

LotusGroup Capital Form CRS Relationship Summary (ADV Part III)

As of June 1, 2020

INTRODUCTION

You Choose How You Wish to Invest - There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. **LotusGroup Capital ("LGC") is registered with the Securities and Exchange Commission as an investment adviser.** We have been in business since September 2018. Our offices are located 250 Fillmore Street, Suite 150, Denver, CO. We provide investment advisory accounts and services for a fee rather than offering brokerage accounts and services for commission. *Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences.* This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, the SEC's investor education website, which also provides educational materials about broker-dealers, investment advisers, and investing.

RELATIONSHIPS & SERVICES

What Investment Services & Advice Can You Provide Me?

LotusGroup Capital offers one specific kind of advisory service to retail investors. We provide **private fund management services** for the *LotusGroup Longevity Fund, LLC (the "Fund")*, a Fund that combines investor investment funds for the primary purpose of long-term capital appreciation and a secondary goal of generating income. We restrict our advice to this one limited type of investment. The Fund seeks to achieve this objective by investing mainly in a variety of life settlement contracts with Net Asset Value ("NAV") that increase over time. The Fund will purchase life settlement contracts across several different carriers, disease types, genders, ages, life expectancies, premium payment schedules, and product types. The aim is to sell such agreements to create potential gains, with the final maturities of the agreements generating realized gains/income. Excess cash and premium reserves will be held with the Fund's Custodian.

LGC serves as the Managing Member, the sole Investment Manager ("Manager"), and the fiduciary of the Fund. We provide **discretionary** advisory services to the Fund (*this means we will make all decisions on when and how much to invest in or withdraw from a particular investment and to buy or sell investments within the Fund's account, without asking the Fund or any of its shareholders - in advance*). To become a Fund shareholder, you must be an eligible and qualified **"Accredited Investor"** (as defined in Rule 501 of Regulation D). Please ask us if you qualify as an eligible investor - we will discuss your financial goals and help you see if an investment in the Fund may help you as you strive to achieve those goals. Shareholders will pay a quarterly management fee, **calculated and payable in arrears** each quarter, based on the value of the fund interests they purchased in their advisory account.

We must abide by certain laws and regulations in our interactions with you. **As a fiduciary, we are responsible for monitoring our retail investors' investments on an ongoing basis.** Investors are encouraged to work with their financial advisor to determine suitability. The Fund is the Manager's client. The Portfolio Manager will regularly review Fund portfolio investments as part of the ongoing investment management process for several factors, including but not limited to profitability, risk management, and execution results. Monthly, the Custodian will provide the Administrator and us with statements of Fund Accounts, and the Administrator will generate performance reports confirming the value of each investor's Fund holdings. Shareholders will receive statements from the Administrator and a qualitative write-up performance report from us, at least quarterly. Annually, 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.

We will offer the Fund advice regularly, and we will contact you by e-mail no less than annually to share fund performance. We are available for more frequent meetings upon your request. Other firms could provide advice on a wider range of choices, some of which might have lower costs. **The LotusGroup Longevity Fund** requires a minimum initial subscription for \$100,000 for Investment Class Interests as outlined in the Fund's Governing Documents. Our client is the Fund; therefore you as the investor of the Fund is under no obligation to complete your transaction through us or our common-controlled firm, LotusGroup Advisors, LLC, if you should choose to invest (*For more information, please view our [Form ADV Part 2A Disclosure Brochure, Items 4 & 7.](#)*)

Conversation Starters: Ask Your Financial Professional — *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean? Please explain what the abbreviations in your licenses are and what they mean.*

Compare Us vs. Typical Brokerage Accounts - You could also open a brokerage account with a broker-dealer, where you will pay a transaction-based fee, generally referred to as a commission, when the broker-dealer buys or sells an investment for you. Features of typical brokerage accounts include (1) with a broker-dealer ("BD"), you may select investments, or the BD may recommend investments for your account, but the ultimate decision for your investments is yours, (2) a broker-dealer must act in your best interests and not place its interests ahead of yours when the broker-dealer recommends an investment or an investment strategy involving securities and the purchase and sale of investments will be yours, (3) when a broker-dealer provides any service to you, the broker-dealer must treat you fairly and comply with a number of specific obligations. Unless you and the broker-dealer agree otherwise, the broker-dealer is not required to monitor your portfolio or investments on an ongoing basis, (4) if you were to pay a transaction-based fee in a brokerage account, the more trades in your account, the more fees the broker-dealer charges you. So it has an incentive to encourage you to trade often, and (5) you can receive advice in either type of account. Still, you may prefer paying a **transaction-based fee** from a cost perspective, if you do not trade often or if you plan to buy and hold investments for longer periods or **asset-based fee** if you want continuing advice or want someone to make investment decisions for you, even though it may cost you more than a transaction-based fee.

Conversation Starters: Ask Your Financial Professional — *Given my financial situation, should I choose an investment advisory service? Why should I choose a brokerage account? Why or why not?*

FEES, COSTS, CONFLICTS & STANDARDS OF CONDUCT

What Fees Will I Pay? Description of Other Fees & Costs - **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time - they affect the value of your account over time.** We are compensated for the services we provide to the Fund through a quarterly 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. Our fees are negotiable under certain circumstances up to the maximum LotusGroup Longevity Fund, LLC Fee Schedule listed below:

Share Class	Annual Fee	
Founder Class A	1.00% annually [0.1875% quarterly]	Founder Class A and Founder Class B Interests are offered until the Company receives \$20,000,000 of committed capital. Investment Class Interests will be offered exclusively after that.
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]	

The most common other fees and costs applicable to our retail investors include fees related to custodial and account maintenance fees and additional transactional fees. The amounts you will pay for advisory services will depend upon the number of shareholder interests you purchase and the dollar value of assets, including cash, in your account. Founder's Class and Investment Class interests differ by the applicable Management Fee, Incentive allocation, and share of Management Fees. **Please make sure you understand what fees and costs you are paying.** Ask your financial professional to give you personalized information on the fees and costs that you will pay. (Any fees you pay will align with the types of fee(s) we report in [Form ADV Part 2A Disclosure Brochure](#), Items 4 & 7. Kindly also see Items 5.A., B., C, and D, and consider your ERISA 408(b)(2) disclosure (as applicable). **You must be aware:**

- The amount paid to our firm and your financial professional generally does not vary based on the type of investments selected in the Fund.
- Fees will reduce the value of your account and will be deducted from your account - **typically, the more assets you have in an advisory account, including cash, the more you will pay.** We, therefore, have an incentive to increase the amount of your initial investment into the Fund, to increase our fees, which creates a conflict of interest when we charge ongoing asset-based fees for our services.
- Fees will be deducted directly from your account or as further detailed in our Form ADV Part 2B Disclosure Brochure and your executed Subscription Agreement. You may also be required to pay fees when you sell your Fund shares.
- **Please ask your financial professional to give you personalized information on the fees and costs that you will pay.** Lower fees for comparable services can, at times, be available from other sources.

Starters: Ask Your Financial Professional — *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What Are Your Legal Obligations to Me When Acting as My Investment Adviser? How Else Does Your Firm Make Money & What Conflicts of Interest Do You Have? **When we act as the investment adviser and as a Manager of the Fund, we must act in your best interest and not put our interest ahead of yours.** We must abide by certain laws and regulations in our interactions with you. We are held to a fiduciary standard that covers our entire investment advisory relationship with you. We are required to monitor the Fund's portfolio, investment strategy, and investments on an ongoing basis. **Our interests can conflict with your interests.** We must eliminate these conflicts or tell you about them in a way you can understand so that you can decide whether to agree to them. You should understand and ask us about these conflicts - they can affect the investment advice we provide you.

How Do Your Financial Professionals Make Money? **We benefit from the advisory and management services we provide to the Fund.** Our financial professionals are compensated based on the revenue our firm earns from their advisory services or recommendations, the number of client assets they service, and the time and complexity required to meet a client's needs. (For additional information, please view our [Form ADV Part 2A Disclosure Brochure](#), Item 10.)

Conversation Starters: Ask Your Financial Professional — *How might your conflicts of interest affect me, and how will you address them?*

DISCIPLINARY HISTORY

Do You or Your Financial Professionals Have Legal or Disciplinary History? We do not have disciplinary history to disclose. Visit www.investor.gov for a free and simple search tool to research our firm and our financial professionals. To report a problem to the SEC, visit the [SEC's Investors Complaint Page](#) or call their toll-free investor assistance line at 800.732.0330. If you have a problem with your investments, investment account, or financial professional, contact us in writing at 250 Fillmore Street, Suite 150, Denver, CO.

Conversation Starters: Ask Your Financial Professional — *As a financial professional, do you have any disciplinary history? For what type of*

ADDITIONAL INFORMATION

For further details on our services, see our [Form ADV Part 2A Disclosure Brochure](#) on the IAPD system by searching by our firm name and CRD #143379 (<https://adviserinfo.sec.gov>), and any Form ADV Part 2B Brochure Supplement a financial professional provides. You may also view our Form ADV Brochure on our website, <https://lgadvisors.com>, or receive it calling us at 720.593.9861 or e-mailing us at info@lgadvisors.com.

Conversation Starters: Ask Your Financial Professional — *Who is the primary contact person for my account, and are they a representative of an investment adviser or broker-dealer? What can you tell me about their legal obligations to me? If I have concerns about how this person is treating me, who can I talk to?*