

# **Monhegan Capital Management, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 1, 2023**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Monhegan Capital Management, LLC (“Monhegan Capital” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (203) 424-0656.

Monhegan Capital is a registered investment advisor with U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Monhegan Capital to assist you in determining whether to retain the Advisor.

Additional information about Monhegan Capital and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 304428.

**Monhegan Capital Management, LLC**  
Darien, CT  
Phone: (203) 424-0656  
<https://www.monhegancapital.com/>

## **Item 2 – Material Changes**

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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 relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of Monhegan Capital. For convenience, the Advisor has combined these documents into a single disclosure document.

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

### Material Changes

There have been no material changes made to this Disclosure Brochure since the last filing and distribution to clients.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

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# 304428. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (203) 424-0656.

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Monhegan Capital Management, LLC (“Monhegan Capital” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). Monhegan Capital is organized as a Limited Liability Company (LLC) under the laws of the State of Delaware. Monhegan Capital was founded in May 2019, and is owned and operated by Philip A. Thompson (Founder and Chief Executive Officer) and Hilary H. Thompson (Founder and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Monhegan Capital.

### **B. Advisory Services Offered**

Monhegan Capital provides investment advisory services to high net worth individuals, trusts, estates and charitable organizations (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Monhegan Capital’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

Monhegan Capital provides holistic wealth management services that integrates a broad range of comprehensive financial planning and consulting services in connection with ongoing investment management services.

*Investment Management Services* – Monhegan Capital provides customized investment management solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and related advisory services. Monhegan Capital works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Monhegan Capital will then construct an investment portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks or bonds to meet the needs of its Clients. The Advisor may retain certain types of investments based on a Client’s legacy investments based on portfolio fit and/or tax considerations.

Monhegan Capital’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. Monhegan Capital will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Monhegan Capital evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Monhegan Capital may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Monhegan Capital may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Monhegan Capital may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

At no time will Monhegan Capital accept or maintain custody of a Client’s funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within the designated

account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client’s best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

*Use of Independent Managers* – Monhegan Capital will recommend that Clients utilize one or more unaffiliated investment managers or investment platforms (collectively “Independent Managers”) for all or a portion of a Client’s investment portfolio, based on the Client’s needs and objectives. In such instances, the Client will be required to authorize and enter into an investment management agreement with an Independent Manager that defines the terms in which the Independent Manager will provide its services. The Advisor will perform initial and ongoing oversight and due diligence over each Independent Manager to ensure the strategy remains aligned with Clients investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and managing the ongoing Client relationship. The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Independent Manager’s Form ADV Part 2A – Disclosure Brochure (or a brochure that makes the appropriate disclosures).

*Financial Planning Services* – Monhegan Capital will typically provide a variety of financial planning and consulting services to Clients as a component of its wealth management services. Services are offered in several areas of a Client’s financial situation, depending on their goals and objectives.

Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client’s financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, tax planning, estate planning, insurance planning, and other areas of a Client’s financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, education savings and/or charitable giving programs. Monhegan Capital may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

### **C. Client Account Management**

Prior to engaging Monhegan Capital to provide investment advisory services, each Client is required to enter into an agreement with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Monhegan Capital, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives, taking into consideration the Client's financial situation, risk tolerance, and time horizon.
- Portfolio Construction – Monhegan Capital will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Monhegan Capital will provide investment management and ongoing oversight of the Client's investment portfolio.

#### **D. Wrap Fee Programs**

Monhegan Capital does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Monhegan Capital.

#### **E. Assets Under Management**

As of December 31, 2022, Monhegan Capital manages \$226,440,075 in Client assets, \$201,356,462 of which is managed on a non-discretionary basis and \$25,083,613 on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

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

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor and/or Independent Managers.

#### **A. Fees for Advisory Services**

##### Wealth Management Services

For Clients who engage the Advisor for wealth management services, the Advisor will charge a single combined wealth management fee for investment management and financial planning services. Wealth management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the agreement. Wealth management fees are based on the market value of assets under management at the end of the prior calendar quarter. Wealth management fees range from 0.05% to 1.00% of assets under management annually, based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor.

The wealth management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. All securities held in accounts managed by Monhegan Capital will be independently valued by the Custodian. Monhegan Capital will conduct periodic reviews of the Custodian's valuations.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

*Use of Independent Managers* – As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its wealth management fee as described above. Independent Managers will not typically offer any fee discounts, but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee will not exceed 2.00% annually.

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## **B. Fee Billing**

### Wealth Management Services

Wealth management fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Monhegan Capital at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Monhegan Capital to be paid directly from their account[s] held by the Custodian as part of the wealth management agreement and separate account forms provided by the Custodian.

*Use of Independent Managers* – For Client accounts implemented through an Independent Manager, the Advisor and the Independent Manager will each assume the responsibility for calculating and deducting their respective fees from the Client's account[s].

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Monhegan Capital, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The Advisor's recommended custodian does not charge securities transaction fees for ETF and equity trades in Client accounts, but typically charges for mutual funds and other types of investments. The fees charged by Monhegan Capital are separate and distinct from these custody and execution fees.

In addition, all fees paid to Monhegan Capital for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Monhegan Capital, but would not receive the services provided by Monhegan Capital which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Monhegan Capital to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

## **D. Advance Payment of Fees and Termination**

### Wealth Management Services

Monhegan Capital may be compensated for its services in advance of the quarter in which wealth management services are rendered. Either party may terminate the wealth management agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the wealth management agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid wealth management fees from the effective date of termination to the end of the quarter. The Client's wealth management agreement with the Advisor is non-transferable without the Client's prior consent.

### Use of Independent Managers

In the event that a Client should wish to terminate their relationship with the Independent Managers, the terms for termination will be set forth in the respective agreement[s] between the Client and Independent Managers. The Advisor will assist the Client with the termination and transition as appropriate.

## **E. Compensation for Sales of Securities**

Monhegan Capital does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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

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Monhegan Capital does not charge performance-based fees for its investment advisory services. The fees charged by Monhegan Capital are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

Monhegan Capital does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 – Types of Clients**

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Monhegan Capital offers wealth management services to high-net-worth individuals, trusts, estates and charitable organizations. Monhegan Capital generally requires a minimum relationship size of \$5,000,000 to effectively implement its investment approach. Additionally, certain Independent Managers may impose a minimum fee.

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

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### **A. Methods of Analysis**

Monhegan Capital primarily employs fundamental, technical, and cyclical analysis in developing investment strategies for its Clients. Research and analysis from Monhegan Capital are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. These criteria generally consist of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have a negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Monhegan Capital will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Monhegan Capital is recommending. The risks with cyclical analysis are similar to those of technical analysis.

As noted above, Monhegan Capital generally employs a long-term investment approach for its Clients, as consistent with their financial goals. Monhegan Capital will typically hold all or a portion of a security for more

than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Monhegan Capital may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Monhegan Capital will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment approach:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

### Bond Risks

Bonds are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

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### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

### **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving Monhegan Capital or its management persons.** Monhegan Capital values the trust you place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory persons are available on the 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#304428.

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

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#### Real Estate Affiliation

The Principal Owners own a real estate rental and property management company. The Principal Owners do not offer this service to any Clients of Monhegan Capital. The Principal Owner's affiliation with these activities account for more than 10% of their annual income, however, the Principal Owner's spend less than 5% of their time per month in this activity.

#### Advisory Board Affiliation

Mrs. Thompson serves on the Advisory Board of Westwind Foundation. Mrs. Thompson's spends approximately 10% of her time per month in her role as an advisory board member. Mrs. Thompson's is not compensated in this capacity. This presents a potential conflict of interest as Westwind Foundation is also a Client of the Advisor and may lead to incentivizing Westwind Foundation to maintain an advisory relationship with Monhegan Capital.

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

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#### **A. Code of Ethics**

Monhegan Capital has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with Monhegan Capital ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to each Client. Monhegan Capital and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Monhegan Capital's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (203) 424-0656.

#### **B. Personal Trading with Material Interest**

Monhegan Capital allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Monhegan Capital does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Monhegan Capital does not have a material interest in any securities traded in Client accounts.

### C. Personal Trading in Same Securities as Clients

Monhegan Capital allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material, non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material, non-public information. This risk is mitigated by Monhegan Capital requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO"). The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

### D. Personal Trading at Same Time as Client

While Monhegan Capital allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will Monhegan Capital, or any Supervised Person of Monhegan Capital, transact in any security to the detriment of any Client.**

## Item 12 – Brokerage Practices

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### A. Recommendation of Custodian[s]

Monhegan Capital does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Monhegan Capital to direct trades to the Custodian as agreed upon in the investment advisory agreement. Furthermore, Monhegan Capital does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

While Monhegan Capital does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by Monhegan Capital. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Monhegan Capital may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

Monhegan Capital will generally recommend that Clients establish their account[s] at Fidelity Clearing & Custody Solutions and related entities of Fidelity Investments, Inc. (collectively "Fidelity"). Fidelity is a FINRA-registered broker-dealer and member SIPC and will serve as the Client's "qualified custodian". Monhegan Capital maintains an institutional relationship with Fidelity, whereby the Advisor receives economic benefits from Fidelity. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** – Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **Monhegan Capital does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** – Monhegan Capital does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** – All Clients are serviced on a “directed brokerage basis,” where Monhegan Capital will place trades within the established account[s] at the Custodian designated by the Client. Furthermore, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Monhegan Capital will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Monhegan Capital will execute its transactions through the Custodian as authorized by the Client. Monhegan Capital may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Hilary H. Thompson, Chief Compliance Officer of Monhegan Capital. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify Monhegan Capital if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by Monhegan Capital**

Monhegan Capital is a fee-based advisory firm that is compensated solely by its Clients and not from any investment product. Monhegan Capital does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Monhegan Capital may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Monhegan Capital may receive non-compensated referrals of new Clients from various third parties.

#### Participation in Institutional Advisor Platform

Monhegan Capital has established an institutional relationship with Fidelity ("Custodian") to assist the Advisor in managing Client account[s]. Access to the Fidelity platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

Additionally, Fidelity has agreed to pay for certain services rendered by third parties for which the Advisor would otherwise have to pay. This amount is covered once the value of Client assets in accounts at Fidelity reaches a certain size. Clients do not pay more for assets maintained at Fidelity as a result of these arrangements. However, the Advisor does benefit from the arrangement because the cost of these services would otherwise be borne directly by the Advisor. Access to these services and financial support creates a financial incentive for the Advisor to recommend Fidelity, which results in a conflict of interest. Monhegan Capital believes, however, that the selection of Fidelity as the Custodian is in the best interests of its Clients. Clients should consider these conflicts of interest when selecting a custodian.

#### **B. Compensation from Client Referrals**

The Advisor does not compensate, either directly or indirectly, any persons who are not supervised persons, for Client referrals.

#### **Item 15 – Custody**

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Monhegan Capital does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian." Clients are required to engage the Custodian to retain their funds and securities and direct Monhegan Capital to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Monhegan Capital to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

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

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Monhegan Capital manage client assets on both a discretionary and non-discretionary basis. In instances where Monhegan has discretion over the selection and amount of securities to be bought or sold in Client accounts, Monhegan will not obtain prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Monhegan Capital. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Monhegan Capital will be in accordance with each Client's investment objectives and goals.

In instances where Monhegan does not have discretion over the selection and amount of securities to be bought or sold in Client accounts, Monhegan will contact the Client and obtain approval prior to executing trades. These purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Monhegan.

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

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Monhegan Capital does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither Monhegan Capital, nor its management, have any adverse financial situations that would reasonably impair the ability of Monhegan Capital to meet all obligations to its Clients. Neither Monhegan Capital, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. Monhegan Capital is not required to deliver a balance sheet along with this Disclosure Brochure, as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

# **Form ADV Part 2B – Brochure Supplement**

**for**

**Philip A. Thompson**  
**Founder and Chief Executive officer**

**Effective: March 1, 2023**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Philip A. Thompson (CRD# 6288457) in addition to the information contained in the Monhegan Capital Management, LLC (“Monhegan Capital” or the “Advisor”, CRD# 304428) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Monhegan Capital Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (203) 424-0656.

Additional information about Mr. Thompson is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 6288457.

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**Monhegan Capital Management, LLC**  
Darien, CT  
Phone: (203) 424-0656  
<https://www.monhegancapital.com/>

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## Item 2 – Educational Background and Business Experience

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Philip A. Thompson, born in 1987, is dedicated to advising Clients of Monhegan Capital as a Founder and Chief Executive officer. Mr. Thompson earned a Bachelor of Arts in Economics, Organization and Management Studies from Gettysburg College in 2010. Additional information regarding Mr. Thompson's employment history is included below.

### Employment History:

Founder and Chief Executive Officer, Monhegan Capital Management, LLC	07/2019 to Present
Vice President, JPMorgan Securities	01/2017 to 05/2019
Associate, JPMorgan Securities	02/2013 to 12/2016
Analyst, JPMorgan Securities	11/2010 to 02/2013

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## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Thompson.*** Mr. Thompson has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Thompson.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Thompson.***

However, the Advisor does encourage you to independently view the background of Mr. Thompson on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 6288457.

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## Item 4 – Other Business Activities

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### Real Estate Affiliation

Mr. Thompson owns a real estate rental and property management company. Mr. Thompson does not offer this service to any Clients of Monhegan Capital. Mr. Thompson's affiliation with these activities accounts for more than 10% of his annual income, however, Mr. Thompson spends less than 5% of his time per month at this activity.

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## Item 5 – Additional Compensation

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Mr. Thompson has additional business activities where compensation is received that are detailed in Item 4 above.

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## Item 6 – Supervision

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Mr. Thompson serves as a Founder and Chief Executive Officer of Monhegan Capital and is supervised by Hilary Thompson, the Chief Compliance Officer. Mrs. Thompson can be reached at (203) 424-0656.

Monhegan Capital has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Monhegan Capital. Furthermore, Monhegan Capital is subject to regulatory oversight by various agencies. These agencies require registration by Monhegan Capital and its Supervised Persons. As a registered entity, Monhegan Capital is subject to examinations by regulators, which may be announced or unannounced. Monhegan Capital is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

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Effective: March 1, 2023

### Our Commitment to You

Monhegan Capital Management, LLC ("Monhegan Capital" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Monhegan Capital (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Monhegan Capital does not sell your non-public, personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal, non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

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Monhegan Capital Management, LLC  
Darien, CT  
Phone: (203) 424-0656  
<https://www.monhegancapital.com/>

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public, personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Monhegan Capital does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Monhegan Capital or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public, personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> Monhegan Capital does not disclose and does not intend to disclose non-public, personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically, we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public, personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (203) 424-0656.