into agreements with individuals and organizations, as required under Rule 206(4)-1 of the Advisers Act, that refer clients to IDB Lido.

Where required, these agreements are in writing in accordance with the requirements under Rule 206(4)-1 of the Advisers Act. If a promoter introduces a client to IDB Lido, IDB Lido pays that promoter a fee in accordance with the requirements of Rule 206(4)-1 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 IDB Lido's engagement of new clients and the retention of those clients and is calculated using a varying percentage of the fees paid to IDV Lido by those clients. IDB Lido may also pay compensation to its employees for their referrals of IDB Lido clients, which is disclosed to the referred IDB Lido client. Any fee is paid solely from IDB Lido's Asset Management fee. In accordance with Rule 206(4)-1 of the Advisers Act, promoters introducing a prospective client to IDV Lido (unless specifically exempted in Rule 206(4)-1 are required to prominently disclose the nature of the relationship between such promoter and IDB Lido, whether the promoter is a client or investor of IDB Lido, details on the compensation paid for the promoting activities, and any material conflicts of interest on part of the promoter, among other details.

1. Schwab Custodian Arrangement

IDB Lido recommends Schwab to clients for custody and brokerage services. There is no direct link between IDB Lido's participation in Schwab's custodial program and the investment advice it gives to its clients, although IDB Lido receives economic benefits through its participation in the program that are typically not available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client

statements and confirmations; research related products and tools; consulting services; access to a trading desk serving IDB Lido participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to IDB Lido accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to IDB Lido by third-party vendors. Schwab also offers payment for business consulting and professional services received by IDB Lido related persons. These products or services can assist IDB Lido in managing and administering client accounts. Other services made available by Schwab are intended to help IDB Lido manage and further develop its business enterprise. The benefits received by IDB Lido or its personnel through participation in the Schwab program do not depend on the amount of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, IDB Lido endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by IDB Lido or its related persons in and of itself creates a potential conflict of interest and can indirectly influence the IDB Lido's choice of Schwab for custody and brokerage services. *See Item 12.A.3 (TD Ameritrade Custodial Arrangement).*

C. Other Compensation

Certain IDB Lido IARs have outside business activities with unaffiliated registered investment advisers and other firms. Consequently, these activities create potential conflicts of interest. Please refer to Item 10 for detailed information, including on the conflicts surrounding these activities and how they are addressed, and the respective IDB Lido IAR's Form ADV Part 2B (Supplemental Brochure).

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Advisers Act, IDB Lido 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, IDB Lido 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. IDB Lido will identify additional necessary procedures, such as surprise audits or designation of non-discretionary authority over those assets, consistent with its obligations under the Rule 206(4)2.

Generally, IDB Lido recommends Schwab for custodial services, but from time to time, other custodians may be accepted by IDB Lido 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.

IDB Lido will only implement its investment management recommendations after the client has arranged for and furnished IDB Lido 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 IDB Lido. IDB Lido'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

IDB Lido 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, IDB Lido has the ability to determine the type and amount 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, IDB Lido's authority to trade securities can be limited in certain circumstances by applicable legal and regulatory requirements, as well as IDB Lido's compliance policies. Clients are permitted to impose reasonable limitations on IDB Lido's discretionary authority, including restrictions on investing in certain securities or types of securities. All limitations, restrictions, and investment guidelines must be provided to IDB Lido in writing.

B. Limited Power of Attorney

Clients authorize IDB Lido 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 IDB Lido 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 IDB Lido'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

IDB Lido'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. IDB Lido 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 IDB Lido generally does not vote proxies for ERISA client accounts, should proxy materials be forwarded on to IDB Lido at the request of the plan sponsor, IDB Lido will strive to vote the proxy in the best interest of the client. A

copy of IDB Lido's proxy voting record and policies are available upon written request by the plan sponsor

IDB Lido 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.

ITEM 18: FINANCIAL INFORMATION

IDB Lido 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. IDB Lido 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.