

Parthenon LLC

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**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Parthenon LLC. If you have any questions about the contents of this brochure, please contact us at 502.327.5660. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Parthenon LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Parthenon LLC is 107794.

Parthenon LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Material Changes

Form ADV Part 2A, Item 2

The following material change has been made to this Brochure since the annual update:

- Parthenon LLC, without engaging in litigation or adversarial proceedings or admitting the allegations of the Kentucky Department of Financial Institutions (the “Department”), agreed to an order issued by the Department on December 17, 2025. The order claimed violations of sections 292.330(10), 292.330(11), 292.331(1) of the Kentucky Revised Statutes and the Kentucky Administrative Regulations (808 KAR 10:030), arising from a clerical oversight that allowed an employee to act as an investment adviser representative without proper registration (Administrative Action No. 2025-AH-0180).

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Advisory Business

Form ADV Part 2A, Item 4

Parthenon LLC ("Parthenon", "we") was founded in 1999 by its four principals, all of whom are substantial owners in the business. They are J. McFerran Barr, II, Tony H. Coffey, Thomas A. Corea and Todd P. Lowe. The firm works primarily with families, trusts, family foundations and related entities. All employees of Parthenon are owners of the firm, and there are no non-employee owners.

We provide equity and fixed income management, utilizing original research capabilities for both equities and bonds, and our advice is limited to tradable equity and fixed income securities for our advisory clients. We also are the advisor and general partner for Fort Nelson Partners, LP ("Fort Nelson").

Portfolios are tailored to each client based on that client's profile and tolerances. All portfolio managers purchase securities that are currently on our "buy list," although not all securities on that list would necessarily be appropriate for every client. Fixed income management is conducted solely by our fixed income specialist in consultation with the appropriate portfolio manager. Each client is assigned a portfolio manager and administrator, with other managers serving as back-up as necessary.

We do not participate in wrap fee programs.

As of December 31, 2025, Parthenon managed discretionary client assets of \$1,217,505,630.

The DOL Fiduciary Regulation

Pursuant to the provisions of the Department of Labor Fiduciary Regulation (the "Rule") Parthenon and its personnel are required to provide clients that are ERISA plans, ERISA plan participants and/or IRA owners ("Retirement Investors") with additional disclosure. Specifically, following is the required disclosure under the Rule: Parthenon and its personnel act as fiduciaries under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Internal Revenue Code or both with respect to any investment advice provided by Parthenon and its personnel to Retirement Investors.

Fees and Compensation

Form ADV Part 2A, Item 5

We are compensated by a fee for managing our clients portfolios based on the assets we manage, and we receive no other form of compensation. Our fee schedule is 1% on the first \$2 million of assets under management (subject to a \$10,000 minimum annual fee), 0.75% on the next \$3 million of assets under management, and 0.50% on amounts over \$5 million. Fees are occasionally negotiated based on portfolio size.

We typically have our management fees deducted from our client's accounts, which are custodied by outside qualified custodians. However, clients may choose to have their fees invoiced and then submit payment. All clients receive copies of invoices, even if their fees are being deducted from their account. Fees are billed or deducted quarterly, in advance.

Parthenon advisory clients may pay custodian, trustee or other expenses depending upon the specific situation. Clients may also incur transaction costs, including brokerage commissions. Please see the section of this document referring to "Brokerage Practices".

Fees are paid in advance, based on the previous calendar quarter's ending market value. For accounts that terminate during a calendar quarter, fees will be refunded based on the number of days fees were paid but not earned.

No Parthenon employees receive compensation from Parthenon other than the fee compensation discussed above.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

Parthenon is advisor and general partner for Fort Nelson. As general partner and advisor, we may receive performance fees only for that account provided certain thresholds for performance are met. This practice could create a conflict of interest between Fort Nelson and advisory clients of Parthenon. Trading and account activity of Fort Nelson is carefully monitored to ensure that it receives no advantages over advisory clients of Parthenon. Fort Nelson is generally treated, for conflict of interest purposes, as a client of Parthenon alongside our other advisory clients and is therefore not afforded any advantages in the purchase or sale of securities. Fort Nelson owns and may own securities in the future that are also held by Parthenon clients.

Types of Clients

Form ADV Part 2A, Item 7

Parthenon provides investment management services for individuals, families, trusts, family limited partnerships, retirement accounts such as profit-sharing accounts, and institutional clients. We also are the general partner and investment advisor for Fort Nelson. Our minimum account size is \$1 million, however we reserve the right to accept a lesser amount .

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Equity Approach

We believe that companies with consistent and enduring earning power outperform the broad markets. We further believe that the long-term ownership of these companies will ultimately provide superior investment returns, while minimizing the volatility of a portfolio.

We conduct our own research. We are originators, not recipients, of investment ideas, and use selected outside research sources only for information on companies and industries.

We narrowly focus our research on businesses that can be understood with a reasonable amount of study, due diligence and thought. We seek to own companies with consistently high returns on assets and equity, typically derived from a competitive advantage that we have identified.

While diversification is used to reduce risk, outperformance of the indices will come from concentrations in securities with above-average operating characteristics purchased at discounts to intrinsic value.

We are long-term owners of the companies in which we invest. Our average holding period is over four years, leading to a portfolio turnover ratio of less than 25% annually.

We believe that company-specific security analysis offers the best potential for superior returns. Therefore, we do not replicate indices or allocate funds by industry group, nor do we attempt to time the markets.

We seek to purchase companies at a discount to their estimated true worth, believing that the market will ultimately recognize superior operating characteristics with an appropriate valuation.

We consider multiple market capitalizations in our research, believing that the characteristics we seek may be found in companies of any size.

Fixed Income Approach

We structure each portfolio based on the client's investment objectives. Portfolios are designed to maximize after-tax returns, meet liquidity requirements and address income needs.

Portfolio maturities are adjusted in anticipation of changes in interest rates, economic activity, inflation expectations, Federal Reserve policy and money demand and supply characteristics.

Specific sectors are emphasized based on relative attractiveness. The portfolio mix of US Treasury, government agency, corporate, mortgage and asset-backed securities and municipal securities will be adjusted to reflect changing spread and risk characteristics.

We utilize only high-quality securities, including those rated "A" or better by Moody's or Standard & Poor's. No holdings other than US Treasury and government agency securities will exceed 5% of a portfolio's value.

Careful analysis is conducted when utilizing mortgage securities and asset-backed securities. All mortgage securities utilized will have government agency collateral.

No exotic derivatives or foreign debt are utilized.

Clients should realize that investing in securities involves risk of loss of principal.

Investing in equity and fixed income assets creates the potential for loss of principal. Occasionally, concentrations in certain equity securities may heighten that risk. Risk of loss in equity securities may come from a variety of sources, including general market risk, but also security specific risk. Various risks in fixed income securities may occur from changes in interest rates, downgrades in ratings from credit ratings agencies, and material changes in company characteristics.

Disciplinary Information

Form ADV Part 2A, Item 9

Registered investment advisors are required to disclose all events regarding any legal or disciplinary events that would be material to your evaluation of Parthenon or the integrity of Parthenon's management.

Parthenon, without engaging in litigation or adversarial proceedings or admitting the allegations of the Kentucky Department of Financial Institutions (the "Department"), agreed to an order issued by the Department on December 17, 2025. The order claimed violations of sections 292.330(10), 292.330(11), 292.331(1) of the Kentucky Revised Statutes and the Kentucky Administrative Regulations (808 KAR 10:030), arising from a clerical oversight that allowed an employee to act as an investment adviser representative without proper registration (Administrative Action No. 2025-AH-0180).

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Parthenon is not a broker-dealer.

Parthenon is not registered for futures or commodities.

Parthenon is the advisor and general partner for Fort Nelson. Our firm has no outside relationships that would create a material conflict of interest with our business or our clients.

Parthenon does not recommend other investment advisors or receive any outside compensation.

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

Form ADV Part 2A, Item 11

All staff members have adopted our Code of Ethics (the "Code") pursuant to SEC rule 204A-1, and are annually required to recommit to the Code. A copy of the Code is available to any client or prospective client upon request.

Neither Parthenon nor any of its' members act as principal in any transactions, therefore no material conflict of interest is present in our trading activity.

Principals and employees of Parthenon frequently invest in the same securities as our clients. In order to minimize any potential conflict of interest that may arise from trading activity in which an employee could gain an advantage at the expense of the client, we have trading policies which prohibit an employee from "front running" or engaging in other activity which could cause a potential conflicts of interest.

Proprietary accounts, those of Parthenon or Parthenon members, may be traded in block fixed income and equity transactions.

Brokerage Practices

Form ADV Part 2A, Item 12

Parthenon receives research from broker-dealers with whom we place transactions. We receive no other benefits from any "soft dollar" transactions. Our clients could pay higher commissions if we were to direct their transactions to those broker-dealers from which we receive soft-dollar benefits (research reports). We are cautious to monitor our trading activity to not disadvantage clients by directing trades to broker-dealers which charge significantly higher commissions.

We occasionally use client brokerage commissions to obtain research services. We receive a benefit that we do not have to pay for otherwise.

We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

We may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits.

We use soft dollar benefits to service all clients' accounts, not only those that may pay for the benefits at any one time. We do not seek to allocate soft dollar benefits proportionally to the accounts that may generate the benefits.

We obtain only research reports through soft dollars. These include macro-economic reports as well as company-specific and industry research. These reports generally benefit all clients equally, although some clients generate greater soft dollars than do other clients due to account size and/or activity.

Parthenon routinely determines which broker-dealers execute transactions, although they generally are executed through the clients' custodians most frequently. Directing transactions to other broker-dealers through which we receive research reports as a benefit could prove more costly to any client.

Some clients direct us to utilize certain broker-dealers for their transactions. This may result in poorer execution than is available through other broker-dealers and/or custodians. We inform these clients of the additional costs they may bear do to directing their transactions in this manner.

We frequently aggregate transactions for both equities and fixed income purchase and sales. We do this to lower costs, where possible, for our clients and to improve execution by taking advantage of larger block purchases and sales. When a block of securities is bought or sold, the average price for the security is assigned to each client who participated in the block transaction. If the transaction cannot be completed in its entirety, the securities are allocated to each client proportionally unless there is a compelling reason to do otherwise (such as a very small execution of a larger transaction whereby proportional allocation would result in an insignificant transaction for any one client).

Review of Accounts

Form ADV Part 2A, Item 13

Clients' portfolios are reviewed continually by the designated portfolio manager.

Client accounts may be reviewed other than periodically based on any number of factors, including changes in the client's personal or business situation, market actions and other triggers.

Clients typically receive monthly reports from their selected custodian. In addition, Parthenon provides periodic (quarterly or monthly) asset statements to each client. In addition, some clients request additional reporting, such as gain/loss information throughout the year. At year end Parthenon provides additional information to clients (and in many cases their accountant) to assist in preparation of tax returns.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Parthenon does not provide any economic benefit to any party for providing a client/prospect referral.

Custody

Form ADV Part 2A, Item 15

Parthenon is deemed to have custody of a limited number of client portfolios for which a member of Parthenon serves as a co-trustee for that client. Parthenon is subject to an annual surprise audit by an independent public accountant due to us having been deemed to have custody. Parthenon does not have physical custody of any client assets. We provide a quarterly or monthly asset statement to clients which should be carefully compared to the custodian's statement they receive.

Investment Discretion

Form ADV Part 2A, Item 16

Parthenon typically manages client portfolios discretionarily. Clients may place limitations on our discretionary management, such as requesting that we not purchase companies in certain business sectors. There may be other limitations based on client preferences. When establishing a new relationship, new clients are asked to execute our investment management agreement which, among other things, gives Parthenon discretionary authority to buy and sell securities in their portfolio.

Voting Client Securities

Form ADV Part 2A, Item 17

Parthenon does typically vote proxies on behalf of our clients. We vote proxies based on our proxy policy, which is available for review by request (please call 502.327.5660 to request a copy). Our policy includes information on how we resolve any conflicts of interest between our clients and Parthenon in relation to proxy voting. Clients may request how Parthenon has voted proxies.

Some clients may prefer to vote their proxies. If so, either the client or Parthenon will inform the custodian to direct proxy materials directly to the client.

Financial Information

Form ADV Part 2A, Item 18

Parthenon does not collect fees more than six months in advance. Therefore, no balance sheet is required to be attached.

Additional Information

Form ADV Part 2A, Item 19

Please request our ADV Part 2B for additional information about our firm's portfolio managers. Parthenon does not engage in any business other than the providing of investment advice.

Parthenon serves as general partner and investment advisor to Fort Nelson. Fort Nelson does potentially collect performance-based fees. The Partnership is available to only accredited investors, and a complete description of the performance fee scheme is available to investors in the Partnership.

Morgan Stanley Smith Barney LLC ("Morgan Stanley") now serves as custodian to Fort Nelson. The agent at Morgan Stanley, T. Scott Lowe, is the brother to Todd P. Lowe who serves as President and Chief Compliance Officer at Parthenon.