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**Firm Brochure - Form ADV Part 2A, February 8, 2021**

*This brochure provides information about the qualifications and business practices of Kings Path Partners LLC. If you have any questions about the contents of this brochure, please contact us at (832) 500-3101 or by email at [info@kingspathpartners.com](mailto:info@kingspathpartners.com). When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client.*

*Kings Path Partners LLC is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Kings Path Partners LLC, including the information contained in this brochure, should provide you with information to determine whether to hire or retain us as your adviser. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.*

*Additional information about Kings Path Partners LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Kings Path Partners LLC’s CRD number is 269876.*

**Item 2: Material Changes**

The last update of the Kings Path Partners LLC (“KPP”) firm brochure was October 17, 2020. No material changes have occurred since the last update.

Notwithstanding the above, additional changes reflected in this version of this brochure include a number of editorial changes and the updated information on our assets under management.

Currently, our brochure may be requested, free of charge, by contacting Mike Mulcahy, at (832) 500-3101. Our brochure is also available on our web site located at [www.kingspath.com](http://www.kingspath.com).

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

Kings Path Partners LLC (hereinafter "KPP", "Firm", "Adviser", "we" or "our") is a Limited Liability Company organized in the State of Texas. The Firm was formed in May 2015, and the principal owner is Michael Mulcahy.

#### **INVESTMENT ADVISORY SERVICES**

KPP provides investment advisory services based upon client goals, investment objectives and risk tolerance. Investment advisory services are administered for discretionary and non-discretionary accounts according to the client's investment advisory agreement. For larger clients, KPP may recommend third-party managers for separately-managed accounts or private investment funds.

In addition, KPP offers advisory services to employee benefit plans and their participants. These services are designed to assist plan sponsors in meeting their management and fiduciary obligations to the participants under the Employee Retirement Income Securities Act ("ERISA").

As of December 31, 2020, KPP maintained approximately \$682,508.368 in assets under management. Of these assets under management, \$161,769,600 were managed by KPP on a discretionary basis and \$520,738,768 were managed on a non-discretionary basis.

#### **FINANCIAL PLANNING AND EDUCATION**

Financial planning is offered as a stand-alone service. Financial planning subject areas include, but are not limited to:

- Goals-based planning
- Budget and cash flow planning
- Estate/trust planning
- Tax-efficiency planning

Individualized financial plans are created based upon the goals and objectives of each client.

#### **CONSULTING AND CONCIERGE SERVICES**

KPP offers a broad range of consulting services and concierge services including general management consulting, financial consulting, personal Chief Financial Officer ("CFO") services, philanthropic guidance, family office design and management and trust/estate planning and administration.

#### **WEALTH BUILDERS PROGRAM**

For individuals like young professionals and those in the early stages of saving, KPP provides special coaching and mentoring services to assist in their efforts to make good financial decisions and build wealth. This program is intended for clients who do not yet need comprehensive services but who want to start on a path of wise financial stewardship.

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

KPP is compensated by clients for advisory services through various fees. Fees applicable to each account are described in the client's investment advisory contract. A basic fee schedule applicable to each service offered through KPP is summarized below.

Investment Advisory Services: up to 0.95% annually for management of discretionary and non-discretionary accounts

Wealth Builders Program: Negotiated fee of \$1000 - \$5000 annually

Financial Planning and Education: A minimum fee of at least \$2500

Consulting Services: Monthly fee or hourly rates generally apply

All fees and rates are negotiable on a case-by-case basis and may take into consideration various factors including, but not limited to, the client's net worth, financial complexity, service requirements, portfolio size and other services rendered. KPP may waive all, or a portion of a client's charges at KPP's discretion. Consulting services are provided to clients for a separately agreed upon fee.

Billing is initiated on either a monthly or quarterly basis in arrears, unless otherwise agreed to by the client, based on assets provided by the custodian, investment manager or client at the end of the period. The client may choose to remit fees via check, directly from their investment account or by electronic funds transfer ("EFT").

### **THIRD-PARTY FEES AND EXPENSES**

Clients are responsible for the payment of all third-party fees and expenses (i.e. custodian fees, commissions, mutual fund fees, transaction fees, expenses associated with insurance products and private placement funds, etc.). These fees and expenses are separate and distinct from the fees and expenses charged by KPP. KPP does not receive compensation derived from third-party fees, commissions or other expenses.

### **TERMINATION**

Clients may terminate a service contract without penalty for a full refund of KPP's fees within five business days of signing the contract. Thereafter, clients generally may terminate a service contract at any time with written notice. There is no penalty imposed on the client in connection with the termination of a service contract.

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

KPP does not accept performance-based fees or engage in side-by-side management.

Performance-based fees are payments made to an investment manager as a result of generating positive returns. Performance-based fees could motivate an investment manager to make investment decisions that are riskier than if these fees were not in place. In addition, a conflict of interest is created because the investment manager would be incentivized to value assets at a higher level than warranted in order to improve the returns of the portfolio.

Side-by-side management occurs when an investment manager simultaneously manages multiple products like mutual funds, hedge funds and separately managed accounts. The differences in compensation schedules for each of the products creates a conflict of interest for the investment manager because they would be incentivized to favor one product over the other.

KPP utilizes third-party fund managers for investments like mutual funds, exchange traded funds ("ETFs") and private funds. These third-party fund managers may charge performance-based fees on assets they manage or engage in side-by-side management.

KPP addresses these risks by monitoring fund performance and by considering all third-party manager fees prior to making investment decisions.

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

KPP provides advisory services and consulting services to individuals, high net worth individuals, business entities, estates, charitable organizations, and trusts.

The minimum account size for an Investment Advisory Services client is \$1 million, subject to a waiver by KPP.

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

Investment strategies are tailored to each client and incorporate the client's goals, risk tolerance, income needs, legacy holdings and other factors. Investments are primarily evaluated utilizing quantitative analysis. Quantitative analysis deals with measurable factors generally defined by academic research and assessed with statistical models that analyze the returns, risk, and correlation of various asset classes and factors across different market cycles. Additionally, KPP considers third-party management fees, commissions, tax efficiency and other expenses when making investment selections. Decisions to modify allocation strategies, add or remove investment managers or utilize new investment vehicles must be approved by KPP's Investment Committee.

KPP generally takes long positions in mutual funds, closed end funds ("CEF"), interval funds, ETFs, various fixed income instruments as well as private investment vehicles. Some of these investment instruments may implement leverage, shorting, options or other derivative investments to execute their strategy.

After the investment strategy has been implemented, the client receives quarterly statements from the custodian so they may monitor the performance of their portfolio. KPP reviews client portfolios on a regular basis to ensure the investment strategy has been implemented effectively. Additional metrics and tools are provided to Investment Advisory Services and Wealth Builders Program clients to assist in assessing the investment strategy.

For taxable clients, KPP pursues effective tax management strategies through the implementation of strategies such as tax lot management, avoiding short-term trading, avoiding buying dividends, and the offsetting of gains with losses when possible and in the best interests of the client. KPP will also incorporate gifting of appreciated assets to leverage charitable giving strategies.

Investing involves risks. There is no guarantee the advisory services offered will result in meeting the client's goals and objectives or that the client will be protected from loss.

#### **MATERIAL RISK FACTORS**

##### ***General Strategy and Investment Risks***

**General Investment Risk:** The loss of capital is possible with any investment. Investments utilized in KPP investment strategies are generally not guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Investments may be materially affected by overall market conditions and volatility in domestic and international financial markets. Investment results could also be affected by inflation, interest rates and changes to federal, state and local regulations. In addition, there is no

guarantee KPP's investment strategies will be successful.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor or asset class, changes from the factors' or asset class's historical trends and technical issues in the construction and implementation of the models.

**Investment Manager Risk:** The manager of any utilized investment product, such as mutual fund or ETF, may not perform according to expectations. KPP monitors the performance of the underlying funds and their managers versus expectations. However, there is no guarantee that such change or deviation in strategy by manager will or can be detected in advance.

**Cybersecurity Risks:** KPP's information and technology systems may be vulnerable to interruption or damage from computer viruses, network failures, computer and telecommunication failures, infiltrations by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. KPP has implemented various measures to manage risks relating to these types of events. However, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, KPP may need to make a significant investment to fix or replace them. The failure of these systems and/or disaster recovery plans for any reason could cause significant interruptions in KPP's operations and result in a failure to maintain the confidentiality, security or privacy of sensitive client data, including personal information. Such a failure could harm KPP's reputation or subject KPP, or its affiliates, to legal claims and affect KPP's business and financial performance.

#### ***Investment Vehicle Risks***

**Equity Securities:** Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's products/services or not achieving expected financial results. There are also risks associated with the stock market which may experience periods of turbulence and instability.

**Fixed Income Securities:** The value of a fixed income security, or bond, is affected significantly by changes in interest rates. Generally, the bond's market value will decline when interest rates rise, and the value will rise when interest rates decline. Typically, a bond with a longer maturity will be subject to greater interest rate risk while offering a higher yield. Conversely, a bond with a shorter maturity will entail less interest rate risk but have a lower yield. A bond's value may also be affected by changes in its credit quality rating or the issuer's financial condition.

**Private Placements:** Investments in private placements carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Closed End Funds and Exchange Traded Funds:** CEFs and ETFs are investment funds traded on stock exchanges, similar to stocks. Investing in CEFs and ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity,

conflicts of interest, illiquidity, poor trade execution in adverse market conditions and the possibility of inadequate regulatory compliance. In addition, because CEFs and ETFs are traded on exchanges, they may trade at prices above or below their net asset value ("NAV"). As a result, investors in CEFs and ETFs may purchase fund shares at prices above their NAV or sell shares at prices below their NAV.

**Real Estate Funds and Real Estate Investment Trusts ("REITs"):** Investments in real estate funds and REITs face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the credit and equity markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; and the impact of present or future environmental legislation and compliance with environmental laws.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus a client may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds may invest in fixed income ("bonds"), stock ("equity") or alternatives ("targeted risk").

**Interval Funds:** While interval funds are technically classified as closed end funds, their risks are more similar to mutual funds. In addition to the mutual fund risks listed above, interval funds typically have restricted liquidity (liquidity risk) and in most cases, investors will only be able to redeem their shares once per quarter during the repurchase period. The price that investors will receive via the repurchase will be based on the per share NAV determined as of a specified date. Interval funds are not required to purchase all of an investor's shares during a single repurchase period but may instead elect to buy back only a portion of the shares over multiple quarters. An interval fund's prospectus and annual report will disclose the various details of the repurchase offer process.

**Hedge Funds:** Typically, hedge funds engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private Equity Funds:** In addition to the risks associated with hedge funds, there are risks specifically associated with investing in private equity. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Venture Capital Funds:** Start-up companies often have limited access to capital. Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**THE RISK FACTORS LISTED ABOVE DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL RISKS ASSOCIATED WITH KPP'S INVESTMENT STRATEGIES OR INVESTMENT VEHICLES UTILIZED. ADDITIONAL RISKS ARE DETAILED IN EACH FUND PROSPECTUS OR PRIVATE PLACEMENT MEMORANDUM AND SHOULD BE**



## **CAREFULLY CONSIDERED WHEN INVESTING.**

### **Item 9: Disciplinary Information**

Neither KPP, nor any of our advisory representatives, have been involved in any material legal nor disciplinary matters related to past or present clients.

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

Upon review of an investor's financial status, KPP may propose the client include, as part of his or her financial portfolio, one or more types of products that are not part of the investment advisory services provided by KPP, such as insurance products. If the investor chooses to include such a product in his or her financial portfolio, KPP recommends that the investor work closely with his or her attorney, accountant, insurance agent and other related professionals. Incorporation of a non-advisory financial product into the client's financial situation is entirely at the client's discretion.

KPP utilizes CAIS Capital LLC ("CAIS") and iCapital Network ("iCapital") to access various private funds. KPP does not receive any financial compensation when a client purchases an offering on either of their platforms. Investors accessing private funds through CAIS or iCapital are required to represent that they are (i) an accredited investor, as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended and (ii) a qualified purchaser as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

KPP may utilize third-party investment advisers for certain investments such as separately managed accounts or fund of fund products. For cash management, KPP provides access to accounts managed by StoneCastle Cash Management, LLC which is a subsidiary of StoneCastle Partners, LLC. KPP receives no compensation from third-party managers or referral fees for services not offered by KPP.

KPP advises clients to seek external legal counsel, tax advice, insurance coverage or other service not offered by KPP.

Neither KPP, nor its advisory representatives, are registered as, or have pending applications to become, a broker/dealer, representative of a broker/dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities. There are no other registration relationships that are material to our advisory business that pose a conflict of interest.

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

#### **CODE OF ETHICS**

KPP has adopted a written Code of Ethics (the "Code") that is applicable to all KPP employees. The Code is in place to ensure KPP and its employees abide by our fiduciary duty to our clients and comply with applicable legal and regulatory requirements. Employees must maintain independence while serving clients' bests interests and are forbidden from taking advantage of their position to partake in unethical or illegal trading practices. Employees must also observe gift, entertainment and political contribution limits

as outlined in the Code. KPP's Code of Ethics is available to any client or prospective client upon request.

#### **RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

KPP and its employees do not recommend clients buy or sell any security in which KPP, or a person or entity affiliated with KPP, has a material financial interest. KPP will buy ETFs and some private funds but these funds are not owned by KPP.

#### **PERSONAL TRADING**

Employees of KPP are allowed to trade securities within their personal accounts subject to the restrictions described in the Code. Employees must preclear securities transactions through the Chief Compliance Officer (CCO), or designee, whenever a trade poses a conflict of interest. The transaction will be reviewed to verify no conflicts of interests exist prior to allowing the trade to proceed. Employee account positions are also reviewed on a periodic basis to verify no improper employee trading has occurred.

#### **PRINCIPAL TRADING AND AGENCY CROSS TRADES**

KPP and its employees do not engage in principal transactions or agency cross trades as a matter of policy and practice.

#### **TRADING CONFLICTS OF INTEREST**

KPP representatives may personally hold the same securities as KPP clients. When client and employee accounts contain similar holdings, it may indicate a closer alignment between clients' and KPP's best interests. However, when KPP representatives trade for their own accounts on the same day as a client, it creates a conflict of interest if KPP employee trades affect client trade execution. KPP has implemented controls, including either prioritization of client trades or combining client and employee trades into a single block to ensure client transactions are not disadvantaged when a KPP employee trades in their personal account.

#### **ADDITIONAL CONFLICTS OF INTEREST**

When a client holds assets in a retirement plan sponsored by a former employer, clients can 1) leave their money in their former employer's plan or 2) transfer the money into their current employer's plan or 3) roll over the money into a individual retirement account ("IRA") or 4) redeem some or all of the account (with likely tax consequences). If KPP recommends that a client roll over their retirement plan assets into an account managed by KPP, such a recommendation creates a conflict of interest if KPP will earn advisory fees as a result. No client is under any obligation to roll over retirement plan assets to an account managed by KPP.

### **Item 12: Brokerage Practices**

#### **BROKER AND CUSTODIAN SELECTION**

KPP generally recommends either National Financial Services, LLC ("Fidelity"), TD Ameritrade, Inc. ("TD"), or Charles Schwab & Co., Inc. ("Schwab") as qualified custodians/brokers for our clients. Each is registered with the SEC, a member of the Financial Industry Regulatory Authority, and a member SIPC. KPP is independently owned and operated and not affiliated with Fidelity, TD, or Schwab.

Fidelity, TD, and Schwab were selected by KPP as recommended qualified custodians for our clients based upon a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear, and settle trades (buy and sell securities for client account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.);
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them; and
- reputation, financial strength, and stability of the provider.

While KPP recommends clients use either Fidelity, TD, or Schwab as custodian/broker, client will decide whether to do so and open a client account with Fidelity, TD, or Schwab by entering into an account agreement directly with them. Fidelity, TD, or Schwab will custody client assets in a brokerage account and will buy and sell securities when instructed by KPP. Clients will not necessarily pay the lowest commission or commission equivalent.

KPP does not charge a premium or commission on transactions beyond the actual cost imposed by the broker-dealer/custodian.

#### ***Research and Other Soft-Dollar Benefits***

KPP receives no research, product, or services other than execution from broker-dealers or custodians in connection with client securities transactions ("soft dollar benefits").

#### ***Brokerage for Client Referrals***

KPP receives no referrals from a broker-dealer or custodian in exchange for using that broker-dealer or custodian.

#### ***Clients Directing Which Broker/Dealer/Custodian to Use***

KPP will not permit clients to direct it to execute all or a portion of transactions through a specified broker-dealer and away from their selected custodian. If a client wishes to direct brokerage, then the client will be required to open an account with their selected broker.

#### **AGGREGATING (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS**

When appropriate, KPP aggregates the securities to be purchased or sold for multiple clients into a single block. The process of aggregating client orders is done to achieve better execution across client accounts and to avoid favoritism of one client over another. There may also be circumstances in which more favorable commission rates are achieved through aggregation.

#### **Item 13: Reviews of Accounts**

All client accounts for KPP's advisory services provided on an ongoing basis are reviewed at least annually by Mike Mulcahy, Chief Compliance Officer (CCO), or his designee with regard to clients' respective investment policies and risk tolerance levels. Account

transactions and cash levels are also regularly monitored using internal reports.

Ad hoc account reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

KPP clients should receive statements, at least quarterly, from the qualified custodian that holds and maintains client's investment assets. The statements detail the client's account, including assets held, asset value, and calculation of fees. KPP may also provide a separate quarterly report to Investment Advisory Services and Wealth Builders Program clients. Clients are urged to carefully review such statements and compare official custodial records to the account reports and statements that KPP or the money manager provide. KPP reports may vary from custodial statements based on accounting procedures, reporting dates, valuation methodologies of certain securities and reporting formats.

Financial planning reviews are customized based on the client's needs and expectations. Ongoing financial plan updates and reviews are conducted by a KPP representative based on the schedule documented in the client's financial planning services agreement.

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

##### **THIRD-PARTY COMPENSATION**

KPP does not receive any economic benefit, directly or indirectly from any third-party for advice rendered to KPP's clients.

##### **CLIENT REFERRALS**

KPP does not directly or indirectly compensate any person or entity for client referrals.

#### **Item 15: Custody**

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. Therefore, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Certain Investment Advisory Services and Wealth Builders Program clients have granted KPP the limited power via standing letters of authorization (SLOAs) to disburse funds from client accounts at qualified custodians to persons or entities specifically designated by the client. For client accounts with a SLOA, KPP has the authority to transfer cash and securities from the client's account to designated persons or entities. Therefore, KPP is generally deemed to have custody of the client's cash and securities as discussed above. To the extent KPP does not qualify for the relief from the surprise examination requirement set forth in the applicable SEC no action letter, KPP intends to cause each such client's assets to be included within the scope of an annual surprise examination conducted by an independent public accounting firm.

#### **Item 16: Investment Discretion**

KPP provides discretionary and non-discretionary investment advisory services to clients.

The client's investment advisory services contract sets forth the discretionary authority for trading. Where investment discretion has been granted, KPP generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. However, KPP does not have discretionary authority to make investments in entities affiliated with KPP or in any private fund on behalf of a client.

**Item 17: Voting Client Securities**

As a matter of KPP policy and practice, KPP does not have any authority to, and we do not, vote proxies on behalf of our advisory clients. The client retains the responsibility for receiving and voting proxies for any and all securities maintained in the client's portfolios. The client will receive proxies and other solicitations directly from the custodian or transfer agent for each investment and may contact the custodian for any inquiries.

**Item 18: Financial Information**

KPP is required to provide each client with certain financial information or disclosures about any financial condition which would impede KPP's ability to provide the advisory services described herein. As KPP 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, and KPP does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. KPP has no additional material financial disclosures.