

# FIRETHORN PARTNERS, LLC

## SEC Form ADV Part 2A

### FIRETHORN PARTNERS, LLC



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This brochure ("Brochure") provides information about the qualifications and business practices of Firethorn Partners, LLC ("Firethorn Partners"). If you have any questions about the contents of this Brochure, please contact us at [info@firethornpartners.com](mailto:info@firethornpartners.com) or by telephone at 713.701.1812. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority, and references in this Brochure to Firethorn Partners as a "registered investment adviser" are not intended to imply a certain level of skill or training.

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

## ITEM 2

### Material Changes

This is an update to the previous version of this brochure dated March 10, 2018 and there are no material changes to report other than that described below. The foregoing is only a list of changes since the last update, that are and may be considered material. It does not identify every change to the Brochure since the last update. In addition, there have been minor word enhancements and clarifications throughout the brochure.

## ITEM 3

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### Advisory Business

Founded in March 2017, Firethorn Partners, LLC (hereinafter, “Firethorn Partners” or the “Firm”) is an investment advisor registered with the U.S. Securities and Exchange Commission (the “SEC”). The Firm provides investment management services to its Clients (individually, the “Client”). This Brochure is not: a) an offer or agreement to provide advisory services to any person, b) an offer to sell interests (or a solicitation of an offer to purchase interests) in any investment fund, or c) a complete discussion of the features, risks or conflicts associated with any investment fund or any other product or service offered by Firethorn Partners.

The Registrant provides investment advisory services to high net worth individuals, other individuals, corporations, businesses and on a sub-advisory basis. Investment decisions are based upon each client’s Investment Policy Statement (IPS). The assessment of a client’s risk and return objectives is achieved through the completion of the client’s personal profile questionnaire, including the client’s personal financial situation, investment objectives and risk tolerance. This information combined with any input from the client’s other professional advisors, is then finalized in a mutually agreed IPS. The client’s assets are then invested in accordance with the guidelines defined in the IPS, which may also indicate the eligible investments to be used to achieve the portfolio’s investment mandate.

The Registrant may allocate (and/or recommend that the client allocate) a portion of a client’s investment assets among unaffiliated independent investment managers (Sub-Advisors) in accordance with the client’s designated investment objective(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Independent Manager(s) include the client’s designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

In addition to the IPS, each client will formally agree to engage the services of Firethorn Partners through an Investment Management Agreement (IMA). This document includes information on the client’s identity and personal financial situation. It is the responsibility of the client to keep Firethorn Partners updated on an ongoing basis with respect to any information contained in the IMA, including any significant changes to their personal or financial situation that could impact the appropriateness of the client’s IPS.

#### 2. Investment Advisory Services

Firethorn Partners combines technology, experience, with objective financial advice from financial advisors who act in the best interest of our clients. We charge one all-inclusive fee for our Advisory Services.

Firethorn Partners offers its Clients an array of investment strategies (called “Personal Strategies”). A Client’s assets are managed within a given Personal Strategy based upon the Client’s overall investment objectives.

A Personal Strategy is a comprehensive investment portfolio. It is focused on achieving the Client's financial goals, and is designed to grow with the Client over time. Portfolios in a Personal Strategy are custom designed and are flexible to meet the Client's needs or wants. Personal Strategy asset allocations go beyond basic stock and bond portfolios. They invest globally, primarily utilizing individual equities and ETFs. Our unique tactical index weighting approach adds further diversification and potential return by ensuring exposure to all areas of the market while avoiding being overweight to high-risk segments. Firethorn Partners believes that asset allocation is the most important investment decision. The goal-based nature of a Personal Strategy means the Client's asset allocation is continuously linked to their evolving situation, thereby maximizing the likelihood of long-term success.

Firethorn Partners primarily provides investment advisory services to:

- Individuals
  - High-net worth individuals
  - Trust, estates or charitable organizations
  - Other business entities
- A. Firethorn Partners has a minimum relationship size of \$500,000. The minimum values may be reduced or waived at the Firm's discretion.
  - B. We conduct an initial client review gathering personal information and a profile questionnaire.
  - C. We utilize information provided by the client and that of his/her other professional advisors, and then prepare an Investment Policy Statement (IPS).
  - D. We present investment recommendations to each prospective client as aligned with their Investment Policy Statement.
  - E. We implement portfolios on a discretionary basis and may take into consideration recommendations or specifications provided by the client but are under no obligation to fulfill such requests.
  - F. The client is free to choose a customized investment portfolio solution or one of three model portfolios:
    - i. Balanced (Equities - 55%; Fixed Income - 37%; Cash - 8%)
    - ii. Growth (Equities - 70%; Fixed income - 25%; Cash - 5%)
    - iii. All Equity (Equity - 97%; Cash - 3%)
  - G. Portfolio Rebalancing within these models may occur 3 times per year.
    - i. Custom (Equity - 60%; Fixed Income - 20%; Cash - 7%; Currencies - 5%; Alternative - 8%)
  - H. There is no Automatic Re-balancing on custom portfolios.
  - I. Custom and Model portfolios are managed on a discretionary basis.

- Ongoing discretionary investment management
- Automatic MODEL portfolio rebalancing
- Tax optimization and tax loss harvesting, as applicable
- Portfolio personalization, as applicable
- Financial planning
- Assigned personal financial advisor
- Unaffiliated, qualified custodian used
- Minimum relationship size: \$500,000
- U.S. and Canada crossborder portfolio planning as applicable.

### 3. Assets Under Management

**ASSETS UNDER MANAGEMENT:** Firethorn Partners is a newly formed Registered Investment Advisor. As of December 31, 2018, the firm had \$682,000 USD in discretionary assets under management.

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### Fees and Compensation

Firethorn Partners charges a single fee based on the value of the Client's assets under management. The single fee includes portfolio management. Fees are calculated monthly and deducted on a quarterly basis in arrears. The monthly market value of the assets under management is used to calculate the fee. All Client Fees are set by agreement.

Clients are required to establish brokerage accounts at a qualified custodian ("Broker" or "Brokers") identified by Firethorn Partners. All identified Brokers are member firms of FINRA and SIPC. The currently identified Brokers are:

**Fidelity Clearing & Custody Solutions; Millennium Trust Company; Bryn Mawr Trust Company.**

All Client assets are held in custody at the above listed Custodian. None of the above custodians/brokers are affiliated with Firethorn Partners.

The Client authorizes Firethorn Partners to debit the advisory fee directly from their investment account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

Firethorn Partners reserves the right to reduce its advisory fee at its discretion, including for promotional events that may result in complimentary or reduced advisory fees for new clients, and /or to our current clients for referrals. The fee rate also has been reduced for personnel (including employees and consultants) of Firethorn Partners and its affiliates.

The Standard Fee schedule for US domiciled assets managed by Firethorn Partners LLC is as follows:

<b>Assets Under Management (AUM)</b>	<b>Annual Fee (%)</b>
First \$1,000,000 USD	1.00%
Next \$1,000,000 USD	0.85%
Next \$3,000,000 USD	0.60%
Any amount over \$5MM USD	0.50%

All fees paid to Firethorn Partners, for Advisory Services are separate and distinct from the fees and expenses charged by exchange traded funds, mutual funds, closed-end investment companies or other managed investments to their shareholders. The specific fees and expenses are described in each fund's prospectus.

In addition to the aforementioned, there may be other costs assessed, which are not included in the Advisory Services fees, such as charges for transactions not executed through Firethorn Partners' designated Broker, costs associated with exchanging currencies, wire transfer fees, or other fees required by law.

## ITEM 6

### Performance Based Fees

Firethorn Partners does not charge performance-based fees (i.e. fees calculated based on a share of capital gains upon or capital appreciation of the assets or any portion of the assets of an advisory client). Client fees are based solely upon assets under management.



## ITEM 7

### Types of Clients

Firethorn Partners provides portfolio management services to individuals, high net worth individuals, specific trusts and businesses. There are no minimum requirements for our clients but recommend an initial client relationship size of \$500,000.

**ITEM 8****Method of Analysis, Investment Strategies and Risk of Loss**

Firethorn Partners' investment analyses emphasize asset allocation, research and portfolio diversification techniques over individual security analysis.

Firethorn Partners' security analysis methods include:

- a tactical asset allocation strategy that attempts to identify an appropriate ratio of equity, fixed income, and cash equivalent securities. The objective of tactical asset allocation is to invest more heavily in markets, asset classes, sectors, or industries which we believe are valued below their intrinsic value. Simultaneously, the objective also attempts to avoid markets, asset classes, sectors, or industries which we believe are trading above their intrinsic value.
- Sampling and screening relevant baskets of securities, or indices, in order to select the desired security attributes.
- Fundamental analysis - evaluating securities based upon historical and projected financial performance.
- While client portfolios are generally invested over a longer time frame, our strategy does involve purchasing securities with the intent of holding the security for a period of less than a year.

All investments involve risk. Firethorn Partners does not guarantee the results of the advice given. Significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by Firethorn Partners.

**ITEM 9****Disciplinary Information**

Neither the Registrant or its employees have ever been the subject of any disciplinary actions, investigations or complaints. Firethorn Partners has no pending or prior legal or disciplinary events that are material to a client's evaluation of Firethorn Partners' business or management.

**ITEM 10****Other Financial Industry Activities and Affiliations**

Firethorn Partners is an independent investment advisor, unaffiliated with any other financial institution or securities dealer. The Firm does not have, nor does it or its employees have any affiliation to a broker dealer or futures/commodities merchant. Firethorn Partners does have an affiliation with Cadogan Park Advisors Inc. in the fulfillment of certain cross-border expatriate mandates.

Firethorn Partners, LLC (US operations) and Cadogan Park Advisors Inc. (Canadian operations) share the same Principal and Chief Investment Officer. Cadogan Park Advisors is registered as a Portfolio Manager with certain Canadian regulators. The Portfolio Manager license permits the firm to provide discretionary portfolio management services to residents and citizens of Canada. The Registrants' principal business is providing investment and financial advice. Our only form of compensation is from investment advisory fees paid to the Firm by clients. The Registrants do not receive or accept financial inducements from mutual fund companies, external advisors, custodians, broker-dealers (e.g. soft dollar arrangements), or any other related service provider. In addition, there are currently no referral arrangements between the Registrants and any other registered investment advisor wherein an individual is an officer or employee of Firethorn Partners or Cadogan Park Advisors. While we may refer clients to other professionals, we receive no compensation and do not believe that any of these referrals creates a material conflict of interest. The Registrants' equivalent investment registration in both Canada and the US requires it to act as a fiduciary for its clients in each jurisdiction. We believe that no conflict of interest arises between the Registrants' Canadian & US operations.

## ITEM 11

### Code of Ethics

Firethorn Partners has adopted a Code of Ethics designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code establishes rules of conduct for all employees of Firethorn Partners and is designed to educate all of Firethorn Partners employees of the Firm's ethical standards and prohibition of fraudulent, deceptive or manipulative conduct.

The Code is based upon the principle that Firethorn Partners and its employees have a fiduciary duty to Firethorn Partners clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the Firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Our Code of Ethics includes prohibitions against the use of material non-public information. Employees are prohibited from trading for themselves or others while in possession of material nonpublic information (NPI) as well as communicating NPI to anyone else. The Code also covers protecting the confidentiality of client information.

The Code of Ethics also covers restrictions on personal securities transactions of employees. Officers or employees of the Firm are permitted to invest in the same securities (with limitations and pre-clearance requirements) that are purchased on behalf of clients for their personal investment considerations. The Firm also reserves the right to disapprove any proposed transaction that may have the appearance of improper conduct. The Firm does not foresee a conflict of interest due to the liquidity and depth of the markets in which these securities trade. Clients should be aware that this potential conflict of interest exists.

To obtain a copy of our Code of Ethics, please contact us at [info@firethornpartners.com](mailto:info@firethornpartners.com)

## ITEM 12

### Brokerage Transactions

Firethorn Partners does not currently have any soft dollar relationships or referral arrangements with any brokerage firm and do not allow clients to direct the Firm to execute transactions through a specific broker-dealer, i.e. “directed brokerage”. Firethorn Partners selects custodial/brokerage relationships from a list of vendors and do not derive any benefit, economic or otherwise, from the choice of custodial/brokerage firms. Our recommendation is solely based on operational capabilities, brokerage capabilities and costs, as well as overall execution and cost of custodial and trading services.

## ITEM 13

### Review of Accounts

Firethorn Partners utilizes leading edge portfolio management software to monitor and manage Clients accounts on a continual basis. Exception reporting is monitored by a member of the Investment Committee. Deviation from an account's determined asset allocation parameters and the addition or removal of a specific security from the designated model portfolio may trigger periodic rebalancing.

Each of Registrants' client accounts will be reviewed by the Firm's investment management committee on a periodic basis. Portfolio managers review all accounts frequently. Additional reviews of a client's account(s) will be triggered if Firethorn Partners learn of a change in the client's investment objectives or financial situation. Accounts are supervised continuously and reviewed quarterly, at a minimum, by the Chief Compliance Officer and/or his Alternate. There is no minimum number of accounts assigned for the reviewer.

Firethorn Partners provides Clients on-line access to their financial information. In addition, Firethorn Partners provides a detailed annual report to each client, as well as monthly brokerage account statements and confirmations from our designated Custodian/Broker (Fidelity Custody & Clearing Solutions, Millennium Trust Company, Bryn Mawr Trust Company). Clients are urged to periodically compare statements prepared by Firethorn Partners and the Custodian/Broker with regard to activity, holdings and valuations.

## ITEM 14

### Client Referrals and Other Compensation

Firethorn Partners may enter into agreements with third party solicitors who refer clients. Such referral fees shall be paid solely from the Firm's compensation as defined in the agreement, and shall not result in any additional charge to the client. A written disclosure statement disclosing the terms of the referral arrangement between the Firm and the referrer will be provided to the Client in advance, including the compensation to be received by the referrer from the Firm. Any solicitation agreements will be in accordance with Rule 206(4)-3 under the Advisers Act.



## ITEM 15

### Custody

Clients' assets are maintained with qualified custodians that are independent of and separate from Firethorn Partners. With respect to separately managed accounts, the qualified custodians are authorized by clients to deduct and direct payment of Firethorn Partners' advisory fees directly from the clients' custodial accounts. Such clients receive account statements directly from their respective custodians on at least a quarterly basis. Each client should carefully review those statements. In the event that a client also receives an account statement from Firethorn Partners, it will be based on the information provided to the Firm from the custodian of the client's account. Clients are urged to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**ITEM 16****Investment Discretion**

Clients retain Firethorn Partners on a discretionary basis to provide continuous investment advice pursuant to an investment management agreement (IMA) that describes the services to be provided. Consistent with the client's investment objectives, Firethorn Partners typically will have full investment decision making authority over the type of investments and brokerage for the client's account. In addition to the IMA, the Firm's Terms and Policies statement and the agreement between the client and the custodian/broker-dealer for the account grant this discretionary authority to the Firm. The client's written agreement with the custodian also grants a limited power of attorney to the Firm to effect transactions in the client's custodial account. When selecting securities and determining amounts, Firethorn Partners seeks to follow the investment policies and limitations of the clients.

**ITEM 17****Voting Client Securities**

In the absence of specific voting guidelines from the client, Firethorn Partners will vote proxies in the best interests of its clients and votes all proxies from a specific issuer the same way for each client.

Firethorn Partners will generally vote consistent with the opinion of the management of the issuer but may vote otherwise if it is deemed in the best interest of our Clients to do so. Clients are permitted to vote their own proxies by “opting out” of proxy voting services during the account opening process; or at any time, by submitting a request in writing to Firethorn Partners. If a client chooses to “opt out”, they do so on an “all or none” basis, and agree to respond to their own proxies independently of Firethorn Partners.

Firethorn Partners endeavors to maintain relevant and appropriate proxy records as part of the Firm’s Policy & Procedures. An investor may obtain a complete copy of Firethorn Partners’ Proxy Policy & Procedures by contacting us in writing and requesting such information. Such information will be provided in writing as soon as practicable.

## ITEM 18

### Financial Information

Firethorn Partners is required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients.

The Firm is not subject to any financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients.

713.701.1812

FIRETHORN PARTNERS, LLC