

**Item 1 – Cover Page**

Form ADV—Part 2A

**SPYGLASS CAPITAL  
MANAGEMENT, LLC**

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This Brochure provides information about the qualifications and business practices of Spyglass Capital Management, LLC (referred to as the “Spyglass,” the “Firm”, “we,” “our,” or “us”). If you have any questions about the contents of this Brochure, please contact the Adviser at (415) 318-2366. The information in this Brochure has not been approved by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Spyglass is registered as an investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about us also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our CRD number is 281266.

## **Item 2 – Material Changes**

This section discusses any material changes since the last annual update filed on March 25, 2019.

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## Item 4 – Advisory Business

### *A. Description of the Company*

Spyglass Capital Management, LLC is a California limited liability company founded in 2015 by James A. Robillard, who is also the Firm's Chief Investment Officer and Managing Member. Spyglass is an investment management firm with its principal place of business in San Francisco, California.

### *B. Types of Advisory Services Offered*

Spyglass provides investment management and advisory services to family office clients, an endowment, a pooled investment vehicle, and Spyglass Growth Fund ("SGF"), a series of Manager Directed Portfolios ("Trust"). SGF is a registered investment company under the Investment Company Act of 1940, as amended. This is not a public offer of SGF.

Spyglass invests client portfolio assets pursuant to a long-only, concentrated, growth strategy with a long-term objective identifying companies with well-run management teams in industries experiencing significant growth or growth potential.

### *C. Scope of Services*

We manage and supervise the investment operations and business affairs of SGF pursuant to an investment advisory agreement with the Trust, on behalf of SGF, subject to general oversight of the Trust's Board of Trustees. Institutional investors may request and receive a summary of the SGF Prospectus and Statement of Additional Information ("SAI") prior to investing.

Our portfolio management services for separately managed account clients are based on the individual requirements of our clients and the suitability of offering.. Investment management agreements ("IMA") with separately-managed account clients may impose restrictions on investing in certain securities or types of securities.

### *D. Wrap fee programs*

We do not offer wrap fee programs.

### *E. Assets Under Management*

As of February 28, 2019, we manage approximately \$204,652,679 of regulatory assets under management on a discretionary basis and do not manage any assets on a non-discretionary basis, other than respecting restrictions documented in the IMA.

## **Item 5 – Fees and Compensation**

### **Spyglass Growth Fund**

We receive an asset-based management fee equal to one-twelfth of 1.00% of net assets accrued daily and paid monthly in arrears (1.00% annualized). Fees will be automatically deducted from SGF.

### **Separately Managed Accounts**

We receive asset-based management fees for those accounts for which we provide portfolio management services.

Management fees are negotiated and are generally payable quarterly in arrears. is equal to 0.25% per quarter, payable in advance (approximately 1.0% annually). Management fees are prorated to reflect any withdrawals or contributions which occur during a quarter.

For separately managed accounts, we may request that you provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of our Investment Management Agreement.
- You will receive a detailed invoice each quarter which outlines our fees and how they are calculated at the same time we request payment from the custodian.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian may not do so.

You may terminate the Investment Management Agreement under which we manage a separate account at any time after providing thirty (30) days prior written notice. Fees calculations will be prorated to the date of termination and any unearned portion thereof will be refunded to you.

### **Other Fees and Costs**

Besides SGF's management fees (discussed above), there are other SGF operating expenses including, among other things, , shareholder servicing fees, taxes, interest, brokerage commissions and other transactional expenses ("Operating Expenses"). We have agreed to reimburse SGF expenses to ensure that Operating Expenses inclusive of management fees do not exceed 1.00% of SGF's daily average net assets through at least January 1, 2021, unless earlier terminated by the Trust's Board of Trustees.

In addition to the management fees discussed above, expenses associated with making investments on behalf of SGF or on behalf of separately managed accounts also will be incurred from parties independent of Spyglass.

Investment-related expenses may include some or all of the following: commissions, bid-ask spreads, mark-ups, interest on margin borrowing, clearing costs, transfer taxes and custodian fees. Our investment strategy may involve a high level of trading, and the turnover of its portfolio may generate substantial transaction costs. These costs will be borne by SGF or by the separately managed account regardless of profitability. Item 12 further describes the factors we consider in selecting or recommending broker-dealers and determining the reasonableness of their commissions and other compensation.

None of our employees accept compensation for the sale of securities or other investment products.

#### **Item 6 – Performance-Based Fees**

We do not charge performance-based fees.

#### **Item 7 – Types of Clients**

In addition to providing investment management to SGF, a registered investment company; we provide discretionary asset management services to family offices, endowments, high net worth individuals and other institutional clients through separately-managed accounts.

The investment minimum required for investing in SGF is \$100,000 (Institutional Shares) and \$3,000 (Retail Shares). Currently only Institutional Shares are offered for investment.

We provide discretionary advisory and asset management services to institutions and select types of individual clients, typically high net worth individuals. The minimum account size for asset management accounts is \$25 Million. We may waive the minimum account size in our sole and absolute discretion.

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

Investing in securities, whether directly or through SGF, involves risk of loss that you should be prepared to bear.

#### *A. Methods of Analysis*

Spyglass may employ a variety of investment strategies including proprietary, independent, fundamental research intended to identify dislocations between current stock prices and calculated present values. We seek to identify companies that have attractive valuations relative to their discounted, long-term value through disciplined, bottom-up fundamental research and comprehensive due diligence.

#### *B. Investment Strategies*

When we identify what we deem to be attractive opportunities, we invest for the long-term and look for the stock price to converge with its model of present value over time. We employ concentrated portfolios of stocks with position sizes based, in part, upon the separation between current price and its internally calculated, risk-adjusted present value.

We use fundamental research and due diligence to create proprietary models. Our proprietary earnings models are designed to capture what we believe to be the most likely outcome for revenue, margins, and earnings in future periods. Our models comprehend Spyglass's fundamentally derived five-year earnings forecasts, the terminal multiple and the discount rates applied to these forecasts.

#### *C. Risk of Loss*

Spyglass is a long-term investor and serves clients who are like-minded. We do not describe risk as short-term price fluctuations – rather we describe risk as the probability of permanent loss of capital. Separately-managed accounts, portfolios are typically concentrated among approximately 25 to 30 stocks, primarily mid-sized capitalization U.S. exchange traded companies.

The assets within client portfolios are subject to risk of devaluation or loss. There are many different events that can affect the value of client portfolio assets including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters. There are inherent risks associated with investing; clients may suffer loss of all or part of your principal investment.

## **Item 9 – Disciplinary Information**

In this Item, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no legal or disciplinary events to report involving Spyglass Capital Management, LLC or our management and employees.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### *A. Financial Industry Activities*

Spyglass is not a registered Broker-Dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

### *B. Financial Industry Affiliations*

None of Spyglass's management or supervised persons is registered as, or has an application pending to register as, a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

### *C. Other Material Relationships*

Spyglass does not have material relationships or arrangements that are applicable to its advisory business.

### *D. Affiliations with Other Investment Advisers*

Spyglass does not recommend or select other advisers.

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

### *A. Code of Ethics*

All employees of Spyglass must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, Spyglass has adopted a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest or the appearance of such a conflict, and to establish reporting requirements and enforcement



procedures relating to personal trading by our personnel. Our Code of Ethics addresses professional standards, insider trading, personal trading, gifts and entertainment, political contributions, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of its Code of Ethics to any client or prospective client upon request.

*B. Participation in or Interest in Client Transactions*

We do not recommend to clients, or buy or sell for client accounts, securities in which we, or our representatives, have a material financial interest.

*C. Proprietary Trading*

Spyglass personnel are not permitted to buy or sell securities which are contained in client portfolios or being considered as investments in client portfolios. We will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, we monitor proprietary and personal trading reports for adherence to our Code of Ethics.

*D. Simultaneous Trading*

**Simultaneous trading is prohibited by the Spyglass code of ethics/personal trading policies. [Item 12 – Brokerage Practices](#)**

*A. Selection and Recommendation*

We have a fiduciary duty to our clients to achieve best execution, on an overall basis, for any securities transactions. In selecting brokers and dealers, we seek to obtain the overall best execution for our clients, taking into account a number of factors, including for example: price, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, special execution capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding clients' accounts, the availability of stocks to borrow for short trades, the competitiveness of commission rates in comparison to other brokers satisfying our other selection criteria and other matters involved in the receipt of brokerage services.

We may generate "soft dollars" through trading activity and comply with the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under "soft dollar"

arrangements, one or more of the brokerage firms would provide or pay the costs of certain research services, or other items for the benefit of Spyglass. These soft dollar arrangements may benefit us by reducing our expenses. We believe that our trade allocations to brokerage business with soft dollar arrangements, would enhance the ability to obtain research, optimal execution and other benefits on behalf of our clients.

#### Spyglass Growth Fund

Pursuant to a custody agreement between the Custodian and the Trust, on behalf of SGF, U.S. Bank, N.A. (“Custodian”) serves as the custodian of SGF’s assets. The Custodian does not participate in decisions relating to the purchase and sale of securities by SGF. The Custodian and its affiliates may participate in revenue sharing arrangements with service providers of mutual funds in which SGF may invest.

#### *B. Directed Brokerage*

We may recommend that clients utilize a specific broker-dealer or custodian to execute or settle transactions. These recommendations are to encourage efficiency and cost effectiveness.

We currently do not permit clients to direct the use of a particular brokerage firm.

#### *C. Order Aggregation*

Spyglass may, at times, aggregate sale and purchase orders of securities for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is efficient. Clients may also benefit with better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Our policies and procedures mandate aggregating multiple orders. Aggregate orders will be allocated to client and firm accounts in a systematic non-preferential manner.

### **Item 13 – Review of Accounts**

Spyglass reviews client accounts/portfolios at least weekly. James Robillard is responsible for conducting the review of client accounts.

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or other factors.

Clients are advised to notify Spyglass promptly if there are any material changes in their financial situation, or investment objectives.

We may prepare separate written client reports. Separately managed account clients will receive a report at least monthly from the custodian.

#### **Item 14 – Client Referrals and Other Compensation**

We engage independent solicitors to provide institutional client referrals. If a client is directly referred to us by a solicitor, this practice will be disclosed to the client in writing by the solicitor. We pay the solicitor a portion of the advisory fees earned for managing the capital of the client or investor that was referred.

The use of solicitors is regulated under applicable federal and state law. Our policy is to fully comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and similar state rules, as applicable.

#### **Item 15 – Custody**

We do not require or solicit prepayment of more than \$500 in fees per client six months or more in advance. If you give us authority to deduct our fees from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in “Item 5: Fees and Compensation.” You will also receive statement from the custodian of the account at least monthly that details all transactions in the account.

#### **Item 16 – Investment Discretion**

We manage securities portfolios on a discretionary basis and do not allow for any limitations to be placed on our investment authority except as contained in SGF’s prospectus or if the IMA contains a restriction mandated by the client. Our investment strategies are summarized in Item 8 above, and more completely described in SGF’s offering materials.

Our customary procedure is to have full discretionary authority over separately managed accounts in order to supervise and direct the investments of your accounts. You grant this authority upon execution of our Investment Management Agreement. This authority is for the purpose of making and implementing investment decisions, without your prior consultation.

Our discretionary authority does not give us authority to take or have possession of any assets in your account or to direct delivery of any securities or payment of any funds held in the account to Spyglass. Furthermore, our authority by agreement does not allow us to direct the disposition of such securities or funds to anyone except you—the account owner.

#### **Item 17 – Voting Client Securities**

The Trust's Board of Trustees has delegated to Spyglass the responsibility for exercising the voting rights associated with the securities purchased and/or held by SGF, subject to the Board's continuing oversight, its proxy voting policies and procedures, and proxy voting guidelines adopted by Spyglass. Under these guidelines, we will vote all proxies in the best interests of our clients. The proxy voting guidelines are available upon request.

You may provide authorization for us to vote your proxies as described above for your separately managed account(s), or you may elect to retain the authority to vote the proxies yourself.

You may request a copy of our Proxy Policies and Procedures and/or information about how a proxy was voted at any time.

#### **Item 18 – Financial Information**

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. We have no financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients, and we have not been the subject of a bankruptcy proceeding.

