



MANGHAM ASSOCIATES

E N D O W M E N T M A N A G E M E N T

Form ADV Part 2A
Investment Adviser Brochure

March 2014

This brochure provides information about the qualifications and business practices of Mangham Associates, Inc. If you have any questions about the contents of this brochure, please contact Natalie C. Smith, Director, COO & CCO, at 434.973.2223 or natalie@manghamassociates.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. Registration as an investment advisor does not imply any level of skill or training.

Additional information about Mangham Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number, Mangham Associates, Inc.'s CRD Number is 106300.

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Item 2: Summary of Material Changes

Annual Update

This Item of the brochure is updated if material changes have occurred during the course of the Firm's fiscal year; or with the Firm's Annual Updating Amendment (ADV).

Material Changes since the Last Update

Since the last Annual Amendment filing, there have been no material changes that have occurred.

In the future, we will ensure that you receive a summary of any material changes to our brochure within 120 days of our fiscal year end. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure.

Full Brochure Available

We will provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, Mangham's brochure may be requested by contacting Natalie C. Smith, Director, Chief Operating Officer, and Chief Compliance Officer at 434.973.2223 or natalie@manghamassociates.com.

Additional information about Mangham is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Mangham who are registered, or are required to be registered, as investment adviser representatives of Mangham.

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Item 4: Advisory Business

Firm Description

Mangham is an investment adviser providing endowment management services to colleges, universities, secondary schools, foundations, religious organizations, hospitals and families. Mangham was founded in 1991.

Principal Owners

Mangham is owned by Joel R. Mangham and James N. Sheffield.

Types of Advisory Services

Mangham offers the following types of advisory services: portfolio management for institutional and high net worth clients (other than investment companies), including the selection of other advisors. Mangham's services include endowment management services, investment policy reviews, manager evaluation and searches, performance reporting and additional services as described below.

Endowment Management Services

Mangham manages investments using sub-advisers (see manager evaluation and search, below) based upon each client's investment policy (see below), including the client's core values, investment time horizon and risk tolerance. Investment strategies may include long-term and short-term purchases depending upon the individual needs of the client. Mangham manages most advisory accounts on a discretionary basis. Clients have the opportunity to restrict the types of investments which may be made on the client's behalf.

Investment Policy Reviews

Mangham's review process strives to add risk-adjusted return through innovative investment policy formulation and by finding active managers that strive to beat their benchmarks. Mangham often starts a relationship by concurrently evaluating the investment's existing managers and examining the investment policy (using the existing policy as the benchmark for evaluating existing managers). Mangham may recommend changes in investment policy. The existing managers are then reevaluated on their ability to implement the revised policy.

Manager Evaluation & Search

Mangham's manager selection process is structured to select managers expected to perform well in the future. The following qualitative criteria are used when evaluating managers:

- Alignment of manager's and client's interests
- Ownership structure
- Quality and depth of personnel
- Career path for professionals
- Consistency of investment process implementation
- Quality of internal and external research
- Investment discipline

Quantitative factors evaluated include:

- Consistency of returns during good and bad market environments
- Value added by manager relative to benchmarks
- Risk taken in relation to appropriate benchmarks
- Historical correlations to appropriate benchmarks
- Style analysis

Performance Reporting

Mangham provides quarterly and monthly performance reporting designed to include everything necessary to monitor compliance with the investment policy, evaluate the effectiveness of managers' active management and track each active manager's ability to add value. Mangham provides the following:

- Calculation of net returns.
- Comparison of manager returns against appropriate indices and peer universes.
- Comparison of separate account returns against composite returns of other accounts with the same manager
- Comparisons of total client returns against appropriate peer benchmarks.
- Portfolio analyses, which include an analysis of each manager's portfolio and an analysis of the aggregate portfolio (combining managers); each analysis includes evaluation using metrics such as: price/earnings, price/book, earnings growth rate, dividend yield, market capitalization, and industry sector.
- Internal rate of return calculations for illiquid private capital investments and comparisons against appropriate benchmarks.
- Optional monthly reporting and independent calculation of manager performance.

Additional Services

Mangham augments its services with the following types of analyses:

- Strategic policy and asset/style allocation
- Manager due diligence and research
- Returns-based attribution analysis
- Trustee education
- Custodial searches
- Asset/liability modeling

Private Funds

MA Investors Management, LLC is a wholly owned subsidiary of Mangham. MA Investors Management, LLC is the Managing Member to MA Investors Fund 1, LLC and the General Partner to MA Equity Opportunity Fund, LP, MA Resources Fund 1, LP, MA Real Assets Fund 2, LP and MA Partners Fund, LP.

Tailored Relationships

Mangham tailors investment advisory services to the individual needs of the client. Mangham clients are allowed to impose restrictions on the investments in their account. Investment policy statements are created that reflect the goals and objectives for each client. Mangham may accept any reasonable limitation or restriction to discretionary authority on the account placed by the client. All limitations and restrictions placed on accounts must be in writing.

Wrap Fee Programs

Mangham does not participate in a Wrap Fee Program.

Client Assets

As of December 31, 2013, Mangham managed approximately \$2.0 billion in assets. Approximately \$0.9 billion is managed on a discretionary basis, and \$1.1 billion is managed on a non-discretionary basis.

Item 5: Fees and Compensation

Compensation

Mangham charges a fixed fee based on a percentage of assets under management.

Clients are charged an annual retainer, as listed below.

From	To	Rate
\$0	\$20mm	0.50%
\$20mm	\$50mm	0.30%
\$50mm	\$200mm	0.15%
Above \$200mm		0.10%

The minimum annual fee is \$50,000. All fees are billed quarterly, in arrears.

Calculation and Payment

The specific manner in which fees are charged by Mangham is established in a client's written agreement with Mangham.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any outstanding account fees payable to Mangham will be prorated to the date of termination.

Agreement Terms

Mangham or the client may terminate the agreement within 90 days written notice.

Additional information, including fees and specific procedures and restrictions for withdrawals from, and terminations of a position in, each fund are described in each fund's Private Placement Memorandum.

Other Fees

Fees charged by Mangham are separate and distinct from advisory fees and expenses charged by managers or separate accounts in which client assets may be invested. A complete description of these fees and expenses may be found in each investment manager's contract.

Mangham's fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities 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 Mangham's fee, and Mangham shall not receive any portion of these commissions, fees and costs.

General Information on Compensation

Fees may be negotiable based on various criteria, including, but not limited to, the size of the portfolio and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

Private Funds

MA Investors Management, LLC

Each private fund (MA Investors Fund 1 LLC, MA Equity Opportunity Fund, LP, MA Resources Fund 1, LP, MA Partners Fund, LP and MA Real Assets Fund 2, LP) bears the costs and expenses relating to the activities, investments and business of the fund, including the management fees (described below), auditing, accounting expenses (including expenses associated with the fund's financial statements and tax returns), costs and expenses associated with originating, managing, and monitoring investments, due diligence costs and expenses (excluding compensation to Mangham for time associated with such due diligence) and extraordinary expenses (such as litigation, if any).

MA Investors Fund 1, LLC

Limited partners pay no management fees.

MA Equity Opportunity Fund, LP

Class A limited partners (Mangham advisory clients) pay no management fees; Class B limited partners (non-advisory clients) are charged an annual management fee of 1.00%, which is debited quarterly from the capital account.

MA Resources Fund 1, LP

Limited partners pay no management fees.

MA Real Assets Fund 2, LP

Class A limited partners (Mangham advisory clients) pay no management fees; Class B limited partners (non-advisory clients) are charged an annual management fee payable quarterly in advance based on the schedule below.

1. Year 1: 0.55% of capital commitments of the Class B LPs
2. Years 2-7: 0.55% of unreleased capital commitments of Class B LPs

3. Years 8-12: 0.35% of unreleased capital commitments of Class B LPs
4. Thereafter: 0.15% of unreleased capital commitments of Class B LPs

MA Partners Fund, LP

Class A limited partners (Mangham advisory clients) pay no management fees; Class B limited partners (non-advisory clients) are charged an annual management fee of 1.00%, which is debited quarterly from the capital account.

Item 6: Performance-Based Fees and Side-by-Side Management

Neither Mangham nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Mangham does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Types of Clients

As described in Item 4, Mangham's clients include colleges, universities, secondary schools, foundations, religious organizations, hospitals and families.

Account Minimums

The minimum annual fee is \$50,000, although this may be negotiable under certain circumstances. Waivers or exceptions from the minimum fee requirement are granted at the exclusive discretion of Mangham. Mangham may group certain related client accounts for the purposes of achieving the minimum account size.

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

Methods of Analysis and Investment Strategies

Mangham provides advice on asset allocation and recommends other investment advisors for ongoing management. Mangham does not typically engage in the analysis of publicly-traded securities or recommend specific individual securities or fixed income instruments.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Mangham provides clients with research on various asset classes including public equity, bonds, hedge funds, private equity, real estate, resources and timberland. Mangham's primary emphasis is on finding the best managers, regardless of asset class.

Mangham provides clients with asset allocation advice on mutual funds, separately managed accounts, limited partnerships and limited liability corporations.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Mangham may advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. Mangham may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mangham or the integrity of Mangham's management. Mangham has no information to disclose applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities – Broker-Dealer

Mangham is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Financial Industry Activities – Futures and Commodities

Neither Mangham nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator or a commodity trading advisor.

Other Affiliations – Private Funds

Mangham has a material relationship or arrangement with related persons or financial industry entities as a sponsor or syndicator of limited partnerships. As described in Item 4, MA Investors Management, LLC is a wholly owned subsidiary of Mangham. MA Investors Management, LLC is the Managing Member to MA Investors Fund 1, LLC and General Partner to MA Resources Fund 1, LP, MA Equity Opportunity Fund, LP, MA Real Assets Fund 2, LP and MA Partners Fund, LP.

Other Investment Advisors

Mangham selects other investment advisors for its clients. Mangham does not receive any compensation other than retainer fees for the selection of other managers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Mangham employees must comply with a Code of Ethics (Code) and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of general principles
- Policy on and reporting of Personal Securities Transactions
- Policy on and reporting of Political Contributions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to monitor use of Social Media
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Natalie C. Smith, Director, Chief Operating Officer and Chief Compliance Officer, reviews all employee trades each quarter. Her trades are reviewed by Joel R. Mangham, Principal. These reviews ensure that personal trading does not affect the markets and clients of Mangham receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Mangham's employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of Mangham's Code of Ethics by contacting Natalie C. Smith at 434.973.2223.

Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross

Mangham will not affect any principal or agency cross securities transactions for client accounts. Mangham will also not cross trades between client accounts.

Participation or Interest in Client Transactions – Private Funds

As described in Item 4, Mangham's wholly owned subsidiary, MA Investors Management, LLC is Managing Member and General Partner to several private funds. As Managing Member and General Partner, MA Investors Management, LLC solicits client investments. Potential conflicts are disclosed in Item 5.

Participation or Interest in Client Transactions – Personal Securities Transactions

Mangham and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Mangham will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at

the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Mangham's clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and designed to reasonably prevent conflicts of interest between Mangham and its clients.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

Mangham does not accept soft dollars from commission recapture programs – Mangham pays all fees and expenses in hard dollars – not soft dollars.

Brokerage for Client Referrals

Mangham does not receive client referrals from broker/dealers.

Directed Brokerage

Mangham recommends that clients with separate equity accounts review trading costs through a variety of brokers. The broker is selected based on lowest execution cost and capability in reporting trading costs.

Trade Aggregation

Mangham does not aggregate or block trades.

Item 13: Review of Accounts

Reviews

The Mangham investment team reviews client accounts at least quarterly. Major changes in the markets or scheduled committee meetings may trigger additional reviews. The reviewers are Joel Mangham, Principal; James Sheffield, Principal; Natalie Smith, Director, Chief Operating Officer and Chief Compliance Officer; and Thad Glowacki, Director, who jointly manage about 37 accounts. As members of the investment team, Steven Jakobovic, Associate; and Jasmine Gao, Research Analyst, also participate in the reviews.

Mangham reviews the client accounts to ensure that investment managers are adhering to their stated philosophies and the policy guidelines. Clients are obligated to notify Mangham of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

Review Triggers

Other conditions that may trigger a review are political or economic conditions, tax laws, new investment information and changes in a client's own situation.

Reporting

Reports are prepared monthly and quarterly, and reports contain performance comparisons for managers, asset classes and the total account. Due diligence reports are prepared annually and contain more in depth portfolio analyses.

Clients receive monthly or quarterly statements and periodic confirmations from their managers, broker/dealers and/or custodians, as applicable.

Item 14: Client Referrals and Other Compensation

Other Compensation

Mangham does not receive any economic benefits (other than normal compensation) from any firm or individual for providing investment advice.

Compensation – Client Referrals

Mangham does not make or accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15: Custody

Custody – Fee Debiting

Client assets shall be held in the custody of a bank, trust company or custodial firm (custodian) agreed upon by the client and Mangham. The client may authorize Mangham to debit fees directly from the client's account at the custodian.

Mangham sends quarterly invoices to the client that state the amount of the fee, the value of the client's assets on which the fee was based and the specific manner in which the fee was calculated. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Mangham.

Custody – Pooled Investment Vehicles

As described in Item 4 and Item 10, MA Investors Management, LLC is a wholly owned subsidiary of Mangham. MA Investors Management, LLC is the Managing Member to MA Investors Fund 1, LLC and General Partner to MA Resources Fund 1, LP, MA Equity Opportunity Fund, LP, MA Real Assets Fund 2, LP and MA Partners Fund, LP.

Mangham has full discretionary investment authority over each fund's assets. Mangham has custody of the investment assets of each fund by reason of legal ownership or access to such assets.

Mangham complies with the SEC's Custody Rule for fund-of-funds with regard to the custody of the funds. Limited partners receive audited financial statements within 180 days after the end of each fund's fiscal year as required.

Custody – Access to Client Accounts

As described above, client assets shall be held in the custody of a bank, trust company or custodial firm (custodian) agreed upon by the client and Mangham. In certain instances, the client may authorize Mangham to transfer funds between accounts.

While this form of custody gives Mangham access to client funds and securities, the firm has stringent internal controls and procedures over the custody function. In addition, Mangham complies with the SEC's Custody Rule, which requires an annual surprise examination conducted by an independent accountant.

Custody – Account Statements

As described above and in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Mangham provides. Mangham statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16: Investment Discretion

Through the investment management agreement, Mangham may accept discretionary authority over client assets, subject to limitations described in the clients' Investment Policy Statement. Such limitations may include a veto period for intended actions to be initiated by Mangham.

Item 17: Voting Client Securities

Mangham does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for securities maintained in their portfolios; clients receive these proxies directly from either custodians or transfer agents.

Item 18: Financial Information

Mangham 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.

Mangham is not required to provide a balance sheet; Mangham does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Other Information

Privacy

Mangham is committed to maintaining the confidentiality, integrity and security of the information that is entrusted to us.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver our Privacy Notice to you annually, in writing.

Business Continuity Plan

Mangham has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. The Business Continuity Plan covers natural and man-made disasters. Electronic files are backed up daily and archived offsite.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. Mangham's intention is to contact all clients within five days of a disaster that dictates moving our office to an alternate location.