

Lotus Asset Management Limited Liability Company Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Lotus Asset Management Limited Liability Company. If you have any questions about the contents of this brochure, please contact us at 315-925-6887 or by email at: rohit@lotusam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lotus Asset Management Limited Liability Company is also available on the SEC's website at www.adviserinfo.sec.gov. Lotus Asset Management Limited Liability Company's CRD number is: 277030.

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Lotus Asset Management Limited Liability Company on 01/09/2026 are described below. Material changes relate to Lotus Asset Management Limited Liability Company's policies, practices or conflicts of interests.

- Lotus Asset Management Limited Liability Company is transitioning to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- Lotus Asset Management Limited Liability Company has updated its Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests (Item 10)

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Item 4: Advisory Business

A. Description of the Advisory Firm

Lotus Asset Management Limited Liability Company (hereinafter "LAM") is a Limited Liability Company organized in the State of New Jersey.

The firm was formed in June 2015, and the principal owner is Rohit Padmanabhan.

B. Types of Advisory Services

Portfolio Management Services

LAM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. LAM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

LAM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. LAM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

LAM seeks to provide investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of LAM's economic, investment or other financial interests. To meet its fiduciary obligations, LAM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, LAM's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is LAM's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

In connection with our portfolio management services, we offer advice to our clients on buying and selling digital assets through platforms operated by Interactive Brokers LLC's ("IBKR") platform are provided by Paxos Trust (a New York Limited Trust Company

licensed by the New York Department of Financial Services), which is specifically licensed to engage in virtual currency services.

Held Away Account Services

We use a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. Since we do not have direct access to Client log-in credentials to affect trades, we will not have custody of these assets. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

Due Diligence and Monitoring of Alternative Investments

LAM offers initial and ongoing due diligence on alternative and private investments for clients who qualify as accredited investors. LAM will collect and review available information including any marketing materials, prospectuses, subscription agreements, financial statements, audit reports, performance reports, and other investment-specific information to evaluate whether the opportunity is in the best interest of the client. LAM will attend calls and meetings with managers and sponsors of alternative and private investments to ensure a thorough understanding of all aspects of the information and documents received. LAM also conducts an ongoing review of the alternative and private investments and analyzes how these investments impact the client's traditionally managed portfolio.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;

- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Services Limited to Specific Types of Investments

LAM generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), equities, ETFs (including ETFs in the gold and precious metal sectors), digital assets (ex. cryptocurrencies and tokens), treasury inflation protected/inflation linked bonds, commodities and non-U.S. securities. LAM may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

LAM will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by LAM on behalf of the client. LAM may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. LAM will attempt to gain a deeper understanding of a client's goals with respect to their risk tolerance and relative ability to withstand short-term volatility. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent LAM from properly servicing the client account, or if the restrictions would require LAM to deviate from its standard suite of services, LAM reserves the right to end the relationship.

D. Wrap Fee Programs

LAM participates in wrap fee programs, which are investment programs where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. LAM manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. Fees paid under the wrap fee program will be given to LAM as a management fee.

In the case that fees are charged in advance, LAM uses the value of the account as of the last business day of the prior billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

In the case that fees are charged in arrears, LAM uses the daily account balance for determining said market value.

E. Assets Under Management

LAM has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$ 119,877,228.00 | \$ 629,151.00 | December 2025 |

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Asset-Based Fees for Portfolio Management and Held-Away Account Services

| Total Assets Under Management | Annual Fee |
|-------------------------------|------------|
| \$100,000 - \$1,000,000 | 1.25% |
| \$1,000,001 - \$5,000,000 | 1.10% |
| \$5,000,001 - And Up | 1.00% |

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of LAM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice. This is a blended tier schedule. LAM only provides portfolio management through the wrap program.

In the case that fees are charged in advance, LAM uses the value of the account as of the last business day of the prior billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Due Diligence and Monitoring of Alternative Investments Fees

| Total Assets Under Management | Annual Fee |
|-------------------------------|------------|
| All Assets | 0.80% |

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Client will be billed either in advance or arrears, according to the custodian being used. This will be discussed and agreed upon in the client contract.

Held Away Account Services Fees

The current exception for this is directly-managed held-away accounts, such as 401(k)s, which are determined by the account value at the end of the quarter. Directly debiting fees from such accounts may have negative tax consequences. Therefore, fees for those accounts will be assigned to the client's taxable accounts on a pro-rata basis. If the client does not have a taxable account, those fees will be billed directly to the client. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

Due Diligence and Monitoring of Alternative Investments Fees

Due Diligence and Monitoring of Alternative Investments Fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. If fees are not able to be withdrawn directly from the alternative investment account, fees for those accounts will be assigned to the client's taxable accounts on a pro-rata basis.

C. Client Responsibility for Third Party Fees

LAM will combine third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). LAM will charge clients one fee, and pay all transaction fees using the fee collected from the client.

D. Prepayment of Fees

In the case that fees are collected in advance, refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, 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 rate by 365.)

E. Outside Compensation for the Sale of Securities to Clients

Neither LAM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

LAM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

LAM generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations

Minimum Account Size

There is an account minimum of \$500,000, which may be waived by LAM at its discretion if household income or other extenuating circumstances are a factor.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

LAM's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

Charting analysis involves the use of patterns in performance charts. LAM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Qualitative analysis (generally applicable to our digital asset strategies) is the use of non-quantifiable methods to evaluate investment or business opportunities and makes decisions. This is different from quantitative analysis, which relies on a company's income statement, balance sheet and other quantifiable metrics.

In addition to the above, our analysis for digital assets also focuses on the following:

On-Chain analysis which includes:

- Transaction Volume
- Wallet Address Statistics
- Exchange Flows
- Ownership Details - Concentration and Time Held

Protocol and Product Adoption including:

- User, wallet, and transaction growth rates
- Hash Rates
- Staking Percentage

Community and developer strength

Investment Strategies

LAM uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

Digital Asset Strategies: Our strategies for digital assets focus on diversification of assets and earning interest on some digital assets. Generally, digital asset portfolios will consist of specific weightings that are selected based on their core tenants:

- Store of Value: Bitcoin started as the first digital asset whose early ambition and use case as a decentralized peer-to-peer version of electronic cash has expanded and matured. Within our portfolio Bitcoin acts as scarce digital gold & store of value, an inflation hedge, and an uncorrelated asset.

- **Platforms and Protocols:** Ethereum serves as the first digital smart contract platform. Ethereum aims to be technology that is home to digital money, global payments, and applications. As competitors come to market our portfolio will look to capitalize.
- **Decentralized Finance:** Digital assets specific to protocols looking to create a global, open alternative to the current financial system, opening financial services and products to anyone with an internet connection. Services include insurance, borrowing and lending, asset management, savings, and derivatives; and is expanding as use-cases continue to evolve.
- **Utility:** Digital assets with hybrid value accrual mechanism - Economic and Loyalty/Rewards. Owning these digital assets allows investors to participate in the protocol's economic growth as well as its loyalty and discount programs attached to its products and services.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Quantitative Model Risk: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models,

the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile - i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

LAM's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

LAM's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency. Alternative Investments can cause a risk and possible conflict of interest. Due diligence on alternative investments happens throughout the year, to make sure clients, if there is a need, have access to appropriate investments in this space. Those that are deemed to have reliable management teams, sound investment strategies, appropriate risk/return metrics are whittled down to a small pool of acceptable recommendations, even fewer of which are ever actually brought to clients' attention. For any conflicts each client's need/desire/ability to invest in any asset, including alternative investments must be deemed appropriate for any individual party before it is considered for their portfolio.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver,

or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Private Placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Digital Assets (ex. cryptocurrencies and tokens) are a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Digital assets are not backed nor supported by any government or central bank. The price of digital assets is completely derived by market forces of supply and demand, and it is more volatile than traditional currencies and financial assets.

Investing in digital assets comes with significant risk of loss that a client should be prepared to bear, including, but not limited to, volatile market price swings or flash crashes, market manipulation, economic, regulatory, technical, and cybersecurity risks. In addition, digital asset markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing. Associated risks include:

- **Volatility Risk:** Digital assets are a speculative and volatile investment asset. Investors should be prepared for volatile market swings and prolonged bear markets. Digital assets can have higher volatility than other traditional investments such as stocks and bonds and market movements can be difficult to predict.
- **Economic Risk:** The economic risk associated with digital assets are in the lack of widespread or continuing digital assets adoption. The market and investors could decide that digital assets should not be valued at the current market capitalization due to a variety of factors.
- **Regulatory Risk:** Digital asset could be banned or highly regulated by governments that would deter investors from buying or holding digital assets.
- **Technical Risk:** Digital assets are a dynamic network with a codebase that is updated to add new security and functionality features. The updated code that is merged by the core developers could potentially have an error that threatens the security or functionality of the digital asset network.
- **Cybersecurity Risk:** Digital asset exchanges and wallets have been hacked and digital assets have been stolen in the past. This is a potential risk that clients must be comfortable with when investing and holding digital currency. Theft is less likely when holding digital assets at a qualified custodian in offline systems (cold storage) with institutional security and controls.
- **Protocol and Governance Risk:** Tokens are a relatively recent technological innovation. Bitcoin is widely considered to be the first popular Token and was invented in 2009. Other Tokens in which we may invest were created after Bitcoin. There can be no assurance that the Token industry will continue in its current form. Tokens are generally created and supported by an underlying blockchain or protocol, such as the Bitcoin Protocol or the Ethereum Protocol. Any malfunction, malicious attack, breakdown or abandonment of the network may have an adverse effect on the Token's protocol or network which could lead to loss of value of the Token. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Tokens by rendering ineffective the cryptographic consensus mechanism that underpins a Token's protocol. There can be no assurance that changes or developments in Token protocols will not adversely impact your Account. The protocols on which Tokens are based are generally open source (permissionless) software. Any user can download the software, modify it and then propose that users and miners of a specific Token adopt the modification. When a modification is introduced and a substantial majority of users and miners' consent to the modification, the change is implemented and the Token's protocol and network remains uninterrupted. However, if less than a substantial majority of users and miners' consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "fork" (i.e., "split") of the Token's network

(and the Blockchain), with one prong running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of the Token's network running in parallel, but with each version's Token lacking interchangeability

- **Custodial and Exchange Risk.** The trading of Tokens is fragmented across several different exchanges. These exchanges are targets for distributed denial of services attacks (referred to as "DDoS Attacks") and other hacking attempts. Certain Token exchanges have experienced trading disruptions due to fraud, failure, security breaches and DDoS Attacks. In 2014, Mt. Gox, based in Japan and the then-largest Bitcoin exchange, was hacked and over \$450 million worth of Bitcoin was stolen, causing Mt. Gox to file for bankruptcy protection. In 2016, Bitfinex, an exchange based in Hong Kong, reported that approximately \$65 million worth of Bitcoin had been stolen during a security breach. In 2018, Coincheck, an exchange based in Japan, reported that approximately \$400 million worth of NEM tokens were stolen during a security breach. There can be no assurance that your Account Tokens will not be adversely affected by an attack on a Token exchange. Client accounts will hold Tokens in one or more digital "wallet" that Chimera Wealth, in its sole discretion, deems appropriate for any such Token. These wallets or accounts will be held at a qualified custodian. Storage of a Token in the digital wallet generally represents the public address associated with the underlying Blockchain, which is known as the "public key." In order to transfer a Token to or from the digital wallet, the controller of the wallet must also have the unique, private numerical code, often referred to as the "private key." To the extent a private key in respect of any Token is lost, destroyed, accessed by a third party or otherwise compromised and no backup of the private key is accessible, the Account or its custodian will be unable to transfer the Token held in the public wallet address associated with that private key. Consequently, such Tokens will effectively be lost, which could adversely affect the value of your portfolio. The custodian may periodically store Tokens in "hot wallets" which are connected to the internet to facilitate transactions in Tokens. Tokens stored in "hot wallets" may be more susceptible to theft or compromise than Tokens stored in other digital wallets. There can be no assurance the Token storage process will not be compromised.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither LAM nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither LAM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Rohit Padmanabhan is the owner of RSP RIA Consulting LLC, a technology and operations consultant firm. This business provides professional services to other investment advisory firms, including assistance with firm setup, technology platform selection, and operational workflow design. Rohit Padmanabhan devotes approximately 10 hours per month to this consulting activity. All work related to this entity is performed outside of standard market trading hours. This does not cause a conflict of interest as these services are not offered to, nor provided to, current investment clients of Lotus Asset Management Limited Liability Company.

Rohit Padmanabhan is the owner and manager of RPLS 1018 13th LLC, a real estate holding company that owns and leases commercial office space. This activity is not investment-related in the context of providing financial advice or managing securities portfolios, and it is entirely separate from the advisory services provided by Lotus Asset Management Limited Liability Company. Rohit Padmanabhan devotes approximately 5 hours per month to this activity. All work related to this entity is performed outside of standard market trading hours.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

LAM does not utilize nor select third-party investment advisers. All assets are managed by LAM management.

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

A. Code of Ethics

LAM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. LAM's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

LAM does not recommend that clients buy or sell any security in which a related person to LAM or LAM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of LAM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of LAM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. LAM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of LAM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of LAM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, LAM will never engage in trading that operates to the client's disadvantage if representatives of LAM buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on LAM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and LAM may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in LAM's research efforts. LAM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

LAM recommends Interactive Brokers LLC and Altruist LLC.

1. Research and Other Soft-Dollar Benefits

While LAM has no formal soft dollar's program in which soft dollars are used to pay for third party services, LAM may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). LAM may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and LAM does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. LAM benefits by not having to produce or pay for the research, products or services, and LAM will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that LAM's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

LAM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

LAM may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to LAM to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the

client may be unable to participate in block trades (unless LAM is able to engage in “step outs”); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

If LAM buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, LAM would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. LAM would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for LAM's advisory services provided on an ongoing basis are reviewed at least monthly by Rohit Padmanabhan, President, with regard to clients' respective investment policies and risk tolerance levels. All accounts at LAM are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client of LAM's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. LAM will also provide at least quarterly a separate written statement to the client.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

LAM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to LAM's clients.

Custodians/broker-dealers will be recommended based on LAM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and LAM may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in LAM's research efforts. LAM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

B. Compensation to Non – Advisory Personnel for Client Referrals

LAM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

LAM does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements. Clients should carefully review all statements/reports received from LAM and their custodian for accuracy and consistency.

Withdrawing advisory fees directly from your clients' accounts and comply with the following safeguards:

- A. The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.
- B. The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- C. Each time a fee is directly deducted from a client account, the investment adviser concurrently:
 - i. Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and

ii. Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.

D. The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph (b)(3). Such notification is required to be given on Form ADV.

Item 16: Investment Discretion

LAM provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, LAM generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, LAM's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to LAM. LAM holds discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client's account.

Item 17: Voting Client Securities (Proxy Voting)

LAM 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

A. Balance Sheet

LAM neither requires nor solicits prepayment of more than \$1,200.00 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither LAM nor its management has any financial condition that is likely to reasonably impair LAM's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

LAM has not been the subject of a bankruptcy petition in the last ten years.