

Part 2A of Form ADV: Firm Brochure

Merion Capital LLC

5931 Oakland Dr.

Portage, MI. 49024

(269) 385-5888

www.merioncapital.com

3/28/2024

This Brochure provides information about the qualifications and business practices of Merion Capital LLC (hereinafter referred to as “us”, “we”, or “our firm”). If you have any questions about the contents of this Brochure, please contact us at (269) 381-9635 and/or or by email at lynn.chenzhang@zhangfinancial.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.

Merion Capital LLC is a registered investment adviser. Please note that the use of the term “registered investment adviser” and description of Merion Capital LLC and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and the Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and our employees.

Additional information about Merion Capital LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by using our name or a unique identifying number known as the CRD Number. Our CRD# is 135897.

Item 2 – Material Changes

This Item only addresses material changes since our last Firm Brochure dated March 14, 2023. There have been no changes. Merion Capital LLC encourages all current and prospective clients to review the entire Firm Brochure. Other non-substantive changes may have also been made hereto and as such, we urge you to read this Form ADV Part 2A Firm Brochure in its entirety.

Item 3 -Table of Contents

Item 1 – Cover Page Merion Capital LLC	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information.....	7
Item 10 – Other Financial Industry Activities and Affiliations.....	7
Item 11 – Code of Ethics	7
Item 12 – Brokerage Practices.....	8
Item 13 – Review of Accounts	8
Item 14 – Client Referrals and Other Compensation	8
Item 15 – Custody.....	9
Item 16 – Investment Discretion	9
Item 17 – Voting Client Securities	9
Item 18 – Financial Information	10

Item 4 – Advisory Business

Merion Capital LLC is a fee-only, independent financial advisor. Our independence and expertise allow for objective, critical evaluation of the universe of providers and products solely in the best interest of the client. Merion Capital LLC is owned by Merion Capital Holding LLC which is solely owned by Charles Zhang.

Merion Capital LLC provides “investment consulting services” which consists of on-going investment advice based on regular reviews of the investments in a client’s investment portfolio and, based on these reviews, recommends changes to the investments held which, in the opinion of Merion Capital LLC, can meet the client’s stated goals, objectives and restrictions.

Merion Capital LLC’s investment advisory services typically include the development and implementation of an investment program suitable to each client’s investment needs and includes the services of: (1) establishing acceptable investment objectives and allocations; (2) monitoring and adjusting investment allocations; (3) selecting and monitoring investment managers; and (4) evaluating and reporting to clients on the performance of their investments. These services are provided in connection with the implementation of Merion Capital LLC's recommended asset allocation investment strategy for the client.

Merion Capital LLC mainly provides investment consulting services to pension plans, foundations, endowments, business, not-for-profit institutions, and municipal government entities. These consulting services are designed to fit a client’s particular needs, and often include extensive discussions regarding how a benefit plan works, risk/return analysis, asset allocation, manager selection, distributions from plans and related topics.

Merion Capital LLC will support research and make recommendations on common stocks, exchange traded securities, certificates of deposit, mutual fund shares, collective investment trusts and U.S. government securities. Merion Capital LLC does not research or make recommendations on other types of investments.

Merion Capital LLC advises on long-term investment portfolios using the principles of modern portfolio theory emphasizing that there are essentially only two variables that the investor can control, namely, diversification (asset allocation) and investment costs. Portfolios are constructed based on the risk profile of the client and the client’s long-term funding requirements from the perspective of on-going cash needs and the desire to have a stated level of assets at some future time.

Every client is treated individually. Upon engagement Merion Capital LLC will meet with the client to determine the investment objectives and the risk tolerance of the client. The client may impose restrictions on investing in certain types of securities, asset classes, geographic regions, or other restrictions. If the investment restrictions imposed by the client do not allow, in the opinion of Merion Capital LLC, the construction of an investment portfolio sufficient to achieve the client's objectives, Merion Capital LLC will so inform the client. This may lead to Merion Capital LLC withdrawing from an on-going engagement, or from prospect discussions.

For accounts that are managed on a non-discretionary basis clients will furnish approval for Merion Capital LLC to execute specific trades on the client's behalf either in written or electronic form. In cases where the client issues verbal approval for trade execution, a confirmation, written or electronic, will be furnished to Merion Capital LLC as soon as possible subsequent to the client requesting the trade(s).

Merion Capital LLC is not a broker, not a dealer, nor a custodian. Merion Capital LLC receives no compensation, special consideration, or benefit of any kind from any broker, dealer or custodian.

Item 5 – Fees and Compensation

Client fees are commensurate with the services offered and are negotiated with each client.

The Client and Merion Capital LLC will prepare a "Scope of Services" attachment and a "Compensation" attachment to the Investment Consulting Agreement.

The Scope of Services attachment discussed above will address those consulting services to be provided to a client by Merion Capital LLC, such as, but not limited to:

- Meeting and Participation/Availability
- Formulation and Review of Investment Goals, Objectives, and Policies
- Asset/Liability and Spending Policy Modeling Studies
- Investment Manager Search/Recommendation/Implementation
- Performance and Governance Monitoring
- Educational Sessions/Policy Development
- Performance Measurement and Reporting
- Review of Fees and Contracts of service providers

With the reduced staffing at municipal and county governments, foundations and endowments, Merion Capital LLC's traditional client base, the consulting and governance

activities provided by Merion Capital LLC contribute to the effective execution of the fiduciary responsibilities of the client and/or the investment committees of the client.

The Compensation attachment will specify the

- Agreed upon fee and payment schedule
- Term of the engagement
- Terms of settlement in case of early termination by either party

As indicated, the specific manner in which fees are charged by Merion Capital LLC is established in a client's written agreement with Merion Capital LLC. Merion Capital LLC will generally bill its fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Merion Capital LLC to directly debit fees from client accounts. Management fees are calculated on an average quarterly balance during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Clients may elect to pay a specified fee, a retainer, or per year with quarterly payments. Such a fee arrangement is established in a client's written agreement with Merion Capital LLC.

Merion Capital LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment providers and other third parties such as fees charged by investment managers, custodial fees, deferred sales charges, odd-lot differentials, mark-ups and mark-downs, spreads paid to market makers, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts, securities, and investment transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Merion Capital LLC's fee, and Merion Capital LLC shall not receive, directly or indirectly, any portion of these commissions, fees, and costs.

Merion Capital LLC or any supervised person(s) at Merion Capital LLC do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds or any other investment product.

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

Merion Capital LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Merion Capital LLC provides portfolio management services to corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, and county governments.

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

A brief, non-inclusive discussion of the investment process at Merion Capital LLC follows.

Philosophy

Merion Capital LLC's investment philosophy embodies the following principles derived from academic research and the principles of Modern Finance:

- Securities markets are generally efficient,
- There is a systematic relationship between risk and return,
- Asset allocation is the most important investment decision,
- Fees matter, and,
- Active management and market timing are not successful long-term investment strategies.

Asset Class Investing

Academic and industry studies have shown asset allocation to be the most important factor in determining future levels of return. Asset class investing allows us to meet our primary objectives for our clients of optimal diversification at the client's specific risk tolerance.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and clients' accounts could enjoy a gain, it is also possible that the stock market may decrease and clients' accounts could suffer a loss. It is important that clients understand that all investment activities involve a degree of risk, including the possible risk of loss of their entire investment, as well as the gains earned thereon. Some of these risks are briefly described below.

Highly Volatile Markets - The prices of the instruments traded and held in client accounts have been subject to periods of excessive volatility in the past, and such periods can be expected to continue. Price movements are influenced by factors which we may be unable to predict, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. In addition, governments may, from time to time,

intervene, directly and through regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Stagnant Markets - Although volatility is one indication of market risk, some investment strategies rely on the existence of market movement to create profitability. In periods of stagnant markets and/or deflation, investment strategies have materially diminished prospects for profitability.

Market Disruptions - Client accounts may incur material losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The financing available to clients from banks, dealers and other counterparties is likely to be restricted in disrupted markets. Market disruptions caused by unexpected political, pandemics, natural or environmental disasters, military terrorist and other events may from time to time cause dramatic losses for clients, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Institutional Risk - Institutions, including brokerage firms, counterparties and banks with which clients may trade or invest, may default or encounter financial difficulties that impair their operational capabilities or clients' capital positions. Clients are also subject to the risk that the exchanges on which their positions trade or the clearinghouses that the exchanges use may fail, which could also impair clients' capital positions.

Leverage - Investors may borrow funds from brokerage firms, banks and other available sources in order to be able to increase the amount available for investment. In addition, investors may in effect borrow funds through entering into repurchase agreements, and may purchase or sell options, forwards and other derivative instruments. The amount of borrowing which investors may have outstanding at any time may be large in relation to their actual capital. Consequently, the rates at which investors can borrow will affect the profitability of the investor's account. Leverage has the effect of magnifying both profits and losses compared with unleveraged positions.

Interest Rate Risk - The value of the fixed-rate securities in which clients invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities may decline. In addition, to the extent that the receivables or loans underlying specific securities are pre-payable, the value of such securities may be

negatively affected by increasing prepayments, which generally occur when interest rates decline.

Illiquid Securities - Investors may be invested in securities, loans and other financial instruments, which are not actively or widely traded. Consequently, it may be relatively difficult to dispose of such investments rapidly and at favorable prices and such securities may also be more difficult to value.

Concentration of Investments - From time to time, a significant portion of an investor's account assets may be concentrated in a particular security, industry, market, or country. Should such security, industry, market or country become subject to adverse financial conditions, investor's assets shall not be afforded the protection otherwise available through greater diversification of investments.

Exchange Traded Funds (ETFs) - ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies and the market price for a share of an ETF may fluctuate from the value of its underlying securities. Consequently, ETF shares may trade at a discount or premium to their net asset value. In addition, there is a price difference between the bid price and the ask price that is often referred to as the "spread", which generally varies based on the ETF's trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

Risks for all forms of analysis - Our securities analysis methods rely on the assumption that the companies and funds whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

The discussion of the risks above is not meant to be a complete description of all risks that investors may face. Additional risks are disclosed by managers and the funds in their prospectuses. Investors should be prepared to bear the risks of their investments.

Item 9 – Disciplinary Information

Merion Capital LLC has no legal or disciplinary information, material or otherwise, applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Merion Capital LLC or management persons are not registered nor have applications pending to register as a broker-dealer, a representative of a broker dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities and is not engaged in any other financial activities. Merion Capital LLC or management persons have no relationships with broker-dealers, municipal securities dealers or government securities dealers, investment companies or other pooled investment vehicles, unrelated investment advisers or financial planners, futures commodity merchant, commodity pool operator or commodity trading advisor, banking or thrift institutions, accountants or unrelated accounting firms, or lawyers or law firms, pension consultants, real estate brokers or dealers or sponsors or syndicators of limited partnerships.

Item 11 – Code of Ethics

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, Merion Capital LLC has adopted a Code of Ethics which applies to all supervised persons of the firm. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading and personal securities trading procedures, among other things. All supervised persons of Merion Capital LLC acknowledge the terms of the Code of Ethics annually, or as amended.

Merion Capital LLC or related persons may buy or sell for their personal accounts securities that are identical to those recommended or purchased for client accounts. In addition, associated individuals of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. This practice creates a conflict of interest in that Merion Capital LLC or individuals associated with us may have an incentive not to recommend the sale of securities held by clients in order to protect the value of their personal investment. Personal securities positions are small relative to the market and not expected to have any impact on the markets. The conflict of interest is addressed in our Code of Ethics, which requires all personnel to always place client interests ahead of their own and to adhere to the procedures set forth in our firm's Code of Ethics relating to these transactions.

Merion Capital LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us via telephone at (269) 385-5888.

If Merion Capital LLC's provides investment advice to clients regarding retirement plan account(s) or individual retirement account(s), 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.

Item 12 – Brokerage Practices

Merion Capital LLC does not have the authority to determine the broker or dealer to be used or the commission rates paid to these brokers in connection with client transactions. The decision to use a particular broker is made by the client. Merion Capital LLC will assist clients with broker selection when requested.

Merion Capital LLC has no soft dollar arrangements with any other institution, business, or people. Research is done within Merion Capital LLC or related advisor. Research tools, software, and data are purchased from commercial vendors at open market prices. Academic or financial industry publications are used without obligation or compensation. Merion Capital LLC has no incentive other than best execution and quality of service to recommend broker-dealers, custodial services or any other products or services to clients.

Item 13 – Review of Accounts

Client accounts are reviewed by Merion Capital LLC's designated Portfolio Managers and Consultants. Accounts are reviewed monthly with formal reporting issued quarterly. Accounts are reviewed on an on-going basis for appropriateness and adherence to the client's investment policy statement. Major contributions or withdrawals may result in account reviews.

Reports are issued quarterly and reflect account positions, performance results, and the calculation of the quarterly consulting fees. Quarterly reports maybe accompanied by a memo, articles of interest, any of which may address pertinent investment issues and/or performance results. Other correspondence in letter and/or report form may be submitted as a result of individual client requests.

Item 14 – Client Referrals and Other Compensation

Merion Capital LLC or a related person does not receive any economic benefits from any outside unrelated firms who provide investment advice or other advisory services to our

clients. Merion Capital LLC or a related person does not directly or indirectly compensate any person who is not a Merion Capital LLC supervised person for client referrals.

Item 15 – Custody

Merion Capital LLC does not have physical custody of client funds or securities, which are held by qualified custodians. However, Merion Capital LLC is deemed to have custody of client funds and securities where we have the authority to deduct advisory fees directly from the clients' accounts. As such, and in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940, all of our clients receive at least quarterly account statements directly from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Merion Capital LLC urges clients to carefully review such statements and compare such official custodial records to the account statements that Merion Capital LLC may provide to the client. Merion Capital LLC statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Merion Capital LLC may manage client accounts on a non-discretionary or discretionary basis. Discretionary authority from clients allows Merion Capital LLC to select the identity and the amount of securities to be bought and sold and the timing of such transactions. Clients may provide reasonable limits on this authority such as certain securities not to be bought or sold.

Item 17 – Voting Client Securities

As a matter of company policy and practice, Merion Capital LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Merion Capital LLC may provide advice to clients regarding the clients' voting of proxies. Clients maintain exclusive responsibility for making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class or mass actions legal actions or other events pertaining to the client's investment assets.

Item 18 – Financial Information

Merion Capital LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.