Disclosure Brochure

March 30, 2023

Lanier Asset Management, LLC

a Registered Investment Adviser

10200 Forest Green Blvd., Suite 300
Louisville, KY 40223

(502) 909-1100

www.lanieram.com

This brochure provides information about the qualifications and business practices of Lanier Asset Management, LLC (hereinafter "LAM"). If you have any questions about the contents of this brochure, please contact Mark Hoffman at (502) 909-1100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Lanier Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov. The firm's CRD number is 150888.

Lanier Asset Management, LLC is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, LAM is required to discuss any material changes that have been made to the brochure since the last annual amendment dated May 18, 2022. There are no such material changes to disclose.

Item 3. Table of Contents

Item 2. Material Changes 2
Item 3. Table of Contents 3
Item 4. Advisory Business 4
Item 5. Fees and Compensation 7
Item 6. Performance-Based Fees and Side-by-Side Management 9
Item 7. Types of Clients 10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss 10
Item 9. Disciplinary Information 13
Item 10. Other Financial Industry Activities and Affiliations 13
Item 11. Code of Ethics 13
Item 12. Brokerage Practices 14
Item 13. Review of Accounts 17
Item 14. Client Referrals and Other Compensation 17
Item 15. Custody 18
Item 16. Investment Discretion 18
Item 17. Voting Client Securities 19
Item 18. Financial Information 19

Item 4. Advisory Business

Lanier Asset Management, LLC ("*LAM*") is an independent, SEC-registered investment advisory firm. The firm utilizes an open architecture investment structure to combine proprietary and independent investment strategies in an effort to achieve superior absolute and relative returns. Our management team comes from highly diverse backgrounds such as investment management, investment banking and international business consulting.

LAM provides financial planning, consulting, and investment management services. LAM also acts as the managing member to Lanier Bridgepointe Gardens Fund, LLC, Lanier Avalon Fund, LLC and Lanier Four Charters Fund, LLC (the "*Funds*"), pooled investment vehicles formed as private real estate syndications. As the managing member of the Funds, LAM is primarily responsible for the management of the Funds. The Funds are structured as Delaware limited liability companies. Prior to engaging LAM to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with LAM setting forth the terms and conditions under which LAM renders its services (collectively the "*Agreement*").

LAM has been in business since August 2009. Junius "Trip" Beaver III and Mark Hoffman are the principal owners of the firm. As of January 31, 2023, LAM has $106,369,099 in assets under management, of which $91,949,716 was managed on a discretionary basis and $14,419,383 was managed on a non-discretionary basis.

This Disclosure Brochure describes LAM's business. Certain sections will also describe the activities of *Supervised Persons*. Supervised Persons are any of LAM's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on LAM's behalf and is subject to LAM's supervision or control.

Financial Planning and Consulting Services

LAM provides its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters).

In performing its services, LAM is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. LAM may recommend the services of itself, its Supervised Persons in their individual capacities as registered representatives, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if LAM recommends its own services. The client is under no obligation to act upon any of the recommendations made by LAM under a financial planning or consulting engagement or to engage the services of any such recommended professional, including LAM itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of LAM's recommendations. Clients are advised that it remains their responsibility to promptly notify LAM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising LAM's previous recommendations and/or services.

Investment Management Services

Clients can engage LAM to manage all or a portion of their assets on a discretionary and non-discretionary basis.

LAM primarily allocates clients' investment management assets among Independent Managers (as defined below), mutual funds, exchange-traded funds ("*ETFs*"), individual debt and equity securities and/or options as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. In addition, LAM may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. LAM also provides advice about any type of investment held in clients' portfolios.

LAM also may render discretionary and non-discretionary investment management services to clients relative to variable life/annuity products that they own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that are not held by the client's primary custodian. In so doing, LAM either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

LAM tailors its advisory services to the individual needs of clients. LAM consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that impact the clients' investment needs. LAM ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify LAM if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon LAM's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in LAM's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

The Funds

LAM provides investment advice to the Lanier Bridgepointe Gardens Fund, LLC, which invests solely in a property holding company (the "*Property Holding Company*") that owns a 131-unit Class A assisted Living property located in Jeffersonville, Indiana (the "*Property*"). There can be no assurance that the Fund will achieve its investment objective or avoid substantial losses. An investor should not make an investment in the Fund with the expectation of sheltering income or receiving cash distributions. Investors are urged to consult with their personal advisers before investing in the Fund.

LAM provides investment advice to the Lanier Avalon Fund, LLC, which invests solely in a property holding company (the "*Property Holding Company*") that owns a 131-unit Class A assisted Living property located near Greenwood, Indiana (the "*Property*"). There can be no assurance that the Fund will achieve its investment objective or avoid substantial losses. An investor should not make an investment in the Fund with the expectation of sheltering income or receiving cash distributions. Investors are urged to consult with their personal advisers before investing in the Fund.

LAM provides investment advice to the Lanier Four Charters Fund, LLC, which invests solely in a property holding company (the "*Property Holding Company*") that owns four 79-unit assisted Living properties located in Paducah, KY, Linden, MI, White House, TN and Murray, KY (the "*Properties*"). There can be no assurance that the Fund will achieve its investment objective or avoid substantial losses. An investor should not make an investment in the Fund with the expectation of sheltering income or receiving cash distributions. Investors are urged to consult with their personal advisers before investing in the Fund.

This document is not an offer to sell or a solicitation of an offer to buy interests in the Funds. Such an investment may be made only after receipt and review of each Fund's Confidential Private Placement Memorandum (the "*Memorandum*"). Each Memorandum contains important information concerning risk factors and other material aspects of the corresponding Fund and it must be read carefully before making an investment decision. The information in this document is qualified in its entirety by, and should be read in conjunction with, the information contained in each Memorandum.

LAM provides investment advisory services to the Funds based on the investment objectives of the Funds. LAM does not provide tailored investment advice to the Members in the Funds. Membership interests ("*Interests*") in each Fund are being offered for investment by up to one hundred (100) persons who are "accredited investors" as defined in Rule 501(a) of Regulation D under the Federal Securities Act of 1933 ("Securities Act"). The Interests will not be registered under the Securities Act or the securities laws of any state.

Use of Independent Managers

As mentioned above, LAM recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the Independent Managers are set forth in a separate written agreement between LAM or the client and the designated Independent Managers. LAM renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of Independent Managers. LAM also monitors and reviews the account performance and the client's investment objectives. LAM receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Managers.

When recommending or selecting an Independent Manager for a client, LAM reviews information about the Independent Manager such as its disclosure brochure and/or material supplied by the Independent Manager or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available. Factors that LAM considers in recommending an Independent Manager include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, LAM's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by LAM, the designated Independent Managers, and corresponding broker-dealer and custodian.

In addition to LAM's written disclosure brochure, the client also receives the written disclosure brochure of the designated Independent Managers. Certain Independent Managers impose more restrictive account requirements and varying billing practices than LAM. In such instances, LAM may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

Sponsor / Manager of Wrap Program

LAM is not the sponsor or manager of a wrap fee program.

Item 5. Fees and Compensation

LAM offers its services on a fee basis, which include fixed fees, as well as fees based upon assets under management.

Financial Planning and Consulting Fees

LAM has the right to charge a fixed fee for financial planning and consulting services. These fees are negotiable, but generally range from $1,000 to $2,500 on a fixed fee basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages LAM for additional investment advisory services, LAM may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging LAM to provide financial planning and/or consulting services, the client is required to enter into a written agreement with LAM setting forth the terms and conditions of the engagement. Generally, LAM requires one-half of the financial planning fee payable upon entering the written agreement with the balance due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fee

LAM provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by LAM. LAM's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. LAM does not, however, receive any portion of these commissions, fees, and costs. LAM's annual fee is prorated and charged monthly or quarterly, in advance, based upon the market value of the assets being managed by LAM on the last day of the previous month/quarter. The annual fee varies between 0.30% and 1.50%, depending upon the market value of the assets under management and the type of investment management services to be rendered.

LAM, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (*e.g.*, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

The Funds

LAM sponsors and manages the Funds, which provide equity to the corresponding Property Holding Companies. In exchange for such services, the Property Holding Companies pay LAM an annual management fee equal to 2% of the Funds' initial investment into the Property Holding Companies (the "*Fund Management Fee*").

LAM receives no other fees or compensation through its management of the Funds.

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), LAM recommends that clients utilize the brokerage and clearing services of Pershing, LLC through Pershing Investment Manager Services ("*Pershing*") for investment management accounts.

LAM may only implement its investment management recommendations after the client has arranged for and furnished LAM with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Pershing*, any other broker-dealer recommended by LAM, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other

fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to LAM's fee.

LAM's Agreement and the separate agreement with any Financial Institutions authorize LAM or Independent Managers to debit the client's account for the amount of LAM's fee and to directly remit that management fee to LAM or the Independent Managers. Any Financial Institutions recommended by LAM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to LAM.

Fees for Management During Partial Months of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The Agreement between LAM and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement.

Clients may make additions to and withdrawals from their account at any time, subject to LAM's right to terminate an account. Additions may be in cash or securities provided that LAM reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to LAM, subject to the usual and customary securities settlement procedures. However, LAM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. LAM may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (*e.g.* contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a month or quarter, including withdrawals made as a result of a termination of the Agreement, the fee payable with respect to such assets will not be adjusted or prorated for that month or quarter (based on the number of days remaining in the period).

Item 6. Performance-Based Fees and Side-by-Side Management

LAM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

LAM offers its services primarily to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities. LAM also provides investment management services for Members of the Funds. LAM generally requires a $100,000 minimum investment for Members of the Funds.

Minimum Annual Fee

As a condition for starting and maintaining an investment management relationship, LAM does not require a minimum portfolio size, but reserves the right to charge a minimum annual account fee of $50. Additionally, certain Independent Managers may impose more restrictive account requirements and varying billing practices than LAM. In such instances, LAM may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

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

Methods of Analysis

LAM primarily employs fundamental and some technical methods of investment analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. LAM will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be sound, that said, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that LAM will be able to accurately predict such a reoccurrence.

Investment Strategies

LAM's investment strategy is based primarily on wealth preservation and secondarily on growth – seeking participation in market upside while focusing on reducing risk and volatility in our managed portfolios (decreasing standard deviation and market correlation of returns). We execute our philosophy through the disciplined use of our customized asset class allocation models which strive to produce positive investment returns across a wide range of market conditions. Our models seek to significantly reduce risk by limiting direct exposure to both the equity and debt markets, utilizing alternative asset classes such as hedge funds,

real estate and commodities as complements to any direct exposure. The models were developed using the fundamental approach of the top five university endowments, with the primary difference being liquidity. At LAM, our traditional asset investments (equity and debt) are completely liquid, and our alternative investments are highly liquid (post the first year). A vast majority of our alternative investments have lockup periods of no more than 95 days.

The Funds

The Funds will invest solely in the Properties via a direct investment in the Property Holding Companies. The Funds will make no other investments.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily if not more frequently. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV.

Options

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Market Risks

The profitability of a significant portion of LAM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that LAM will be able to predict those price movements accurately.

Use of Independent Managers

LAM may recommend the use of Independent Managers for certain clients. LAM will continue to do ongoing due diligence of such managers, but such recommendations relies, to a great extent, on the Independent Managers ability to successfully implement their investment strategy. In addition, LAM does not have the ability to supervise the Independent Managers on a day-to-day basis other than as previously described in response to Item 4, above.

Use of Private Collective Investment Vehicles

LAM may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, which could increase the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

Real Estate Investments

The Fund will invest in real estate. The ownership of real estate includes many risks including: declines in the value of real estate, general and local economic conditions, unavailability of mortgage funds, overbuilding, extended vacancies of properties, increased competition, increases in property taxes and operating expenses, changes in zoning laws, losses due to costs of cleaning up environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, changes in neighborhood values and the appeal of properties to buyers, tenants, changes in interest rates, etc. An economic downturn could have a material adverse effect on the real estate markets, which in turn could result in the Fund not achieving its investment objectives.

Real property investments are subject to varying degrees of risk. The yields available from investments in real estate depend on the amount of income and capital appreciation generated by the related properties. Income and real estate values may also be adversely affected by such factors as applicable laws, interest

rate levels and the availability of financing. The performance of the economy in the region in which the real estate invested in by the Fund is located will impact the income from such properties and their underlying values. The financial results of major local employers also may have an impact on the cash flow and value of certain properties.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

LAM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. LAM does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

LAM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. LAM has described such relationships and arrangements below.

Fees from Independent Managers

As discussed above, LAM recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Managers. In certain circumstances LAM's compensation is included in the advisory fee charged by such Independent Managers. There may be a conflict of interest to choose such Independent Managers.

Item 11. Code of Ethics

LAM and persons associated with the firm ("*Associated Persons*") are permitted to buy or sell securities that are recommended to clients consistent with LAM's policies and procedures.

LAM has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. When LAM is purchasing or considering for purchase any security on behalf of a client, no Covered Person (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when LAM is selling or considering the sale of any security on behalf of a client, no Covered Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Unless specifically defined in LAM's procedures (summarized above), neither LAM nor any of LAM's Associated Persons may effect for himself or herself, for an Associated Person's immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of LAM's clients.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither LAM nor any of its Supervised Persons (as defined in this Form ADV) has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of LAM's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. LAM will maintain records of these trades, including the reasons for any exceptions.

In accordance with Section 204A of the Advisers Act, LAM also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by LAM or any of its *Supervised Persons*.

Clients and prospective clients may contact LAM to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

As discussed above, in Item 5, LAM recommends that clients utilize the brokerage and clearing services of Pershing.

Factors which LAM considers in recommending Pershing or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by Pershing may be higher or lower than those charged by other Financial Institutions.

The commissions paid by LAM's clients comply with LAM's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where LAM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not

the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution*'s* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. LAM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other Financial Institutions with whom LAM and the Financial Institutions have entered into agreements for prime brokerage clearing services. LAM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may direct LAM in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and LAM will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by LAM (as described below). As a result, the client may 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, LAM may decline a client's request to direct brokerage if, in LAM's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client will be effected independently, unless LAM decides to purchase or sell the same securities for several clients at approximately the same time. LAM may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among LAM's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among LAM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that LAM determines to aggregate client orders for the purchase or sale of securities, including securities in which LAM's Supervised Persons may invest, LAM does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. LAM does not receive any additional compensation or remuneration as a result of the aggregation. In the event that LAM determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's

assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, LAM may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist LAM in its investment decision-making process. Such research generally will be used to service all of LAM's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because LAM does not have to produce or pay for the products or services.

Trade Error Policy

It is LAM's policy to minimize the occurrence of trade errors and, in the event a trade error occurs, detect and take prompt steps to resolve it in the best interest of affected client(s). In the event a trade error occurs due to LAM's action or inaction in the process of effecting any client transaction, LAM's policy is to identify and correct the error promptly and without disadvantaging the client. If the error is the fault of LAM, LAM's policy is to move the respective transaction to LAM's trade error account, thereby restoring the client's account to the position it was in immediately prior to the respective transaction. Gains realized as a result of trade errors that are corrected by LAM and moved to LAM's trade error account are used toward correcting future trade errors that result in losses. The custodian and LAM will not share in any profits in LAM's trade error account, as assets in the account are only used to resolve future trade errors or donated to a charity designated by LAM.

Software and Support Provided by Financial Institutions

LAM may receive from Pershing, without cost to LAM, computer software and related systems support, which allow LAM to better monitor client accounts maintained at Pershing. LAM may receive the software and related support without cost because LAM renders investment management services to clients that maintain assets at Pershing. The software and related systems support may benefit LAM, but not its clients directly. In fulfilling its duties to its clients, LAM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that LAM's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence LAM's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, LAM may receive the following benefits from Pershing through its Pershing Advisor Solutions division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively

services its Pershing Advisor Solutions participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

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

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom LAM provides investment advisory services will also receive a report from LAM that will be delivered on a quarterly basis and may include relevant account and/or market-related information such as an inventory of account holdings and account performance. Clients should compare the account statements they receive from their custodian with those they receive from LAM.

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

LAM reviews the Funds' investment program on a continual basis. LAM reviews the Funds' investment program to analyze rates of return and to verify that the Funds' holdings are consistent with their investment objectives.

Item 14. Client Referrals and Other Compensation

LAM is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, LAM is required to disclose any direct or indirect compensation that it provides for client referrals.

LAM may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

If a client is introduced to LAM by either an unaffiliated or an affiliated solicitor, LAM may pay that solicitor a referral fee in accordance with applicable rules promulgated under the Advisers Act. Any such referral fee is paid solely from LAM's investment management fee and does not result in any additional charge to the client. Any solicitor of LAM discloses the nature of his/her relationship, including the terms and conditions of the solicitation arrangement including compensation, to prospective clients at the time of the solicitation and that a conflict of interest exists.

LAM will also receive the Fund Management Fee, payable by the Property Holding Companies. The Funds' Management Fee is paid annually and equal to 2% of the Funds' initial investment into the Property Holding Companies.

Item 15. Custody

LAM's Agreement and/or the separate agreement with any Financial Institution may authorize LAM through such Financial Institution to debit the client's account for the amount of LAM's fee and to directly remit that management fee to LAM in accordance with applicable custody rules.

The Financial Institutions recommended by LAM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to LAM. In addition, as discussed in Item 13, LAM also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from LAM.

LAM has indirect custody of the Funds' assets because it is the managing member of the Funds' and has general power of attorney over the Funds' accounts.

Item 16. Investment Discretion

LAM is required to disclose if it accepts discretionary authority to manage securities accounts on behalf of clients. LAM is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. LAM does exercise discretion on behalf of the Funds' and some of its clients.

Item 17. Voting Client Securities

LAM is required to disclose if it accepts authority to vote client securities. LAM does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

LAM does not require or solicit the prepayment of more than $500 in fees six months or more in advance of providing services to clients.

Lanier Asset Management, LLC

a Registered Investment Adviser

10200 Forest Green Blvd., Suite 300
Louisville, KY 40223

(502) 909-1100

www.lanieram.com