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Form ADV, Part 2A Brochure

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This Brochure provides information about the qualifications and business practices of Monticello Associates, Inc. ("Monticello"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact Monticello's Chief Compliance Officer at 303-572-6300. Additional information about Monticello is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The last update to this Brochure took place on April 13, 2011. No material changes have occurred since that date.

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Item 4 – Advisory Business

Monticello has been in existence since 1992. The firm provides to its clients asset management consulting services, which include some or all of the following services: developing investment policies and objectives, analyzing asset allocation and diversification, researching investment managers for client selection, providing due diligence and performance monitoring of managers, providing periodic performance reports on client accounts, and other related services.

Monticello is principally owned by its President, B. Grady Durham. The remaining ownership in Monticello is by its Managing Directors.

Item 5 – Fees and Compensation

Monticello's only source of income is the consulting fees it charges its clients. The amount of the consulting fee charged to a client is based on several factors, including the amount of client assets under advisement and the level and complexity of service to be provided to the client. The consulting fee is an annual-based fee which is payable in quarterly installments, billable in advance at the beginning of each quarter. Monticello does not have a set fee schedule. Monticello's consulting fee does not include investment management fees, transaction costs, or custodial fees that are charged by other service providers.

Monticello's consulting agreement generally does not have a termination date. Accordingly, either party may terminate the agreement at any time, upon prior written notice. If an agreement is terminated, Monticello will prorate any pre-paid consulting fees and refund the outstanding amount.

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

Neither Monticello nor its employees accept performance-based fees, which are fees based on a share of capital on, or capital appreciation of, the assets of a client.

Item 7 – Types of Clients

Monticello provides asset management consulting services to a wide variety of clients, including endowments, foundations, high net-worth families, and retirement plans.

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

Monticello recommends investment managers to its clients. These managers offer numerous types of investments, including hedge funds, mutual funds, and private equity funds. All investments involve the risk of loss that clients should be prepared to bear. Clients should review

the offering documents for the funds offered by the investment managers for further information regarding investment risks.

Monticello evaluates an investment manager based on two main components: investment merits and operational capabilities. Monticello's evaluation of investment merits includes both a quantitative and qualitative analysis. The quantitative analysis includes a review of historical performance, including a review of long and short exposures, use of leverage, investment strategies, asset allocation, volatility, performance in up and down markets, maximum drawdowns, and correlations to capital market indices. The qualitative analysis focuses on overall investment philosophy and the specific ideas of the manager. Monticello's goal is to discover investment managers with unique, sustainable idea generation that can help portfolios perform in a variety of market environments.

Monticello also reviews certain aspects of a manager's operational capabilities. For hedge funds, Monticello reviews the following documentation: audited financial statements, due diligence questionnaires, pricing policies, and investment adviser registration forms. In addition, Monticello may verify a manager's third party service providers, including, as applicable, its prime broker, custodian, auditor, administrator, and legal counsel.

Item 9 – Disciplinary Information

Monticello is not involved in any legal or disciplinary events that are material to a client's or prospective client's evaluation of Monticello's consulting business.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Monticello nor its employees is involved in any other financial industry activities or affiliated with any relationship or arrangement that is material to Monticello's consulting business.

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

Monticello has adopted a Code of Ethics which sets forth ethical standards of business conduct that the firm requires of its employees. The Code stresses Monticello's fiduciary obligations to its clients and establishes policies and procedures intended to preclude activities which may lead to or give the appearance of conflicts of interest.

The Code governs personal securities trading activities in the accounts of Monticello's officers, directors, and employees that have access to non-public information regarding a client's purchase or sale of securities (collectively, "Access Persons") and requires that all Access Persons report their personal securities transactions and holdings, as set forth in the Code.

The Code prohibits Access Persons from investing in any securities issued by an investment manager that has been recommended by Monticello to its clients and requires Monticello to disclose the following information to a client before recommending an investment manager to the client: (1) any direct or indirect beneficial ownership by any Access Person or related account in any fund managed by such investment manager, if such ownership is greater than 5% of the fund's total assets; (2) any position by any Access Person with such investment manager; or (3) any business relationship between such investment manager or its affiliates and Monticello.

Clients and prospective clients may obtain a copy of Monticello's Code of Ethics upon request by contacting Monticello's Chief Compliance Officer at 303-572-6300.

Item 12 – Brokerage Practices

Monticello does not select or recommend broker-dealers for client transactions or recommend the reasonableness of their compensation.

Item 13 – Review of Accounts

Monticello prepares in-depth performance measurement reports for its clients on a quarterly basis, as requested. These reports also include information regarding asset allocation and risk analysis. The reports are presented to clients by Monticello's Investment Consultants.

Item 14 – Client Referrals and Other Compensation

Monticello does not receive any economic benefit, other than the consulting fees paid by its clients, for providing consulting services to its clients. Monticello does not directly or indirectly compensate any person who is not an employee of the firm for client referrals.

Item 15 – Custody

Monticello does not have custody of client funds or securities.

Item 16 – Investment Discretion

Monticello does not accept discretionary authority to manage securities accounts on behalf of clients.

Item 17 – Voting Client Securities

Monticello does not accept authority to vote client securities.

Item 18 – Financial Information

Monticello has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Not applicable.