



LCR WEALTH MANAGEMENT LLC

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203-780-2272

PART 2A OF FORM ADV: FIRM BROCHURE  
Dated: November 21, 2023

IA Firm CRD Number - 313013

Item 1 – Cover Page

**This Brochure provides information about the qualifications and business practices of LCR Wealth Management LLC (“LCRWM”). If you have any questions about the contents of this Brochure, please contact us at 203-780-2272. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about LCRWM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**LCRWM is a registered investment adviser. Registration does not imply a certain level of skill or training.**

LCR Wealth Management LLC | Phone: 203.780.2272 | 518 Riverside Ave, Building A, Floor 2,  
Westport, CT 06880 | ADV Part 2A | [ ], 2023 Version

## Item 2 –Material Changes

This Brochure contains several material changes from the last firm brochure dated as of October 13, 2023 including, but not limited to, additional disclosure regarding affiliates, fees and compensation, conflicts of interest and brokerage and custody. In addition, LCRWM routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

Pursuant to Rule 204-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Thomas Garvey at 203-780-2272.

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#### Item 4 – Advisory Business

LCRWM provides investment advisory and supervisory services on a discretionary basis for a broad base of clients, including individuals, families, trusts, institutions, and retirement plans. Services may include defining investment objectives, asset allocation among types of securities, and portfolio management of equity and income-oriented accounts.

In providing its services, the sole standard of care imposed upon LCRWM shall be to act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investment advisor acting in a like capacity and familiar with such matters would use in the conduct of a like character with like aims. In addition, LCRWM assumes no responsibility for the accuracy of information furnished to LCRWM by a client or a client's agent. With respect to investing in certain investment products, such as mutual funds, ETFs, closed-end funds, and private funds, the client in effect will be paying two management fees, one to LCRWM and one to the mutual fund advisor.

LCRWM was granted registration on March 12, 2021 as an investment advisor pursuant to Section 36b-6 of the Connecticut General Statutes and transitioned its registration to the SEC on June 30, 2021. LCR Capital Partners LLC ("LCRCP") is the majority owner of LCRWM. Thomas Garvey is the principal member and the president of LCRWM and has been engaged in the business of providing investment services to investment clientele since 2003.

A client's account is handled by Mr. Garvey. To provide its hallmark of high quality and hands-on service to its clients, LCRWM restricts portfolio management to a limited number of sizable accounts.

LCRWM may direct clients to third-party investment advisers. Before selecting other advisers for clients, LCRWM will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where LCRWM is recommending the adviser to clients.

As of October 16, 2023, LCRWM has \$114,315,555.60 in discretionary assets under management.

##### Iron Pillar Fund II US Access, LP

LCRWM acts as the investment manager of a venture capital fund, Iron Pillar Fund II US Access, LP (the "Fund"). LCRWM engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing the Fund, among other activities. In the ordinary course of its business, LCRWM therefore engages in activities where LCRWM's interests may conflict with the interests of its clients, including the Fund. Please refer to the Fund's operating documents and to Item 10 of this Brochure for a more complete discussion of the Fund, its conditions, risks, and related factors prior to investing in the Fund. LCRWM can give no assurance that conflicts of interest will be resolved in favor of its clients or the Fund, however, LCRWM strives to ensure that investments are made solely in the clients' best interests and that all clients are treated fairly and equitably.

##### Model Portfolios

LCRWM operates a model portfolio program currently consisting of 100% equity model portfolios (the "Model Portfolios") for a range of investment objectives, risk tolerances, and investment themes that

can be accessed through the normal advisory practice and procedures. LCRWM's model portfolios are not tailored to the individual needs of clients. Suitability for the model portfolio program is determined by one of LCRWM's investment advisor representatives ("Advisor Representatives"). LCRWM Advisor Representatives obtain the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. The Advisor Representative provides ongoing advice on the selection or replacement of a Model Portfolio based on the client's individual needs. The Advisor Representatives obtain this information by having the client complete a questionnaire (a "Client Questionnaire") which is a part of the client's investment management agreement. LCRWM asks clients to communicate if there have been any changes in the client's financial situation or investment objective or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions.

LCRWM may apply discretion to deviate from the Model Portfolios in smaller accounts, in which it is not possible or impractical to be invested in all of a Model Portfolio's holdings. LCRWM is responsible for rebalancing accounts in accordance with the allocations in the Model Portfolio(s). LCRWM will review an account to determine if rebalancing is appropriate based on the frequency selected by the client at account opening or as altered by the client or the Advisor Representative from time to time. The choices for frequency of rebalancing review are semiannually (two times per year) or annually (once per year). At each rebalancing review date, LCRWM will rebalance the account only if at least one security position is outside a predetermined range, subject to a minimum transaction amount established by LCRWM in its discretion. In addition, LCRWM will review an account for rebalancing in the event that the investment professional changes the allocation targets.

LCRWM requires a minimum asset value for a program account to be managed. The minimums vary depending on the Model Portfolio(s) selected and the account's allocation amongst Model Portfolios. The lowest minimum for a Model Portfolio is \$100,000. In certain instances, LCRWM will permit a lower minimum for a Model Portfolio. Note that an account will not be invested according to a Model Portfolio or Portfolios until the applicable minimum for the Portfolio(s) and allocation has been reached.

Clients should understand that the investment objective selected for the program in the Client Questionnaire is an overall objective for the entire account and may be inconsistent with a Model Portfolio in the account, a particular holding and the account's performance at any time. Clients also should be aware that achievement of the stated investment objective is a long-term goal for the account.

#### LCR Capital Partners LLC

LCRCP is the majority owner of LCRWM. LCRCP is an investment firm whose primary focus is connecting global investors with EB-5 Visa eligible investments. LCRCP has in the past and may in the future refer investors seeking advisory management services to LCRWM. LCRCP is not compensated for its introduction of investors to LCRWM. However, LCRCP has an incentive to recommend LCRWM's advisory services to investors due to the financial and other benefits it may receive as LCRWM's majority owner, even if another person or firm is more qualified to provide advisory service and/or can provide them at a lesser cost. Unlike LCRWM, LCRCP is not an investment adviser and does not have a fiduciary relationship with the EB-5 investors. LCRWM does not refer clients to LCRCP nor does it recommend LCRCP investments to its clients. LCRWM always acts in the best interests of its clients consistent with its fiduciary duties.

**Item 5 – Fees and Compensation**

**For General Advisory Clients:** The specific way fees are charged by LCRWM is established in a client's written agreement with LCRWM. Fees are billed on a quarterly basis in advance. Advisory fees will not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. The amount of the portfolio management fee is negotiable. Accounts initiated or terminated during a quarterly period will be charged a prorated fee. Upon termination of any account, the amount of the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.) Advisory fees will be determined as of the close of business on the date at the end of each most recent calendar quarter and will be charged within a two-week period following the end of the quarter. Advisory fees will be allocated proportionally among the accounts based on portfolio valuations. Management of the account will commence upon receipt of assets into the account. Clients authorize LCRWM to directly debit fees from client accounts.

The cost of investment management services is based on the amount of assets the client has under management with LCRWM. LCRWM follows the practice of householding when calculating advisory fees. Householding is a process by which all members of a household share the same fee rate, whether negotiated or per the fee schedule. If the fee schedule is being used, as opposed to a negotiated rate, the amount of assets that is used regarding the fee schedule is the sum of the assets across all accounts managed by LCRWM in the household. Therefore, householding may provide an opportunity for a client to take advantage of reduced fees based on the consolidated sum of assets managed by LCRWM in the household reaching a higher threshold in the fee schedule. LCRWM does not charge a pro-rated amount for new money, less than \$20,000, added during a quarter. Additionally, LCRWM does not credit any pre-paid costs for account withdrawals of less than \$20,000.

Clients may elect to conduct trades on their own behalf within the same account that holds assets the client has under management with LCRWM. LCRWM's fees are based on the total amount of assets in such an account, including any securities and other assets attributable to such client-directed trades.

Clients shall be assessed an annual cost of services based on this schedule, charged as a percentage of assets under LCRWM's management. These fees are negotiable. The executed investment advisory contract for each client will reflect the agreed upon fee.

**Fee Schedule:**

<u>\$0 to \$2,000,000</u>	<u>1.50%</u>
<u>\$2,000,001 to \$5,000,000</u>	<u>1.00%</u>
<u>\$5,000,001 to \$10,000,000</u>	<u>0.85%</u>
<u>\$10,000,001 to \$20,000,000</u>	<u>0.75%</u>
<u>Greater than \$20,000,000</u>	<u>See Negotiated Rate</u>

LCRWM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties, such as custodial fees, transfer charges, wire transfer fees, and other similar fees and charges on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to LCRWM's fee, and LCRWM shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that LCRWM considers in selecting or recommending a broker-dealer for client transactions and determining the reasonableness of their compensation.

LCRWM may direct clients to invest in certain private investments. LCRWM may be compensated a reduced fee of 0.60% for accounts invested in such private investments including the Fund, Portfolio Advisors Real Estate Fund VIII and Embree Net Lease Fund V. The third-party investment advisers to such private investments charge a management fee in addition to and independent of the fee charged by LCRWM. The fees charged by LCRWM are negotiable and will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

#### Model Portfolios

LCRWM offers a reduced fee for accounts investing solely in the Model Portfolio program because the cost required to service model portfolio investments is less than that of a fully customized portfolio. Fees on the Model Portfolio program will be asset-based with a fixed annual fee of 1.00%. The procedure for the timing and the collection of fees will be the same as described above for general advisory clients.

**For Private Fund Clients:** LCRWM is the investment manager of the Fund, which follows a different billing structure than general advisory clients. Fees are charged to the Fund quarterly in arrears, instead of quarterly in advance.

The Fund will pay LCRWM an annual management fee ("Management Fee"). The Management Fee will be calculated pro rata with respect to each limited partner in the Fund (a "Limited Partner") as follows:

- (a) During the commitment period: 0.4% per annum of such Limited Partner's capital commitment; and
- (b) Post the commitment period: 0.4% per annum of such Limited Partner's capital contributions or pro rata amounts reserved for portfolio investments and bridge investments (including follow-on investments) by the Master Fund (as defined below), less the Fund's pro rata share of the cost of portfolio investments and bridge investments that have been disposed of or the value permanently written off by the Master Fund as of the relevant payment date; provided that such adjustment in the Management Fee shall take place only if at least fifty percent (50%) of the value of the portfolio investments has been permanently written off by the Master Fund. In respect of any follow-on investment that may be made by the Master Fund after the commitment

period, the aggregate amounts utilized from a Limited Partner's capital contributions (indirectly) towards such follow-on investment shall be added to such Limited Partner's capital contributions as on the date on which the computation of the Management Fee commences (after the commitment period, as mentioned in this sub-paragraph (b)), for the purposes of calculation of Management Fee in relation to such follow-on investment

LCRWM is the investment manager of the Fund, which in turn, invests in Iron Pillar Fund II Ltd (the "Master Fund"). The Master Fund charges performance fees in the form of carried interest. The Master Fund also charges management fees at a rate of 2.0% per annum. The Fund's Limited Partners therefore indirectly bear such Master Fund management fees, in addition to the Fund's Management Fee.

LCRWM may, in its sole discretion, reduce, waive or calculate differently the Management Fee with respect to one or more Limited Partners (without notice to, or the consent of, the other Limited Partners), including, without limitation, Limited Partners that are members, partners, affiliates or employees of the general partner of the Fund, LCR Access Fund LLC (the "General Partner") or LCRWM, members of the immediate families of such persons and trusts or other entities for their benefit. LCRWM may pay or allocate all or a portion of the Management Fee to any third party (which may be an affiliate of LCRWM and/or the General Partner), including, but not limited to, a third party who refers investors to the Fund, performs other services for the Fund, the General Partner and/or LCRWM, or that is a strategic investor or partner in or with any of such entities.

Investors should carefully review the governing documents of the Fund in conjunction with this Brochure for complete information about fees and compensation. Similar advisory services may be available from other investment advisers for similar or lower fees.

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

LCRWM does not charge any performance-based fees with respect to its general advisory clients.

With respect to the Master Fund, a portion of its profits, if any, is distributed to its general partner, Iron Pillar Holdings Ltd., as "carried interest." Carried interest paid by the Master Fund is indirectly borne by the Fund and the Limited Partners.

In certain circumstances, LCRWM may receive greater compensation on assets that are invested in the Fund than it does on client assets that are not invested in the Fund. LCRWM may therefore have an incentive to recommend investment in the Fund to clients or disproportionately allocate time, services or functions to the Fund. Therefore, LCRWM has a conflict of interest because it serves as investment manager of the Fund and as an advisor to its general advisory clients at the same time. See Item 11 below for additional information relating to how conflicts of interests are generally addressed by LCRWM.

## Item 7 – Types of Clients

**General Advisory Clients:** LCRWM provides portfolio management services to individuals, high net worth individuals, individual retirement plans, trusts and estates. LCRWM typically provides investment



advice and management to high net worth individuals and families. Therefore, with respect to general advisory clients, LCRWM's focus is on the investment issues relating to individual accounts.

**Private Fund Client:** LCRWM acts as the investment manager of the Fund, a venture capital fund. Investment advice is provided directly to Fund (subject to the direction and control of the General Partner) and not individually to investors in the Fund (i.e., the Limited Partners). Minimum capital commitments for investors in the Fund are set forth in the Fund's offering memorandum, however the General Partner may determine to accept a lesser amount than such minimum.

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

LCRWM's investment strategy employs diversification across a variety of asset classes including equities, fixed income, and alternatives. Investments include both U.S. and international entities. The results of different asset classes vary widely over time. The objective of broad participation is to capture worthwhile total returns while reducing overall volatility. Securities used, include, but are not limited to, mutual funds, exchange traded funds, and separately managed accounts.

LCRWM's investment strategy is to tailor each investment portfolio to meet the specific needs of each client. LCRWM evaluates and designs a portfolio that seeks to meet specific objectives. Based on these goals, appropriate securities are selected. Tax impacts are always considered whether building portfolios or selling holdings. Most importantly, we constantly oversee the portfolio to meet long term investment goals. Subject to the client's cash needs, our intent is to buy and hold securities for the long term and we believe very strongly in the preservation of capital through our conservative investing in what we believe to be quality securities.

Mutual funds, ETFs and other investment products may have different share classes. While each share class invests in the same pool of assets and has the same investment objective, each has different internal fees and expenses. When investing in mutual funds, ETFs, or other investment products with multiple share classes LCRWM generally seeks to select, recommend and/or retain, when possible, mutual fund share classes that do not have trading costs. In most cases, these will be institutional share classes but, in some cases, may be share classes with higher internal expense ratios than institutional share classes. LCRWM will seek to select the lowest cost share class available that is in the best interest of each client weighing the expected investment pattern and expense ratios, among other factors, and seeks to ensure the selection aligns with the client's financial objectives and stated investment guidelines. Notwithstanding the foregoing, clients should not assume that they will be invested in the share class with the lowest expense ratio.

Our preference is to discuss major investment decisions with our clients. Discussions or correspondence are used to keep clients apprised on how their investments are meeting their objectives. Communication is especially important when designing investment plans and objectives, or with substantial shifts in portfolio strategy.

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and clients should be prepared to bear the loss of assets invested. The investment performance and the success of any investment strategy or particular

investment can never be predicted or guaranteed, and the value of a client's investments fluctuates due to market conditions and other factors. The investment decisions and recommendations made, and the actions taken for Clients' accounts are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. The types of risks to which a client's account is subject, and the degree to which any particular risks impact an account, may change over time depending on various factors, including the investment strategies, investment techniques and asset classes utilized by the account, the timing of the account's investments, prevailing market and economic conditions, reputational considerations, and the occurrence of adverse social, political, regulatory or other developments. Past performance of accounts is not indicative of future performance.

LCRWM has the ability to use selection of third-party investment advisers, long term trading, short term trading, short sales, margin transactions, and options trading (including covered options, uncovered options, or spreading strategies). Although LCRWM will seek to select only third-party investment advisers who will invest clients' assets with the highest level of integrity, LCRWM's selection process cannot ensure that third-party investment advisers will perform as desired and LCRWM will have no control over the day-to-day operations of any of its selected third-party investment advisers. LCRWM would not necessarily be aware of certain activities at the third-party investment adviser-level, including without limitation a third-party investment adviser engaging in unreported risks, investment "style drift" or even regulatory breach or fraud.

#### Iron Pillar Fund II US Access, LP

An investment in the Fund involves significant risk and can only be considered by accredited investors as per the offering documents of the Fund. Furthermore, even if accredited, investors should be sophisticated and able to meet draw down obligations and assume the risk of loss and illiquidity inherent with an investment in the Fund.

#### Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of LCRWM or the integrity of LCRWM's management. At all times which are material to this disclosure, neither LCRWM nor its personnel has been disciplined.

## Item 10 – Other Financial Industry Activities and Affiliations

LCRWM serves as investment manager to the Fund. The General Partner is the Fund's general partner and Mr. Garvey is the principal of the General Partner. LCRWM will recommend investments in the Fund to those general advisory clients for which investment in the Fund is suitable. This presents a conflict of interest in that LCRWM, and/or its related persons may receive more compensation from investment in the Fund than from other investments. Nevertheless, LCRWM acts in the best interest of its clients consistent with its fiduciary duties and clients are not required to invest in the Fund if they do not wish to do so.

LCRWM is majority owned by LCRCP an investment firm whose primary focus is connecting global investors with EB-5 Visa eligible investments. LCRCP has in the past and may in the future refer investors seeking advisory management services to LCRWM. LCRCP is not compensated for its introduction of investors to LCRWM. LCRWM does not refer clients to LCRCP, nor does it recommend LCRCP investments to its clients. Unlike LCRWM, LCRCP is not an investment adviser and does not have a fiduciary relationship with the EB-5 investors. LCRWM always acts in the best interests of its clients consistent with its fiduciary duties.

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

LCRWM's corporate Code of Ethics establishes standards of conduct that are expected of supervised persons and reflect LCRWM's fiduciary duties to its clientele. The Code of Ethics reflects LCRWM's commitment to high ethical practices and the sharing of responsibility for maintaining those practices among employees. Fundamental to the personnel policies and practices that implement the Code of Ethics is LCRWM's insistence that business be conducted in an environment of mutual respect. Many of these policies are based upon laws and regulations, others upon widely held philosophical and ethical principles. Violation of these policies may result in discipline, including termination.

LCRWM has the responsibility to render professional, continuous, and unbiased investment advice. As a fiduciary, LCRWM owes its clients a duty of honesty, good faith, and fair dealing. Further, LCRWM must always act in the client's best interest and must either avoid or disclose conflicts of interest. All employees' personal securities transactions shall be conducted in such a manner as to be consistent with the Code of Ethics, to avoid any actual or potential conflict of interest, or any abuse of an employee's position of trust and responsibility. As a hallmark of LCRWM's business is confidentiality, information concerning the identity of security holdings and financial circumstances of clients is and must remain confidential.

Each employee shares the responsibility to comply not only with the plain language of these policies and applicable laws, but to embrace the spirit and purposes of these policies in their business and interpersonal conduct. LCRWM's reputation is built on principles of honesty, integrity, and professionalism, and its ability to prosper in the future is dependent on all employees embracing these principles. All supervised persons at LCRWM must acknowledge the terms of the Code of Ethics upon

commencing employment, annually, and as amended from time to time. LCRWM will provide a copy of its Code of Ethics to any client, or prospective client, upon written request.

Advisory personnel (which includes company officers, employees, directors, stockholders, and certain members of their families) may at times have a position in the same securities that clients own and may make purchases or sales of these securities from time to time in the open market. Personal trading by advisory personnel is to be conducted in an ethical manner that complies with industry regulations. The fact that such persons acquire, or not acquire securities themselves or for any other client is not to be considered in determining the advisability of acquiring or not acquiring similar securities for the portfolio account of any client.

All personal securities transactions by employees must avoid a conflict with the interests of a client. Personal securities trading that may conflict with the interests of any client is strictly prohibited. Clients of LCRWM have priority on purchases and sales before placing orders for advisory personnel. Advisory personnel must follow LCRWM's Client Priority Rule detailed in its written supervisory procedures when conducting personal securities trading. When entering the same side of a trade for both client(s) and advisory personnel, the client trade(s) shall be entered ahead of the advisory personnel trade, except where the market is liquid enough where entering simultaneous trades would not impact market depth or ability to execute the client trade. All advisory personnel are subject to specific procedures, including pre-clearance of transactions and detailed trade reporting and compliance review.

LCRWM serves as investment manager to the Fund. The General Partner is the Fund's general partner and Mr. Garvey is the principal of the General Partner. LCRWM will recommend investments in the Fund to those clients for which investment in the Fund is suitable.

## Item 12 – Brokerage Practices

LCRWM suggests transactions be placed with Charles Schwab Corporation (together with all affiliates, "Schwab"), which is not affiliated with LCRWM. Clients are not required to designate this broker-dealer. Substantially all of LCRWM's clients have authorized LCRWM to use this broker-dealer to hold securities and handle security transactions. If a client has selected a directed broker other than Schwab, such client agrees LCRWM will not be required to effect any transaction through that directed broker if LCRWM believes that to do so may result in a breach of its duties as a fiduciary. A Client should understand that by instructing LCRWM to execute all transactions on behalf of an account through that directed broker, a disparity may exist between the commissions borne by the account and the commissions borne by LCRWM's other client's that do not direct LCRWM to use a particular broker-dealer. A Client should also understand that by instructing LCRWM to execute all transactions on behalf of an account through such directed broker, the Client may not necessarily obtain commission rates and execution as favorable as those that would be obtained if LCRWM were able to place transactions with Schwab.

Each portfolio is individually managed. Decisions to buy and sell are made for each account separately. This process does not create conditions for aggregating the purchase or sale of securities for various client accounts. If the opportunity arises when clients are buying or selling the same security, and market conditions are such that in LCRWM's judgment the aggregating of the order does not harm the best

**Commented [1]:** Should references to client in this section be capitalized?

**Commented [2R1]:** LCR team: We think it is ok to use lower-case client here.

execution of the transaction, the shares may be aggregated. As the transaction cost is a small amount of the transaction, the decision to aggregate, or not aggregate orders, does not materially impact the trade cost to the client.

LCRWM has an arrangement with Schwab through which Schwab provides LCRWM with Schwab's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like LCRWM in conducting business and in serving the best interests of their clients but that may benefit LCRWM.

Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab enables LCRWM to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Schwab also makes available to LCRWM, at no additional charge to LCRWM, certain research and brokerage services, including research services obtained by Schwab directly from independent research companies, as selected by LCRWM (within specified parameters). These research and brokerage services presently include services on the Schwab platform as detailed above, typical services to effect purchases and sales of securities, business building solutions ranging from marketing support to client management tools, retirement programs to help meet asset accumulation and income distribution needs of clients, a dedicated relationship manager for consultation and support of day-to-day business needs, a data feed of securities activity, and combined technology integration, training and support. These research and brokerage services are used by LCRWM to manage accounts for which LCRWM has investment discretion.

As a result of receiving such services for no additional cost, LCRWM may have an incentive to continue to use or expand the use of Schwab's services. LCRWM examined this potential conflict of interest when it chose to enter into the relationship with Schwab and has determined that the relationship is in the best interests of LCRWM's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where LCRWM determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although LCRWM will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by LCRWM will generally be used to service all of LCRWM's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. LCRWM and Schwab are not affiliates.

### Item 13 – Review of Accounts

Reviews of an investment advisory account are triggered by the calendar year. A full review occurs every six months. Minor reviews may be performed when significant changes in price or income occur on securities.

A principal of LCRWM performs all account reviews but he may rely on assistance from additional LCRWM personnel. The reviewer monitors investment performance in relation to each client's goals and objectives. If, as a result of a review performed when significant changes of price or income occurred, the reviewer concludes that a change in investment is warranted, the reviewer may take the action needed to implement the change in investment.

The nature and frequency of regular reports to clients on their accounts is a written quarterly portfolio analysis and review. In addition, market valuations are provided on a quarterly basis. These market valuation reports are sent separately from the account statements sent by a broker-dealer, which detail the account activity and the custody and safekeeping of positions for the period. For information on custody, see Item 15.

### Item 14 – Client Referrals and Other Compensation

We encourage referrals of potential clients from our existing client base, based on the presumption LCRWM may be able to provide needed assistance with their financial affairs. LCRCP, while not a client of LCRWM, has in the past and may in the future refer investors seeking advisory management services to LCRWM. No economic benefit or compensation is paid directly or indirectly to any person, for any referral of business and LCRCP is not compensated for its introduction of investors to LCRWM. However, LCRCP has an incentive to recommend LCRWM's advisory services to investors due to the financial and other benefits it may receive as LCRWM's majority owner.

### Item 15 – Custody

LCRWM does not act as a qualified custodian for client assets. However, under the Advisers Act, LCRWM is deemed to have constructive custody of client assets, for example, because clients authorize LCRWM to directly debit fees from client accounts. Clients will receive account statements from the qualified custodian, Schwab. Each client should carefully review those statements.

Due to the role of the General Partner as general partner of the Fund and Mr. Garvey's role as the principal of the General Partner, LCRWM is deemed to have custody over the funds and securities held by the Fund.

### Item 16 – Investment Discretion.

LCRWM receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Investment discretion is part of the

investment advisory contract signed by the client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, LCRWM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to LCRWM in writing.

#### Item 17 – Voting Client Securities

LCRWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

#### Item 18 – Financial Information

Registered investment advisers are required in this Item 18 to provide you with certain financial information or disclosures about LCRWM's financial condition. LCRWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. **As a start-up business** LCRWM currently has no financial information to share with clients.

**Commented [3]:** How long should this remain?

**Commented [4R3]:** LCR team: Probably appropriate to remove during your next annual amendment.