

**MG Financial, LLC**  
**Part 2A of Form ADV**  
**The Brochure**

30 Braintree Hill Office Park  
Suite 104  
Braintree, MA 02184  
781-848-1163  
[www.mgfinancial.com](http://www.mgfinancial.com)

Updated March 18, 2024

This Form ADV 2A (informational brochure) provides information about the qualifications and business practices of MG Financial, LLC (MG Financial or the Advisor). If you have any questions about the content of this brochure, please contact us at 781-848-1163. 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 MG Financial is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Material Changes**

Form ADV 2 is divided into two parts: Part 2A (the Disclosure Brochure) and part 2B (the Brochure Supplement). The Disclosure Brochure provides information about a variety of topics in relation to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Personnel of MG Financial.

MG Financial believes that communication and transparency are the foundations of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. MG Financial encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

MG Financial's most recent change to Part 2 of Form ADV was made on March 24, 2023. MG Financial's business activities have not changed materially since the time of that update. This brochure dated March 18, 2024 has been prepared in accordance with new regulatory requirements. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of MG Financial.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 107649.

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#### **Item 4 Advisory Business**

MG Financial was founded in 1996 and is wholly owned only by its employees. The firm provides advisory services to high net worth individuals, their families and affiliated trusts or foundations. Our services include asset allocation, manager selection, charitable and family gift strategies, as well as estate and income tax planning. Our focus is to develop, implement, monitor and evaluate long term financial strategies and to integrate these strategies, while at the same time attend to immediate issues as they arise in a client's situation. MG Financial will oversee the asset allocation and investment management for all of its clients, however, each client is provided with the range of services best suited to his/her/their situation. Accordingly, all programs are tailored to the needs of the client.

In most cases, our services are in the form of consultation and advice, with discretion. Services are generally ongoing (i.e. long term) and comprehensive, providing financial planning advice with regard to: income and estate taxation, asset allocation, manager selection, charitable giving strategies, cash flow analysis, retirement planning, diversification strategies, stock option exercise strategies, insurance analysis, and other areas which may impact a client's financial situation. Client assets may be invested in separately managed accounts (i.e. manager purchases specific stocks or bonds in client's segregated account) or pooled vehicles such as mutual funds or limited partnerships.

In addition to working with a client to develop a plan, we also follow through to enable a client to implement the particular strategy and then to monitor the plan/situation on an ongoing basis. As part of our service, clients are provided with comprehensive quarterly reports, which address all necessary areas of their financial situation. In some instances, monthly reports may be provided as well. All reports are based on the information provided to us by the custodians and/or investment managers for the client's account.

MG Financial is also the advisor to MGF Partners, L.P. (MGF Partners).

As stated above, MG Financial has discretion over the majority of client's assets, including MGF Partners. As of December 31, 2023 MG Financial provided advice/services with regard to assets under management (AUM) of \$1,128,963,920 all of which was on a discretionary basis.

#### **Item 5 Fees and Compensation**

MG Financial charges fees based on client assets under advisement, fixed fees and on an hourly basis depending upon the services provided and the specific client situation. The volume and complexity of work is considered in determining a fixed fee.

## Advisory Fee - General Policy

MG Financial's fee is generally payable quarterly in advance, based on the value of prior quarter assets. In the event that a client terminates the Advisor's contract prior to the end of a billing period and the client paid fees in advance, MG Financial would work with the client to refund any overpayment and would calculate the overpayment on a pro rata basis based on the number of days MG Financial actually managed the client's portfolio of assets.

Fees are generally non-negotiable, however, due to special circumstances, some legacy clients have a fixed fee schedule or vary from the above asset based fee schedule. Asset based fees are applied to assets as stated on reports delivered to clients quarterly and are calculated on the prior quarter valuation. This fee may exclude certain assets. Any assets to be excluded will be clearly indicated on the client's invoice and agreed to in advance by both parties. If a client is invested in certain MGF Partners Series Investments, the MGF Partners capital account will be excluded from the MG Financial asset base for billing (see item 10). Note, however, that there are fees charged for MGF Partners at the partnership level as stated within the limited partnership documents.

Asset based fees are dependent upon a client's asset size and may be subject to a minimum fee. Current rates applicable to all new clients begin at .50% on first \$5,000,000; .30% on all assets above \$5,000,000..

MG Financial may choose to accept clients with assets of less than \$10,000,000. In this instance a different fee scale and minimum fee is applied, and the fee scale begins at .60% and slides down as asset size increases.

## Other Fees and Pertinent Information

- Hourly rates applied to short term projects range from \$85 to \$500 an hour.
- In addition to MG Financial's advisory fees, once an investment program has been implemented, the client may also be required to pay fees directly to custodians, investment managers, brokers and mutual funds, or limited partnerships (paid internally by the fund or partnership). MG Financial receives no benefit from these additional fees paid by the client, i.e. there are no placement commissions or sharing of fees with outside investment funds/advisors. Likewise, a client may also be required to pay fees directly to legal counsel or accountants for document drafting or preparation of tax returns. Again, MG Financial receives no benefit from these fees.
- MG Financial may deduct fees directly from client custodial accounts, upon client's written direction, or may bill client directly.

All assets on MG Financial reports to clients are based on valuations as received from the custodian or investment manager. MG Financial reconciles these statements and if an error from the custodian or manager is discovered, then MG Financial will use the most accurate valuation for the asset based on available public information. MGF II, LLC (MGF II), the GP for MGF

Partners, receives an administrative fee equal to .5% of the committed or net committed capital to the particular series.

Neither MG Financial nor any of its supervised persons accept any compensation for the sale of securities. Clients with respect to which MG Financial provides non-discretionary advisory services have the right to select the applicable broker.

### **Item 6 Performance Based Fees**

MG Financial generally does not use Performance Based Fees, however, MGF Partners may receive a performance based fee from one or more of the series within MGF Partners, as specifically stated within the series. In addition, MG Financial may recommend other investment vehicles or advisors who may charge performance based fees.

### **Item 7 Types of Clients**

MG Financial will provide services for families, individuals, trusts or charitable organizations with a minimum liquid net worth of \$10,000,000. MG Financial services are suitable for long term relationships requiring comprehensive services applied to all of the client's assets. For potential clients with a net worth of less than \$10,000,000, exceptions may be made in certain circumstances. MG Financial is engaged as an advisor to MGF Partners and MGF II.

### **Item 8 IRA Rollover Recommendations**

MG Financial provides investment advice to clients regarding their retirement plan account or individual retirement account. By doing so, MG Financial acts as a fiduciary 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 fees charged by MG Financial to manage a client's retirement assets create some conflicts with a client's interests, therefore MG Financial operates under a special rule that requires Advisors to act in a client's best interest and not put the Advisor's interest ahead of the client's. Under this special rule's provisions, Advisors must:

- ÉMeet a professional standard of care when making investment recommendations (give prudent advice);
- ÉNever put our financial interests ahead of a client's when making recommendations (give loyal advice);
- ÉAvoid misleading statements about conflicts of interest, fees, and investments;
- ÉFollow policies and procedures designed to ensure that Advisor's give advice that is in client's best interest;
- ÉCharge no more than is reasonable for MG Financial's services; and
- ÉGive client's basic information about conflicts of interest.

MG Financial benefits financially from the rollover of client's assets from a retirement account to an account that the Advisor manages or provides investment advice, because the assets increase MG Financial's assets under management and, in turn, the advisory fees. As a fiduciary, MG Financial only recommends a rollover when it is believed to be in a client's best interest.

## **Item 9 Methods of Analysis, Sources of Information and Investment Strategies, Risks of Loss**

Investment programs are developed with a long term view and structured to meet a client's long and short term objectives. Except in certain specific situations, MG Financial does not direct the purchase or sale of securities for each client, rather, MG Financial will help clients to secure professionals, who will implement these strategies. These managers/professionals may purchase long and/or sell short, trade, use margin or options as might be appropriate for the particular client or strategy. Professionals as used above, include investment managers, mutual funds, limited partnerships and brokers. In each case, MG Financial's advice is with regard to the specific investment management expertise, which may only be available through a pooled vehicle such as a mutual fund or a private fund.

With regard to recommendations and ongoing advice concerning investment manager selection, considerable time is spent interviewing managers and reviewing their materials (marketing, investment results, portfolios, systems, etc.), as well as checking their references and independent references from an existing network of professionals and organizations within the Financial Services Industry. On occasion, MG Financial will engage an outside investigative service to provide further background information on the manager under review.

While historical data is used in analysis for asset allocation and manager selection work, it is strongly recommended to clients that past conditions and results may not be predictive of future results. The risks involved in any financial investment are discussed with clients and are typical of any financial investment, subject to the volatility of the markets, tax impact on return, and changes in current economic conditions. In addition, investments in pooled vehicles, venture funds or other illiquid assets have the additional risks that illiquidity brings to the investment. Further risks as it pertains to any particular investment is disclosed by materials presented by each investment manager via their prospectus, marketing materials, ADV materials or legal subscription documents. Clients are cautioned to review all materials carefully when considering an investment.

When developing and adjusting a client's asset allocation and evaluating managers, MG Financial may use fundamental and technical analysis as well as consider cyclical market conditions. As part of the analysis, MG Financial may collect data from published government statistics, third party research materials, corporate and fund annual reports, prospectuses, and filings with the SEC. While news sources are considered, they are not used for opinion or analysis, but only as a possible source of facts.

Before making investments, we will conduct research that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting research, we may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting research and making an assessment regarding an investment, we will rely on the resources reasonably available to us, which in some circumstances, whether or not known to us at the time, may not be sufficient, accurate, complete or reliable. Research may not reveal or highlight matters that could have a material adverse effect on the value of a client investment.

In some situations MG Financial will work with a client to: develop an option exercise program, diversify from a single or few low cost basis stocks, or select appropriate securities for charitable or family gifts. In these instances, MG Financial will use both outside expertise as well as in house analysis to develop the appropriate strategy; and will oversee and direct implementation through a qualified broker (see item 12). All compliance necessary for the client's activity will be overseen by MG Financial, who will cooperate with the appropriate corporate counsel if necessary.

### **Item 10 Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or the integrity of MG Financial or its management persons.

### **Item 11 Other Financial Industry Activities and Affiliations**

Mary Gilligan is the founder, principal and Managing Member of MGF II, LLC, a Delaware limited liability company which is the sole General Partner of MGF Partners. MGF Partners is a multi-series limited partnership which invests in high technology ventures, LBO funds, venture and private equity funds, real estate and other financial instruments. MG Financial describes/discloses to all potential Limited Partners of the partnership all fees and interests of MGF II, LLC, the General Partner of the Partnership.

MG Financial and its employees do not have any other relationships or arrangements with other financial service companies that pose material conflicts of interest other than described above.

### **Item 12 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.**

MG Financial has adopted a written code of ethics and insider trading policies and procedures to avoid any potential conflicts of interest involving personal trades for its employees. A copy of this document is available to any client upon written request. MG Financial requires among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the financial industry.
- Place the integrity of the investment profession, the interests of clients, and the interests of MG Financial above one's own personal interests.
- Avoid any situation in which he or she might profit personally, or give the appearance or profiting personally, from MG Financial's facilities or relationships with its clients.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Before making any trade on behalf of one's own account, ensure that it is in line with the company trading policies and, as necessary or required, secure guidance from their supervisor or an officer of the Company.
- Comply with all provisions of the securities laws. MG Financial's Code of Ethics also requires that employees do not purchase any securities on a restricted list provided at least quarterly to



each employee and must comply with quarterly and annual reporting requirements regarding personal investment accounts.

- All employees are expressly prohibited from engaging in any activity to compete with or compromise the interest of MG Financial, including, but not limited to, performing any unauthorized services for its clients on non-working time that are normally performed by Company personnel, the unauthorized use of any company equipment or resources, and the unauthorized use of application of any confidential trade information or technique.
- Provide a quarterly update of any investment activity to the firm's Compliance Officer.
- Maintain strict confidentiality with regard to any client matters as well as any information MG Financial may obtain regarding investment advisors and other professionals.

### **Item 13 Brokerage Practices**

MG Financial may or may not have the discretion to buy or sell on the client's behalf without the client's specific prior approval and direction, depending upon the contractual relationship with the client. In addition, MG Financial has discretionary authority over MGF Partners, however, such transactions involve investments in private funds, typically not involving a broker for execution. To the extent a broker is required in any disposition of a security, the selection of that broker will be in the discretion of MG Financial. MG Financial will recommend brokers, as appropriate, to meet the client's needs. In these instances, MG Financial will seek not only the best execution of orders after commission costs, but best compliance as well. Consideration will be given to proven integrity and proven financial responsibility of brokerage firms as well as their demonstrated execution experience and capabilities and the competitiveness of the commission rates they charge. MG Financial does not have any soft dollar arrangements with any outside brokerage or custodian firms.

### **Item 14 Review of Accounts**

#### *Review of Investment Strategies*

All accounts are continuously monitored. As market, economic, tax and the client's personal situation or conditions change, the impact on each account will be assessed. Client strategies are reviewed at different levels on a monthly basis and quarterly basis by the Chief Investment Officer (CIO), as well as all client service professionals involved with the client account. In addition, on a daily basis, client accounts may be reviewed due to changes in the economic environment, tax laws, the client's personal situation or developments with investment managers. If action is required, the necessary analysis will be undertaken and communication with the client will be established to discuss any recommendations, issues, or concerns.

On a monthly basis, each client portfolio will be reviewed with regard to asset allocation, cash flow needs and other issues that may pertain to the specific client. On a quarterly basis, additional reviews are undertaken such as tax planning and coordination of information with the client's CPAs. Client meetings are scheduled as directed by the client's needs; this can be quarterly, semiannually, annually and as needed. Client contact is on an as needed basis and can even be daily during particular transitions (e.g. development or updating of an estate plan, acquisition of

personal real estate, etc.) or as new developments occur which will have an impact on the client's short or long term financial situation.

### *Periodic Reporting*

Clients receive statements on at least a quarterly basis. This statement includes a review of asset allocation, manager performance vs. appropriate benchmarks, a summary analysis of cash flow, and (as necessary) a commentary. Depending upon the client's circumstances, they may also receive additional reports and analysis such as tax analysis, reviews of ongoing diversification programs, charitable gift strategies or family transfer programs. In some situations a client may receive a shorter report on a monthly basis.

### **Item 15 Client Referrals and Other Compensation**

MG Financial does not directly or indirectly compensate any person for client referrals or receive compensation from any third party for client referrals.

### **Item 16 Custody**

MG Financial, LLC does maintain custody, as defined by the SEC, of advisory client funds, securities or assets. The custody rule under the Investment Advisers Act of 1940 defines custody as "holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them." The custody definition now includes three examples to clarify what constitutes custody for advisors as follows:

• Possession of client funds or securities, unless an advisor receives them inadvertently. If the advisor returns them within three business days of receipt, custody can be avoided (inadvertent custody).

• Any arrangement which authorizes or permits an advisor to withdraw client funds or securities, e.g., a general power of attorney or direct debiting of advisory fees.

• Any capacity that gives an advisor or supervised person legal ownership or access to client funds or securities.

The custody rule requires that client funds and securities are maintained with "qualified custodians" which include banks and registered broker-dealers. Clients will receive account statements at least quarterly from these custodians. These statements should be carefully reviewed and compared to quarterly statements delivered by the client's investment manager as well as MG Financial. MG Financial has an annual surprise audit performed by an independent CPA to examine client funds and securities pursuant to (a)(4) of Rule 206(4)-2 of the Investment Advisers Act of 1940.

MGF II LLC is the general partner of MGF Partners and ensures that the limited partnership is audited annually by an independent accounting firm in accordance with generally accepted accounting principles (GAAP) by an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). The audited financial statements are required to be distributed to each investor in the investment pool (or their respective independent representative) within 180 days of the fiscal year-end of the partnership.

### **Item 17 Investment Discretion**

MG Financial has discretion over the disposition of most client assets among investment advisors as well as funds both mutual (public) and private. On occasion, MG Financial will instruct the buy or sell of specific securities on a client's behalf, with the client's prior approval. When such a trade is instructed, all actions are taken after an agreed upon plan of action with the client and with full approval from the client. Upon execution, a client will receive confirmation for any transaction taken on the client's behalf from the custodial bank or brokerage firm. For all transfers or disbursements initiated by MG Financial on behalf of the client, the client will receive confirmation from MG Financial in addition to a notice from the custodian of the assets. Additionally, MG Financial has discretionary authority over MGF Partners. Limits applicable to a particular investment within MGF Partners are as set forth in offering materials governing the applicable series of limited partnership interests.

### **Item 18 Voting Client Securities**

As a Registered Investment Advisor (RIA), MG Financial has a fiduciary duty to act solely in the best interests of our clients. As part of this duty, MG Financial recognizes that in any situation, where it has been delegated authority and responsibility to vote on proxies for a client's securities, it must do so in a timely manner and make voting decisions that are in the best interests of the client. Proxies are generally voted by the discretionary investment advisor for the client's account or by the client him/herself. It is rare that MG Financial may take on responsibility for voting proxies. In this event, the voting will be discussed with the client in advance and voted according to what we believe to be the best practices. Our Statement on Proxy Voting is provided to each client on an annual basis.

### **Item 19 Financial Information**

MG Financial has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts. MG Financial does not require payment of more than \$1,200 in fees per client, six months or more in advance.

# **MG Financial, LLC**

## **Part 2B of Form ADV**

### **Brochure Supplement**

30 Braintree Hill Office Park  
Suite 104  
Braintree, MA 02184  
781-848-1163  
[www.mgfinancial.com](http://www.mgfinancial.com)  
Updated March 18, 2024

Mary E. Gilligan  
30 Braintree Hill Office Park  
Suite 104  
Braintree, MA 02184

Kate E. Chilson  
30 Braintree Hill Office Park  
Suite 104  
Braintree, MA 02184

Carol A. Thomas  
30 Braintree Hill Office Park  
Suite 104  
Braintree, MA 02184

#### **Item 2 Educational and Biographical Information**

Mary E. Gilligan (1959)  
Principal, CIO and CCO  
Boston College, Newton, MA: B.A. 1981  
Boston College Law School, Newton, MA: J.D. 1984  
Pell Rudman: 6/84 - 6/88 (Senior Financial Analyst and Manager)  
Gannett Welsh and Kotler: 6/88 - 8/96 (Director of Financial Planning/Vice President)  
MG Financial: 1996 - 2000; MG Financial, LLC: 2000 - Present

Kate E. Chilson (1980)  
Principal, Vice President | Client Services  
Mount Holyoke College, South Hadley, MA: B.A. 2002  
MG Financial, LLC: 10/02 - Present

Carol A. Thomas (1964)  
Principal, Vice President | Operations  
Stonehill College, North Easton, MA: B.A. 1987  
GCC Technologies: 1987-1990  
CA Promotions: 2000 - 2008  
MG Financial, LLC: 2008 - Present

#### **Item 3 Disciplinary Information**

The three individuals, principals of MG Financial, have not been involved in any legal or disciplinary events as of the date of this filing.

**Item 4 Other Business**

Ms. Gilligan is Managing Director of MGF II, LLC the GP of MGF Partners, LP. MGF Partners, LP is a private fund of which MG Financial is the investment manager. While the principals have other outside affiliations, none of these take up a significant amount of time. All outside affiliations and positions are disclosed to the firm's management, and the new outside positions require prior approval from management.

**Item 5 Additional Compensation**

The three individuals are principals of MG Financial, LLC and share in the profits of the firm.

**Item 6 Supervision**

Although all of our investment professionals work as a team, final approval for client asset allocation and manager selection rests with Ms Gilligan. Ms. Gilligan's contact information is:

MG Financial, LLC  
30 Braintree Hill Office Park  
Suite 104  
Braintree, MA 02184  
Phone: 781-848-1163

This brochure supplement provides information about certain supervised persons (the "Supervised Persons") that supplements the MG Financial, LLC accompanying Form ADV Brochure. Please contact MG Financial's Chief Compliance Officer (CCO) at 781-848-1163 if you have any questions about Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

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