

**Part 2A of Form ADV: Firm Brochure**



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**This brochure ("Brochure") provides information about the qualifications and business practices of MPMG & PARTNERS USA, LLC ("we," "MPMG," or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at +1.212.605.0590 and/or [spanella@mpmgpartners.com](mailto:spanella@mpmgpartners.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 MPMG also is available on the SEC's website at <https://www.adviserinfo.sec.gov/Firm/164766>  
Registration with the SEC does not imply a certain level of skill or training.**

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## ITEM 2 – MATERIAL CHANGES

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This Brochure is an annual amendment to MPMG's last Brochure filed on March 27, 2018.

*Material changes:*

**Designation of Chief Compliance Officer:** MPMG has identified Silvia Panella as the Firm's Chief Compliance Officer, as indicated on Part 1A of this Form ADV.

You are encouraged to read this Brochure in its entirety. You may request a copy of this Brochure by contacting MPMG at the address or telephone number listed on the first page of this document.

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## ITEM 4 – ADVISORY BUSINESS

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### **History & Ownership:**

MPMG was organized as a limited liability company under the laws of the state of New York on December 17, 2010 and has been providing investment advisory services since its inception.

Together Mr. Gabriele Marotta and Joseph Zoella own 100% of MPMG.

### **Services Offered:**

MPMG provides discretionary and non-discretionary investment advisory services primarily to high net worth non-U.S. persons (“Clients”) using a European global wealth management and portfolio management style that focuses on capital preservation, financial growth, risk management, low volatility, multi-generational wealth transfer, and philanthropy. Assets managed include equities, bonds, mutual funds, and exchange-traded funds.

MPMG accepts Clients on a referral basis only and tailors its advisory services to the individual needs of its Clients based on their financial objectives and risk tolerances.

Clients generally select from six investment strategies, ranging from low growth (bonds) to an aggressive growth total return strategy that seeks to seize all investment and return opportunities in any capital market, in each case based on their objectives, tolerance of risk, time horizon, and asset allocation preference. The Client decides which asset classes s/he would like to be exposed to, and the percentage of investment within that asset class. Every asset class is then compared quarterly to a benchmark. The different benchmarks combined produce a global synthetic benchmark, which is then used to determine how the portfolio has performed, compared to the underlying markets. The investment objective for all Clients is to obtain a higher return than the reference benchmark; however, no guarantees of higher returns are made by MPMG to any Client. Examples of the benchmarks that are used include the following:

- MSCI World Index in local currency
- Euronext 100
- JP Morgan Government Bonds
- EONIA rates
- LIBOR rates

Additional benchmarks and asset classes may be added by the Client and Clients are free to impose restrictions on investing in certain securities or types of securities.

MPMG offers its Clients relationships with an international network of depository banks and broker dealers through which accounts may be booked.

As a full-service family office advisory firm, in addition to portfolio management, MPMG may assist Clients with the following:

- Opening and administering bank accounts in any relevant jurisdiction;
- Arranging payments and transfers between all accounts – including the administration of all credit card functions and existing loans; and
- Facilitating bill payments.

Additionally, MPMG may also render certain family office services to Clients under a separate written agreement. Through these family office services, MPMG may provide external administrative solutions and/or may act as a liaison between MPMG and third-party legal, fiduciary, banking or real estate professionals and all service providers that may be retained by Clients in relation to Clients' portfolios managed by MPMG. The family office services may include, but are not limited to, the following:

- Acting as a liaison between Clients and outside service providers;
- Coordinating documentation between Clients and service providers;
- Offering language translation; and
- Providing analysis and administration services.

As of December 31, 2018, MPMG managed approximately \$33,723,939 of assets on a discretionary basis.

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**ITEM 5 – FEES AND COMPENSATION**

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**Management Fees:** MPMG is paid a management fee equal to a percentage of the current market value of the Client's portfolio, including cash and equivalent items (the "Management Fee"). The Management Fee is negotiable based on the complexity of the portfolio, the frequency of intervention, as well as the total size of the portfolio. The Management Fee is payable in arrears in quarterly installments, with each installment based on the current market value of the portfolio at the end of the calendar quarter. The Client may be billed directly by MPMG for services rendered - though most commonly, the Client may instruct the custodian bank in which the Client account is held to pay MPMG ten days from the receipt of billing by MPMG directly. In the latter arrangement, that is pre-approved by the Client, MPMG will send an invoice to the custodian for the payment of the Management Fee and delivery instructions for the payment. The current market value of the portfolio is determined in accordance with standard accounting principles generally accepted within the industry. Generally, Clients are charged a management fee between 0.75 – 1.75%, as fully disclosed on each Client's investment advisory agreement. MPMG has no wrap fee program or arrangements.

**Additional Fees and Expenses:** In addition to the Management Fee, Clients are charged a fee for documentation, and research services, when such services are requested, as well as fees for reviewing a Client's existing portfolio as described in each Client's investment advisory agreement. As noted in Item 4, certain of the Firm's Clients may engage MPMG to provide administrative services, including among others, engaging MPMG to act as a liaison between a Client and any of the Client's third- party service providers. The terms and fees associated with such services are determined on a case-by-case basis, and more fully outlined in each Client contract. "Qualified Clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended, who select MPMG's total return strategy are also charged a performance fee, described in Item 6 below.

Clients are also responsible for the fees and expenses charged by custodians and imposed by brokers, including, but not limited to, commissions and exchange fees.

Please refer to the "Brokerage Practices" section Item 12 of this Brochure for additional information.

***Termination:*** Typically, an advisory agreement may be canceled at any time, by either party, for any reason, upon receipt of 30 days written notice. Upon termination of any account, any earned but unbilled fees will be due and calculated based on the calendar quarter that was started prior to termination.

***No Sale Compensation:*** Neither MPMG nor any of its supervised persons accepts or solicits compensation for the sale of securities or other investment products.

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**ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Client accounts managed in accordance with the MPMG Total Return Strategy are subject to a performance fee. For each asset class selected by the Client, the account's return is compared quarterly to a benchmark. The different benchmarks combined, produce a global synthetic benchmark, which is then used to determine how the portfolio has performed, compared to the underlying markets. As stated in Item 5, the investment objective for all Clients is to obtain a higher return than the reference benchmark; however, no guarantees of higher returns are made by MPMG to any Client. If at the end of a quarter the performance is higher than the global synthetic benchmark, MPMG will charge a performance fee equal to 15% - 30% of the excess performance. Performance fees are generally only taken on realized gains. Performance fees are only charged to persons who are Qualified Clients, as noted in Item 5.

Performance-based fee arrangements may create an incentive for the Firm to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts (such as accounts that are subject to performance-based fee arrangements) over other accounts (such as accounts that are not subject to performance-based fee arrangements) in the allocation of investment opportunities. Performance fees on only realized gains may also create an incentive for the Firm to avoid selling positions with unrealized losses. The Firm addresses these potential conflicts by managing each portfolio in accordance with the risk profile of the Client and by adhering to its policy of fairly allocating investment opportunities among Clients in accordance with their selected strategies.



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**ITEM 7 – TYPES OF CLIENTS**

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MPMG's Clients consist principally of high net worth non-U.S. individuals and their family foundations, trusts or foreign companies. Clients are subject to MPMG's internal anti-money laundering policies and other applicable compliance procedures. Clients are accepted on a referral basis only. There are currently no minimums for opening or maintaining an account.

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## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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Upon entering the relationship with MPMG, a profile of the Client, including investment goals and a risk assessment is created. Based on our analysis of each Client profile ("Client Profile"), a Client, along with MPMG's recommendation, selects one of MPMG's six (6) investment strategies with a corresponding, objective, characteristic, level of risk and asset allocation for each. All of our investment strategies' execution is based on a top down analysis. They are as follows:

### ***MPMG MANAGED ACCOUNTS: Bonds***

**Objective:** To maximize asset protection and fixed revenues.

**Characteristics:** Low volatility, proportionate diversification of the investments carried out mainly through securities, the balance being held in either foreign or domestic funds.

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### ***MPMG MANAGED ACCOUNTS: Diversified***

**Objective:** To preserve capital in the short-term and search for growth in the medium-term by a proportionate diversification of the investments carried out mainly in securities, the balance being carried out in funds (foreign funds, domestic funds, funds of funds).

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### ***MPMG MANAGED ACCOUNTS: Balanced***

**Objective:** To search for growth opportunities in the medium-term through an international diversification of proportionate investments made mainly in securities, the balance being held in foreign and domestic funds and funds of funds.

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### ***MPMG MANAGED ACCOUNTS: Growth***

**Objective:** To search for growth opportunities in the medium/long term through an international diversification of proportionate investments made mainly in securities, the balance being held in foreign and domestic funds and funds of funds.

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### ***MPMG MANAGED ACCOUNTS: Aggressive Growth***

**Objective:** To search for growth opportunities in the medium/long term through an international diversification of proportionate investments made mainly in

securities, with a specific focus on money markets and stocks, the balance being held in foreign and domestic funds and funds of funds.

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**MPMG MANAGED ACCOUNTS: Total Return**

**Objective:** To seize all investment and return opportunities in any capital market. The Client decides which asset classes he would like to be exposed to, as well as the percentage. Every asset class is then compared quarterly to a benchmark. The different benchmarks combined, produce a global synthetic benchmark, which is then used to determine how the portfolio has performed, compared to the underlying markets. The goal is to obtain a higher return than the index of reference (the benchmark).

The selected strategy will be enacted according to the risk profile and asset allocation determined by the Client.

Once a strategy is selected, the Client determines, according to the guidelines set by the risk profile and asset allocation profile, the asset classes, their percentage of exposure, acquisition mode and timing, and timing to sell part or all of any investments. Following a Client's determination, MPMG is authorized to make any asset class selection or sale, provided it is consistent with the asset allocation and risk profile signed by the Client.

MPMG is authorized to select one asset class or one specific product from each Client Profile to concentrate Client assets in the event of extreme market volatility that could have a potential material, negative impact on a Client's overall portfolio, as disclosed in each Client's investment advisory agreement.

The currency of reference is necessary for the calculation and attribution of performance. The currency of reference does not; however, exclude the possibility of investing in any other currency, or the possibility of investing in one single currency.

*Listed below are some of the risks associated with a Client investment. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Client's investment strategies. For a complete explanation of the Clients' relevant investment strategies and their associated risks, investors should review the relevant investment advisory agreement, which may contain additional explanations of strategies, risks and other related details not discussed below.*

**Trading on Non-U.S. Exchanges:** In addition to directing trading within US markets, MPMG engages in directing trading in non-U.S. exchanges and other markets located outside of the U.S. No current U.S. governmental agency regulations apply to the execution of transactions on or the regulation of such non-U.S. markets.

**Market Risk:** The Client acknowledges that MPMG's past performance and advice regarding the Client's Portfolio cannot guarantee future results. As with all market

driven investments, the Clients' investments may appreciate or depreciate at any time, and MPMG does not guarantee that any service rendered will result in any profit to the Client.

**Client Profiles:** Investment strategies are based on the Client Profile, including the risk profile/asset allocation created by MPMG along with the Client. The frequency of update to the Client Profile is determined by MPMG in conjunction with the Client.

**Cybersecurity:** The Firm, the Clients and their service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Firm, the Clients and their service providers use to service the Clients' operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Firm, the Clients and their service providers. Cyber-attacks against or security breakdowns of the Firm, the Clients or their service providers may adversely impact the Clients, potentially resulting in, among other things, (i) financial losses; (ii) the inability of the Firm or the Clients to transact business; (iii) the Clients to process transactions; (iv) violations of applicable privacy and other laws; and (v) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs and/or additional compliance costs. The Firm and the Clients may incur additional costs for cyber security risk management and remediation purposes. In addition, cybersecurity risks may also impact issuers of securities in which the Clients invest, which may cause a Client's investment in such issuers to lose value. There can be no assurance that the Firm, a Client or their service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

**Dependence on Key Personnel:** The success of the Clients depends in substantial part upon the skill and expertise of the Firm's President. However, there can be no assurance that the Firm's President will continue to be associated with the Firm, and the loss of this individual or other key personnel could have a material adverse effect upon the Client.

**Regulatory Complexity and Scrutiny:** The global regulatory landscape is complex and evolving quickly. As the burden of compliance with global regulatory obligations increases, the risk of non-compliance also increases. The disturbances in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of the Clients, their access to capital or its overall performance.

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**ITEM 9 – DISCIPLINARY INFORMATION**

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The Firm and its management persons have no reportable disciplinary events to disclose.

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**ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Gabriele Marotta is the principal beneficial owner of MPMG and is also a minority owner of MPM Partners Monaco, an investment advisory firm located in Monaco, and a minority owner of Compagnie Suisse De Gestion Privee, an investment advisory firm located in Geneva, Switzerland. MPMG Clients have in the past and may in the future invest into a fund where MPM Partners Monaco may receive compensation as an investment advisor to such fund. These relationships do not create any material conflict of interest as each Client is made aware of the fees that will be assessed by each investment advisor, as is outlined in each Client's investment advisory agreement.

MPMG has no other financial industry activities or affiliations. MPMG receives no compensation either direct or indirect for the recommendations it makes to its Clients or the management of the Client portfolio other than the fees it collects directly from the Client.

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**ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN  
CLIENT TRANSACTIONS AND PERSONAL TRADING**

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MPMG has adopted a Code of Ethics (the “Code”) that sets forth the ethical standards of business conduct required of its employees, including compliance with applicable federal securities laws, to ensure the Firm is fulfilling its role as a fiduciary to its Clients. MPMG and its personnel owe a duty of loyalty, fairness and good faith to MPMG’s Clients, and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code. MPMG distributes a copy of the Code annually to all employees, who confirm reading it and agree to its terms.

The Code is designed to ensure that the personal trading activities and interests of our employees will not interfere with making decisions in the best interest of MPMG’s Clients and implementing such decisions. MPMG allows personal trading by employees of MPMG, but no personal trading account of any employee or supervised person affiliated with MPMG may be managed by MPMG. The Code includes policies and procedures for the review of quarterly securities transactions as well as initial and annual securities holdings reports that must be submitted by MPMG’s access persons. In addition, employees are required to obtain pre- clearance from the Chief Compliance Officer prior to executing personal securities transactions, including investments in initial public offerings and private placements.

The Code further includes MPMG’s policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

The Code additionally has oversight, enforcement and recordkeeping provisions. MPMG has established policies requiring the reporting of Code violations to its senior management. Any individual who violates any of the above restrictions may be subject to termination.

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## ITEM 12 – BROKERAGE PRACTICES

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MPMG does not maintain discretion to select broker-dealers on behalf of its Clients. However, in the event we recommend a broker-dealers to our Clients at their request, our recommendations are based on the following criteria in order to ensure best execution is obtained for each Client:

Quality of execution;  
Reputation of the institution;  
Agreement of the Client;  
Transparency of reporting;  
Ease of accessing information; and  
International presence

In our evaluation of the broker-dealers we may recommend, rates from broker-dealers are considered to be reasonable if they are in the range of normal market prices of other broker-dealers within the industry for services rendered.

### **Research and-Soft Dollar Benefits.**

MPMG has no formal or informal arrangements or commitments to utilize research, research-related products or any other services from banks, broker-dealers or any third parties, on a soft dollar commission basis.

From time to time MPMG may receive unsolicited analysis (proprietary or otherwise) of products and market conditions from broker-dealers, and third-parties in connection with Client securities transactions. MPMG's practice is to treat this information separately from any decision-making process in selecting a broker - dealer or maintaining a broker-dealer relationship on behalf of a Client. Any information MPMG receives is used to service all Clients equally.

### **Brokerage for Client Referrals.**

MPMG does not consider, in recommending broker-dealers to Clients, whether it or any of its related persons has received Client referrals from a broker- dealer or third party.

### **Directed Brokerage.**

MPMG recommends broker-dealers to Clients, but the ultimate selection is made by Clients. MPMG does not recommend, request or require that a Client direct MPMG to execute transactions through a specified broker-dealer, but MPMG generally permits Clients to direct brokerage, and will do its best to accommodate the preferences of the Client in the selection of a specific broker-dealer. In the event a Client directs brokerage, the Firm may be unable to achieve most favorable execution of Client transactions and directing brokerage may cost Clients more money. For example, in a directed brokerage account, the Client may pay higher



brokerage commissions because the Firm may not be able to aggregate orders to reduce transaction costs, or the Client may receive less favorable prices.

To achieve best execution, MPMG will, to the best of its ability, pool the purchase or sale of securities for Client accounts and submit a bulk order to a broker-dealer for all of Clients sharing similar strategies within the same asset class and risk profile in order to capture the same purchase or sale price of the security for each transaction. MPMG aggregates all orders when it has the opportunity to do so.

MPMG typically aggregates trades for Clients pursuing a common-strategy whenever possible, consistent with our duty to seek best execution. The Clients' risk profile outlines the type and amount of each security MPMG may take for each Client account. When aggregating trades, MPMG refers to each Client's risk profile to determine which Clients are eligible to participate in the aggregated trade. The size of such aggregated trade is determined based on the total amount allowed for each participating Client. MPMG sends trade order tickets to the executing broker which include allocation instructions pursuant to each Client's risk profile. Aggregated trades are allocated based solely on each Client's risk profile.

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### ITEM 13 – REVIEW OF ACCOUNTS

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Once a Client's portfolio has been established, MPMG reviews the portfolio daily and rebalances assets based on established protocols associated with the different strategies offered, but in all cases, at least annually.

MPMG performs trade-by-trade reconciliations as well as daily account reconciliations. Any unresolved discrepancies are promptly reviewed by MPMG Executive Management including the Chief Compliance Officer. In addition, two principals, the President and the Chief Compliance Officer, allocate responsibility between them for reviewing all accounts quarterly.

Upon entering a relationship with MPMG, a Client is asked to complete, along with MPMG management, a written investment advisory agreement, a KYC (Know Your Customer) form, and a Risk Assessment form which outlines the relationship between the Client and MPMG, Client identity, and the Client's financial profile in terms of assets under management, goals, and risk preference. Client contracts are updated on an as-needed basis. Changes made to the content of any Client contract as well as a change in market conditions would trigger additional review and possible amendment or alteration.

Clients may select the frequency of regular reporting on the status of their investments. They may access online reports of the current market value and status of their portfolio through the online system provided by the custodian bank or broker-dealer. They may select how they wish to be contacted by MPMG or by the custodian bank or broker dealer. MPMG may provide specific analysis and reporting based on Clients' request in writing or otherwise.

Typically, MPMG prepares Clients reports, including performance data and a narrative, on a quarterly basis. Clients may select whether or not they wish to receive quarterly, or more frequent, account statements directly from the custodian bank or broker-dealer.

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**ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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MPMG does not receive any economic benefit from any person who is not a Client for providing investment advice or other advisory services to Clients.

From time to time, MPMG may compensate a third-party marketer for the referral of Clients to the Firm.

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**ITEM 15 – CUSTODY**

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MPMG does not maintain custody of Client funds or securities.

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**ITEM 16 – INVESTMENT DISCRETION**

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MPMG accepts discretionary authority to manage securities accounts on behalf of Clients, as agent and attorney-in-fact for Clients, with execution of power of attorney to retain discretionary authority over the portfolio, and is expressly authorized to act on behalf of the Client with respect to the management of the Client's portfolio without prior consultation with or notification to the Client - including without limitation: placing orders, negotiating commissions (if any) or otherwise providing instructions with regard to the purchase, sale, acquisition, lending, conversion, exercise or disposal of the securities or other assets of the portfolio. Terms of this grant are outlined in the investment advisory agreement agreed upon by all Clients. All Clients are free to impose restrictions on investing in certain securities or types of securities.

MPMG does not have custody of Client assets, as noted in Item 15. MPMG has no authorization to withdraw or wire funds from or to a portfolio; however, on behalf of each of its Clients, if requested, MPMG may forward wire instructions provided by a Client to (one of) the Client's custodian(s).

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### **ITEM 17 – VOTING CLIENT SECURITIES**

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MPMG does not vote proxies on behalf of Clients. A copy of MPMG's proxy voting policy is available to its advisory Clients and prospective Clients.

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**ITEM 18 – FINANCIAL INFORMATION**

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MPMG does not require or solicit payment of fees in excess of \$1,200 per Client more than six months in advance of services rendered. Therefore, MPMG is not required to include a balance sheet with this Brochure.

MPMG has no financial condition that impairs its ability to meet contractual commitments to Clients and has not been the subject of a bankruptcy proceeding.