

## Item 1 - Cover Page

Firm Brochure for:

### MONTLAKE CAPITAL MANAGEMENT, LLC

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March, 2024

This brochure provides information about the qualifications and business practices of Montlake Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (469) 713-1934. 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 Montlake Capital Management, LLC also will be available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Montlake Capital Management, LLC is a registered investment advisor. Registration as an investment advisor does not imply any certain level of skill or training.

## **Item 2 - Material Changes from 2023 ADV Part 2**

There have been no material changes since filing the amended update of our last Form ADV Amendment in March, 2023.

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## **Item 4 - Advisory Business**

Montlake Capital Management, LCC ("we", "us", "our" or Montlake Capital Management" or "Montlake") is a Texas limited liability company and private investment firm whose primary business is to provide investment advisory services to various separately managed accounts with respect to investment in securities and other financial instruments. David V. Lewis is the sole and principal owner and founded the firm in January 2018.

### **Client Advisory Services**

Montlake provides investment advisory services to separately managed accounts (SMAs) of various clients. Montlake will manage these SMAs in accordance with the investment objectives, strategies, guidelines, restrictions, and limitations set forth in the investment management agreement and/or other applicable account documents.

All clients' assets are held in the form of SMAs maintained at a qualified custodian. After reaching agreement with individual clients on broad asset allocation guidelines, Montlake will select individual securities or investment funds for purchase, issue instructions to brokers, and maintain accurate records of current activity. Clients generally are not involved in specific individual security decisions.

Discretionary client portfolios may invest in equities, fixed income, open or closed end mutual funds, exchange traded funds (ETFs), or a combination of the above, depending upon the investment strategy selected by the Client. A portion of the Client's portfolio may also be invested in short term instruments (such as cash equivalents or money market funds) as a result of the normal buying and selling discipline in the portfolio management process (taking into account prevailing market conditions and the investment strategy discipline).

### **Investment Restrictions**

We will tailor our investment advisory services to the individual needs, desires and financial objective(s) of each client. Clients generally may impose reasonable restrictions and/or limitations on our investment advisory or consulting services, including, but not limited to, restrictions on the types of securities purchased, position limits, net exposure limits and leverage limits.

### **Assets Under Management**

As of December 31, 2023, the firm had \$4,315,587 in assets managed on a discretionary basis. We do not have assets managed on a non-discretionary basis.

## Item 5 - Fees and Compensation

### Description of Compensation and Fee Schedule

In consideration of our services, we generally will be entitled to receive advisory, financial planning and/or consulting fees from our clients. While our fees are described in detail in the advisory contract with each client, a summary of our basic fee schedule is set forth below.

### Advisory Fees

For our discretionary investment advisory services, we generally will receive an asset-based fee that will be comprised of the greater of (i) a minimum fixed annual advisory fee of \$10,000 (\$2,500 per quarter), or (ii) a percentage (typically 0.50% to 1.00% per annum) of the net asset value of each client account as of the applicable date of determination. More specifically, the applicable management fee percentage shall be determined as set forth in the table below and calculated on a cumulative basis:

<i>Annual Management Fee Percentage</i>	<i>Asset Value of the Account</i>
<i>1.00% per annum (0.25% per quarter)</i>	<i>On assets from \$0 - \$2,000,000.00</i>
<i>0.75% per annum (0.1875% per quarter)</i>	<i>On assets from 2,000,000.01 - \$4,000,000.00</i>
<i>0.50% per annum (0.125% per quarter)</i>	<i>On the balance in excess of \$4,000,000.00</i>

The applicable advisory fee percentage will be negotiated with each client on a case-by-case basis based on the amount of assets under management and the scope and complexity of services rendered (among other things). Accordingly, our investment advisory fees with respect to any particular advisory client may differ from the basic fee schedule set forth above.

### Payment of Fees

In general, advisory fees generally will be payable quarterly in advance, based upon the asset value of each client account on the last business day of the previous quarter. Fees will be deducted from their custodial account, unless instructed in writing by Client to be billed directly and agreed to by Adviser. In that case, Clients would be billed on a quarterly basis and responsible for paying advisory fees directly to us. Investment advisory agreements with clients generally do not have termination dates. Instead, investment advisory agreements typically may be terminated by us or the clients at any time as set forth in the applicable agreements. Advisory fees will be prorated (i) with respect to withdrawals, on any date other than as of the end of a calendar quarter and (ii) with respect to contributions, on any date

other than as of the beginning of a calendar quarter. In the event of termination of the investment advisory agreement, any unearned fees paid in advance will be refunded to the client (minus any account expenses and reserves for expenses).

### **Other Fees and Expenses**

In addition to asset-based fees, clients generally will be required to bear all investment-related fees and expenses associated with their accounts, including, without limitation, margin and custodial and brokerage fees, sub-advisory fees and expenses, transfer fees and taxes and other fees and expenses relating to transactions in their accounts. Custody fees, to the extent applicable, are charged separately by the custodian and are in addition to the advisory fees payable to us.

### **Compensation for the Sale of Securities or Other Investment Products**

Neither we nor any of our supervised persons receive compensation for the sale of securities or other investment products.

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

We do not expect to receive any performance-based compensation with respect to client accounts.

### **Side-By-Side Management**

We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We strive to act in the best interests of each of our clients at all times.

## **Item 7 - Types of Clients**

Montlake provides discretionary investment advisory services primarily for individual (non-institutional) clients, including high net worth individuals, pensions and profit sharing plans (but not the plan participants or government pension plans), charitable organizations, trusts, private foundations, and retirement accounts for individuals and closely-held businesses. The minimum account size for managed accounts is generally \$1 million, but we will occasionally accept smaller accounts where additions are expected to quickly move the account over that threshold.

## **Item 8 - Method of Analysis, Investment Strategies, and Risk of Loss**

### **Montlake's Method of Analysis**

Montlake's investment management solutions are designed to integrate internal expertise with, when needed, external portfolio management in global equity, global fixed income, and alternative investment strategies. Our methods of security analysis include fundamental, technical, and cyclical analysis. Sources of information used by Montlake include financial newspapers and magazines; inspections of corporate activities; research materials prepared by others; corporate rating services; timing services; annual reports, prospectuses, and filings with the Securities and Exchange Commission; and company press releases.

We meet regularly and frequently with our sub-advisors to review, analyze, and discuss the various forces and factors that affect the financial markets and, in turn, the client portfolios we manage. The group's review parameters include, for example, macroeconomic trends, Federal Reserve Policy, inflation, currency influences, valuation metrics, and risk/reward profiles for various markets, market sectors, and asset classes. We work to assess the impact these factors have on client portfolios, and distribute guidance to the Client.

Our investment management solutions are designed to provide our clients with a diversified portfolio that meets their individual needs and objectives. We believe that by combining our internal expertise with the expertise of our sub-advisors, we can provide our clients with the best possible investment management services.

We are committed to providing our clients with the highest level of service and transparency. We believe that by working closely with our clients and keeping them informed of our investment decisions, we can help them achieve their financial goals.

### **Investment Management Strategies**

We carefully combine and balance non-correlated assets, seeking to reduce risk and capture returns. Our disciplined process relies on our direct experience in discrete asset classes and our understanding of the function each plays in achieving a diversified portfolio.

Listed below are some of many of the asset classes and investment vehicles we advise on and frequently utilize in client portfolios:

- Domestic, International, and Emerging Markets
- A range of equity capitalizations, from Large to Small Cap Stocks
- A full range of fixed income instruments, from High Yield Corporate Bonds to Municipal Bonds and Treasuries
- Alternative Investments, including hedge fund strategies, private equity, venture capital, and leveraged buy-outs

### **Asset Allocation & Portfolio Optimization**

Asset allocation is the process of determining the asset classes and weights of each asset class in a portfolio to achieve the desired risk and return characteristics. Montlake constructs diversified portfolios for its clients based on their needs, objectives, and risk tolerance. The firm believes that a diversified portfolio with a broad range of asset classes and sub-asset classes exhibiting relatively low levels of correlation to one another has the potential to provide for lower overall portfolio volatility with little or no sacrifice of return.

### **Tactical Asset Allocation**

As part of our investment strategy, we may adjust the strategic asset allocation of a portfolio in response to our assessment of global capital market and economic conditions, as well as the absolute or relative valuation of the markets in which our clients invest. When adjusting the asset allocation, we aim to improve the risk-adjusted returns of a portfolio by overweighting or underweighting particular asset classes or styles. However, there can be no assurance that our attempts to do so will be successful.

While we buy investments with the intention of holding them for the long term, we may sell a particular investment if we believe it is in the client's best interest.

### **Investment Managers**

Montlake believes that asset allocation represents the single most important decision an investor can make. However, the firm also believes there is incremental value to be added in the manager selection process. Client portfolios may make use of investment managers through a variety of means, including sub-advisors, open-and-closed-end funds, ETFs, and other sources.

Clear Rock Advisors serves as one of the underlying managers for Montlake. Montlake will not receive a solicitation fee from Clear Rock Advisors. Any fee charged to the client by Clear Rock Advisors will be credited back against management fees on a pro rata basis.

### **Certain Risk Factors**

*There is no assurance that clients will achieve their investment objectives or that investments will be successful. Our investment strategies involve a substantial degree of risk, including the risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are low risk or risk free. Our investment strategies generally will only be appropriate for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with our investment strategies and processes and will not necessarily apply to each client.*

*General Economic and Market Conditions.* The success of our investment strategies and recommendations are affected by general economic and market conditions, such as changes in interest rates, availability of credit, competition, industry conditions, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of client investments), trade barriers, unemployment rates, release of economic data, currency exchange controls and national and international political circumstances (including wars,



terrorist acts, natural disasters, or security operations). These factors may affect the level and volatility of securities prices and the liquidity of client investments. Volatility and/or illiquidity could impair a client's profitability or result in losses. Clients could incur material losses even if we react quickly to difficult market conditions, and there can be no assurance that clients will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Clients should realize that markets for the financial instruments in which we seek to invest on behalf of our clients can correlate strongly with each other at times or in ways that are difficult for us to predict. Even a well-analyzed approach may not protect clients from significant losses under certain market conditions.

*Potential for Fraud.* In spite of our desire to invest client assets in reputable and trustworthy companies, there is a risk that we may invest client assets in issuers that engage in fraud. To the extent that we invest client assets in a company that engages in fraud, a client could lose all or a substantial portion of its investment in such company and it could have a material adverse effect on the client's financial condition and results of operations.

*Terrorist Attacks, War and Natural Disasters.* Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent us from meeting our respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and recent natural disasters have created many economic and political uncertainties, which may adversely affect the United States and world financial markets and our clients for the short or long-term in ways that cannot presently be predicted.

*Investment and Trading Risks Generally.* All investments risk the loss of capital. No guarantee or representation is or can be made that our investment strategies will be successful. Our investment strategies involve, without limitation, risks associated with equity investments, limited diversification, short-selling, leverage, equity risks, interest rates, volatility, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in our investment activities. Certain of our investment techniques may, in certain circumstances, substantially increase the impact of adverse market movements to which clients may be subject. In addition, client investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where we invest client assets.

Our methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

*Equity Risks.* We may invest client assets in equity and equity-linked securities. The market price of securities owned by our clients may go up or down, sometimes rapidly or unpredictably. Equity securities in a client's portfolio may decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in

interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which we believe are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame we anticipate. As a result, a client may lose all or substantially all of its investment in any particular instance.

*Distressed Securities.* We may invest in distressed securities. Direct investments in distressed securities generally involve acquiring securities of companies that are experiencing significant financial difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction. Consequently, there is a high degree of risk associated with these investments because such companies may never recover and the value of such investments may be lost.

*Small and Mid-Capitalization Companies.* We may invest in the securities of small and mid-capitalization companies, as well as securities traded only in the over-the-counter markets. Although investments in these companies have the potential to produce significant returns, such investments generally involve a higher degree of risk than investments in larger companies due to the issuer's lack of financial resources, management experience, product diversification and competitive strength. These and other factors may, from time to time, result in operating and financial setbacks that may have a material adverse effect on a particular investment, which may in turn adversely affect the assets of our clients.

*Short Selling.* Client accounts may include short positions. In a short sale, the seller sells a security that it does not own. Because the seller remains liable to return the underlying security that it borrowed, the seller must purchase the security prior to the date on which delivery is required. As a result, we will engage in short sales only where we believe the value of the security will decline between the date of the sale and the date our client is required to return the borrowed security. The making of short sales will expose our clients to the risk of liability for the market value of the security that is sold, which will be an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and our client may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

*Highly Volatile Markets.* The prices of financial instruments in which our clients may invest can fluctuate significantly. These movements are influenced by a variety of factors, including interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments and national and international political and economic events and policies. Our clients are exposed to the risk of loss of capital in the event that these factors cause prices to decline. In addition, governments from

time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.

*Interest-Rate Risk.* The value of the fixed-rate securities in which we may invest will generally have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities will generally decline, which may in turn adversely affect the profitability of our clients.

*Illiquid Investments.* Some investments held by our clients may not be able to be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 or another exemption under the Securities Act. Furthermore, because of the speculative and non-public nature of some investments, we may, from time to time, sell or otherwise dispose of investments that later prove to be more valuable than anticipated at the time of such disposition. Any premature sales or dispositions may prevent our clients from realizing as great an overall return on investment as may have been realized if such sales or dispositions had been made at a later date, which may adversely affect investment results of the investors.

Certain securities may be difficult or impossible to sell at the time and price that we desire. We may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on the profitability of our clients.

*Derivatives.* We may invest in derivative instruments, including (among others) convertible bonds, convertible preferred stock, options (including speculative positions such as buying and writing call options and put options on either a covered or an uncovered basis), futures, forward contracts, repurchase agreements, reverse repurchase agreements and many different types of swaps. In many cases, derivatives provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment in much the same way that incurring indebtedness would. Many derivatives provide exposure to potential gain or loss from a change in the market price of a financial instrument (or a basket or index) or other event or circumstance in a notional amount that greatly exceeds the amount of cash or assets required to establish or maintain the derivative contract. Accordingly, relatively small price movements in the underlying financial instruments or other events or circumstances may result in immediate losses. In some cases, exposure under a derivative contract is limited to the amount invested. In other cases, the derivative contract may create an open-ended obligation. Many derivatives, particularly those negotiated over-the-counter, are substantially illiquid or could become illiquid under certain market conditions. As a result, it may be difficult or impossible to determine the fair value of our interest in such contracts. Many derivative contracts involve exposure to the credit risk of the counterparty, because we acquire no direct interest in the underlying financial instrument, but instead depend on the counterparty's ability to perform under the contract. Further, if and when we take economic exposure through a derivative, we generally will not have any voting rights and may not be able to pursue legal remedies that would be available if we invested client assets directly in the underlying financial instrument.

*Leverage Risks.* In certain circumstances, we may use substantial leverage our investment programs and may borrow funds from brokers, banks, counterparties and other lenders to finance their trading operations. Such leverage may be achieved through, among other methods, purchases of securities on margin and the use of options, futures, forward contracts, repurchase and reverse repurchase agreements, swaps and securities lending transactions. The use of leverage generally involves a high degree of risk. In order to secure our various financing arrangements, we may grant guaranties and pledge or otherwise transfer to lenders any of our clients' assets, including specific assets, pools of assets or interests in subsidiary entities.

The use of margin, derivatives and short-term borrowings may result in substantial interest and financing costs to clients and may create additional risks. If the value of a client's securities or derivatives positions falls below the margin or collateral levels required by a prime broker or other counterparty, additional margin or collateral deposits would be required. The failure to satisfy a margin or collateral call, or the occurrence of other material defaults under margin or other financing agreements, may trigger cross-defaults under such client's agreements with other brokers, lenders, clearing firms or counterparties, multiplying the adverse impact to the client. In addition, because the use of leverage will allow us to control positions worth significantly more than our clients' investments in those positions, the amount that our clients may lose in the event of adverse price movements will be high in relation to the amount of their investments.

In the event of a sudden drop in the value of our clients' assets, we might not be able to liquidate assets quickly enough to satisfy its margin or collateral requirements or other contractual obligations. In that event, our clients may become subject to claims of financial intermediaries that extended margin loans or other types of credit. Such claims could exceed the value of such assets of our clients. The banks, dealers and other counterparties that provide financing to our clients can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks, dealers and other counterparties in any of the foregoing may result in large margin or collateral calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that we will be able to secure or maintain adequate financing, without which we and our clients may not continue to be viable.

*Limited Diversification and Risk Management Failures.* We endeavor to diversify our clients' portfolios by sector, geography, and position limits. However, at any given time, client portfolios may not be diversified to a material extent. As a result, clients could experience significant losses if general economic conditions decline, particularly those relevant to the issuers whose securities are owned by clients. In addition, client accounts could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries, or geographic regions. Any such concentration of risk may increase losses suffered by such clients. This limited diversity could expose clients to losses disproportionate to market movements in general. Other advisers pursue similar strategies, which creates the risk that many advisers may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility, and exacerbating losses. While we endeavor to identify, monitor, and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may

be entirely different. Any inadequacy or failure in our risk management efforts could result in material losses for clients.

*Competition.* The markets in which we operate are highly competitive and there can be no assurance that we will be able to identify or successfully pursue attractive investment opportunities. As a result, clients should expect that their investments will involve substantially more company-specific and market risk and associated volatility in the future than in the past. We compete with many firms, some of which may have substantially greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to us.

*Default and Credit Risks.* We may invest client assets in debt obligations of both government and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. We and/or our clients assume credit risk to our brokers, custodians, and other counterparties in connection with brokerage arrangements, derivatives, and other contractual relationships. In evaluating credit risk, we often are dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on clients.

*Relative Value and Directional Investments.* The success of clients depends on our ability to accurately predict future price movements or the convergence of market prices toward the theoretical values expected by us. Any such attempt to predict future price movements is inherently risky and inaccurate. Often, price movements will be determined by unanticipated factors, and our analysis of known factors may prove incorrect, in each case potentially leading to substantial losses to clients.

*Trading Decisions.* Our trading decisions will be based on fundamental, technical and other analysis. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets) may reduce the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many advisers' trading methods utilize similar analyses in making trading decisions. Therefore, bunching of buy and sell orders can occur, which makes it more difficult for a position to be taken or liquidated. No assurance can be given that our strategies will be successful under all or any market conditions.

*"Widening" Risk.* For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which clients invest may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even more "undervalued" levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

*Multiple Levels of Expense.* We will impose management/advisory fees and other administrative fees and expenses. In addition, many outside managers may also impose

performance-based fees or allocations on realized and unrealized appreciation in the value of client assets. If a client (other than an individual retirement account) invests through an outside manager, it will be required to pay to the outside manager, in addition to the advisory fees otherwise applicable to the account, the management fees and carried interest distributions charged by the outside manager. This results in greater expense and less return on investment than if such fees and expenses were not charged. In addition, performance-based allocations or fees could give an outside manager an incentive to make investment decisions that are more risky or speculative than they might otherwise have made without such arrangements. The multiple levels of fees and expenses will reduce overall profitability.

*Cybersecurity.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries.

To the extent that we are subject to a cyber-attack or other unauthorized access is gained to our internal systems, we may be subject to substantial losses in the form of stolen, lost or corrupted:

- Client data or payment information
- Client investment information, contact lists or other databases
- Internal trade secrets
- Other items

In certain situations, our failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of which could subject Montlake to substantial losses.

In addition, in the event that such a cyber-attack or other unauthorized access is directed at Montlake or one of its service providers holding our financial or client data, Montlake, and its affiliates may also be at risk of loss, despite efforts to prevent and mitigate such risks under Montlake policies.

Mitigation Efforts - Montlake takes cybersecurity risks seriously and has implemented a number of measures to protect our systems and data. These measures include:

- Using industry-standard security software and practices
- Regularly monitoring our systems for unauthorized access
- Implementing strong passwords and access controls
- Training our employees on cybersecurity best practices

We believe that these measures provide a reasonable level of protection against cybersecurity risks. However, no system is completely secure and there is always the possibility that we could be the victim of a cyber-attack or other unauthorized access.

Risk Disclosure - Investors should be aware of the risks associated with cybersecurity, including the risk of:

- Loss of data
- Loss of money
- Damage to our reputation
- Regulatory action
- Civil litigation

We cannot guarantee that we will be able to prevent or mitigate all cybersecurity risks. However, we are committed to protecting our systems and data and will continue to monitor the situation and take appropriate steps to address any risks that may arise.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT PROGRAM. CLIENTS SHOULD READ THIS BROCHURE AND ANY OTHER APPLICABLE ACCOUNT DOCUMENTS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.**

## **Item 9 - Disciplinary Information**

Neither the firm, nor any of its supervised persons has been the subject of disciplinary action of any kind: criminal, civil, administrative or from any self-regulatory organization.

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

Montlake and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Mr. David Lewis is currently a director of the CFA Society of Seattle, a director with the CFA Society of Dallas/Ft. Worth and serves on an advocacy committee of the CFA Institute. Mr. Lewis serves on the board of Lake Pointe Preserve and MUD, an organization which oversees the management activities of a preserve established to protect certain species of birds from extinction and to provide recreational areas within the neighborhood, including waterfront access to Lake Austin. As part of his efforts working across the various boards, he, along with other finance committee members, oversee the direction of investing the reserve accounts of the organizations which total over \$4 million combined. Mr. Lewis receives de minimis director compensation in connection with this non-profit, which is governed by state law, and this activity is not viewed as a potential conflict of interest with Montlake's activities.

Neither Mr. Lewis nor any of Montlake's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Further, neither Mr. Lewis nor any of Montlake's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Montlake's and its management persons do not have any relationship or arrangement that is material to their advisory business with any business of the classifications listed below:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge-fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

#### **Other Investment Advisors**

From time to time and in certain circumstances, Clear Rock Advisors may serve as one of the underlying managers for Montlake (See Item 8, Investment Managers). Fees charged to the client by Clear Rock Advisors will be credited back against Montlake's management fees on a pro rata basis. Montlake will not receive a solicitation fee from Clear Rock Advisors.

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

Our Code of Ethics, a copy of which may be obtained upon request, includes a detailed set of provisions designed to insure that our staff act in accordance with their fiduciary obligations to clients. It covers protection of the privacy of client information and of material non-public information, business ethics, standards of conduct and complying with all applicable laws.

The firm does not recommend or buy/sell securities for clients in which the firm or its related person(s) has a material financial interest.

Procedures regarding personal trading of our staff are an important part of the Code. Staff cannot trade in a security until the day after all client transactions in that security have been completed. Staff cannot engage in short term trading (less than 30 days) in a security held by clients. Staff cannot execute a trade in a security that a portfolio manager is researching and contemplating for clients. All staff trades must be approved by the Chief Compliance Officer (CCO) prior to execution. Complete records of staff trading are maintained by the CCO. The Code details additional recordkeeping and administrative requirements.



Our code of ethics requires quarterly reporting of all personal securities transactions in covered securities and annual reports disclosing personal holdings of covered securities. Such reports will be reviewed by appropriate supervisory personnel.

## **Item 12 - Brokerage Practices**

### **Selecting Brokerage Firms**

In general, we will have the authority to select the brokers and other counterparties to be used for client transactions and to negotiate commission rates and other monies paid by clients (subject to the terms and limitations set forth in the applicable investment management agreements and/or account documents). We will select broker-dealers on the basis of obtaining the best overall terms available, which we will evaluate based on a variety of factors, including, among other things: financial stability of the broker; the broker's "commission" rates or spread; the broker's inventory and availability of the security in question; research, custodial and other services provided by such brokers; websites and other related services; the size and type of the transaction; quality of execution; confidentiality; the operational facilities of the brokers involved (including back office efficiency); and the ability to handle a block order for securities and distribution capabilities. We may pay a commission in excess of that which another broker might have charged for effecting the same transactions, in recognition of the value of the brokerage or research services provided by the broker. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

### **Charles Schwab & Co., Inc.**

We generally recommend that our clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, as their qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab generally will hold client assets in a brokerage account and buy and sell securities in such client's account when we instruct them to. While we recommend that our clients use Schwab as their qualified custodian and broker, each client is ultimately responsible for deciding whether to engage Schwab, and each client will open an account with Schwab by entering into account documentation directly with Schwab. We will not open accounts at Schwab on behalf of our clients, but we may assist our clients in doing so. Not all advisers recommend that their clients use a particular broker-dealer or other custodian. Even though a client's account is maintained at Schwab, we generally can still use other brokers to execute trades for such client's account as described in this brochure.

### **Client Brokerage and Custody Costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge clients separately for custody services but is compensated by charging clients commissions or other fees on trades that it executes or that settle into clients' Schwab accounts. For some

accounts, Schwab may charge clients a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab generally charges clients a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into clients’ Schwab accounts. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize clients’ trading costs, we have Schwab execute most trades for clients’ accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of clients’ trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. See “Selecting Brokerage Firms” above.

## **Products and Services Available to Us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or, administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

Services that benefit our clients. Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit our clients and their accounts.

Services that may not directly benefit our clients. Schwab also makes available to us other products and services that benefit us but may not directly benefit clients or their accounts. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients’ accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Consulting on technology, compliance, legal, and business needs;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that clients maintain clients' account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of clients' transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us. See "Selecting Brokerage Firms" above.

### **Best Execution and Soft Dollar Practices**

We will seek to obtain the lowest possible price for client transactions, and we do not intend to use soft dollars generated by client accounts to obtain products and services. Nevertheless, we may receive research from brokers who execute portfolio transactions for our clients. This research generally will be used to service all client accounts (to the extent such research is applicable to our clients). We will not formally commit to invest any particular level of commissions to brokers who provide research services. Research from brokers through which portfolio transactions for us are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, access to an electronic communication network for order entry and account information, participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to us in the performance of investment decision-making responsibilities on behalf of clients. We may benefit by not having to produce or pay for research, and receipt of such research or other products or services may create an incentive for us to select or direct more business to particular brokers. We understand that the benefits received through our relationship with broker-dealers generally do not depend upon the amount of transactions directed to, or the amount of assets custodied by, the broker-dealers. We expect that all research reports received in connection with client-related matters will be within the limitations set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended.

## **Brokerage for Client Referrals**

In selecting or recommending brokers, we will not consider whether we or any of our related persons receive client referrals from such brokers.

## **Directed Brokerage**

We will not permit our clients to direct the brokers to be used in executing transactions for their accounts. Clients should be aware that directing brokerage would prevent us from achieving best execution which may end up costing them more money.

## **Aggregation of Client Trades**

We may aggregate or “bunch” trade orders for multiple clients from time to time when it would be in the clients’ best interests to do so. Aggregated orders will be allocated among applicable clients on a fair and equitable basis under the circumstances, but generally pro rata per applicable client account.

## **Allocation of Investment Opportunities**

We will generally allocate investment opportunities among clients in a manner we believe to be fair and equitable under the circumstances. If we have determined to invest in the same direction in the same investment at the same time for more than one of our clients, we will generally place orders for all such accounts simultaneously. If all such orders are not filled at the same price, we will, to the extent possible, allocate the trades such that the order for each client is filled at the average price. Similarly, if an order on behalf of more than one client cannot be fully executed under prevailing market conditions, we will allocate the trades among different clients on a pro rata basis based on contributed capital.

## **Item 13 - Review of Accounts**

We attempt to meet personally with each managed account client at least annually and up to three other times via web-conference. During these account reviews we re-verify with the Client the account objectives and constraints and note any changes. We verify Clients are provided performance data on their account(s) annually and at account review meetings.

In addition to the quarterly and annual reviews, we may conduct additional or more frequent reviews under certain circumstances, including changes in market or economic conditions or changes in a client’s investment objectives or financial situation.

No less than once every 36 months we verify with the client the primary client information (birth year; employment status, including occupation; annual income; and net worth excluding residence).

Clients along with Montlake receive account statements, at least quarterly, directly from Charles Schwab (and/or other applicable custodians) and clients should carefully review those statements. These statements include an appraisal of their portfolio and a report of

purchases and sales for the months or quarter. This statement will reflect cash and market values of securities in the Client's account computed as of the last business day of that quarter. Values will be based on quotations Schwab believes to most accurately indicate market values or, if no quotations are available, that will reflect Adviser's good faith estimates. Clients are urged to compare any statements they receive from us or our agents with the statements provided by their custodians.

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

### **Third Party Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Except as otherwise described herein and in Item 12, we do not expect to receive any economic benefit from any non-advisory client for providing investment advice or other advisory services to our clients. See Item 12 above.

### **Referrals**

We do not compensate any person for client referrals.

## **Item 15 - Custody**

We do not accept or maintain physical possession of any client assets (cash or securities). However, we are deemed to have custody by reason of the authority granted to us by our clients to deduct our fees. Client assets are held with qualified custodians, in particular, we recommend that our clients use Charles Schwab. The qualified custodian will send, at least, quarterly statements to our clients. Clients should review these statements carefully and we urge you to compare these to the reports that you receive from us.

Clients receive account statements each month directly from their custodians with the required information, such as month-end security positions and transactions during that month. We receive electronic or hard copies from the custodians and reconcile our statements to the custodians' statements. As stated in Item 13, clients are urged to compare any statements they receive from us or our agents with the statements provided by their custodians.

## **Item 16 - Investment Discretion**

### **Discretionary Authority**

Montlake is provided discretionary authorization to effect investment or brokerage transactions in a client's account, the extent of and limitations on that authority are determined by agreement with the client in its Investment Management Agreement. Such agreement grants Montlake authority to effect securities transactions in clients' accounts by way of a limited power of attorney. More specifically, we have the authority to determine, without obtaining specific Client consent, (i) which securities to buy or sell and the amount of securities to buy or sell, (ii) which broker or dealer to use for any purchase or sale of securities, and (iii) the commission rates to be paid to such brokers or dealers on such a transaction.

## **Item 17 - Voting Client Securities**

As a fiduciary managing client assets under a discretionary power of attorney, we are called upon to vote proxies on behalf of clients. We have the power and authority to vote and execute all proxies with respect to securities held in client accounts in accordance with proxy voting procedures and guidelines. Clients shall forward, and shall instruct custodian to forward, all proxy materials and related shareholder communications to us upon receipt. We will not be liable or responsible to client with respect to the voting of proxies or other corporate actions if the proxy materials and related shareholder communications are not received in a timely manner. We will have no obligation to furnish clients with any proxies, notices of shareholders' meetings, and other proxy-related literature customarily mailed to shareholders.

In situations where we are utilizing the services of a sub-advisor, the sub-advisor will advise us of its proxy voting policy.

## **Item 18 - Financial Information**

### **Balance Sheet**

The firm does not require or solicit the prepayment of fees six months or more in advance.

### **Financial Condition**

We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.

### **Bankruptcy**

Neither the firm nor any related person has been the subject of a bankruptcy petition.

## **Item 19 - State Advisors**

### **Education and Business Background of Officers**

Please see the brochure supplement for information regarding Montlake's owner.

### **Outside Business Activities**

Please see the brochure supplement for information regarding Montlake's owner.

### **Performance-based Fees**

Montlake does not charge nor accept performance-based fees. Please see response to Item 6.

### **Disclosures**

Neither Montlake nor any of its officers or principals has been involved in an award in an arbitration claim alleging damages, or an award of being found liable in a civil, self-regulatory organization, or administrative proceeding.

### **Relationship to an Issuer**

Neither Montlake nor any of its officers or principals has a relationship or arrangements with other financial services companies that pose material conflicts of interest.

## Item 1 - Cover Page

ADV Part 2B: Brochure Supplement for

David V. Lewis, CFA, CFP®

MONTLAKE CAPITAL MANAGEMENT, LLC

11705 Sterling Panorama Terrace

Austin, TX 78738

(469) 713-1934

David@montlakellc.com

March, 2024

This brochure supplement provides information about David V. Lewis, CFA that supplements the Montlake Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact Mr. Lewis if you did not receive Montlake Capital Management's brochure or if you have any questions about the contents of this supplement.

Additional information about David V. Lewis is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



**David V. Lewis, CFA, CFP®**

## **Item 2 - Educational Background and Business Experience**

Year of birth: 1960

### *Educational Background:*

BBA in Finance – University of Texas at Austin

MBA in Finance – The Cox School of Business, Southern Methodist University

CFA – The Chartered Financial Analyst (CFA) program is a graduate-level self-study program that combines a broad curriculum in securities analysis and portfolio management with professional ethics requirements. The program includes a series of three, six-hour exams which must be passed sequentially, at least a year apart. The CFA charter holder must have at least four years of investment experience, be a member of a local CFA chapter and annually pledge to adhere to the CFA Institute's Code of Ethics and Standards of Professional Conduct.

CFP® – The CERTIFIED FINANCIAL PLANNER™ (CFP®) is a formal recognition of expertise in the areas of financial planning, taxes, insurance, estate planning, and retirement (such as with 401(k)s). Owned and awarded by the Certified Financial Planner Board of Standards, Inc., the designation is awarded to individuals who successfully complete the CFP Board's initial exams, then continue ongoing annual education programs to sustain their skills and certification.

### *Business Experience:*

2018 – Current: President, CCO and Member at Montlake Capital Management, LLC

1999 – 2017: Portfolio Manager and Head of Income Strategies at FCM Investments, LCC;

1990 – 1999: Principal, Fleet Transactions/Corporate Development, American Airlines, Inc.

## **Item 3 - Disciplinary Information**

Mr. Lewis has no disciplinary or legal events to disclose.

## **Item 4 - Other Business Activities**

Mr. Lewis is currently a director of the CFA Society of Seattle, a director of the CFA Society of Dallas/Ft. Worth, and is Co-Chair of the Legislative Subcommittee Chair of the Advocacy Committee for CFA Societies Texas. He served as Chair of the Capital Markets Policy Council, an advocacy council of the CFA Institute, his term ending at year-end 2022. Mr. Lewis serves on the board of Lake Pointe Preserve and MUD, a non-profit organization that oversees the management of a preserve located on Lake Austin which was established to protect certain species of birds from extinction and provide recreational areas within the neighborhood, including waterfront access to Lake Austin. In his roles with the non-profit organizations' finance committees, he oversees the management of investment reserve accounts. He works closely with other committee members to ensure that these accounts are managed in a prudent and responsible manner. These activities are primarily of a volunteer nature and he receives only de minimis levels of compensation as determined by state law for his service with Lake Pointe. Mr. Lewis spends less than 5% of his time on these matters and thus is not viewed as a potential conflict of interest with Montlake Capital Management, LLC's activities. Lewis has no outside business activities to disclose.

Mr. Lewis is not actively engaged in any other investment-related business or occupation outside of Montlake Capital Management, LLC. Mr. Lewis is not registered and has no application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA") or an associated person of an FCM, CPO or CTA.

Mr. Lewis does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds.

## **Item 5 - Additional Compensation**

David V. Lewis does not receive any economic benefit from a non-client for providing advisory services.

## **Item 6 - Supervision**

Mr. Lewis is the only advisor associated with Montlake and therefore is responsible for supervising all business activities, including all advice provided to clients. To ensure, he meets his obligations Mr. Lewis utilizes a policies and procedures manual and maintains appropriate records. Mr. Lewis' contact information is on the cover page of this brochure supplement.

## **Item 7 - Requirements for State-Registered Advisers**

Mr. Lewis has not been found liable in an arbitration claim, nor has he been found liable in a civil, self-regulatory organization, or administrative proceeding. Mr. Lewis has not been the subject of a bankruptcy petition.