

Item 1: Cover Page - Form ADV Part 2A Firm Brochure



(Firm CRD # 298973 / SEC # 801-114198)

*1005 South Gaylord Street
Denver, CO 80209*

Website: www.lotusgroupcapital.com

Phone: 720.593.9861

Fax: 815.572.0566

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This Form ADV Part 2A Brochure (or "Brochure") provides information about the investment qualifications and business practices of LotusGroup Capital, LLC ("LotusGroup," "LGC," the "Adviser," "us," "we," or "our"), an investment adviser registered with the United States Securities and Exchange Commission. If you have any questions about the contents of this Brochure, please contact LotusGroup's Chief Compliance Officer, Amanda N. Cohen, directly at 720.593.9861.

This Brochure's information has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. Nothing in this document is to be construed as a recommendation or an endorsement by the SEC or any state securities authority or an offer of securities; please refer to actual investment offering and related legal documentation for complete disclosures. Any reference to or use of the terms "registered investment adviser" or "registered" does not imply LotusGroup or any of its associated persons have achieved a certain level of skill or training. Investments involve risk, including the possible loss of principal. An adviser's written and oral communications provide you with information you may use to determine whether to retain their services. As required by federal and state regulations, this Brochure is on file with the appropriate regulatory authorities.

Additional information about LotusGroup Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

*(Click on the link, select "Investment Adviser Firm," and type in the firm's name or CRD # 298973.)
Results will provide you all parts of the firm's disclosure brochures.)*

Item 2: Summary of Material Changes

Update

LotusGroup Capital reviews its Form ADV Part 2A Brochure at least annually to confirm it remains current. In this item, we are required to summarize only those material changes made to our Brochure since our last annual updating amendment of March 2023. Since our previous annual amendment, changes have been made to the following Brochure areas:

Types of Advisory Services

- Added LotusGroup IncomePlus Fund III (“IPFIII”) to various sections, as the newest Fund the Firm is the Investment Manager of.

Full Brochure Availability

This Form ADV Part 2A Brochure applies to all LotusGroup advisory accounts, including any accounts a client may open in the future. The adviser may, at any time, amend this document to reflect changes in its business practices or for other required updates as mandated by securities regulators. Annually, we will provide clients - either by electronic means or by hard copy, with a copy of this Brochure or a "summary of material changes" notice from the document previously distributed.

Please retain this for future reference as it contains essential information concerning our advisory services and business. At any time, you may view the current disclosure brochures on-line at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or CRD # 298973. You may also request a copy by contacting us at 720.593.9861.

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Item 4: Advisory Business

Description of the Advisory Firm

LotusGroup Capital, LLC, is a federally registered investment adviser founded in September 2018 as a Colorado limited liability company. It was formed under the Colorado Limited Liability Company Act, as amended, and organized under Colorado's laws. LGC is authorized to do business in any state but currently has specific registration in Colorado and Delaware.

Principal Owners

Organizational Structure

LotusGroup Capital's principal owners are Raphael A. Martorello, Managing Member (80.84%) and Louis C. Frank, CAIA, Partner, and Private Portfolio Manager (3.39%), Nicholas Pirnack, Partner (0.45%), and Stephanie Schlemeyer, Partner (0.32%). Additionally, Quail Creek Production Corporation owns a 55% financial interest in the firm. Mr. Martorello formed both the advisory firm LotusGroup Capital and the private investment fund it manages, LotusGroup Longevity Fund, LLC ("LLF"), LGA IncomePlus Fund, LP ("IPF"), and LotusGroup IncomePlus Fund II ("IPFII"), and LotusGroup IncomePlus Fund III ("IPFIII") (hereafter, the "Funds,").

LotusGroup Capital, LLC, is the Investment Manager of the Funds. Mr. Martorello manages LotusGroup Capital. LGC, as the Adviser and Fund Manager, and maintains sole and complete authority to manage the Fund's activities and those of its affiliated Partner: LLF (Special Member), LLC, the Adviser's carried interest holding company. Mr. Martorello also maintains 86.76% ownership and full authority to manage LotusGroup Advisors, LLC ("LGA"), a separate but affiliated registered investment advisory firm and related adviser, also located in Denver, CO.

LotusGroup Advisors, LLC, collectively with the Manager and other affiliates, form "LotusGroup." *(Please see Mr. Martorello's LGC Form ADV Part 2B – Brochure Supplement for additional details on his formal education, business background, and outside business activities.)*

Types of Advisory Services Offered

LotusGroup Capital, LLC offers a specific kind of advisory service; the Adviser focuses exclusively on one type of advisory service - managing private investments.

Private Fund Management Services

LotusGroup Longevity Fund, LLC

LotusGroup Capital serves as the Managing Member, the Investment Manager, and the fiduciary of LotusGroup Longevity Fund, LLC ("LLF"), a Delaware limited liability company launched on October 15, 2018. LotusGroup Capital's client is the Fund itself, to whom the Adviser provides discretionary advisory services. LGC's role is to perform the sourcing and management of individual investments and the Fund's various service providers.

LGA IncomePlus Fund, L.P., LotusGroup IncomePlus Fund II, & LotusGroup IncomePlus Fund III

LotusGroup Capital serves as the Investment Manager and the fiduciary to LGA IncomePlus Fund, L.P. ("IPF"), LotusGroup IncomePlus Fund II, L.P. ("IPFII"), and LotusGroup IncomePlus Fund III ("IPFIII") (collectively the "IPF Funds"). LGC provides discretionary advisory services to the IPF Funds. The General Partner for IPF is PPB LGA Income Management, LLC, the General Partner for IPFII is PPB LGA Income 2 Mgt LLC, and General Partner for IPFIII is PPB LG Income 3 Mgt, LLC, (each a "GP"). LGC is the Investment Manager for the IPF Funds, performing the IPF Funds' sourcing and managing individual Investments. LLF and the IPF Funds may be collectively referred to as the "Funds".

Investment Objective

The LotusGroup Longevity Fund, LLC ("LLF") seeks to pool investment funds of its investors (each, a "Member") for the primary purpose of long-term capital appreciation and a secondary goal of generating income. The Fund seeks to achieve this objective by investing primarily in various life settlement contracts with Net Asset Value ("NAV") that increase over time, with potential sales of such contracts to generate gains and eventual maturities that produce realized gains/income to the Fund.

The IPF Funds seek to preserve capital by investing in recession resilient sectors with low correlation to public markets & the economy. Asset-backed investments, and most deliver attractive current yields (“Income”) relative to fixed income options available in the public markets. Additional capital gains accrue upon investment exits (“Plus”) for select investments within the IPF Funds. The IPF Funds provide exclusive access pre-existing relationships to achieve its stated goals using a fund of funds approach.. Additionally, the Investment Manager has negotiated for direct access to purchases, such as co-investments. The Investment Manager will be sourcing direct investment opportunities within the IPF Funds’ targeted theme of asset backed and recession resilient categories, defined as investments that are not fully exposed to cyclical market effects during a downturn uncorrelated to economic or public market events.

Fund Management

As Investment Manager, LGC has complete authority to manage the activities of the Funds. LGC has sole responsibility for researching, selecting, and monitoring Fund investments and deciding when and how much to invest or withdraw from each particular investment. LLF cannot impose restrictions on investing in particular securities or types of securities within the Fund. LGC maintains ongoing monitoring, surveillance, and management of each of the investments within the IPF Funds and will guide the GPs on fund reserves, distributions, and exits. The IPF Funds have a 1-year raise period, a 4-year investment period, and a 2-year wind down period, with the ability to have three one year extensions. More information on the IPF Funds’ strategies can be found in Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss.

Manager

Currently, the Manager is set up with a Chief Investment Officer (CIO) and a growing Asset Management Team, as further described:

Raphael A. Martorello – CIO & Managing Member

Mr. Martorello brings over 20 years of business & investment experience to his role as CIO and Managing Member of the Fund. He bears the ultimate responsibility for all decisions made on behalf of the Manager and the Fund, although he can delegate some Manager or Fund decision-making authority to other persons or employees as he deems appropriate. Mr. Martorello is responsible for overseeing all Fund operations, including but not limited to hiring and staff development, policy sourcing approvals, portfolio diversification, and ongoing portfolio management. He also supervises channel partnership growth as it pertains to direct-to-consumer sourcing.

Mr. Martorello is also the Managing Member and Managing Partner of LotusGroup Advisors and LotusGroup Capital, two Colorado-based federally registered investment advisory firms. With a combined AUM of more than \$150MM and over 600+ private placements, LotusGroup Advisors, an advisory firm, possess a solid regulatory track record and nearly five years of institutional experience investing in life settlements. Mr. Martorello holds a Bachelor of Science in Mechanical Engineering with a Minor in Economics from the University of Virginia.

Louis C. Frank, CAIA, Asset Management Team – Policy Manager & Partner

Mr. Frank. has served multiple critical roles during the setup of LLF and did so previously when serving as the Private Partner Manager with LotusGroup, where he oversaw 15 different General Partners. Additionally, Louis manages the IncomePlus Fund platform (more on the IncomePlus Fund(s), can be found below). Before LotusGroup, Mr. Frank worked at Fortis Asset Management. He holds a Bachelor of Science in Finance from the University of Arkansas and earned his CAIA designation in September of 2019.

Erick Mortenson – Senior Analyst, Actuary, ACAS, CSPA

Mr. Mortenson brings over 20 years of experience in pricing insurance, building stochastic financial models, and utilizing predictive analytics on insurance datasets. Erick oversees all data elements associated with LLF’s ongoing portfolio management, including monthly premium payments, valuation and reserves analysis, portfolio projections, investment realizations, and ad-hoc portfolio and industry analyses. He manages policy pricing and closing processes, as well as third-party services, custodians, and administrators for the Fund. He strives to ensure that all policies are brought into the Fund’s Custodian properly and premiums are paid and managed appropriately with LGC’s servicing provider. Additionally, he manages relationships, including the fund’s administrator, custodian, auditor, and technology partners. Erick ensures the accurate execution of all buy/sell transactions, coordinates fund reporting, and ensures proper premium payment and maturity collections. Mr. Mortenson is an

Associate of the Casualty Actuarial Society, is a Certified Specialist in Predictive Analytics, and holds a BS in Mathematics with a Minor in Statistics from the University of North Dakota.

Nicholas Rubio, Asset Management Team – Underwriting Manager

Mr. Rubio manages the underwriting process for all life settlements evaluated at LLF. He evaluates expected returns, paths to those returns, return risks, and gaps in any information the Fund can have for each policy. Mr. Rubio works to optimize policies and organize the records for each life settlement purchased into the Fund. Additionally, he works closely with the Fund's third-party providers to try to make sure policies are services adequately and appropriately valued. Nick has thirteen years of experience underwriting and servicing over 5,000 life settlements and extensive knowledge in developing and training a global team of 15 resources.

Derek Miller, Asset Management Team – Senior Advisor

Mr. Miller is the Director of Underwriting at Life Capital Group (LCG), a Top-10 provider in the US. He has personally transacted several billion dollars of life settlements since 2002. Mr. Miller manages LLF's relationship with LCG, providing consistent and exclusive deal flow within the fund's buy box. He also helps LLF to uncover unique situations, negotiate pricing, and mitigate risk with a comprehensive fraud review and full compliance and registration with all required life settlement state regulatory authorities. Miller holds a Bachelor of Science in Kinesiology from Long Beach State.

Mike Lutterloh, Asset Management Team – Senior Advisor

Mr. Lutterloh is CFO at Montage Financial Group (MFG), the 6th largest provider in the US. He has personally transacted several billion dollars of life settlements since joining Montage in 2006. Mr. Lutterloh manages LLF's relationship with MFG, providing consistent and exclusive deal flow within the fund's buy box. He also helps LLF to uncover unique situations, negotiate pricing, and mitigate risk with a comprehensive fraud review and full compliance and registration with all required life settlement state regulatory authorities. Lutterloh holds a Bachelor of Science in Criminal Justice from California State University, Los Angeles.

Scott Gibson, FSA, MAAA, Asset Management Team – Actuary

Mr. Gibson is the Fund's actuary with 39 years of life insurance experience and 17 years of specific life settlements experience. Mr. Gibson conducts monthly valuations for the Fund and helps underwrite severe cases. Mr. Gibson has been a partner at Lewis & Ellis since 1993 and is currently a Managing Principal at this leading US-based actuary firm. During this time, for nearly five years, Mr. Gibson has also served as a Board Member of the Life Settlement Association (LISA). Mr. Gibson holds a Bachelor of Business Administration in Actuarial Science from the University of Texas and is a Fellow of the Society of Actuaries.

Carlos Cadena, Underwriter – Senior Underwriting Team

Mr. Cadena brings over 15 years of experience in the life settlements industry to his role in policy underwriting and portfolio management support. He brings a wealth of knowledge to the firm with his premium optimization and shadow account analysis skillsets. Carlos is in his third year with LotusGroup and previously managed premium optimizations of a \$2.2B NDB portfolio and a \$1.4B NDB portfolio separately. Mr. Cadena also serviced a \$617MM NDB portfolio.

Leeann Nicholls, Underwriter – Underwriting Team Ms. Nicholls brings two years of experience as an underwriter at JG Wentworth to her role as a policy underwriting analyst. Leeann graduated from West Chester University with a B.S. concentrated in Actuarial Science and is currently progressing through the Society of Actuaries exams.

Fund Monitoring

The current Fund minimum investment is \$100K. There is no maximum size limit for the LotusGroup Longevity Fund unless otherwise stated or agreed upon, as the Fund is in a perpetual state of fundraising, given its open-ended approach. As Manager, LGC will devote such time and attention to the Fund's activities, as deemed necessary for the administration of Fund affairs. LGC will maintain ongoing monitoring, surveillance, and the management of each investment within the Fund and oversight on appropriate fund reserves, distributions, and exits. *(More details on LGC's strategies can be found in the "Item 8: Methods of Analysis, Investment Strategies & Risk of Loss" section of this Brochure.)*

Assets Under Management

As of December 31, 2022, Lotus Group Capital's assets under management total \$135,568,895. The following represents assets under management by account type:

| Type Of Account | Assets Under Management |
|-------------------|-------------------------|
| Discretionary | \$ 135,568,8959 |
| Non-Discretionary | \$ 0 |
| Total | \$ 135,568,8959 |

Item 5: Fees & Compensation

Private Fund Management Services

LotusGroup Longevity Fund, LLC

Management Fees

LotusGroup Capital is compensated for its advisory services to the LotusGroup Longevity Fund through a quarterly management services fee ("Management Fee"), calculated and payable in arrears as of the last business day of each quarter. Management Fees will be pro-rated for any Member making a mid-quarter withdrawal, and the Manager can waive any Member's Management Fee in its sole and absolute discretion. ***All management fees are negotiable under certain circumstances up to the maximum annual rates listed above.*** (See "Fee Negotiation Availability" below.)

LotusGroup Capital's **LLF Private Fund Management Services Fees** are as follows:

LotusGroup Longevity Fund, LLC Fee Schedule

| Share Class | Annual Fee |
|--------------------|------------------------------------|
| Founder Class A | 1.00% annually [0.1875% quarterly] |
| Founder Class B | 0.00% annually [0.0000% quarterly] |
| Investment Class A | 1.50% annually [0.3750% quarterly] |
| Investment Class B | 0.00% annually [0.0000% quarterly] |

Lower Management Fees for comparable investments and services can, at times, be available from other sources.

Fee Negotiation Availability

Management Fees are negotiable under certain circumstances, up to the maximum annual rates listed herein, subject to certain limitations and Manager approval. To the extent fees are negotiable, some investors can pay more or can pay less than others for the same investment, depending, but not limited to, investment date, number of related investments, or total assets under management. At the Manager's discretion, Fund investments made by members of the investor's family (husband, wife, and dependent children) or related businesses can be assessed fees based on the total balance of all investments/contributions.

Incentive Allocation & High Water Mark

Incentive Allocation

At the end of each fiscal quarter, the Manager will have reallocated by a credit to its capital account. Each Member will have reallocated by debit to its capital account, an amount equal to the below-specified percentage of each Member's pro-rata share of the Net Capital Appreciation. This Incentive Allocation will be made concerning a Member-only if such Member's capital account has recovered its Net Capital Depreciation and will be made in consideration of the Member's share of Management Fees, if any, debited to it for prior years, and the Member's adjustments for capital withdrawals. The Incentive Allocation made to the Manager's capital account will be in addition to the Manager's allocations based on the Manager's investment in the Fund.

If the Fund terminates other than at the end of a fiscal quarter, or the effective date of a Member's full or partial withdrawal is different than at the end of a fiscal quarter, for purposes of determining the Incentive Allocation, Net Capital Appreciation will be determined through the termination (for all Members) or withdrawal date (for the withdrawing Member-only) as if such date was the end of the fiscal quarter. In its sole and absolute discretion, the Manager can reduce or waive the Incentive Allocation payable by Members that are affiliates of the Manager or by any other Member.

High Water Mark

Incentive Allocations will be subject to the following high-water mark:

- Founder Class A 5%
- Founder Class B 5%
- Investment Class A 10%
- Investment Class B 5%

Organizational Expenses

The Fund has incurred organizational expenses in connection with its organization, including legal and accounting fees and related disbursements and other charges incurred in connection and in addition to that, and costs concerning the initial offering of interests in the Fund (including travel and accommodations of personnel of the Manager). Organizational Expenses shall be initially funded by the Manager and reimbursed by the Fund in an amortized manner over an appropriate period as determined by the Fund's auditors.

Operating Expenses

The Manager will pay all its own ordinary administrative and overhead expenses, including all costs and expenses on account of salaries, wages, bonuses, and other employee benefits. Each Member will be charged for a proportionate share of all Operating Expenses. The term "Operating Expenses" means all commissions, research fees, interest on margin accounts and other indebtedness, borrowing charges, custodial fees, bank service fees, and any other reasonable expenses related to the evaluation, acquisition, monitoring, or disposition of Fund investments, accounting, audit, legal, technical, taxes, and additional governmental charges, insurance premiums and other operating expenses and all expenses in connection with the offer and sale of limited liability company interests in the Fund, as will be determined by the Manager in its sole and absolute discretion.

Private Fund Management Services

LotusGroup Longevity Fund, LLC

Fee Billing Process

LLF agrees to pay the Manager quarterly and in arrears for the Private Fund Managements Services received, according to the tiered Management Fee Schedule listed herein. Fees will be calculated and payable in arrears as of the last business day of each quarter. LGC will observe the following points for any fees debited directly from the client's Custodial Account, per the SEC's No-Action Letter of February 21, 2017. For client Accounts in which LGC directly debits Advisory fees:

1. the client will provide written instruction to their Custodian, that includes the client's signature, LGC's name, and either the Adviser's address or their account number at the Custodian to which the transfer should be directed,
2. the client will authorize their Custodian, in writing, to direct transfers to LGC, either on a specified schedule or from time to time,
3. the Custodian will perform appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transmission,
4. the client can terminate or change the instruction to their Custodian at any time,
5. the Adviser has no authority or ability to designate or change the identity of the client's direction,
6. the Adviser will maintain records showing they are not a related party of the client's Custodian, and
7. the Custodian will be asked to and will be responsible for sending the client, in writing, an initial notice confirming the above instruction and an annual notice reconfirming the instruction.

The client will provide the above written limited authorization instructions directly to their Custodian and request the Custodian provide a "transfer of funds" notice to them at their address of record after each Advisory fee payment transfer occurs.

LGC can also provide investors with a statement specifying the Management Fees assessed.

Other Possible Types of Fees or Expenses

Private Fund Management Services

LotusGroup Longevity Fund, LLC

Organizational Expenses

The Fund has incurred Organizational Expenses and will incur ongoing Operating Expenses. The term "Organizational Expenses" means the expenses incurred by the Fund in connection with its organization. The term "Operating Expenses" means all commissions, research fees, interest on margin accounts and other indebtedness, custodial fees, bank service fees, and any other reasonable expenses related to the evaluation, acquisition, monitoring, or disposition of Company investments, accounting, audit legal, technical, taxes, and additional governmental charges, insurance premiums and other operating expenses and all expenses in connection with the offer and sale of limited Company interests in the Fund, as will be determined by the Manager in its sole and absolute discretion.

Organizational Expenses shall be initially funded by the Manager and reimbursed by the Fund in an amortized manner over an appropriate period, as determined by the Fund's accountants and auditors. The Manager will pay for all sales and business development costs until the Fund has achieved \$20,000,000 of committed capital, and after that, such costs shall be borne by the Fund up to a maximum of 0.3% of total fund Net Asset Value. Each Member will be charged for a proportionate share of all Operating Expenses.

Drawdowns & Default Penalties

The Manager can draw the subscription amount all at once or in installments for a period of up to one hundred eighty (180) days from the date the Manager accepts such subscription. An initial Drawdown shall be payable on the Initial Closing Date by each Member admitted to the Fund on such date in an amount equal to one hundred percent (100%) of the Capital Commitment of such Member and can be used to fund Organizational Expenses and Operating Expenses. Failure by Members to make Drawdown payments on time will subject such Member to default penalties detailed in the Fund Agreement.

Third-Party Charges

In addition to LotusGroup Longevity Fund fees, investors can incur certain charges imposed by their banks, custodians, and other third parties. Examples of these fees include but are not limited to markups, markdowns, commissions, and dealer profits. A third-party can also impose charges for unique services elected by investors such as electronic fund wire transfers or other electronic fund fees, certificate delivery, American Depositary Receipt ("ADR"), and transfer taxes mandated by law. Specific portfolios managed by LGC could also include transactions in foreign securities, which can require execution on international stock exchanges, which will result in additional transaction expenses. Such charges and fees are exclusive of and in addition to the Fund's fees.

LotusGroup Capital will take all precautions to keep such pass-through costs at a minimum and will not receive any compensation from these pass-through expenses. However, while we try to choose third parties with reasonable fees, we cannot control the fees the third-parties charge. *(See "Brokerage Practices" for additional details on this topic.)*

Transfers, Distributions, Withdrawals & Terminations

Transferability of Interests

Fund interests are not assignable or transferable (except by operation of law) without the prior written consent of the Manager, which approval can be given or withheld at the Manager's sole discretion.

Distributions

The Manager can make distributions from time to time at its sole and absolute discretion. The Manager intends to make distributions when policies mature. At such time, it would first replenish any required/calculated/estimated premium reserves across the entire portfolio and then distribute any remaining excess cash. Additionally, the Manager would make

distributions in connection with a partial or full withdrawal by a Member for the Firm. The Manager can, in its sole discretion, make in-kind distributions of Investments to Members. The Manager can be required to withhold from any distribution to a Member such amounts required by law to make payments for any tax liability arising from such Member's interest in the Fund, such as can be the case for Members who are not citizens of the United States.

Withdrawals of Capital

Members, on at least one hundred eighty (180) days prior written notice to the Manager, can withdraw all or any portion of their capital accounts commencing at the end of the third anniversary after they contribute such capital and, after that, as of the last day of each quarter. Withdrawals can be made at such other times. On such other terms, the Manager can determine in its sole and absolute discretion, including charging to the withdrawing Member reasonable expenses associated with their withdrawal. In general, upon a Member's full withdrawal from the Company, at least [ninety-five (95%)] percent of the amount of the estimated value of a Member's capital account as of the withdrawal date will be paid within thirty (30) days after the date of withdrawal. The balance, if any, will be paid promptly after the completion of the Fund's audited financial statements for such year or after the Manager makes a final determination of the withdrawing Member's share of expenses and liabilities.

All withdrawals are subject to the liquidity of the Fund's investments. The Manager, in its sole discretion, can delay part or all of a withdrawal at any time if it determines that a withdrawal request would impose significant liquidity costs on the Fund or if it is required to retain any amount under applicable law, regulation, or agreement (including lock-up or similar agreements). All withdrawal notices shall be irrevocable and must specify the dollar amount or percent of value to be withdrawn from the Member's capital account. In its sole and absolute discretion, the Manager can shorten or waive any notice period or waive the giving of notice. The Fund can suspend the payments of withdrawals in certain limited circumstances, such as during periods of significant market turmoil when liquidity is severely impaired. The Manager, in its sole discretion, can also make withdrawals quarterly from its capital account.

Required Withdrawals - The Manager, in its sole discretion, can require the withdrawal from the Fund of all or part of any Member's Capital Account (a) at the end of any Fiscal Year upon at least thirty (30) days prior written notice; (b) at the end of any quarter upon at least ten (10) days prior written notice; and (c) at any time immediately without notice, if the Manager determines, in its sole discretion, that such withdrawal would be appropriate because:

- i. the continued participation of such Member would cause the Fund or any Member to violate any law,
- ii. any litigation has commenced or is threatened against the Fund or any of its Members arising out of, or relating to, such Member's participation in the Fund,
- iii. the continued participation of such Member would cause the Fund's assets to be deemed "plan assets" under ERISA,
- iv. the continued participation of such Member would cause the Fund to be considered an "investment company" under the ICA, or
- v. the continued participation of such Member would prevent the Fund from qualifying as a limited Company in which the Members have limited liability under the laws of any jurisdiction, or that is necessary or deemed advisable by the Manager to try to make sure that the Fund will not be taxed other than as a Fund under the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder.

Allocation of Taxable Income & Loss

For income tax purposes, all items of taxable income, gain, loss, deduction, and credit will be allocated among the Members annually in a manner consistent with their economic interests in the Fund. Since the Fund does not intend to make distributions, to the extent the Fund's investment activities are successful, Members should expect to incur tax liabilities from an investment in the Fund without receiving cash distributions with which to pay those liabilities. To obtain cash from the Fund to pay taxes, members will need to make withdrawals, if any.

Subscription, Redemption & Transfer Process

All order requests (subscriptions, redemptions, and transfers) must be received by the Manager in writing, with the predominant form of such documents being administered through our DocuSign e-signature system or that of our chosen Administrator, UMB Fund Services. Where wet ink signatures are required, emailed PDF files are acceptable, provided the Manager also receives the original request by the date specified by the Fund for redemptions and transfers, if any, and

within a reasonable time frame for all other transactions (including subscriptions). The mailing address for originals is as follows:

LotusGroup Longevity Fund, LLC
1005 South Gaylord Street
Denver, CO 80209
Attention: Amanda N. Cohen, CCO

Conflicts of Interest & Compensation for the Sale of Securities or Other Investment Products

Accepting payment for the sale of securities or other investment products presents a conflict of interest. It can give LGC or its Advisor Representatives an incentive to recommend investment products based on the compensation received other than on a client's needs. There exists an inevitable inherent and potential conflict of interest between the Manager and its Manager and their affiliates, on the one hand, and the Fund and any consulting services provided, on the other. LGC mitigates this conflict by placing client interests ahead of those of the Adviser, its Advisor Representatives, and its Associates, always, and clients have the option to purchase similar investment products through other brokers or agents not affiliated with the Adviser. Additional details of how LGC mitigates conflicts of interest can be found in the firm's comprehensive Code of Ethics document (available for review upon request).

LotusGroup Capital's IPF Funds Private Fund Management Services Fees are as follows:

The Funds have three share classes, Class A, Class B, and Class C.

Class A is for existing LGA clients and includes a 0% management fee to eliminate redundancy for clients already paying a management fee for wealth management services. Class A investors are charged a 5% incentive fee on distributed Fund gains only after 100% of their capital is returned. The Fund charges 0% in up-front commissions. The intent is to minimize conflicts of interest for existing clients to choose to invest in the Fund versus other alternatives with LGA (public investments, cash, direct private placements, etc.). The 5% incentive fee does present conflict in that there are slightly higher fees for LGA to receive on the back end, but these are mainly to cover LGA's additional costs in creating and administering the Fund for clients. To align LGA's interests with those of our clients, we have structured these fees to be received only on the back end, after clients have received all invested capital. Class B shares are for non-LGA clients who want to access the asset class but who prefer to manage the remainder of their assets outside of LGA. Class B shares have a 1% management fee and a 10% incentive fee, but Class B investors are not charged a management fee as a wealth management client. In all cases, investors must be a Qualified Client, which is a more financially robust designation than an Accredited Investor.

Class shares are for previous LGA clients holding Class A shares; upon the termination of the Advisor relationship, the shares convert to Class C, with the same fee schedule as Class B shares.

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

LotusGroup Capital does not engage in the side-by-side management of Accounts charged a performance-based fee, with Accounts charged another type of fee (such as assets under management).

Concerning LLF, LGC does not charge performance based fees (i.e. based on a share of capital gains on or capital appreciation of the Client's assets). Concerning the IPF Funds, an incentive fee is included after all capital is returned to investors. Please refer to Items 4, 5, and 8 for more information on LGC's Funds.

Item 7: Types of Clients

The Adviser provides discretionary management and advisory services to the Funds directly and not individually to Fund investors.

Private Investment Fund Services

LotusGroup Longevity Fund, LLC

Minimum Account Size

The LotusGroup Longevity Fund requires a minimum initial subscription of a Member for Investment Class Interests is one hundred thousand dollars (\$100,000). For Founder Class Interests, it is one million dollars (\$1,000,000), as outlined in the Fund's Governing Documents, unless otherwise stated or agreed. In their sole and absolute discretion, the Fund's General Partner or Manager can permit investments of a smaller amount.

Fund interests can only be purchased by offerees that qualify as Accredited Investors. Each Fund investor who is a U.S. Person (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) must meet specific suitability qualifications, as defined under Rule 501(a) of Regulation D of the Securities Act.

In its sole and absolute discretion, the Manager can also permit eligible investors to use funds from Individual Retirement Accounts (IRAs) to purchase interests in the Fund. Other laws, such as the federal Investment Company Act of 1940, as amended (the "ICA") and the federal Employment Retirement Income Security Act of 1974, as amended ("ERISA"), can impose additional limitations on the types and number of investors. Details concerning applicable LotusGroup Longevity Fund investor suitability criteria are outlined in the relevant Fund's Offering Memorandum and accompanying legal documents. There is no minimum or maximum aggregate amount the Members can invest as a group in the Fund.

Investment Interests

The Fund currently offers two classes of limited liability company interests (each, an "Interest" and collectively, the "Interests"):

- Investment Class A
- Investment Class B

Closed, Founder Class A and Founder Class B Interests; were offered until the Fund received \$20,000,000 of committed capital. Investment Class Interests are offered exclusively after that. Interests differ by the applicable management fee, incentive allocation, and share of management fees, but otherwise, each class of Interest is treated the same for all Fund purposes. The Fund has also offered a limited liability company interest to LLF (Special Member), LLC, a Colorado limited liability company, to distribute the Incentive Allocation, if any, to such member (the "Special Member").

Founder's Payment

Each holder of Founder Class Interests will be permitted to receive an amount equal to such holder's pro-rata share of thirty percent (30%) of the Management Fee payable to the Manager each quarter, pro-rated based on the holder's Founder Class Percentage, such amount due and payable concerning all Management Fees payable before the fifth anniversary of the first closing of the Fund (the "Founders Payment").

Class B Interests

Class B Interests will be offered exclusively to clients of the Manager and its affiliates, which currently includes LotusGroup Advisors, LLC. When a holder of Class B Interests ceases to be a client of LotusGroup, each such Class B Interest will automatically become a Class A Interest, but its status as a Founder Class Interest or an Investment Class Interest will remain unchanged.

Admission of Additional Members & Supplementary Capital Contributions

The Manager expects that additional Members will be admitted, and additional capital contributions from existing Members will be accepted throughout the term of the Fund. Capital contributions generally will be accepted as of the first day of each month. If capital contributions are received after the first day of a month, such amounts will be credited to the Member's capital account effective as of the first day of the subsequent month. No interest will be paid on such contributions for the period between the date the contribution was received and the following month's first day. As part of each admission or additional contribution, changes in the Fund's net worth ("Net Asset Value"), e.g., realized, and unrealized gain or loss as to Fund assets, will be credited to existing Members and the respective percentage interests of existing and new Members will be adjusted accordingly. As a result, new Members will not share in items of income, gain, loss (whether or not realized), or deductions arising (or otherwise allocable to periods) before the date of their admission.

LGA IncomePlus Fund, L.P., LotusGroup IncomePlus Fund II, L.P., and LotusGroup IncomePlus Fund III, L.P.

Clients

Details concerning the IPF Funds investor suitability criteria are outlined in the applicable Fund Governing Documents. The minimum commitment for an investor is described in the respective Fund's Governing Documents, including LGC's discretion to accept less than the minimum investment threshold. Each investor in the Fund who is a U.S. Person (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) is required to meet specific suitability qualifications, such as being an "accredited investor" as defined under Rule 501(a) of Regulation D of the Securities Act.

Minimum Account Size

The IPF Funds have a minimum investment as outlined in their respective offering documents. The minimum investment is typically subject to the discretion of the Funds' GPs, which might permit investments of a smaller amount generally or concerning any investor.

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

Private Investment Fund

LotusGroup Longevity Fund, LLC

The Fund will initially source policies from the secondary market with industry-recognized and leading preferred providers. The Fund has secured at least one preferred/pre-negotiated service agreement with a provider and will look to expand to other providers in the future and develop direct-to-consumer channels without providers.

All sourced policies will undergo a rigorous due diligence process with our provider(s) before being purchased. The Portfolio Management team will use a variety of methods to execute the Fund's stated objectives, including but not limited to, the following:

- the use of a stated buy-box that was developed and shared with our preferred provider of life settlement contracts, to initially filter down available policies to only those that we wish to review,
- policies being serviced by ITM Twenty-First, an industry-leading team of independent life insurance servicing professionals, provider by volume and scale. ITM will update medical records and life expectancies on an ongoing and rolling calendar basis and will provide information to LGC to allow our team to estimate and update premium reserves quarterly,
- LGC working with its Administrator and auditor to update NAVs quarterly for each policy, and
- finally, the LGC team collaborating with a variety of selling partners to continually understand which market parts are in high demand by purchasers while simultaneously evaluating which portions of the Fund's portfolio have maximized their NAV curve and should be put on the tertiary market for sale before maturity.

For additional details on investment methods, analysis, and strategy, please refer to the LotusGroup Longevity Fund Offering Memorandum, the amended and restated Operating Agreement of the Fund (the "Fund Agreement"), and its related Subscription Agreement.

Investment Strategies

Types of Investments

The Manager intends to purchase life settlement contracts across various carriers, disease types, genders, ages, life expectancies, premium payment schedules, and product types. Excess cash and premium reserves will be held in the custody of the Fund's Custodian and as such could be invested in a variety of short-term money market instruments, including, without limitation, commercial paper, certificates of deposit, United States Treasury Bills, and open-end mutual funds primarily holding similar securities. The Fund will have a lack of diversification, for it will comprise investments in a single asset class, only, as opposed to investments across multiple asset classes or industries. The Fund can also take advantage of other life insurance-related investment strategies and other life insurance-related investment opportunities without limitation if, in the opinion of the Manager, such investments would aid in achieving its investment objective.

Risk of Loss

All investing is subject to risk. Consequently, all investments entail a significant degree of risk, including the risk of loss of principal (i.e., the risk that the value of securities, when sold or otherwise disposed of, can be less than the price paid for the securities). Assets for management should only be committed that can be invested for the long term. Volatility from investing can occur, and the value of an investment can, at any time, be worth more or less than the amount invested. Even if the value of the securities when sold is higher than the price paid, there is the risk that the appreciation of the securities will be less than inflation. In other words, the purchasing power of the proceeds can be less than the purchasing power of the original investment. Further, it is impossible to predict with exact certainty the degree of profitability, if any, that can be achieved from the investment strategies described herein.

LotusGroup Capital's practices can also, in some circumstances, increase any adverse impact on which an investment portfolio can be subject. LGC endeavors to commit resources among the various investments and strategies consistent with the philosophy and process articulated within this brochure and in response to changing market conditions and opportunities. No assurance can be made that profits will be achieved or that substantial losses will be avoided, and no inference to the contrary should be made.

Risks of Specific Securities Utilized

An investment in the Fund entails a degree of risk and should be undertaken only by investors capable of evaluating the risks of the Fund and bearing such risks. Prospective purchasers of Interest should carefully consider the following factors in connection with a purchase of Interests. The following list of risk factors does not intend to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read the Fund's entire Confidential Offering Memorandum and consult with their advisers before deciding whether to invest in the Fund. As the Fund's investment program develops and changes over time, an investment in the Fund can be subject to additional risk factors.

Market Risks

Risks of Investing in Life Settlement Contracts - Investing in life settlement contracts can or cannot be riskier than other types of investments and can result in losses. Investors in the Fund should expect that the value of their Interests can rise and fall more dynamically than some conservative investment strategies that emphasize other types of investments while having typically had lower historical volatility relative to other investments such as public equities. Over time, market forces can be highly dynamic and cause markets to move in cycles, including periods when prices generally rise and periods when they decline typically. Markets tend to move in cycles with short or extended periods of rising and falling prices.

The value of a life settlement contract can fall because of:

- an increase in the market discount rate,
- an increase in the life expectancy of any policy,
- a cost of insurance increase in premiums from a carrier on a specific insurance product;
- improper original issuance by the carrier (albeit this is checked during the provider's due diligence process, and providers often have a guarantee with insurance against this risk),
- an inability to get an updated Life Expectancy (or "LE") on a policy due to lack of a HIPAA, and
- the insured gets closer in age to the maturity date (past this point, the policy owner no longer receives the death benefit; just the cash value is close to 0 in life settlement contracts). LLF will focus on policy maturity dates far over life expectancy tables. If there is an actuarial probability of reaching such maturity, it will be limited to no higher than 7%, and the offered purchase price on the policy shall be discounted by an amount that achieves a mathematical expectation over market discount rates.

There is a risk that the Manager will not accurately predict the applicability or impact of these and other factors on markets or investments. As a result, the Fund's investment decisions cannot accomplish what it was intended to achieve. These risks can be elevated during specific periods, including periods in which the values of life settlement contracts are highly correlated with one another. The value of life settlement contracts also can be influenced by changes in investor sentiment, such as perceptions as to whether investments in these assets provide

attractive returns in the context of the risks being assumed. At times, negative sentiment and adverse perception of certain investments can be predominant, or investors can avoid investment in life settlement contracts altogether.

Changes in Applicable Law - The Fund is subject to and must comply with various laws, regulations, and legal requirements in various jurisdictions, including on a state or local level, and requirements imposed by the securities laws, tax laws, and pension laws in various jurisdictions. If any of those laws change and their interpretation, the legal requirements to which the Fund and the Members can be subject could differ materially from current requirements. Accordingly, any change in these laws or regulations, or their understanding or any failure by LGC or its affiliates to comply with these laws or regulations can adversely affect the Fund. Also, the current tax treatment of an investment in the Fund can be modified by legislative, judicial, or administrative action at any time, and any such action can affect investments and commitments previously made. The rules dealing with taxation are always under review by persons involved in the legislative, administrative, and judicial process, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in the tax laws could adversely affect the Fund's tax consequences or the tax consequences of an investment in the Fund.

Federal & State Securities Laws Compliance - The federal securities laws can be determined to apply to life settlements. Also, some states treat the sale of life settlements as the sale of securities and require registration in such states. Almost all state securities regulators have begun to regulate the sale of interests in life settlements as the sale of securities. Some state securities regulators have taken the position that the purchase of an interest in a life settlement is an "investment contract" that falls within the definition of "security" under state securities acts. Some state legislatures have amended state securities acts to specifically add viatical and life settlement contracts to the description of a "security." However, because the Fund will be acquiring life settlement policies, the Fund believes that such laws will have little impact on purchasing the policies by the Fund. Nevertheless, securities regulators or the sellers of the policies can challenge that assumption. The Manager intends to monitor federal and state laws and regulations and changes in such federal and state laws and regulations through an internal compliance department.

The Fund's Investment Activities - The Fund's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors that are neither within the control nor predictable by the Manager. Such factors include a wide range of economic, political, competitive, and other conditions that can affect investments in general or specific investments. As a result of the nature of the Fund's investing activities, it is possible that the Fund's financial performance can fluctuate substantially on a quarterly or annual basis. Also, it could experience a capital loss in any quarter because of the Fund's long-term orientation, and perhaps even over a calendar year.

Inflation Risk - When 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.

Other Legal and Regulatory Requirements - Other legal and regulatory requirements can indirectly affect the Fund, including potential requirements of ERISA.

Systemic Risk - World events and/or the activities of one or more large participants in the financial markets and other events or actions of others could result in a temporary systemic breakdown in the regular operation of financial markets. Such events could result in the Fund losing substantial value caused predominantly by a general loss of liquidity in the financial markets, which could arise in the Fund incurring significant losses.

Unsystematic Risks - These are risks uniquely related to a specific investment. This is also known as "diversifiable risks," as theoretically, unsystematic risks can be reduced significantly by diversifying between different investments.

Fund Risks

Dependence on the Manager & Key Personnel - All decisions concerning the Fund's assets and the general management

of the Fund will be made by the Manager and rely on key employees and third-party partnerships. As a result, the success of the Fund for the foreseeable future will depend largely upon the Manager's ability. If any of the Manager's key employees leave or become incapacitated for any period, particularly Mr. Raphael A. Martorello, or if any third-party partnerships are terminated, the profitability of the Fund's investments can suffer. To help mitigate such risks, the Manager relies on a key-man playbook with affiliated-firm LotusGroup Advisors, which has been in business for 14 years and has other vital partners besides Mr. Martorello, who would execute the key-man playbook. For third-party partnerships, the Manager has identified and continuously develops alternative relationships to reduce continuity risks. Although investment professionals employed by LGC will commit a portion of their business efforts to the Fund, except as can be required by the Fund's Governing Documents, they are not required to devote all of their business time to the Fund's affairs; they will spend business time to other aspects of LGC's business.

Fees & Expenses - The Fund's operating expenses, including, but not limited to, the Incentive Allocation and the Operating Expenses, can, in the aggregate, constitute a high percentage relative to other investment entities.

Frequency of Trading - Some of the Manager's strategies require frequent trades to take place and, consequently, portfolio turnover and brokerage commissions, expenses, and other trading costs can be higher than for other investment entities of similar size.

In-Kind Distributions - In certain circumstances as described in the Fund Agreement, the Manager can make distributions of the Fund's investments "in-kind" to individual Members. In-kind distributions can be subject to limited liquidity. Members can be responsible for their costs associated with the maintenance or disposition of such holdings, which could affect the Member's return if the distribution in-kind not occurred.

Lack of Diversification - The Fund's portfolio will not generally be diversified among a wide range of contracts, geographic regions, industries, or asset classes. As such, the Fund can be exposed to wider fluctuations in portfolio value than otherwise would be the case if the Fund were required to maintain a high degree of diversification among its investments. The Fund will have no restrictions on the number of Fund assets invested in a policy. Therefore, in general, the Fund can be subject to higher concentration risk than a well-diversified portfolio.

Limited Liquidity - Fund Interests are not transferable without the Manager's prior written consent, which consent can be withheld for any reason or no reason at all, in the Manager's sole discretion. Fund Interests have not been registered under the Securities Act, and no market will exist for the Fund Interests. Moreover, withdrawals from the Fund are subject to limitations, as discussed in further detail in the Fund Agreement.

No Right to Control the Fund's Operations - Under the Fund's Governing Documents, investors will have no rights or power to take part in the management of the Fund or to control the Fund's day-to-day operations or business, including investment and disposition decisions. To protect their limited liability from the liabilities and obligations of the Fund, investors must rely entirely on LGC to conduct and manage the Fund's affairs. The success of the Fund is expected to be dependent significantly upon the expertise of the certain Key Persons, and there can be no assurance that current LGC personnel will continue to manage the Fund throughout its term. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Fund and the value of an investment in the Fund.

Partial Regulatory Oversight - The Fund will not be registered as an "investment company" under the ICA. Consequently, the Members will not benefit from the protections afforded by such statute. There is no assurance that such exclusion will continue to be available. As a result of such exclusion, the Fund will not be subject to various compliance rules and regulations that would otherwise be applicable.

Portfolio Turnover Risk - The Manager will buy and sell contracts for the portfolio as necessary to achieve the Fund's objective without regard to the frequency of turnover. The Fund has no restrictions as to the amount of portfolio turnover. The Fund's turnover will vary over time, depending on the investment opportunities available. A high turnover rate involves more significant transaction costs paid by the Fund.

Regulatory Risks

Presence of Taxable and Non-Taxable Members - The Fund can have Members who are subject to U.S. federal and state income tax laws as well as Members who are exempt from or can have deferral benefits under these laws, such as non-profit corporations, IRAs, or certain trusts, including charitable remainder trusts ("CRTs"). While not a primary objective of the Fund, the Manager generally seeks to minimize taxes and capital gains when managing client portfolios. Based on this, the second category of investors can receive a rate of return that would be lower than the rate that could be achieved if the Fund did not have this tax objective. See also "Tax Risks" below.

Relation to Other Investment Results - The nature of, and risks associated with, the Fund's future investments can differ substantially from those investments and strategies undertaken historically by the Manager, the professionals of the Manager, or any other person described in this Memorandum. There can be no assurance that the Fund's investments will perform as well as the past investments of the Manager or the professionals of the Manager, or will perform as well as its affiliates, other clients, or any other person described in this Memorandum.

Reserve for Contingent Liabilities - Under certain circumstances, the Manager can find it necessary to establish a reserve for contingent liabilities or withhold a portion of the Member's withdrawal amount at the time of withdrawal, in which case, the reserved part would remain at the risk of the Fund's activities.

Side Letters - The Manager can, in its sole and absolute discretion, from time to time cause the Fund to enter into specific agreements with one or more Members, under which such Members can receive additional or different rights from those specified in the Fund Agreement, including without limitation, rights relating to withdrawals, reports, fees, and other matters.

Valuation of the Fund's Assets - The Fund's portfolio investments are not expected to be publicly traded. As such, the fair value of investments cannot be readily determinable. Because valuations of private investments are inherently uncertain and can be based on estimates, LGC's determinations of fair value can differ materially from the values that would have been used if a readily available market for these investments existed and can differ materially from the values that the Funds can ultimately realize. The Manager will value the assets held by the Fund per the Fund Agreement. When no market exists for investment or when the Manager determines that the market price does not fairly represent the investment value, the Manager will value such investment as it reasonably determines, in its sole and absolute discretion.

Withdrawals - subject to applicable Lock-Up Periods. After that, as of the last day of each quarter, Members can withdraw part or all their Capital Accounts upon at least one hundred eighty (180) days prior written notice, and at such other times as the Manager determines. Thus, a Member cannot be able to obtain cash from the Fund at specific times. Withdrawals are also subject to the liquidity of the Fund's investments. In its sole discretion, the Manager can require a Member to leave a balance in the Member's capital account that covers any assets of an illiquid nature until a liquidation event occurs for such assets can be affected. Because the Manager can allocate to the withdrawing Member reasonable expenses associated with the withdrawal, the actual amount distributed to the Member can be less than the amount requested, including the liquidation of the Member's interest in the Fund. Also, if a Member's withdrawal request is satisfied by the distribution of assets, such Member can incur brokerage commissions and other expenses connected with the maintenance and disposition of such assets. In its sole and absolute discretion, the Manager can also require a Member to withdraw from the Fund under certain circumstances specified in the Fund Agreement.

General Risks

Absence of Regulatory Fund Oversight - The Fund is not required to register as an investment company under the Investment Company Act and is not required to adhere to specific investor protection requirements thereunder.

Business Risks - The Fund invests in assets that can be classified as highly illiquid. Risks are associated with a specific industry or a company within an industry.

Conflicts of Interest - See "Conflicts of Interest" for a discussion of specific inherent and potential conflicts of interest that can exist between the Manager and its affiliates, on the one hand, and the Fund.

Cybersecurity Risks - In connection with the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, the Fund can be susceptible to operational, information security, and related risks due to the possibility of cyber-attacks or other incidents. Cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices that are used to service the Fund's operations through hacking or other means to misappropriate assets or sensitive information, corrupt data, or causing operational disruption. Cybersecurity failures or breaches by the Fund's third-party service providers can cause interruptions and impact the service providers' and the Fund's business operations, potentially resulting in financial losses. The Fund can incur substantial costs to prevent or address cyber incidents in the future.

General - An investor should only invest in a Fund if the investor can withstand a total loss of its investment. Past investment performance is not a guarantee of future results of the Fund or any investment of the Fund.

Lack of Separate Representation - Neither the Fund Agreement nor any of the agreements, contracts, and arrangements between the Fund, on the one hand, and the Manager and its respective affiliates, on the other hand, were or will be the result of arms-length negotiations. The attorneys, accountants, and others who have performed services for the Fund connected with the private placements described in this Memorandum and who will deliver services for the Fund in the future have been and will be selected by the Manager.

Liability of a Member for the Return of Distributions - A Member will not be liable under Delaware law for the Fund's debts, except that a Member that has received a distribution from the Fund can be responsible to the Fund for an amount equal to such distribution.

Limitation of Manager's Liability and Indemnification of the Manager - Under Delaware law, a manager is accountable to the members as a fiduciary and, consequently, must exercise good faith and integrity in handling affairs of the limited liability company. The Fund Agreement provides that the Manager shall be indemnified against and shall not be liable for any loss or liability incurred in connection with the affairs of the Fund, so long as such loss or liability arising from acts performed in good faith and not involving any fraud, gross negligence, or willful misconduct. Therefore, a Member can have a more limited right of action against the Manager than a Member would have had to absent these provisions in the Fund Agreement. See "Fiduciary Responsibilities of the Manager."

No Assurance of Investment Return - Neither the Fund, its General Partners, or managing members, LGC, or any other person can assure that they will be able to choose, make and realize investments in any investment or portfolio of investments. There is no assurance that the Fund will be able to generate returns for its investors (specified herein or otherwise) or that the returns will be commensurate with the risks of investing in the types of investments and transactions described herein or comparable to the Fund's targeted returns. The marketability and value of any such investment will depend upon many factors beyond the control of LGC. The Fund can suffer defaults on its investments and can find it difficult or uneconomic to realize its investments. An investor could lose the entire amount of their contributed capital and should only invest in a Fund if they can withstand a total loss of their investment. While LGC intends to make investments that have projected returns commensurate with the risks undertaken, a total loss of the investment is possible on any given investment.

Uncertainty of Financial Projections - Financial projections are by their nature inherently subject to risk. They are dependent upon some factors, not all of which are within the control of the Fund. Some of the factors that will affect the Fund's results include political events, taxes, access to capital, competition with other institutions, some of which can have more significant financial resources than LGC, financing risks, cap rates, interest rates, and others. While the bases for any returns are believed to be reasonable by LGC's management, actual events will likely differ from LGC's assumptions such that actual results will similarly differ from those presented. Accordingly, there can be no assurance that returns will be achieved, and actual results can vary significantly from such expected returns.

Tax Risks

Investors are strongly urged to consult their tax advisor concerning possible federal, state, local, and foreign tax aspects of an investment in the Fund. Tax consequences can differ for different investors, and investors could be affected by future changes in the tax laws.

Delayed Schedule K-1s - Each Member's allocable share of the Fund's tax items for each Fiscal Year will be reported to such Member on a Schedule K-1. The Manager will endeavor to provide a final Schedule K-1 to each Member for any given Fiscal Year as soon as practicable after the end of such Fiscal Year. If Schedule K-1 is not available by April 15 of the following year, a Member will either have to file for an extension and pay taxes based on an estimated amount or file a return, pay taxes, and then file an amended return final Schedule K-1 is received.

Limitations on Deductions - A Member's ability to claim deductions for expenses and losses of the Fund, including capital losses, will be subject to various restrictions.

Publicly Traded Partnership Risk - The Fund expects to be classified and treated as a partnership for U.S. federal income tax purposes. Under certain circumstances, however, the Fund can be regarded as a "publicly traded partnership" for U.S. federal income tax purposes, if, for example, Interests in the Fund are traded on or considered to be readily tradable on a secondary securities market (or the substantial equivalent thereof).

If the Fund were to be determined to be a publicly traded partnership, this treatment could have various potential adverse tax consequences for the Fund and the Members, including, but not limited to: (i) imposition on the Fund of U.S. corporate income tax filing and payment obligations; (ii) treatment of distributions paid by the Fund to the Members as dividends for federal income tax treatment to the extent paid out of current or accumulated earnings and profits of the Fund, and/or (iii) inability (or significant limitations on the ability) of Members to benefit from pass-through treatment of the Fund's items of income and loss.

Tax Audit - A taxing authority can audit the Fund's tax returns, and the audit can result in adjustments to a Member's allocable share of tax items of the Fund. If an audit results in a change, such modification generally will be determined and made at the Fund level. The Fund will make payment of tax (including interest and penalties). Such tax liability will be established without the benefit of Member-level tax items that could otherwise reduce the tax due on any adjustments. These rules could shift the cost of any audit assessment to those persons that are Members in the year of the evaluation from the Members who benefitted from the underpayment in earlier years and could result in a liability to the Fund that exceeds the underpayment in tax of the Members in the previous years, as well as interest and penalties. The Fund might elect to have the assessment made against the Members in the year under review in which event each Member would be required to consider such adjustment at the Member level and pay additional tax for the current year.

Tax Liability Without Offsetting Cash Distribution - For U.S. federal income tax purposes, a Member will be required to report taxable income an allocable portion of the ordinary income and capital gain recognized by the Fund during each year, whether any amounts have been distributed to the Member. Accordingly, a Member can incur tax liabilities due to being allocated taxable income from the Fund even though the Member does not receive current cash distributions with which to pay taxes.

Unrelated Business Taxable Income - The Fund can buy investments on margin or in connection with individual borrowings, the income from which would be unrelated business taxable income ("UBTI"). Additionally, management fee-sharing with Founder Share investors can be considered UBTI. Tax-exempt investors, including IRAs and certain trusts (including CRTs), would generally be required to file an IRS Form 990-T and pay the tax due.

Risk Management

The Fund seeks a level of volatility of returns below that of the general market (e.g., the S&P 500 Index). Such lower volatility has traditionally been available through access to the life settlements asset class, which historically has displayed recession resilient characteristics, along with a self-liquidation function (policy maturities at death) uncorrelated to economic and financial markets. The Fund will also take a variety of steps to manage risk. From a sourcing perspective,

the Fund will engage with those it has determined to be top-tier life settlements provider(s), with full due diligence processes to help safeguard qualified and valid policies are purchased.

The Manager intends to build an initial portfolio of 65-70 policies with the \$20 million Founder Shares raise, creating diversification modeling a 240bp expected deviation from targeted net returns up to an 80% confidence level. Additionally, the Fund seeks to control volatility and risk by diversification across policies purchased from various carriers, disease types, genders, ages, life expectancies, premium payment schedules, and product types.

The Fund will utilize what it deems a best-in-class servicing provider and auditor to safeguard that medical records, addresses, and life expectancies are kept up-to-date. Valuations are substantiated and audited to the best of their ability. A nationally recognized Custodian will hold all assets to safeguard them for investors and coordinate premium payments and insurance to avoid mistakes that could result in policy lapses. The Fund will likely not be diversified in the sense of it having investments in only a single asset class, as opposed to across multiple asset classes or industries. Further, the Fund will not attempt to hedge against all possible exposures. As mentioned above, any such net exposures will be actively monitored and managed by the Fund's overall investment objectives.

Past performance is not a guarantee of future returns. Investment risks are substantial, and investors could realize losses rather than gains from some or all the investments described herein. Investing involves a risk of loss that investors should be prepared to bear.

Item 9: Disciplinary Information

Registered investment advisers such as LotusGroup Capital are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of the Adviser or the integrity of its management. Neither LotusGroup Capital nor any of its Investment Professionals or other Associates have any legal or disciplinary events to disclose. There are no legal or disciplinary events that are material to a client's or proposed client's evaluation of its advisory business or the integrity of its management. There can be items contained on www.brokercheck.finra.org or www.adviserinfo.sec.gov that you can review and consider when evaluating your advisor's background.

Item 10: Other Financial Industry Activities & Affiliations

LotusGroup Capital is a registered investment adviser that provides only those investment advisory services described herein. While the Adviser is not engaged in any other business activities and does not offer other services outside of those detailed within this brochure, LGC's Advisor Representatives or other Associates can sell other products or provide services outside of their roles with the Adviser.

Broker-Dealer or Registered Representative

Neither the Adviser nor any of its management persons are registered or have an application pending to register as a broker-dealer or a Registered Representative of a broker-dealer. However, certain LGC's employees can also be Registered Representatives of registered broker-dealers, members of FINRA, and SIPC. When acting in their separate capacity as Registered Representatives, those Advisor Representatives can sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, variable annuity, variable life, or other products to clients. And can receive regular transaction costs and other compensation in addition to commissions. They can also suggest that clients implement investment advice by purchasing securities products through a commission-based brokerage account, in addition to or instead of a fee-based investment advisory Account. It is important to note, if an Associate is a representative of a registered broker-dealer, the Associate is not acting in a brokerage capacity or on behalf of LGC, the Adviser, or the advisory firm in any way, concerning the services a client can obtain through them with the unaffiliated broker-dealer.

As the receipt of commissions or other compensation in this capacity can create a conflict of interest and an incentive to recommend those products for which the LGC Investment Professional/Associate receives a commission in their role as a Registered Representative of the securities broker-dealer, the objectivity of the advice rendered to clients could be biased. LGC addresses this conflict of interest by requiring its Advisor Representatives to disclose such outside business

relationships to clients. The Advisor Representatives satisfy this requirement by advising their clients of the nature of the transaction or relationship, their role in the purchase and connection, and any compensation (including commissions or otherwise) to be paid to them by the brokerage firms with which they are affiliated, at the time any of the above-noted (or other) broker-dealer products are purchased. Clients are under no obligation to use any firm Advisor Representatives' services in their respective capacity as a Registered Representative of a broker-dealer.

Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser

Neither the Adviser nor any of its management persons are registered or intend to register as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an Associated Person of the other entities.

Material Relationships or Arrangements with Financial Industry

Outside of the relationships detailed herein, LotusGroup Capital is a fiduciary for clients and does not have any material relationships or arrangements with other members of the financial industry, and does not receive fees, referral fees, or commission payments from any:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker,
2. an investment company or other pooled investment vehicle - including a mutual fund, closed-end investment the company, unit investment trust, private investment company, hedge fund, and offshore fund (*other than the private fund, LGA IncomePlus Fund, L.P., by way of the common-controlled firm LotusGroup Advisors, LLC, as detailed below under "Related Parties."*),
3. an investment adviser or financial planner (*also in connection with the common-controlled firm, LotusGroup Advisors, LLC as detailed below under "Related Parties."*),
4. futures commission merchant, commodity pool operator, or commodity trading advisor,
5. banking or thrift institution,
6. accountant or accounting firm,
7. a lawyer or law firm,
8. insurance company or agency (*other than Montage Financial Group, as detailed below under "Related Parties"*),
9. pension consultant,
10. real estate broker or dealer, or
11. sponsor or syndicator of limited partnerships.

Other Designations

Individual Advisor Representatives of LGC can also be licensed as real estate agents or can maintain various other designations. LGC neither provides these services to clients nor solicits clients to utilize these services. When undertaken by Associates, such actions are considered outside business activities and are separate from their efforts as LGC Associates. As noted above, Associates are required to disclose their outside business relationships to clients and are required to advise clients of the nature of the relationship, activity, or transaction(s) in connection with any designation, including their role and any compensation to be paid by the various designation licensing agencies, authorities or firms and received by them, at the time of the event or transaction transpires. Clients are under no obligation to act upon any Associate's recommendations or affect any transactions through the Associate if they decide to follow suggestions received.

Related Parties

LotusGroup Advisors, LLC

LotusGroup Capital does have a related party in the common-controlled firm, LotusGroup Advisors, LLC ("LGA"). LotusGroup Advisors is a privately held registered investment advisory company formed on December 22, 2006, organized as a limited liability company under Colorado's laws. The firm has been in business since January 2007. It is principally owned by Raphael A. Martorello, Managing Partner (85.66%) and Andleib "Andy" Seth, Partner (9.64%), Nicholas S. Pirnack, Partner and Senior Advisor (2.9%), and Stephanie L. Schlemeyer, Partner and Product Manager (1.8%). Raphael A. Martorello, LotusGroup's Managing Member, also holds the position(s) of Managing Partner for LGA, which is focused primarily on managing clients in an advisory capacity, completing financial planning, advising, and investment management services in a fee-only structure. For further details on LGA, please see their specific Form ADV Part 2A Disclosure Brochure.

Montage Financial Group (MFG)

Montage Financial Group (MFG), a seasoned settlement provider, having facilitated several billion dollars in Life Settlement transactions. LotusGroup Capital partners with Montage Financial Group, and Mr. Mike Lutterloh, Senior Advisor, who manages LLF's relationship with MFG and provides consistent and exclusive deal flow within the Fund's buy box.

Other Financial Industry Professionals

LGC uses third-party resources to help run its business and provide services to its clients, most of which are back-office related. LGC sources these professionals with a focus on finding the highest value-add, lowest cost providers to service its clients, acting in a client's best interest with fiduciary responsibility. While the Adviser has developed a network of professionals (e.g., accountants, lawyers, and so forth), neither the Adviser nor its Associates receive compensation in return for such use or referrals.

Other Business Relationships

Outside of the relationship referenced herein, neither the Adviser nor any of its management persons have any other material relationships or conflicts of interest with any financial industry participants. Under the Adviser's policies and procedures, associates are required to obtain pre-approval of any outside business activities in which they intend to engage, and the Adviser monitors for potential conflicts of interest between the Associates and its clients. As noted above, Advisor Representatives are also required to disclose such relationships in their Form ADV 2B - Brochure Supplements.

Other Outside Sources of Compensation

LotusGroup Capital receives compensation from fees related to the Fund it manages. LGC can also receive reimbursements for costs incurred that are typically the responsibility of other partners or the Fund. Specifically, life settlement providers usually must pay for underwriting pricing files, which are then supplied to purchasers like LLF for review before bidding. LGC has brought most of this underwriting process in-house to improve quality control, speed, and results. In doing so, LGC negotiated and is currently receiving compensation from Montage Financial Group ("MFG") on a per-policy basis, for each policy the Adviser underwrites in-house, and for which MFG no longer is required to pay a separate third-party to complete. This compensation is used to partially offset LGC's underwriting costs, which MFG would fully absorb. The compensation received by LGC is not added to the price LLF pays for each policy. It has been benchmarked as a lower cost for MFG than using a third-party for the same service. Due to their track record and years of experience, we believe likely improves the quality of underwriting and eventual returns/risks received by the Fund. However, this practice could be considered a conflict of interest, for, by the receipt of compensation, LGC could be incentivized to conduct business with MFG versus a different life settlement provider. With life settlements being such a competitive industry, LGC believes that this arrangement offers the Adviser a better understanding of each policy it plans to purchase and a competitive advantage with the provider, MFG.

Conflicts of Interest

A potential conflict of interest can exist between the interests of LGC, its Associates, and those of its advisory clients due to the above financial industry activities and affiliations. Clients are under no obligation to implement any recommended transactions through LGC and are not obligated to purchase any securities, insurance products, or otherwise from LGC or its Advisor Representatives. The Adviser makes no assurance that the above-referenced products or services are available at the lowest possible cost. LGC works to mitigate conflicts of interest by placing its client and investor interests ahead of those of the firm, and its Associates, always. Also, under the Adviser's policies and procedures, Associates are required to obtain pre-approval of any outside business activities in which they intend to engage. Advisor Representatives are specifically required to disclose such relationships in their Form ADV 2B - Brochure Supplements. Additional details of how LGC addresses conflicts can be found in the firm's comprehensive compliance policies and procedures and Code of Ethics document (the full text available upon request.)

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

Code of Ethics

As a registered investment adviser, LotusGroup Capital and its Covered Persons ("Associates" or "Access Persons") have a duty of utmost good faith to deal fairly and act solely in the best interests of each client (the Fund) and the Fund's investors. Investors entrust LGC with their assets and personal information, which places a high standard on the Adviser's

conduct and integrity. As such, LGC has a fiduciary obligation and statutory duty to oversee the Associates' investment advisory activities who act on its behalf and try to make sure every Associate is held to the Adviser's high standard of integrity and business practices.

LGC has adopted a Code of Ethics ("Code") under Rule 204A-1 that sets forth the standards of business conduct required of LGC's Supervised Covered Persons and requires an affirmative commitment that they will comply with federal securities laws and state securities laws and to adhere to other applicable laws, rules, and regulations (including relevant laws of foreign jurisdictions), as well as any firm policies and procedures adopted or that can be utilized in the future. Associates must try to make sure that the needs of the clients come first, always.

LGC's Code is designed to address and avoid potential conflicts of interest (or the appearance of any conflict of interest) and applies to the Adviser and Covered Persons, alike. This fiduciary duty is a core aspect of the Adviser's business practices. LGC's Code reflects the Adviser's recognition of responsibility to its clients and to all those with whom it comes in contact regarding its services. It reinforces its interest in maintaining the trust and confidence of those advisory clients straightforwardly and honestly, emphasizing their financial future. The Code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield Associates from liability resulting from personal trading or other conduct that violates the Adviser's fiduciary duty to its advisory clients. The Code can also be applied to any other person designated by LGC's Chief Compliance Officer.

LGC's Code also imposes upon Associates the need to:

- render disinterested and impartial advice,
- make suitable recommendations to clients within the context of the total portfolio, given their needs, financial circumstances, and investment objectives,
- exercise a high degree of care to try to make sure that all material facts are disclosed to clients,
- try to make sure adequate and accurate representations of its business and other information about the Adviser's services and investment recommendations are presented to clients,
- disclose any conflicts of interest, and
- promote fair, ethical, and equitable practices.

And, spells out the Adviser's policy, purpose, and procedures regarding but not limited to:

- material, non-public information & insider trading,
- personal trading guidelines,
- political contributions reporting and monitoring
- gifts and entertainment reporting and monitoring
- framework for identifying and disclosing conflicts of interest

A summary of Code Principles are as follows:

- *Integrity* - Associates shall offer and provide professional services with integrity. Due diligence shall be performed in rendering professional services, including investment recommendations and the planning and supervision of professional services.
- *Objectivity* - Associates shall be objective in providing professional services to clients, and recommendations shall be made equitably to all clients.
- *Competence* - Associates shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged. Clients shall be referred to other professionals when it is in their best interest.
- *Fairness* - Associates shall perform professional services fairly and reasonably to clients, principals, partners, and employers and shall disclose conflict(s) of interest in providing such services. Fees will be reasonable and based upon account size and the complexity of the portfolio.
- *Confidentiality* - Associates shall not disclose confidential client information without the client's proper specific

consent unless in response to an appropriate legal process, as required by law, or to defend against charges of wrongdoing or in connection with a civil dispute.

- *Professionalism* - Associate conduct in all matters shall reflect a credit of the profession. All services shall be performed in a fair and reasonable professional manner to clients and principals, and all conflicts of interest shall be disclosed in providing services.
- *Diligence* - Associates shall act diligently in providing professional services.

Upon employment or affiliation and at least annually after that, each Associate is required to sign an acknowledgment that they have read, understand, and agree to comply with the firm's Code. Every Associate ("Access Person") must report, and the Adviser must review their personal securities transactions and holdings periodically and per regulatory requirements. Further, each must report any violations of the Code promptly to the Chief Compliance Officer or (provided the Chief Compliance Officer also receives reports of all violations) to another person who has been designated in the Code and must abide by all other provisions of the Adviser's compliance policies and procedures and Code.

LCG will periodically review and amend its Code of Ethics to try to make sure it remains current.

The Adviser will provide a copy of the Code to anyone upon request.

Participation or Interest In Client Transactions

LGC recognizes that the personal investment transactions of the Adviser and its managers, members, officers, and employees ("Associates") demand the application of a high Code of Ethics and requires that all such transactions be conducted in a way that does not endanger the interest of any client. At the same time, LGC believes if the investment goals of the Adviser, its Associates, and clients are similar, it is logical and even desirable that there be common ownership of some securities. The Adviser and its Associates can invest personally in securities of the same classes as those purchased for clients and can own securities of the issuers whose securities are also purchased subsequently for clients. If an issue is purchased or sold to clients and the Adviser and its Associates on the same day, buy or sell the same security, it is a firm policy that clients receive a more favorable price, or that the firm and Associates receive or pay the same price as clients. The Adviser and its Associates can also buy or sell specific securities for their accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Personal Trading

As an Investment Adviser, the firm has a statutory duty to oversee the Associates' investment advisory activities who act on its behalf. By the provisions of Rule § 275.204A-1 of the Investment Advisers Act, LGC has established a Personal Trading Policy that all Associates are expected to follow. LGC holds its Associates to a very high standard of integrity and business practices. Its Personal Trading Policy prohibits certain types of activities deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict). It details Associate trading guidelines and summarizes firm enforcement procedures should any trading violations occur.

As referenced above under the "Code of Ethics," LGC's Personal Trading Policy consists of personal trading and pre-clearance procedures for Associate personal Account transactions as well as account, transaction, and holdings disclosure on a regular basis to monitor compliance with this Policy. The firm's Code also includes policies and procedures to address insider trading and securities transactions and many other essential safeguards required of its Associates. Associates can trade securities for their accounts only in full compliance with the Adviser's Personal Trading Policy and in keeping with their fiduciary obligations to firm clients. The interests of the Adviser's clients will prevail over those of an Associate's, always, and Associate trading and trading strategies must not conflict with those of the firm or any market in which the Adviser can trade.

Associates are prohibited from utilizing firm proprietary trading systems or strategies to develop or implement new strategies that can otherwise disadvantage the Adviser or its advisory clients. LGC's policy that personal trading activity should occur on an Associate's own time, without compromising firm duties or obligations, and with no transactions undertaken beyond an Associate's financial resources.

To try to make sure all Associates abide by the above, quarterly, LGC's Chief Compliance Officer ("CCO") will perform an Associate Trading Review by reviewing every trade made by the firm vs. those made by its Associates, to try to make

sure full compliance to procedures and to verify no conflicts have occurred. Should a conflict be identified or if there is suspicion, conflict can have occurred during regular daily trading; the LGC process is to immediately alert the Adviser's Chief Compliance Officer, who will be responsible for dealing with the situation. The CCO will bring the case to the firm's Managing Member and CIO's attention, Mr. Martorello, as necessary if additional action is required or disciplinary procedures must be instituted. LGC's personal trading review safeguards that Associate trading does not affect the markets and safeguards Associate trading activity abides by the Adviser's policies and procedures and Code. To date, no Associate personal trading conflicts have been uncovered in the Adviser's history. In addition, and to date, only those Personal Trades of Access Persons that are employed by both LGC and LGA, are reviewed quarterly by the CCO, as stated above.

Conflicts of Interest

Neither the firm, its Associates, nor any related person is authorized to recommend to the Fund or effect a transaction for the Fund, involving any investment in which the firm or a related person has a material financial interest (such as in the capacity as an underwriter, or advisor to the issuer). It is a Firm policy that client trades and interests be placed ahead of those of any LotusGroup associate, always. It is Firm policy that the Adviser never comes up with a client's sell with a personal buy (and vice versa). Additionally, a preferred broker/Custodian is utilized with each client, who is responsible for the effective execution of any trades placed. Further details of how LGC mitigates conflicts of interest in this area can be found in our comprehensive Policies & Procedures Manual and Code of Ethics.

Item 12: Brokerage Practices

LGC does not provide administration services or maintain custody of its assets within the LotusGroup Longevity Fund. In selecting or recommending a Preferred Qualified Custodian/Broker-Dealer for client transactions and determining the reasonableness of their compensation, LGC elects to use third parties for such services that we deem "best-in-class" providers and whom we have sourced and selected based on their industry-leading capabilities and our ability to negotiate attractive pricing for the Fund.

Factors Considered When Selecting & Recommending A Custodian / Broker-Dealer

LGC considers a wide range of factors when selecting and recommending a Custodian/Broker-Dealer, including but not limited to the following:

- the combination of transaction execution services along with asset custody services (*generally without a separate fee for custody*),
- the capability to execute, clear, and settle trades,
- capabilities to facilitate transfers and payments to and from accounts,
- competitive trading commissions costs,
- reporting tools, including cost basis and 1099 reports facilitating tax management strategies,
- personal money management tools such as electronic fund transfer capabilities, dividend reinvestment programs, and electronic communication delivery capabilities,
- financial stability to try to make sure individual accounts, including primary and backup account insurance,
- the breadth of investment products available,
- the availability of investment research and tools that assist us in making investment decisions,
- the level and quality of customer service,
- the price competitiveness of those services (*i.e., commission rates, margin interest rates, other fees, etc., and their willingness to negotiate them*),
- the reputation, financial strength, and stability of the provider,
- the Custodian's prior service to us and our other clients; and
- the availability of other products and services that benefit us.

We reevaluate and renegotiate such relationships periodically and as needed to fulfill our fiduciary and best execution obligations to Fund investors.

Preferred Custodians

LGC uses two Custodians to provide administrative services and to maintain custody of the assets managed within the LotusGroup Longevity Fund: UMB Fund Services and Wilmington Trust. The services of each Custodian are as follows:

UMB Fund Services

Fund Accounting

- Establish, maintain, and review administrative and procedural processes, general ledgers, and investors' capital accounts.
- Record all transactions, including subscriptions and redemptions.
- Assess management and incentive fees, calculate net asset values, and effect all appropriate allocations, including new issue carve-outs, per the Fund's operating documents, as provided to the Administrator.
- Coordinate, execute, and provide third-party approval for all cash movements per the Funds' offering documents.
- Provide cash reconciliations monthly or upon request.

Monthly Services

- Load transactions in the portfolio accounting system.
- Maintain the investment master files, including the monitoring and processing of corporate actions.
- Obtain market valuations from the appropriate pricing sources (*LotusGroup's Actuary*).
- Value the investments following the Fund's operating documents.
- Reconcile positions and cash per the portfolio accounting system to the broker(s)/Custodian(s) records.
- Provide reporting, including performance and exposure reporting.
- Obtain market valuations from the appropriate pricing sources
- Determine and periodically monitor the Fund's income and expense accruals.
- Generate the financial reporting package as of each period-end, including the Statements of Financial Position, Profit & Loss, Changes in Capital, and Changes in Investor's Capital.
- Create and maintain the UMB Website portal for the Fund (*including access to details of investment and investor subscription and redemption activity, month-end balances, financial packages, investor capital statements, tax information, and fund-level information such as fund documents, fund annual audit reports, and fund communication letters*).

Annual Service

- Coordinate and oversee the annual audit of the Funds' financial statements.
- Conduct stages of audit planning and coordination.
- Provide updates for new accounting and reporting requirements and their applicability to the Funds' financial statements.
- Prepare work papers and schedules for auditors.
- Prepare annual financial statements, footnotes, and report drafts.
- Serve as liaison between auditors and the Fund on audit issues.

Investor Servicing

- Generate, for each period end, an investor capital statement for each investor.
 - Distribute via mail, email, or website, as requested by the Fund.
- Distribute the annual financial statements and K-1s to investors
 - Distribute via mail, email, or website, as requested by the Fund.
- Prepare and distribute subscription/redemption confirmations to investors promptly.
- Process new investor subscriptions, which shall include:
 - inputting investor information from subscription documents into the system for investment tracking and allocation purposes, and
 - sending approval notices for subscription agreements to investors as instructed by the Fund, if applicable (*the Fund remains solely responsible for determining investor eligibility*).

- Process redemption requests made to the Fund, which shall include:
 - receipt from the Fund of redemption requests from investors and inputting into the system for tracking and allocation purposes, and
 - coordinating the calculation of holdback amounts.
- Create and maintain the UMB Website portal for investors to include access for investors and their related parties to obtain capital statements, tax information, and fund-level information (*i.e., fund documents, annual audit reports, communication letters*).
- Provide all investors with the website address, username, and initial password.
- Provide website support to investors.

Tax Preparation, Compliance & Reporting

- Calculate estimated taxable income and provide one set of investor tax estimates.
- Calculate 1042/8804 withholding.
- Prepare 1042/8804 filings
- Prepare and provide 1042-S/8805 to partners as needed.
- Prepare forms W-9, W-8IMY, and W-8BEN as needed.
- Prepare forms 1099-MISC and forms 1099-INT as needed.
- Prepare a schedule of book/tax adjustments.
- Prepare and file tax extensions as needed.
- Calculate taxable income, prepare, and provide Schedules K-1.
- Prepare form 1065 and state tax filings as needed.
- Track tax basis of investments.
- Calculate any federal or state annual/quarterly estimated tax payments as needed.
- Annually review tax efficiency and provide suggestions and solutions for tax planning.
- Provide an initial and ongoing periodic review of legal documents for completeness and conformity with U.S. tax law and provide suggestions and solutions.

US Patriot Act (AML)

- Process AML for all new investors (*to include conducting AML procedures on all proposed subscriptions, with the initial comparison of investor information against Identity Check, OFAC, and other watch lists, giving notification of any rejected or suspect subscriptions to the Fund, and conducting ongoing AML procedures as “Best Practices,” and comparison of investor name against each update of the OFAC list, while keeping watch for any AML red flags indicating possible suspicious activity*).
- File Suspicious Activity Reports, if any, with the appropriate Reporting Authorities.
- Provide AML Certification Letter upon request.

DTC AIP

- Add the client under UMB’s DTCC membership.
- Obtain NSCC security issue number for each fund/class/series from DTCC.
- Record the name of the broker-dealer/Custodian for each applicable investor.
- Submit the profile for each fund/class/series to each broker-dealer/Custodian.
- As appropriate, send fund data files through DTCC to each broker-dealer/Custodian.

Blue Sky State Filing

- Prepare and file state securities qualification/notice compliance filings, with the advice of the Fund’s legal counsel, upon and per instructions from the Fund (*to include the states in which to qualify, the amounts of shares to initially and subsequently qualify, and the warning threshold to be maintained*).

Electronic Subscription Document Services

- Implement a process for the Fund’s investors and potential investors to complete and submit subscription documents for Fund investments electronically.

Wilmington Trust

Custodian

- Will hold all life settlement contracts and act as the primary Custodian for all life settlement contracts held by LGC.

Trustee

- Will act as the third-party trustee for all life settlement contracts owned by LGC.

Escrow Agent

- Will act as the escrow agent regarding the buying/selling of life settlement contracts.

Securities Intermediary

- Will act as a conduit for LGC and its life settlements providers regarding buying/selling life settlement contracts.

Verification Agent

- Will act as the verification agent responsible for verifying premium payments and any contract maturities.

Premium Paying Agent

- Will be responsible for releasing the payment for all premiums due by LGC.

Soft Dollar Arrangements

Investment Advisers can enter arrangements with one or more Broker-Dealers whereby they receive some economic benefit in exchange for directing client transactions to that Broker-Dealer. Brokerage firms typically provide a bundle of services, including research and execution of transactions that can be either proprietary (created and produced by the broker-dealer, including tangible research products and access to analysts and traders) or third-party (created by a third-party but provided by the Broker-Dealer). Since commission dollars pay for the entire bundle of services, the practice of allocating certain of these dollars to pay for the research component has come to be known as "soft dollars." In effect, the commissions paid by the Adviser's clients generate these soft dollars that are used by the Adviser to pay for these soft dollar benefits such as research. LGC's policy is to comply with the provisions of Section 28(e) when entering soft dollar arrangements and to not intentionally direct brokerage to any particular Custodian for any indirect soft dollar benefits the firm can receive. Currently, LGC has no such soft-dollar arrangement with a Custodian.

Directed Brokerage

Due to the nature of the type of client that LGC advises (being the "Fund" otherwise known as "LLF"), while the Adviser allows the Funds to direct brokerage, the Adviser does not require clients to direct brokerage. The Adviser establishes the brokerage and custodial relationships, and the Portfolio Manager determines the order execution and management arrangements with the Broker and Custodian. *(Please refer to the above for additional details regarding the Custodians LGC has chosen as its preferred Custodians.)*

Trading Practices

Best Execution

It is the policy and practice of the Adviser to strive for the best price and execution for costs and discounts, which are competitive with the value of the transaction, and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. In keeping with this policy, when recommending Brokers or Dealers to execute transactions, the Advisor will seek to achieve the best execution possible, but this does not require it to solicit competitive bids and does not have an obligation to find the lowest available commission cost.

Nevertheless, it is understood that the Adviser can pay compensation on a transaction more than the amount of compensation that another broker or dealer can charge so long as it complies with Section 28(e). The Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Adviser will consider the financial stability and reputation of brokerage firms and the brokerage and research services

provided by such brokers, although the Fund cannot, in any particular instance, be the sole direct or indirect beneficiary of the research services offered. The Adviser has no obligation to deal with a broker or group of brokers in executing transactions in portfolio investments.

Trading Errors

Even with best efforts and controls, trade errors can happen. If a trade occurs which causes a breach of any regulatory, contractual, investment objective or restriction parameters ("trade error"), such trade error will be immediately reported internally for prompt review, direction, and/or action and will be reported directly to the appropriate Custodian for action, to try to make sure that the client is not disadvantaged. All trade errors will be brought to the attention of the Custodian or Broker immediately upon discovery.

LGC does not use soft dollar credits or the promise of future trade commissions to compensate a Custodian/Broker-Dealer for absorbing the cost of a trade error. In resolving any trade error, LGC's policy is that its clients' interests will come first, always, and trade errors will be resolved promptly and efficiently upon discovery to help minimize damages. Generally, those affected will be reimbursed for any loss incurred due to an LGC trade error. Any gains resulting from an LGC trade error will either remain with the client or accumulate in a trade error account to offset trade error losses. In all circumstances involving LGC trade errors, clients will be "made whole." *In circumstances in which trade errors result from the client's inaccurate instructions, the trading error will remain the financial responsibility of the client.*

In summary, the client (Fund) interests are placed ahead of those of the Adviser and its other Control Persons always. While a conflict of interest exists in that LGC can have an incentive to select or recommend a Custodian to the Fund, our preferred Custodians meet the firm's sourcing criteria for providing a reliable and satisfactory custodial platform for its clients. Additional details of how LGC mitigates conflicts of interest in this area are found in its comprehensive compliance Policies & Procedures Manual and its Code of Ethics document.

Item 13: Review of Accounts

Client Account Evaluation

The Adviser has a fiduciary duty to reasonably determine that clients' investment advice or services are suitable. The Asset Management Team will regularly evaluate Accounts, per the below schedule. The firm's CIO monitors Advisor Representative conduct, sales, and client Account servicing to confirm LGC's policy of making tailored investment decisions in the best interests of the client, are met.

Private Investment Fund

LotusGroup Longevity Fund, LLC

Periodic Reviews

The Portfolio Manager will regularly review Fund portfolio investments as part of the on-going investment management process. A review will occur for several factors, including but not limited to profitability, risk management, and execution results. As stated previously, the Fund will initially source policies from the secondary market with industry-recognized and leading preferred providers. The Fund has secured at least one preferred / pre-negotiated service agreement with a Top 6 provider and will look to expand to other providers in the future and develop direct-to-consumer channels without providers. All sourced policies will undergo a rigorous due diligence process with our provider(s) before being purchased.

Monthly Reviews

Monthly, the Custodian will provide the Administrator and the Adviser with statements of Fund Accounts, and the Administrator will generate performance reports confirming the value of each investor's Fund holdings. The written reports can include account valuation, performance stated in dollars or other currency as a percent, a net worth statement, portfolio statement, and a summary of objectives with progress towards meeting those objectives. Members will also receive unaudited monthly statements of their capital account, from UMB Fund Services, generally within twenty (20) days after month's end.

Quarterly Reviews

Fund Investors will receive statements from the Administrator and a qualitative write-up performance report from LGC, at least quarterly.

Annual Reviews

Annually, or as soon as practicable after the end of each Fiscal Year, an independent certified public accountant will prepare audited annual financial statements with the net asset value of the Fund, the closing capital account balance of the Member, the manner of balance calculation, and any other information necessary to enable the Member to prepare an individual income tax return.

LotusGroup Capital's statements or reports can vary from Custodial or Administrative statements based on accounting procedures, reporting dates, or valuation methodologies of individual securities. The Adviser urges investors to review official Administrative statements promptly upon receipt carefully and compare such records to the account statements or reports we can provide them. Clients should also compare the investment performance of their portfolio against the appropriate benchmark and all Custodial statements against the statements they can receive from periodic portfolio reports received from us.

If a client believes there are any inaccuracies or discrepancies in any reports received, whether from the Custodian, Administrator or us directly, or if they do not understand the information in any report, document or statement received, they should promptly, **and in most cases before the next statement cycle**, report any items of concern directly to LotusGroup Capital. And confirm any verbal communications, inquiries, or concerns about their account in writing. The Adviser cannot and does not guarantee the accuracy or completeness of any report or any other information provided to the investor or the Adviser by the Custodian or another service provider to the client.

Item 14: Client Referrals & Other Compensation

Client Referrals

LGC does not receive referrals for new advisory clients, but it can receive referrals of potential investors to the Fund from existing Fund investors or intermediaries such as attorneys or accountants. The Adviser does not compensate for referring parties for referrals. LotusGroup Capital prohibits the practice of kickbacks and restricts the payment from third parties for utilization of their investment products or advice within any fund(s) it manages. Further, LGC can receive referrals, which can come from current clients, estate planning attorneys, accountants, Associates, personal friends of Associates, and other similar sources. Neither the Adviser nor any related person has any arrangement, either oral or in writing, wherein it directly or indirectly provides compensation for these referrals (i.e., where it is paid cash by or receives some economic benefit, including referral fees or any form of remuneration, commissions, equipment, or non-research services, from a professional or non-client about advising clients), outside of the benefits noted herein.

Third-Party Referrals

The Adviser does make third-party referrals. However, LGC does not accept referral fees or any form of remuneration from third parties when referring a prospective investor to a third-party.

Other Compensation

LGC receives an economic benefit from its Custodians in the form of the support products and services it makes available to us and other independent Investment Advisers that have their clients maintain Accounts at such Custodians. These products and services, how they benefit us, and the related conflicts of interest are described herein. The availability to LGC of Custodial products and services is not based on the Adviser giving particular investment advice, such as buying specific securities for our clients. (See "Item 12: Brokerage Practices" for additional information on this topic.)

Item 15: Custody

LGC neither accepts nor permits the firm or its Associates to obtain custody of client assets, including cash or securities, acting as a trustee, providing bill paying services, having password access to client accounts to control Account activity, or having any other form of client asset control. Custody of client assets is maintained with independent and separate Qualified Custodians who take possession of the cash, securities, and other client accounts assets. The Adviser will not take title to any assets or have the authority to withdraw funds from the client's Accounts, except to cover payment of the agreed to "Advisory Management Fees" specified within the client's Advisory Services Agreement or at the client's specific

and written direction. (See “Item 5: Fee Billing” for further details on this topic.)

The client’s relationship with their Custodian will be governed by a separate account agreement between them and their Custodian. Custodians hold all client assets in brokerage accounts at the Custodial firm and buy and sell securities upon the Adviser or the client’s instructions. All funds and securities are delivered between the client and the Custodian, and all checks or wire transfers to fund client Accounts must be made out to/sent to the client’s Custodian.

The Adviser is not responsible for any acts or omissions of the client’s Custodian and will not be responsible for ensuring the client’s Custodian complies with their agreement with the client about the client’s Custodial brokerage Account. Neither will LGC be accountable for the payment of the client’s brokerage or Custodial charges or fees; the client is responsible for their expenses billed directly by their Custodian. LGC has no access to the assets in the client’s Custodial accounts or to the income produced from such accounts and maintains no physical custody of client funds and securities except for the authorized deduction of client Advisory fees, as detailed herein.

Private Investment Fund **LotusGroup Longevity Fund, LLC**

LotusGroup Capital is the Manager of the Fund, which, in turn, has authority to dispose of funds and investments held by the Fund, and as the client (also known as the Fund) authorizes the Adviser to instruct the Custodian to deduct our Advisory fees directly from their Account, under Rule 206(4)-2 of the Advisers Act, LGC is deemed to have custody of investor assets (i.e., the assets of the Partnership). Under Rule 206(4)-2, and as referenced above, LotusGroup has procedures in place to maintain all non-exempt Fund assets at a Qualified Custodian, who will provide account statements to each Fund Member regularly.

Further, the Fund is to be audited by an independent public accountant, annually, who distributes its audited financial statements (prepared under generally accepted accounting principles) to the Fund’s Manager upon completion, and who distributes the same statements to each Fund Member within 30 days of Manager delivery, or as soon as practicable.

The Fund’s Administrator has electronic access to the records of LLF holdings and transactions, as does the Adviser.

Item 16: Investment Discretion

Investment Discretion

LGC provides investment supervisory services on a discretionary basis. Details of investment discretion and non-discretion (account management style) are disclosed fully to the client before any advisory relationship commences.

Private Investment Fund **LotusGroup Longevity Fund, LLC**

LotusGroup Longevity Fund, LLC contracts for limited discretionary authority to transact portfolio investment accounts on behalf of the Fund. Discretionary authority is granted either by the Adviser’s investment management agreement and/or by a separate limited power of attorney where such a document is required. As Investment Manager to the Fund, the Adviser has the authority to determine the investments to be bought or sold and the amount of the investments to be purchased or sold within the Fund’s investment objectives. The firm’s discretionary authority regarding investments can, however, be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Fund on the types of investments and transactions that meet the Fund’s investment objectives.

The Adviser does not and will not enter any future relationships with Funds that require consent before any trade order being placed. The Fund authorizes the discretion to select the Custodian to be used and the commission rates paid to Broker-Dealers. The Adviser does not receive any portion of the transaction fees or commissions paid by the Funds to the Broker-Dealers on trades.

Item 17: Voting Client Securities

Proxy Voting

The Adviser votes proxies only for investments held in LLF Fund accounts. The Adviser clearly keeps the authority and

responsibility for the voting of these proxies and retains records of proxy voting required under SEC Rule 204-2(c)(2). The above notwithstanding, it is not expected that there will be proxies on Fund investments since they are not individual companies but instead insurance contracts.

Class Actions, Bankruptcies & Other Legal Proceedings

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and fact. Class action suits often arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. LLF Fund investors should note that LGC will neither advise nor act on behalf of investors in legal proceedings regarding investments within funds managed by LGC, including, but not limited to, the filing of “Proofs of Claim” in class action settlements. The client or their Agent will be responsible for class actions, claims or bankruptcies, involving securities purchased for or held in their account. If desired, investors can direct LGC to transmit copies of class action notices to the investor or a third-party. However, while LGC will make commercially reasonable efforts to forward such notices promptly, the responsibility to respond to such notices will ultimately reside with each investor.

Item 18: Financial Information

Balance Sheet

LGC neither requires nor solicits prepayment of more than \$1,200 in fees per client (the Fund’s), six months or more in advance. Therefore, it does not need to include a balance sheet with this Brochure. LGC’s independent public accountant is Richey May & Co., 9605 S. Kingston Cr #200, Englewood, CO 80112.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

As an advisory firm, LGC is required to disclose any financial condition that is reasonably likely to impair the Adviser’s ability to meet its contractual obligations to clients honestly. Neither LGC nor any member of management, officer, or a principal of the Adviser has been involved in an award or otherwise found liable in an arbitration claim alleging damages over \$2,500 in an activity involving investment or investment-related business; fraud, false statements, or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices. None of those as mentioned above individuals has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment-related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; dishonest, unfair or unethical practices. As such, LGC has no additional financial circumstances of concern to report.

Bankruptcy Petitions in Previous Ten Years to Present

LGC has not been the subject of a bankruptcy petition.



LotusGroup Capital
Form ADV Part 2B – Individual Disclosure Brochure
For

Investment Advisor Representative

Raphael A. Martorello
(Individual CRD # 4768833)

*1005 S. Gaylord Street
Denver, CO 80209*

Email: martorello@lotusgroupcapital.com

Website: www.lotusgroupcapital.com

Phone: 415.793.8014

Fax: 815.572.0566

March 11, 2022

In accordance with federal and state regulations, Form ADV, Part 2B, this "Brochure Supplement" or "Brochure" is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those considering becoming a client of LotusGroup Capital, LLC ("LGC").

The information in this Brochure Supplement has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. The information provided in this Brochure Supplement is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the United States Securities and Exchange Commission. Nothing in this Brochure Supplement is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Advisor provide you with information that you can use to determine whether to hire or retain an Advisor.

This Brochure Supplement provides information about Raphael A. Martorello that supplements LotusGroup Capital's Form ADV Part 2A Disclosure Brochure. You should have received a copy of the Firm's Brochure that describes the investment advisory services offered through LotusGroup Capital, an investment advisory firm. Please contact LotusGroup Capital's CCO, Amanda N. Cohen, directly at 720.593.9861 if you did not receive the Firm's Brochure or have any questions about the contents of this Brochure Supplement.

Additional information about Raphael A. Martorello is available on the SEC's website at www.adviserinfo.sec.gov.

(Click on the link, select "Investment Advisor – Individual," and type in the individual CRD #.)

RAPHAEL A. MARTORELLO

Date of Birth & Educational Background

Raphael A. Martorello was born in 1974. He received his bachelor's degree in Mechanical Engineering and minor in Economics from The University of Virginia in 1997. He has fulfilled LotusGroup Capital's requirement that its Investment Advisor Representatives ("IARs") hold either a bachelor's degree or further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA), or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- | | |
|--------------------|---|
| 09/2018 to Present | LotusGroup Capital, LLC, Denver, CO Managing Member, CIO & Investment Advisor Representative <ul style="list-style-type: none">- Responsible for overseeing all fund operations, hiring, and development of staff, policy sourcing approval, portfolio diversification oversight, and ongoing portfolio management Sources and invests in private placement opportunities- Responsible for channel partnership growth as it pertains to policy sourcing |
| 01/2007 to Present | LotusGroup Advisors, LLC, Denver, CO Principal, Owner, Managing Partner & Investment Advisor Representative <ul style="list-style-type: none">- Oversight of LGA Management Team- Quarterly Financial Oversight- Contributes to Client Communications/Quarterly Blog Posts- Maintains relationships with a small number of the Firm's clients (family/friends) |
| 04/2004 to 01/2017 | Martorello Money Management, Denver, CO (merged into LotusGroup Advisors 2017) Partner, Advisor & Investment Advisor Representative <ul style="list-style-type: none">- Portfolio Management- Client Service- Operations |
| 03/2000 to 04/2004 | ICG Commerce, King of Prussia, PA Director <ul style="list-style-type: none">- Practice Responsibility (All West Coast Clients)- Management Oversight (20 Employees)- Business Process Outsourcing |
| 07/1997 to 03/2000 | A.T. Kearney, New York, NY Associate <ul style="list-style-type: none">- Management & Business Consulting |

Professional Designations, Licensing & Exams

Raphael A. Martorello does not have any additional professional designations, licensing, or exams to disclose.

Disciplinary Information

LotusGroup Capital, LLC, is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Raphael A. Martorello, providing advice to you. Mr. Martorello does not have a disciplinary history to disclose, which can be material to a client's or prospective client's evaluation of this advisory business. There may be items on brokercheck.finra.org or www.adviserinfo.sec.gov that you can review and consider in assessing your advisor representative's background.

Other Business Activities

Raphael A. Martorello is a Managing Member, CIO & Investment Advisor Representative of LotusGroup Capital ("LGC"), who dedicates 90% of his time to this activity during trading hours and 90% of his time during non-trading hours.

Raphael A. Martorello has the following other investment-related business activities to report: Name

of Outside Business or Organization: Martorello Holdings, LLC

Address: 1043 S. Vine Street, Denver, CO 80209 Title:

Member

Description of Outside Business or Organization: Holding company for commercial real estate investment

> HQ office for LotusGroup Capital and LotusGroup Advisors in Denver, CO, and two other tenants.

Description of Duties or Responsibilities: Management of Quarterly Financials (property manager does remainder of day-to-day work)

Start Date: 01/2018

Hours Devoted to OBA Monthly: 0 during trading hrs. /1-hour quarterly during non-trading hrs.

Name of Outside Business or Organization: Thrive Workplace at LoDo, LLC/Thrive Workplace Holdings

Address: 201 Milwaukee Street, Suite 200, Denver, CO, 80206

Title: Member, Board of Directors & L.P. Investor

Description of Outside Business or Organization: Co-working Business

Description of Duties or Responsibilities: Participates in quarterly meetings to review progress and provide advice

Start Date: 12/2013

Hours Devoted to OBA Monthly: 0 during trading hrs./2 hours quarterly, during non-trading hrs.

Name of Outside Business or Organization: LotusGroup Advisors, LLC.

Address: 1005 S. Gaylord Street, Denver, CO 80206

Title: Principal, Owner, Managing Partner & Investment Advisor Representative

Description of Outside Business or Organization: Affiliated registered investment advisory firm Description of Duties or Responsibilities: Business oversight, communications, a small book of business for a few family/friends' clients.

Start Date: 01/2007

Hours Devoted to OBA Monthly: 10% during trading hrs./10% during non-trading hrs.

Name of Outside Business or Organization: Martorello Money Management

Address: 1043 S. Vine Street, Denver, CO 80206

Title: Managing Member

Description of Outside Business or Organization: Before 2017, this was an independent registered investment adviser. On 1/2017, as part of a business merger, the organization transitioned all clients into LotusGroup Advisors. Through the buy-sell transaction, this business was required to de-register as an RIA but remained open for the flow of funds on a financial consulting base to pay Raphael A. Martorello's fixed salary and for the business to provide funding back to LotusGroup Advisors for benefits reimbursements.

Description of Duties or Responsibilities: Predominantly administrative.

Start Date: 04/2004

Hours Devoted to OBA Monthly: 0 during trading hrs./2 hours per quarter during non-trading hrs.

Conflicts of Interest Disclosure

The outside business activities of Raphael A. Martorello do not give him an incentive to recommend investment products based on anything other than a client's needs. Nevertheless, LotusGroup Capital requires him to disclose the above relationships to clients at relationship inception.

Additional Compensation

Advisory Services

Raphael A. Martorello does not receive any economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Capital. Outside of those disclosed herein, he does not receive any additional compensation or economic benefit from any person, company, or organization in exchange for providing advisory services.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the Firm's Chief Compliance Officer ("CCO"). She oversees and administers the Firm's Compliance Program in coordination with the efforts of the Firm's Principal and Managing Member, Raphael A. Martorello.

Raphael A. Martorello is self-supervised as it pertains to providing management services to the underlying investment funds at LotusGroup Capital.

Covered Persons are required to abide fully by all applicable federal and state regulations and the Firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to it). LotusGroup Capital requires all Covered Persons to exercise a fiduciary duty to its clients by acting in each client's best interest and always placing client interests first and foremost. Covered Persons are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Investment Advisor Representative, of the Firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Investment Advisor Representative's suitability.

A. Raphael A. Martorello has not been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

B. Raphael A. Martorello has not been the subject of a bankruptcy petition.



LotusGroup Capital
Form ADV Part 2B – Individual Disclosure Brochure

For
Investment Advisor Representative

Louis C. Frank
(Individual CRD # 6613018)

*1005 S. Gaylord Street
Denver, CO 80209*

Email: louis@lotusgroupcapital.com

Website: www.lotusgroupcapital.com

Phone: 720.744.0958

Fax: 815.572.0566

March 11, 2022

In accordance with federal and state regulations, Form ADV Part 2B, this "Brochure Supplement" or "brochure" is on file with the appropriate securities regulatory authorities as required. All the material within this Brochure Supplement must be reviewed by those considering becoming a client of LotusGroup Capital, LLC ("LGC").

The information in this Brochure Supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. The information provided in this Brochure Supplement is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the United States Securities and Exchange Commission. Nothing in this Brochure Supplement is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Advisor provide you with information that you can use to determine whether to hire or retain an Advisor.

This Brochure Supplement provides information about Louis C. Frank, CAIA, that supplements LotusGroup Capital's firm Brochure. You should have received a copy of the Firm's Brochure that describes the investment advisory services offered through LotusGroup Capital, an investment advisor firm. Please contact LotusGroup Capital's CCO, Amanda N. Cohen, directly at 720.593.9861 if you did not receive the Firm's Brochure or have any questions about the contents of this Brochure Supplement.

Additional information about Louis C. Frank, CAIA, is available on the SEC's website at www.adviserinfo.sec.gov.
(Click on the link, select "Investment Advisor – Individual," and type in the individual CRD #.)

LOUIS C. FRANK

Date of Birth & Educational Background

Louis C. Frank was born in 1993. He received his Bachelor of Science in Business Administration Finance from the University of Arkansas in 2016. He has fulfilled LotusGroup Capital's requirement that its Investment Advisor Representatives ("Advisor Representatives") hold either a bachelor's degree and further coursework (i.e., an MBA, a DFP, a CFA, a ChFC, JD, CTFA, EA, or CPA) or possess relevant work experience demonstrating their knowledge of and aptitude for, investment management principles.

Business Background & Experience

- 09/2018 to Present LotusGroup Capital, LLC, Denver, CO
Partner, Policy Manager, Investment Advisor Representative
- Manages policy pricing and closing processes, as well as third-party services, custodians, and administrators
 - Ensures policies are closed to the Fund's Custodian properly and that premiums are paid and managed appropriately with our servicing provider.
 - Conducts private investment partner due diligence
 - Negotiates strategic terms and finalizes contracts/relationships
 - Maintains ongoing relationship management with private partners
 - Conducts industry research
 - Earned CAIA designation in November 2019
- 07/2017 to Present LotusGroup Advisers, LLC, Denver, CO
Alternative Asset Manager & Investment Advisor Representative
- Serves on the LGA IncomePlus Fund Investment Committee
 - Manages LGA IncomePlus Fund II
 - Provides ongoing relationship management with private investment partners
 - Participates in authoring investment blogs
 - Registered as an Investment Advisor Representative
- 06/2016 - 05/2017 Fortis Asset Management, Denver, CO
- Analyst

Professional Designations, Licensing & Exams

Louis C. Frank, CAIA, has the following additional professional designation to disclose:

Chartered Alternative Investment Analyst (CAIA®) - Mr. Frank received his Chartered Alternative Investment Analyst designation in November 2019. The CAIA® designation is a globally-recognized credential offered by the [Chartered Alternative Investment Analyst Association](#) to investment and financial professionals managing, analyzing, distributing, or regulating alternative investments. Candidates must meet one of the following requirements: (1) a Bachelor's or equivalent degree and more than one year of business experience in the financial industry, or (2) four years of experience in the financial industry. Education requirements include a self-study certification program that entails completing the Level I and Level II examinations. Level I examinations assess candidates' understanding of various alternative asset classes and their knowledge of the tools and techniques used to evaluate the risk-return attributes of each one. Level II examinations assess how candidates apply the knowledge and analytics learned in Level I within a portfolio management context. Both exams include segments on ethics and professional conduct. Continuing education requirements involve the completion of a self-evaluation tool every three years.

Disciplinary Information

LotusGroup Capital, LLC, is required to disclose all material facts regarding any legal or disciplinary event material to your evaluation of Louis C. Frank providing advice to you. Mr. Frank does not have a disciplinary history to disclose, which can be material to a client's or prospective client's evaluation of this advisory business. There may be items

contained on brokercheck.finra.org or www.adviserinfo.sec.gov that you can review and consider when assessing your advisor representative's background.

Other Business Activities

Louis C. Frank is a Portfolio & Private Partner Manager and Advisor Representative of LotusGroup Capital. He dedicates 50% of his time to this activity during trading hours and 50% during non-trading hours. He also has the following other investment-related business activities to report:

Name of Outside Business or Organization: Magnolia Holdings, LLC

Address: 2490 Depew Edgewater, CO 80214

Title: Managing Partner

Description of Outside Business or Organization: Magnolia Holdings is a joint business venture between Louis C. Frank, CAIA, and Walter Frank. The company was created to hold real estate assets purchased by its managing partners.

Description of Duties or Responsibilities: Providing operational oversight, analysis, and due diligence.

Start Date: 04/2017

Hours Devoted to OBA Monthly: 0 during trading hrs./1 hour per month during non-trading hrs.

Name of Outside Business or Organization: CFBW Partners, LLC Address:

2490 Depew Edgewater, CO 80214

Title: Managing Partner

Description of Outside Business or Organization: LLC formed for assets to be managed by a Registered Investment Advisor. CFBW Partners does not have discretion over the affiliated brokerage account.

Description of Duties or Responsibilities: Providing operational oversight over the entity Start Date: 6/15/2020

Hours Devoted to OBA Monthly: 0 during trading hrs./1 hour per month during non-trading hrs.

Name of Outside Business or Organization: LotusGroup Advisors, LLC.

Address: 1005 S. Gaylord Street, Denver, CO 80209

Title: Portfolio and Private Partner Manager & Investment Advisor Representative

Description of Outside Business or Organization: Affiliated Registered Investment Advisory firm. Description of Duties or Responsibilities: Providing portfolio analysis and private investment partner management to Investment Adviser, including due diligence, negotiations, contracts review, and ongoing supplier management.

Manages LGA IncomePlus Fund II

Start Date: 07/2017

Hours Devoted to OBA Monthly: 50% during trading hrs./50% during non-trading hrs.

Conflicts of Interest Disclosure

The outside business activities of Mr. Frank do not give him an incentive to recommend investment products based on anything other than a client's needs. Nevertheless, LotusGroup Capital requires him to disclose the above relationships to clients at relationship inception.

Additional Compensation

Advisory Services Compensation

Mr. Frank does not receive any economic benefit from any person, company, or organization in exchange for providing clients with advisory services through LotusGroup Capital. Mr. Frank earns a base salary, with some earnings coming from a percentage of revenue share collected from client assets managed. As an advisor, he earns a percentage of revenue share collected from client assets managed by the Advisor. Additionally, an advisor can make a one-time commission for the new clients brought to the Firm paid quarterly on collected payments and may earn an annual bonus for meeting goals set forth by the company. In addition, advisors can earn a percentage of the management fee collected from IncomePlus Fund Class B investors to whom they provide investor relations assistance. Finally, he may earn a percentage of the incentive fee paid to the Firm from the IncomePlus Funds. Mr. Frank does not receive any additional economic benefit from any person, company, or organization in exchange for providing clients with advisory services.

Supervision

LotusGroup Capital takes its compliance and regulatory obligations seriously; supervision is a multi-tiered process. Amanda N. Cohen is the Firm's Chief Compliance Officer ("CCO"). She oversees and administers the Firm's Compliance Program in coordination with the efforts of the Firm's Principal and Managing Member, Raphael A. Martorello, who directly supervises all firm investment decisions and activities. Mr. Martorello directly supervises Mr. Frank.

Covered Persons are required to abide fully by all applicable federal and state regulations and the Firm's guiding principles as outlined in its written supervisory Policies & Procedures Manual and Code of Ethics (including any updates to it). LotusGroup Capital requires all Covered Persons to exercise a fiduciary duty to its clients by acting in each client's best interest and by placing client interests first and foremost, *always*. Covered Persons are required to attest no less than annually to their compliance with, and understanding of, the above matters, including confirmation and acknowledgment by every Advisor Representative, of the Firm's expectations regarding their conduct, given the duties, responsibilities, and principles required of them.

Requirements for State Registered Investment Advisers

The following disclosure is provided for your use in evaluating this Advisor Representative's suitability.

- A. Louis C. Frank, CAIA, has not been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages over \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Louis C. Frank, CAIA, has not been the subject of a bankruptcy petition.