



MAGNITUDE CAPITAL, LLC PART 2A OF FORM ADV (THE “BROCHURE”)

200 Park Avenue
56th Floor
New York, NY 10166
+1 212.915.3900
www.magnitudecapital.com

*This Brochure provides information about the qualifications and business practices of Magnitude Capital, LLC (SEC File No. 801-65284) (“**Magnitude**”). If you have any questions about the contents of this Brochure, please contact us at +1 212.915.3900 or magnitudecapital@magnitudecapital.com. 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.*

*Magnitude has been registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), since January 2006. Registration with the SEC as an investment adviser does not imply that Magnitude or any principals or employees of Magnitude possess a particular level of skill or training in the investment advisory or any other business.*

More information about Magnitude is also available on the SEC’s website at www.adviserinfo.sec.gov.

Updated March 28, 2024

II. MATERIAL CHANGES TO THE BROCHURE

Since the last amendment dated June 6, 2023, Magnitude has updated this Brochure to remove references to certain ancillary services (*e.g.*, technology access, research insights, investor education) which are no longer relevant to Magnitude's business.

Certain non-material changes were also made to this brochure. Consequently, we encourage you to read the brochure in its entirety.

III. TABLE OF CONTENTS

II.	Material Changes to the Brochure.....	2
III.	Table of Contents	3
IV.	Advisory Business.....	4
A.	Funds of Hedge Funds.....	5
V.	Fees and Compensation.....	7
A.	Fees – Magnitude Funds.....	7
B.	Other Expenses	8
C.	Shared Expenses	8
D.	Special Arrangements.....	8
VI.	Performance-Based Compensation and Side-by-Side Management.....	9
VII.	Types of Clients	9
VIII.	Methods of Analysis, Investment Strategies, and Risk of Loss	10
A.	Methods of Analysis and Investment Strategies.....	10
B.	Certain Material Risks	11
IX.	Disciplinary Information	27
X.	Other Financial Industry Activities and Affiliations.....	27
XI.	Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	28
XII.	Brokerage Practices.....	29
A.	FOFs	29
B.	MSI Vehicles	29
C.	Soft Dollar Arrangements.....	30
D.	Capital Introduction Services	30
E.	Cross Trades	30
F.	Concurrent Subscriptions and Redemptions.....	31
G.	Principal Trades.....	31
XIII.	Review of accounts	32
A.	Portfolio Management	32
B.	Reporting to Investors and Clients	32
XIV.	Client Referrals and Other Compensation	32
XV.	Custody	33
XVI.	Investment Discretion	33
XVII.	Voting Client Securities	34
A.	Proxy Voting.....	34
B.	Abstention from Voting; Copy of Proxy Policies.....	34
C.	Conflicts of Interest	34
XVIII.	Financial Information.....	34

IV. ADVISORY BUSINESS

Magnitude is an investment adviser that commenced operations in October 2002. Magnitude is a limited liability company organized under the laws of the State of Delaware. Magnitude was founded and is principally owned by James M. Hall and Benjamin S. Appen (the “**Co-Founders**”). Since inception, the goal of Magnitude has been to deliver attractive risk-adjusted investment returns to investors through the management of multi-strategy funds of hedge funds and other investment vehicles.

As of December 31, 2023, Magnitude had approximately \$6,666,725,650 in net assets under management, all of which is managed on a discretionary basis.

Magnitude’s business currently involves managing assets for the following clients:

- Magnitude sponsors and manages private funds (each, a “**Magnitude Fund**” and collectively the “**Magnitude Funds**”) using Magnitude’s fund of hedge funds investment strategy.
- Magnitude serves as the sub-adviser to a series (the “**Sub-Advised Series**”) of a third-party private fund organized as a series limited partnership (the “**Sub-Advised Fund**”). The Sub-Advised Fund (including the Sub-Advised Series) is advised and sponsored by a third-party investment adviser (the “**Primary Adviser**”). Each series of the Sub-Advised Fund, including the Sub-Advised Series, is an “insurance dedicated fund.” The Sub-Advised Series invests substantially all of its assets in a Magnitude Fund that is also an insurance dedicated fund and is managed using Magnitude’s fund of hedge funds investment strategy (referenced below as “**MIMF**”).

The Magnitude Funds and the Sub-Advised Series are collectively referred to as “**Clients**.”

Magnitude’s management of each Client is subject to (i) with respect to each Magnitude Fund, its organizational and governing documents, offering documents, investment management agreement, and subscription agreement, each as may be amended, supplemented or modified from time to time (collectively, the “**Fund Documents**”), and (ii) with respect to the Sub-Advised Series, the sub-advisory agreement between Magnitude and such Client, the offering documents, subscription documents, and limited partnership agreement for the Sub-Advised Fund and the Sub-Advised Series, and certain other agreements by and among some or all of Magnitude, the Primary Adviser, the Sub-Advised Series, the Sub-Advised Fund, and MIMF (as defined below), each as may be amended, supplemented, or modified from time to time (collectively, the “**Sub-Advised Series Documents**”). The Fund Documents and the Sub-Advised Series Documents are collectively referred to as the “**Governing Documents**.” The terms of any investor’s investment in any Magnitude Fund are contained in and governed by the applicable Fund Documents and the terms applicable to the Sub-Advised Series are governed by the Sub-Advised Series Documents. All discussions in this Brochure regarding Clients, including each such Client’s investments, the strategies Magnitude pursues in managing such Clients’ assets, the fees and expenses borne by such Clients, and all other terms and conditions of each Client, are subject to, and qualified in their entirety by reference to, the applicable Governing Documents.

A. Funds of Hedge Funds

The Magnitude Funds are managed using a multi-strategy fund of hedge funds approach (the “**FOFs**”) that seeks to deliver attractive risk-adjusted returns with limited exposure to broad market risk factors. Magnitude aims to achieve this goal primarily through the identification, selection, and monitoring of opportunities to invest in pooled investment vehicles, managed accounts, co-investment vehicles, derivative instruments, public and private investment instruments, and non-traditional investments, which may include, but are not limited to: secondary market purchases of private fund interests; “side pocket” interests; interests in special purpose liquidating vehicles; closed-end vehicles; direct co-investments; investments in operating companies with significant exposure to investment strategies; and other similar arrangements (collectively, “**Portfolio Funds**”). Portfolio Funds will generally be managed, advised, sponsored, and serviced by entities (each such entity, a “**Portfolio Manager**”), which are generally independent of Magnitude, although a Magnitude Party may also act as a Portfolio Manager.

1. Investor Funds

The FOFs are open-end vehicles that offer investors redemptions or withdrawals on a regular schedule. Below is a brief description of each of the FOFs offered to third-party investors (the “**Investor Funds**”). Please refer to each Investor Fund’s relevant Fund Documents for a more detailed description of its business and its investment terms. Shares and interests in the Investor Funds are referred to in this Brochure as “**Interests**.”

Magnitude International. Magnitude International (“**MI**”) is a sub-trust of the Magnitude Master Series Trust, a unit trust organized under the laws of the Cayman Islands (the “**Trust**”). MI is part of a master-feeder structure through which it indirectly invests in Portfolio Funds through its investment in Magnitude Master Fund (“**MMF**”). Non-U.S. investors and U.S. tax-exempt investors may invest in MI.

Magnitude Institutional, Ltd. Magnitude Institutional, Ltd. (“**MIL**”) is a Cayman Islands exempted company and invests in Portfolio Funds both directly and indirectly via investments in MMF and Magnitude LSE Master Fund, Ltd. (“**LSE Master Fund**”). Non-U.S. investors and U.S. tax-exempt investors, including employee benefit plans, may invest in MIL.

Magnitude U.S. Partners. Magnitude U.S. Partners (“**MUP**”) is a sub-trust of the Trust and is part of a master-feeder structure through which it indirectly invests in Portfolio Funds through its investment in Magnitude Partners Master Fund, L.P. (“**MPMF**”). U.S. taxable investors may invest in MUP.

Magnitude Private Partners, L.P. Magnitude Private Partners, L.P. (“**MPP**”) is a Delaware limited partnership and is part of a master-feeder structure through which it indirectly invests in Portfolio Funds through its investment in MPMF. U.S. taxable investors may invest in MPP.

Phoenix MAG, Ltd. Phoenix MAG, Ltd. (the “**Single Investor Fund**”), is a Cayman Islands exempted company established for one or more affiliated U.S. tax-exempt investors. The Single Investor Fund indirectly invests in Portfolio Funds via investments in MMF and LSE Master Fund.

2. Master Funds

The Investor Funds and the Sub-Advised Series typically execute their investment strategy by investing directly or indirectly in one or more FOFs that are “master funds” (the “**Master Funds**”). The Master Funds invest directly or indirectly in Portfolio Funds and MSI Vehicles (as defined in IV.A.3 below). The Master Funds are not currently offered to external investors, but Magnitude reserves the right to do so in the future. Below is a brief description of each of the Master Funds.

Magnitude Master Fund. MMF is a sub-trust of the Trust and uses Magnitude’s multi-strategy fund of hedge funds investment program. MMF invests (i) directly in Portfolio Funds and LSE Master Fund and (ii) indirectly in MSI Vehicles. MI, MIL, and the Single Investor Fund (the “**Non-Taxable Investor Funds**”) invest in or have investment exposure to MMF. Because investors in the Non-Taxable Investor Funds generally are not subject to U.S. federal income taxes, MMF generally invests in non-U.S. Portfolio Funds.

Magnitude LSE Master Fund, Ltd. LSE Master Fund is a Cayman Islands exempted company and uses a long/short equity-focused fund of hedge funds investment program. LSE Master Fund invests (i) directly in Portfolio Funds and (ii) both directly and indirectly in MSI Vehicles. MMF, MIL, and the Single Investor Fund invest directly in LSE Master Fund. Because the Magnitude Funds that invest in LSE Master Fund generally are not subject to U.S. federal income taxes, LSE Master Fund generally invests only in non-U.S. Portfolio Funds.

Magnitude Partners Master Fund, L.P. MPMF is a Delaware limited partnership that invests directly in Portfolio Funds and indirectly in MSI Vehicles. MUP and MPP (the “**U.S.-Taxable Investor Funds**”) invest in MPMF. Because investors in the U.S.-Taxable Investor Funds generally are subject to U.S. federal income taxes, MPMF typically invests in U.S. Portfolio Funds but occasionally invests in non-U.S. portfolio funds.

Magnitude Insurance Master Fund, LLC. Magnitude Insurance Master Fund, LLC (“**MIMF**”) is a Delaware limited liability company and uses Magnitude’s multi-strategy fund of hedge funds investment program. MIMF invests (i) directly in Portfolio Funds and (ii) directly and indirectly in other Magnitude Funds. The Sub-Advised Series invests substantially all of its assets in MIMF.

3. MSI Vehicles

Magnitude Special Investments Portfolio Fund, Ltd. (“**MSIPF**”) is an entity through which MMF, LSE Master Fund, and MPMF indirectly invest in Portfolio Funds structured as managed accounts held by MSIPF or subsidiaries thereof (collectively, “**MSI Vehicles**”). With certain limited exceptions (*e.g.*, hedging transactions), Magnitude delegates discretionary management of all or a portion of the accounts of MSI Vehicles to one or more third-party Portfolio Managers. Such Portfolio Managers are responsible for the portfolio management and investing of such accounts and generally invest in securities, derivatives, and other financial instruments for such accounts. MSIPF is a Cayman Islands exempted company and other MSI Vehicles have been established as Cayman Islands exempted limited partnerships or Delaware limited liability companies.

V. FEES AND COMPENSATION

A. Fees – Magnitude Funds

All investors and potential investors in the Magnitude Funds should review the Fund Documents of the Magnitude Fund in which they invest or are considering investing in conjunction with this Brochure for complete information on the fees and compensation payable with respect to the applicable Magnitude Fund. The following fee and compensation information is subject to, and qualified in its entirety by, the Fund Documents of each Magnitude Fund.

Fees and performance compensation paid by the Magnitude Funds are not typically negotiated. However, fees and compensation may be modified, waived, rebated or reduced, at the discretion of Magnitude. The Magnitude Funds offer alternative fee programs to eligible investors as further described below. In very limited circumstances, the Magnitude Funds have entered into written agreements directly with one or more investors regarding other alternative fee structures where the investor has agreed to other terms that are beneficial to the Magnitude Fund and/or Magnitude. Partners, employees, their respective family members and family trusts, former Partners or employees, and other persons associated with Magnitude (*e.g.*, independent contractors who serve as consultants) (collectively, “**Magnitude-Related Investors**”) either invest in a share class that does not pay management fees or performance compensation or have fees and performance compensation rebated in full on their investments.

1. *Investor Funds and MIMF*¹

Magnitude’s standard compensation for services provided to the Investor Funds and MIMF includes a management fee of up to 1% *per annum* (in the case of MPP, up to 1.5%) and performance compensation of up to 10% of realized and unrealized profits (“**Standard Compensation**”).

Investors whose aggregate related Interests in the Investor Funds exceed a value of \$75 million qualify for Magnitude’s “modified fee” program. These investors may elect to allocate any incremental capital invested above \$75 million among any combination of various management fee and performance compensation options.

Magnitude has also made reduced fee options (as compared to the Standard Compensation) available to eligible investors who invest in the Magnitude Funds through investment consultants that (i) have entered into written agreements with Magnitude and the applicable Investor Fund and (ii) meet certain aggregate client investment amount thresholds.

Management fees are generally charged at an annual rate on net assets under management (prior to the accrual or payment of performance compensation) and are payable monthly in arrears and prorated for partial periods. Performance compensation is generally charged as a percentage of the increase in value per Interest above the previous highest value per Interest, in some cases relative to a hurdle rate, as set forth in the Fund Documents for the applicable Investor Fund. Performance compensation is calculated after the

¹ “Performance compensation,” as used throughout this Brochure, generally represents a percentage of profits during the applicable period. For Interests that have a 12-month redemption notice and certain Interests subject to modified fees (as described below) or other non-Standard Compensation, performance compensation is calculated relative to a hurdle rate of return set forth in the applicable Magnitude Fund’s Governing Documents.

management fee has been charged. Performance compensation is charged by Magnitude, or by an affiliate in the case of MUP and MPP, quarterly in arrears and upon redemption or withdrawal.

The Master Funds (with the exception of MIMF) and MSI Vehicles are not subject to management fees or performance compensation payable or allocable to Magnitude or its affiliates.

B. Other Expenses

The Magnitude Funds are subject to a variety of other offering, operating, and administrative expenses that are indirectly borne by investors as described in each Magnitude Fund's applicable Fund Documents. Operating and administrative expenses may, if permitted by the relevant Fund Documents, include, among other things, fund administration, organizational and offering, custody, outside legal counsel, audit, expenses associated with borrowings and leverage, including stock borrow fees, as applicable, transaction costs, accounting expenses, directors' & officers' liability insurance, expenses associated with third-party valuation services, reporting and regulatory fees and expenses, order, and risk management systems; research and data expenses; technology infrastructure expenses; corporate or other licensing fees; insurance costs and expenses; filing and regulatory fees and expenses (including, without limitation, the costs and expenses of legal and consulting fees in connection with regulatory filings and reports required to be made by the fund or Magnitude relating to the fund, including, without limitation, the preparation and filing of Section 13 filings, Section 16 filings, Form PF and other regulatory filings or reports) and other expenses. Additionally, the FOFs (and indirectly, their investors) bear their share of management fees, performance compensation, and other expenses charged to Portfolio Funds in which they invest. The foregoing is an illustrative, non-exhaustive description of expenses that may be borne by the Magnitude Funds and is subject to, and qualified in its entirety by, the more-detailed provisions of the applicable Fund Documents for each Magnitude Fund. Accordingly, some of the types of costs and expenses described above may not be charged to certain Magnitude Funds but may be charged to other Magnitude Funds, depending on the applicable Fund Documents.

The Sub-Advised Series is also subject to a variety of fees and expenses, including fees paid to the Primary Adviser and expenses similar to those described above, all of which are set forth in the Sub-Advised Series Documents. The Sub-Advised Series does not pay any fees or other compensation to Magnitude directly.

C. Shared Expenses

Certain expenses may be shared among Magnitude and one or more Clients or between or among multiple Clients. In addition, determining whether expenses should be charged to one or more Clients or Magnitude (or a combination thereof) and the allocation of such expenses among participating Clients and/or Magnitude, may not always be unequivocal. Therefore, such allocation determinations may create potential conflicts of interest between Magnitude and one or more Clients or between or among Clients. Magnitude seeks to allocate any such expenses on a fair and equitable basis, and consistent with the Governing Documents of each Client. In doing so, Magnitude uses its reasonable judgement in interpreting such Governing Documents and making such allocation decisions.

D. Special Arrangements

Magnitude and the Magnitude Funds reserve the right to enter into, and from time to time have entered into, side letters or other special arrangements with certain underlying investors and with investment consultants with respect to underlying investors who are clients of such consultants, which provide such investors or consultants (on behalf of their clients who are investors) with terms of investment that are more favorable than the terms set forth in the applicable Governing Documents (collectively, “**Special Arrangements**”). Such Special Arrangements may also require investors or consultants (on behalf of investors) to agree to less favorable terms than those set forth in the applicable Governing Documents as part of the overall package of terms provided to such investor or consultant (on behalf of investors). Such more favorable terms currently include, but are not limited to, different management and/or performance compensation structures or arrangements, transfer rights, terms relating to the form of payment of redemption proceeds, equal treatment or “most-favored-nation” provisions covering one or more terms or rights, notification rights, transparency or reporting, confidentiality provisions, and other terms. No Special Arrangement with one investor necessarily entitles any other investor in a Magnitude Fund to the same terms of investment as offered in such Special Arrangement. More favorable investment terms will generally only be offered to an investor in a Magnitude Fund if Magnitude believes other investors in such Magnitude Fund will not be materially disadvantaged (although more advantageous fee and performance compensation structures or terms granted to one investor are not considered by Magnitude to materially disadvantage other investors).

VI. PERFORMANCE-BASED COMPENSATION AND SIDE-BY-SIDE MANAGEMENT

As disclosed above, Magnitude (or an affiliate thereof) is typically entitled to performance compensation based on a share of capital gains or capital appreciation of the net assets of certain Magnitude Funds (*e.g.*, the Investor Funds, MIMF). Performance compensation may create an incentive for Magnitude to make investments that are riskier or more speculative than might be the case in the absence of such compensation. In addition, performance compensation received by Magnitude (or an affiliate) from the applicable Magnitude Funds is based on both realized and unrealized gains and losses. As a result, the performance compensation earned could be based on unrealized gains that such Magnitude Funds never realize.

Magnitude may source investment opportunities that have limited capacity. In such situations, Magnitude may need to allocate available capacity in such investment opportunities among more than one of its Clients for which such investment opportunities would be appropriate. Magnitude’s policy is to allocate investment opportunities in a manner that is fair and equitable to such Clients, and not to allocate opportunities based on the participating Client’s management fee or performance compensation structures.

VII. TYPES OF CLIENTS

Magnitude provides investment advice directly to the Magnitude Funds; it does not provide advice directly or individually to the third-party investors in the Investor Funds. Similarly, Magnitude provides investment advice to the Sub-Advised Series. Magnitude does not directly or individually provide investment advice with respect to any portion of the Sub-Advised Fund, other than the Sub-Advised Series.

The Investor Funds’ investor base primarily consists of institutional investors (including pension plans, corporate accounts, endowments, and foundations), high net worth investors, and private banks and wealth management arms of financial institutions. Magnitude typically requires that each U.S. investor in an Investor Fund be an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as

amended (the “**Securities Act**”), and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, and that each non-U.S. investor be a “non-U.S. person” as defined in Regulation S under the Securities Act. Further details concerning the applicable eligibility criteria for investment in the Magnitude Funds are set forth in their Fund Documents.

The Investor Funds have minimum initial investment amounts generally ranging from \$100,000 to \$5,000,000, as set forth in each applicable fund’s Governing Documents. Minimum investment amounts may be waived in Magnitude’s discretion. The Master Funds and the MSI Vehicles are not currently being offered directly to third-party investors, and thus, don’t have minimum investment amounts.

As described above, the Primary Adviser is an unaffiliated investment advisory firm and the Sub-Advised Fund (including without limitation, the Sub-Advised Series) is an unaffiliated investment fund.

Magnitude may establish and/or manage additional Magnitude Funds or other Client accounts in the future. Minimum account sizes for future Client accounts will be subject to negotiation with the relevant Clients.

VIII. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Magnitude uses its multi-strategy fund of hedge funds investment strategy in managing the FOFs (including MSI Vehicles). In doing so, Magnitude uses a variety of information sources to identify prospective investments including, but not limited to, industry contacts, prime brokers, databases, and other sources. These sources are intended to help significantly narrow down the potential universe of investment strategies and Portfolio Funds. The goal of the filtering process is to identify a group of high-quality investment opportunities for further review by Magnitude. Magnitude allocates capital to Portfolio Funds based on a number of factors including, but not necessarily limited to: experience, market knowledge, strategy style, and historical performance of the Portfolio Manager or Portfolio Fund; appropriate diversification among all Portfolio Funds in each Magnitude Fund's portfolio; and the overall market environment.

Magnitude conducts substantial investment and operational due diligence prior to selecting a new Portfolio Manager. The goal of the due diligence process is to evaluate, among other things:

- (i) The background of the Portfolio Manager and its investment professionals;
- (ii) The infrastructure of the Portfolio Manager (including research, trading, operations, compliance, technology, and any other relevant infrastructure);
- (iii) Historical factors that influenced the performance of the Portfolio Manager’s strategy;
- (iv) The Portfolio Fund’s strategy and method of trade execution;
- (v) The Portfolio Manager’s risk controls and portfolio management processes; and
- (vi) The differentiating factors that give the Portfolio Manager an investment edge.

Magnitude monitors the correlations of Portfolio Fund performance to broad market factors and attempts to assess how these correlations may change in various market scenarios, including during normal and “shock” periods. Upon the completion of the investment and operational due diligence processes, Magnitude may allocate available capital of the FOFs to new Portfolio Funds. Magnitude may periodically make recommendations for larger or smaller allocations to, or full redemptions from, certain Portfolio

Funds. Investments in Portfolio Funds are typically held for more than one year but may be held for less than one year. The FOFs may borrow or enter into derivative arrangements with counterparties to provide leverage, to take advantage of particular investment opportunities, or to otherwise manage cash inflows and outflows in a more efficient manner.

B. Certain Material Risks

An investment with Magnitude involves a high degree of risk, including the risk of loss of the entire investment. There can be no assurance that the investment objective of any of Magnitude's investment strategies will be achieved or that the investment strategies employed by Magnitude will be successful. Certain of the material risks associated with the investment strategies used by Magnitude in managing Client portfolios are set forth below. A more detailed discussion of the risks associated with the Magnitude Funds' investment strategies as well as the risks associated with investing in each Magnitude Fund is included in the Fund Documents of each Magnitude Fund. Similarly, certain risks specific to the Sub-Advised Series are disclosed in the Sub-Advised Series Documents.

1. General Risks

Dependence on Magnitude. Investors and Clients have no authority to make decisions or to exercise investment discretion. Rather, this authority is delegated to Magnitude. Accordingly, Clients' success depends upon the ability of Magnitude to develop and implement investment strategies that achieve Clients' investment objectives.

Cybersecurity and Business Continuity. Magnitude's investment activities and investment strategies are dependent upon various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties, such as data feeds, data centers, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities of Magnitude on behalf of its Clients, could be severely compromised by system or component failure, telecommunications failure, power loss, a software-related "system crash," unauthorized system access or use (such as "hacking" or other cybersecurity breaches), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. Such events or circumstances may affect Magnitude directly and/or may affect one or more third parties that provide services to Magnitude and/or its Clients. It is not possible to provide comprehensive and foolproof protection against all such events and circumstances, and no assurance can be given about the ability of Magnitude or any third party to continue providing applicable services. Any event or circumstance that affects Magnitude's or one or more third party's computer and/or telecommunication systems or operations could have a material adverse effect on Magnitude and its Clients, including by preventing Magnitude from investing or trading or modifying and/or monitoring its Clients' investments. Moreover, any unauthorized access to the information systems of Magnitude or certain third parties could result in the loss, disclosure, or improper use of information relating to Clients' investments and/or personally identifiable information of Clients or investors in the Magnitude Funds. Any such loss, disclosure, or use could have a material adverse effect on such Clients or investors. Magnitude maintains back-up electronic books and records at its disaster recovery site, which is a fully operational data center facility. In the case of events that interrupt Magnitude's computer and/or telecommunications systems or operations, Magnitude hopes to resume investing or trading and modifying, and/or monitoring its Clients' investments relatively promptly, subject to any circumstances that are outside the control of Magnitude. In

the case of severe business disruptions (e.g., regional power outage), Magnitude may not resume such activities for one or more business days because (among other things) such resumption is dependent on other critical business constituents, such as brokers and exchanges, and on the nature of the disruption. Although the foregoing reflects Magnitude's objectives, designs, and/or plans, no assurance can be given that these objectives, designs, and/or plans will be realized, or that, in particular, Magnitude would be able to resume operations following a business disruption, and any such disruption could have a material adverse effect on Magnitude and its Clients. Portfolio Funds and Portfolio Managers are also subject to many of the foregoing risks, which could in turn, have a material adverse impact on Magnitude and its Clients.

Risk of Natural Disasters, Epidemics, Terrorist Attacks, Acts of War, and Geopolitical Events. Countries and regions in which Clients and Portfolio Funds invest, where Magnitude and the Portfolio Managers have offices or where Clients, Portfolio Funds, Magnitude or Portfolio Managers otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm, and hurricane) and epidemics/pandemics or other outbreaks of series contagious diseases. The occurrence of a natural disaster or epidemic/pandemic could, directly or indirectly, adversely affect and severely disrupt the business operations, economies, and financial markets of many countries (even beyond the site of the natural disaster or epidemic/pandemic) and could adversely affect Clients' and/or Portfolio Funds' investment programs or Magnitude's and/or a Portfolio Manager's ability to do business. In addition, terrorist attacks, or the fear or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which Clients and/or Portfolio Funds invest, or could affect the countries and regions in which Clients and/or Portfolio Funds invest, where Magnitude or the Portfolio Managers have offices or where Clients, Portfolio Funds, Magnitude or Portfolio Managers otherwise do business. Acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared), geopolitical and other events, including geopolitical tensions, economic sanctions, trade disputes, and related responses to these events, have led, and in the future may lead, to immediate and long-term disruptions and uncertainty in the US and global economies and financial markets, which may increase financial market volatility and have significant adverse direct or indirect effects to Clients and their investments in Portfolio Funds.

As evidenced by the COVID-19 pandemic in recent years, the spread of disease, illness, pandemic, and other health risks, especially those with new or unknown consequences, can impact the United States and other markets causing significant loss of life, supply-chain disruption, sales disruption, market loss, recession, economic collapse, interest rate change and general disruptions in global markets. Events such as these, which cannot be predicted, could materially and adversely affect Clients' and/or Portfolio Funds' investments, both in the near- and long-term, general economic conditions, and market liquidity. The duration of such events can occur over multiple years and without any definitive conclusion.

Shock Risk. From time to time, normal financial market processes may become suddenly disrupted by extreme events. At such times the volatilities of, and correlations among, financial instruments, Magnitude's investment strategies, and the Portfolio Managers may increase substantially, and thus, Clients and investors may incur significant losses.

Quantitative Models; Statistical Measurement Error. Magnitude, one or more Portfolio Managers, and their respective investment strategies rely, in part, on quantitative analysis of patterns inferred from statistical formulas and calculations performed on historical series of various data sets ("**Quantitative Models**"). As market dynamics shift over time or immediately due to factors such as changed market conditions and participants, a previously successful Quantitative Model could become outdated or inaccurate, perhaps without Magnitude recognizing that fact before substantial losses are incurred. Even if all the assumptions

underlying a Quantitative Model were met exactly, Quantitative Models can only make predictions; they cannot provide certainty. Further, most statistical procedures (e.g., those used in Quantitative Models) cannot fully match the complexity of the financial markets, and as such, results of their application are uncertain. In addition, changes in underlying market conditions can adversely affect the performance of statistical models. There can be no assurance that Magnitude or Portfolio Managers will be successful in developing and maintaining effective Quantitative Models.

Hedging. Clients and/or the Portfolio Funds may seek to hedge their portfolios for risk management purposes and may use a variety of financial instruments or techniques, including, but not limited to, taking short positions in stocks or exchange-traded funds (“ETFs”) and the use of derivatives, options, interest rate swaps, caps and floors, and forward contracts. The risk management purposes for hedging activity may include: (i) protecting against possible changes in the market value of its investment portfolio due to fluctuations in the securities markets and changes in interest rates; (ii) protecting the unrealized gains in the value of its investment portfolio; (iii) facilitating the sale of any such investments; (iv) enhancing or preserving returns, spreads or gains on any investment in its portfolio; (v) hedging the interest rate or currency exchange rate on any of its liabilities or assets; (vi) protecting against any increase in the price of any securities it anticipates purchasing at a later date; or (vii) any other reason that Magnitude or a Portfolio Manager (as applicable) deems appropriate.

A Portfolio Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. Hedging transactions may also result in a poorer overall performance for the Portfolio Fund than if it had not engaged in any such hedging transactions. The success of the hedging strategy of a Portfolio Fund is subject to the Portfolio Manager’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Portfolio Fund’s hedging strategy is also subject to such Portfolio Manager’s ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. For a variety of reasons, the Portfolio Manager may not seek to establish a perfect correlation between the hedging instruments used and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Portfolio Fund from achieving the intended hedge or expose the Portfolio Fund to risk of loss.

Although it is not obligated to do so, Magnitude may invest the FOFs’ assets directly (rather than through Portfolio Funds) in an attempt to hedge against current or anticipated market, financial, or economic events for which allocations or reallocations among Portfolio Funds would be impractical, ineffectual, or not timely in the opinion of Magnitude. Such direct investments may be implemented through transactions and investments in a broad variety of financial instruments. Magnitude currently engages in hedging transactions for the MSI Vehicles, generally through either short sales of ETFs or similar short positions via swaps on indices.

To the extent that Magnitude employs hedging strategies for its Clients such hedging strategies will be subject to the risks discussed above with regards to Portfolio Managers. Without limiting the generality of such risks described above, there can be no assurance that any hedging strategy or transactions directly employed by Magnitude will be successful or that Magnitude will continue with such strategy or transactions in the future.

Counterparty Credit Risk. Clients and Portfolio Funds may establish relationships to obtain financing, derivative intermediation, and prime brokerage services that permit a Client or a Portfolio Fund to trade in a variety of markets or asset classes over time. However, there can be no assurance that any Client or Portfolio Fund will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit Clients or Portfolio Funds trading activities, which could create losses that preclude those Clients or Portfolio Funds from engaging in certain transactions, financing, derivative intermediation, and prime brokerage services, (together “**Counterparty Services**”) and prevent such Clients or Portfolio Funds from investing or trading at optimal rates and terms. Moreover, a disruption in the Counterparty Services provided by any such relationships before a Client or Portfolio Fund establishes additional relationships could have a significant impact on such Client’s or Portfolio Fund’s business prospects due to reliance on such counterparties.

Many of the markets in which Clients or Portfolio Funds effect their transactions are OTC or “interdealer” markets. The participants in such markets may not be subject to the same credit evaluation and regulatory oversight as are members of “exchange based” markets. Trading in interdealer markets exposes Clients or Portfolio Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*), or because of a credit or liquidity problem, thus causing Clients or Portfolio Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where Clients or Portfolio Funds have concentrated their transactions with a single or small group of counterparties. Clients and Portfolio Funds are not restricted from dealing with any particular counterparty or in the size of the exposure which Clients may provide to a given counterparty. The inability to make complete evaluations of the financial capabilities of Clients’ or Portfolio Funds’ counterparties and the absence of a regulated market to facilitate settlement increases the risk to a Client or Portfolio Fund.

Inflation Risk; Bank Exposure. Clients, Portfolio Funds, or Portfolio Managers may be subject to the risk that inflation could diminish the value of their investments over time. Over time, the prices of resources and end-user products generally increase at the rate of inflation, which at times can outpace the expected return on an investment and cause the value of the investment to fall or underperform even if it generates positive income on an absolute basis. Although inflation risk is particularly acute for bonds and other fixed income investments, it can also impact investments in equity securities and other instruments where the underlying issuer is sensitive to inflation risk. For example, issuers in manufacturing industries that rely on suppliers are directly impacted by inflation in the form of increased cost of supplies needed to manufacture their products. This can result in lower margins or losses, which in turn can cause losses in the value of the company’s stock.

In addition, banks and other financial institutions that hold fixed income instruments can be negatively impacted by periods of inflation, which can reduce the value of such holdings and result in a loss of confidence in such institutions. In such an event, loss of depositor confidence can lead to panic and ultimately could result in the affected bank or other financial institution becoming insolvent, being put into receivership by regulators, or facing bankruptcy. In the event of a bank or other financial institutions insolvency, receivership, or bankruptcy, (i) holders of equity in the bank or other financial institution or its parent entity will lose all or nearly all of the value of their investment, (ii) holders of debt instruments in the bank or other financial institution or its parent entity will suffer losses of all or a portion of their investment, and (iii) depositors could lose up to the amount of their uninsured deposits with the

bank. Conditions causing such losses can develop rapidly and without warning, making it impracticable or impossible for Magnitude and/or its affiliates, a Client, a Portfolio Fund or a Portfolio Manager to withdraw funds from or dispose of investments in such banks and other financial institutions before realizing losses. This risk is particularly applicable to investments and deposits held in regional banks and banks that are not systematically important to the U.S. economy.

More generally, periods of inflation, which are difficult to predict or hedge, can have a negative impact on the overall equity and fixed income markets, which could lead to losses for Clients, Portfolio Funds, or Portfolio Managers.

Short Selling. Magnitude and the Portfolio Managers may engage in short selling. Short selling involves selling securities which are not owned by the short seller and borrowing such securities for delivery to the purchaser with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from declines in market prices of the sold securities to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that Clients or Portfolio Funds will be able to maintain the ability to borrow securities sold short. In such cases, Clients or Portfolio Funds can be “bought-in” (*i.e.*, forced to repurchase securities in the open market in order to return them to the lender). There also can be no assurances that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices and with respect to futures and other instruments. Short strategies can also be implemented on a leveraged basis. Lastly, even though a Client or a Portfolio Fund secures a “good borrow” of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing a Client or the Portfolio Fund to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by Magnitude or the Portfolio Fund.

Use of Leverage and Borrowing. Certain Clients (*e.g.*, the MSI Vehicles) may incur portfolio-level leverage by directly or indirectly borrowing funds from counterparties on a regular basis. In addition, certain FOFs have credit facilities that are generally for short-term cash management purposes (*e.g.*, in anticipation of additional investor subscriptions, to fund redemptions, or to take advantage of particular investment opportunities), the use of which lead such FOFs to operate with leverage from time to time. In addition, the FOFs invest in Portfolio Funds that incur varying levels of leverage. While leverage presents opportunities for increasing return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment would be magnified to the extent that the investment is levered. The use of leverage in adverse markets could result in losses that would be greater than if leverage were not employed.

Generally, borrowing money requires the posting of collateral with the counterparty that provides the leverage in amounts that may be changed by the counterparty. If a counterparty increases the amount of collateral required to support the outstanding borrowings, the party incurring leverage might be forced to dispose of assets at times and prices that could be disadvantageous and result in substantial losses.

Non-U.S. Investments. Clients and Portfolio Funds may invest in securities of non-U.S. companies and foreign countries and in non-U.S. currencies. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government. These include political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gains, other income, or gross sale or disposition proceeds; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict Magnitude's and the Portfolio Managers' investment opportunities. In addition, accounting and financial reporting standards that prevail in non-U.S. countries generally are not equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in such countries than is available to investors in companies located in the U.S. Moreover, an issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. In addition, it may be difficult to enforce Clients' or Portfolio Funds' rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC, the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to Clients or Portfolio Funds under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties. Trading on non-U.S. exchanges may be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Furthermore, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Exchange Rate Risk. Generally, Clients' accounts are denominated in U.S. dollars. However, Clients, either directly or indirectly through Portfolio Funds, may make investments that are denominated in currencies other than U.S. dollars, and there may be no limits on the size or concentration of such investments. As a result, Clients may be exposed to currency risks, including the risk of fluctuations in the value of the applicable currency relative to the U.S. dollar. Such fluctuations in value could adversely affect rates of return experienced by Clients. Magnitude and/or the Portfolio Managers may or may not seek to hedge such exposures, and there can be no assurance that any such hedging would be feasible or, if undertaken, would reduce applicable risks. To the extent that Magnitude or the Portfolio Managers do hedge such exposures, Clients may also incur costs in connection with hedging against currency exposures and conversions between various currencies. Similarly, certain classes of Interests in the Investor Funds are denominated in currencies other than U.S. dollars ("**Non-USD Classes**"). Such Investor Funds may

directly or indirectly hold investments denominated in U.S. dollars or in foreign currencies other than the currency denomination of the relevant Non-USD Classes. Although Magnitude attempts to hedge the exchange-rate risk associated with Non-USD Classes, doing so may be subject to many of the risks described above, and other risks. At times, the performance of Non-USD Classes may significantly deviate from the performance of classes of Interests in the same Investor Fund that are denominated in U.S. dollars, due to, among other things, unsuccessful hedging or currency and exchange-rate market conditions.

Trade Errors. Occasionally errors may occur in making investments on behalf of Clients. Magnitude has adopted a policy that seeks to identify and resolve material trade errors associated with Clients' investment activities. In accordance with this policy, Magnitude will seek to ensure that Clients are treated in a manner that is consistent with Magnitude's policies and procedures, applicable law, and the fiduciary duties owed to such Client. In general, losses and expenses resulting from trade errors are generally borne by the relevant Client except to the extent Magnitude is obligated to bear such losses or expenses under the Client's Governing Documents due to Magnitude's breach of the standard of care set forth therein. Magnitude has a conflict of interest in determining whether a trade error resulted from its violation of the applicable standard of care. Losses resulting from trade errors will reduce Client investment returns, in some cases by a material amount. Not all errors are covered by Magnitude's trade error policy. Furthermore, such policy does not cover trade errors by Portfolio Funds or Portfolio Managers, which are subject to similar or greater risks of trade errors.

2. Risks Associated with the Fund of Funds

The following risks may apply to the fund of funds investment strategies utilized by Magnitude.

Investment Strategies. The risks of the strategies employed by Magnitude and Portfolio Managers are substantial and cannot be fully described in this Brochure. Such risks include the possibility that Magnitude and Portfolio Managers may fail to estimate the correct value of financial instruments, the timing for correction of any such mistaken valuation, the volatility and pricing path of such instruments over time, and the risk that subsequent events may alter the value of such instruments. In building portfolios, Magnitude or the Portfolio Managers may fail to estimate correctly the prospective relationship among elements of the respective portfolios, leading to greater risk than intended. Strategies that are successful at one time may cease to be successful at another time or forever. Any of these risks could result in significant losses to Clients and investors.

No Material Restrictions or Investment Guidelines; Evolving and New Investment Strategies. There are no material restrictions on the Portfolio Funds, instruments, markets, or geographies in which the Magnitude Funds may invest or on the investment strategies which may be employed on behalf of Magnitude Funds. Magnitude will manage the Magnitude Funds on an opportunistic basis, seeking to capitalize on whatever it believes to be the best opportunities to achieve the Magnitude Funds investment objectives and maximize returns. Magnitude's strategies and trading techniques may change over the course of the Magnitude Funds' terms. There can be no assurance that the Magnitude will be able to identify and allocate capital to investment opportunities that enable the Magnitude Funds to achieve their objectives or avoid losses and the allocation of capital away from other potential investment opportunities within the Magnitude Funds' mandate and may reduce the overall returns of the Magnitude Funds. In investing in the Magnitude Funds, each investor is relying on Magnitude's judgment in determining the best way to allocate the Magnitude Funds' capital across the opportunity set.

Concentration of Holdings. While the Magnitude Funds will seek to diversify their assets through investments in numerous Portfolio Funds, there are no restrictions on the amount of the Magnitude Funds assets that may be invested through one or more Portfolio Funds in a particular market sector or type of security. At any given time, it is therefore possible that Magnitude may select Portfolio Funds that cause the Magnitude Funds overall indirect portfolio to be concentrated in a particular market, sector, or industry, or in a limited number or type of securities. If there are disproportionately greater adverse price movements in those investments, this limited diversity could expose the Magnitude Funds to losses disproportionate to market movements in general and could result in a proportionately higher reduction in the Net Asset Value of the Magnitude Funds than if their capital had been spread over a wider number of positions.

Special Purpose Acquisition Companies. Clients or Portfolio Funds may invest in special purpose acquisition companies (“SPACs”), which are publicly-traded companies formed for the purpose of raising capital through an initial public offering (“IPO”) to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) the value of any target company may decrease following its acquisition by such SPAC, (iii) the value of the funds invested and held in trust decline, and (iv) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, to the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. Finally, SPACs may be subject to enhanced regulatory scrutiny as compared with more traditional IPOs or other “going public” transactions.

Investments in PIPE Transactions. Clients or Portfolio Funds may engage in private investments in public equity (“PIPEs”), including in connection with investing in SPACs. Investors in PIPE transactions purchase securities (*i.e.*, common stock, convertible preferred stock, convertible debentures, warrants, or other equity or equity-like securities) directly from a publicly traded entity (typically with a small capitalization) in a private placement transaction, which may be at a discount to the market price of the entity’s securities. Unlike the purchase of freely tradable common stock in the open market, PIPEs generally involve contractual obligations requiring the issuer to register the securities for public resale. If an issuer fails to meet its contractual obligations, in addition to the possibility of being involved in costly litigation, Clients or Portfolio Funds may be unable to dispose of the securities at appropriate prices (if at all) or may experience substantial delays in doing so, and thus Clients or Portfolio Funds may not be able to realize the anticipated profit (or act to mitigate losses) with respect to such investment. There can be no assurances that an issuer will succeed in registering for public resale the securities held by Clients or Portfolio Funds, or that registration of securities pursuant to any such arrangement will create liquidity. PIPE investing is a resource-intensive strategy that involves making capital commitments to issuers without access to traditional capital markets and that may be less likely to withstand business or cyclical downturns than larger companies. Analysis of the financial condition of each issuer is an important component of determining whether to make any such investment. Such analysis may result in material transaction costs that will be borne by Clients or Portfolio Funds.

PIPE investments are subject to a number of unique or heightened associated risks, including, without limitation, valuation risk, liquidity risk, hedging limitations, regulatory scrutiny, litigation risk and

underwriting risk, and, if the PIPE is with a SPAC, may also be subject to many of the risks described above for SPACs.

Overlapping and Conflicting Investment Strategies. Portfolio Managers invest wholly independent of one another, and Portfolio Funds may at times hold the same or similar positions or economically offsetting positions. To the extent that Portfolio Funds hold economically offsetting positions, the Magnitude Funds will continue to incur expenses, including performance fees, despite its inability to achieve any gain or loss. Also, if the Magnitude Funds are concentrated in a particular position as a result of two or more Portfolio Funds holding the same or similar positions, the Magnitude Funds will have a higher exposure to the risks associated with such positions.

Variation Among Portfolio Managers. Portfolio Managers have varying levels of skills and experience, and their principals may employ trading methods, policies and strategies which differ from those of other Portfolio Managers and which deviate from Magnitude's expectations concerning such methods, policies and strategies. Therefore, the results of any Portfolio Manager's investments may differ from those of the other accounts operated by a Portfolio Manager and from results anticipated by Magnitude.

Lack of, and Dependence on Portfolio Managers for, Information on Portfolio Funds. As part of its due diligence activities, Magnitude attempts to assess the investment potential and risks of Portfolio Funds and Portfolio Managers and relies upon the accuracy and completeness of information provided by Portfolio Managers or other agents of the applicable Portfolio Funds or Portfolio Managers. Magnitude cannot guarantee the accuracy or completeness of such information and any due diligence activities based on inaccurate or incomplete information may impede the Magnitude's ability to identify, select and monitor Portfolio Funds and Portfolio Managers.

Furthermore, in most cases, Magnitude is not provided with detailed position level information regarding the investments, or the risks related to the portfolio of a Portfolio Fund because the Portfolio Manager may consider such information to be proprietary or otherwise confidential. This lack of access to information may make certain quantitative or qualitative risk analyses by Magnitude less effective or impossible. Magnitude's approach to risk analysis varies from Portfolio Manager to Portfolio Manager depending upon a variety of factors, including, but not limited to, the information available regarding the Portfolio Manager's investments, the Portfolio Manager's historic performance, the knowledge and experience of the Portfolio Manager's personnel and economic trends and conditions.

Change of Investment Styles and Risk Limits. Portfolio Managers generally describe the investment styles and risk limits that they plan to utilize at the time Magnitude is contemplating an investment in the Portfolio Fund. However, in most cases, a Portfolio Manager will retain the right to change the Portfolio Fund's investment style and risk limits without advance notice to Magnitude. As a result of such changes, Magnitude may decide to redeem a Client's investment from a Portfolio Fund. Although Magnitude generally seeks to obtain formal or informal notice of such a change, Magnitude's ability to redeem a Client's investment in a Portfolio Fund may be limited.

Other Clients of Portfolio Managers. Portfolio Funds make trades using assets allocated to them by Clients. In addition to a Portfolio Fund in which a Client is invested, a Portfolio Manager may also manage other accounts (including funds and accounts in which the same Portfolio Manager may have ownership interests)

which could compete for the same trades a Portfolio Manager might otherwise make on behalf of such Portfolio Fund, including competition for priority of order entry.

Portfolio Manager Compensation and Portfolio Fund Expenses. Magnitude's fund of hedge fund investment strategies involve investing assets in Portfolio Funds. Accordingly, Clients for which Magnitude employs these strategies generally will be subject to management fees and/or performance compensation payable or allocable to Magnitude, and Clients' interests in Portfolio Funds generally will also be subject to management fees and/or performance compensation payable to Portfolio Managers. Generally, Performance compensation payable to Magnitude is based on investment gains of the applicable Client, generally above a high water mark (and, if applicable, a hurdle rate). In addition, typically such Clients indirectly bear a portion of the performance compensation paid by a Portfolio Fund to a Portfolio Manager based on the investment gains of such Portfolio Fund (which may be subject to a high water mark and/or a hurdle rate). Accordingly, a Client could indirectly bear the economic impact of the performance compensation by a Portfolio Manager to a Portfolio Fund even if the Client's overall performance is negative. Magnitude may also allocate a Client's capital to Portfolio Funds that themselves invest in other investment vehicles, which charge another layer of fees and/or performance compensation, thereby subjecting the Client to an additional indirect level of fees, performance compensation, and expenses. Further, certain Portfolio Funds also bear their allocable portion of expenses traditionally borne by Portfolio Managers including, but not limited to, compensation paid to Portfolio Manager personnel (including, but not limited to, discretionary bonuses, the cost of benefits, severance arrangements, etc.), talent acquisition and development, and other expenses that are commonly viewed as "overhead" for investment managers, such as Portfolio Managers (collectively, "**Pass-Through Expenses**"). Such Pass-Through Expenses are often allocated to Portfolio Funds at the discretion of a Portfolio Manager and, in certain instances, such Portfolio Funds bear Pass-Through expenses in addition to any management fee and/or performance compensation borne by such Portfolio Funds. Accordingly, Pass-Through Expenses can have a significant impact on the returns of a Portfolio Fund that charges such expenses through to its investors, which in turn, could materially reduce the value of Clients' investments in such Portfolio Funds. In addition, a Client could indirectly bear the economic impact of such Pass-Through Expenses, which could be significant, even if the Client's overall performance is negative.

Speculative and Illiquid Nature of Investment. Investments in a Client should be considered speculative and involve substantial risk due to, among other things, the relatively illiquid nature of Clients' investments and the illiquidity of interests in Clients themselves. Investors should not expect near-term liquidity with respect to such investment, should be able to bear the financial risk of such investment for an indefinite period of time, and should be able to sustain the possible loss of the entire amount invested.

Limited Liquidity. Interests in Clients are not freely transferrable and may not be sold, assigned, transferred, conveyed, or disposed of without Magnitude's prior consent. There is no public market for Interests, and no public market is expected to develop. Portfolio Fund investments are generally subject to restrictions on sales and restrictive redemption terms (*e.g.*, lock-ups, redemption fees, suspension of redemptions, or "side pocketing" of positions) that in certain instances do not match the redemption terms associated with Interests of Clients. This could limit the ability of investors to timely redeem their Interests in Clients. In addition, the Magnitude Funds invest a portion of their assets in illiquid or long-term Portfolio Fund investments, such as "side pocket" positions, interests in liquidating special purpose vehicles, closed-end investment vehicles, and other interests in private, restricted, or otherwise illiquid securities that lack

contractual redemption rights or other near-term sources of liquidity. There can be no assurance that the Magnitude Funds will be able to dispose of such illiquid positions at attractive prices, or otherwise.

Competition; Limited Availability of Investments; Dilutions. The markets in which the FOFs and Portfolio Funds invest are competitive for investment opportunities. Over time, such competition tends to reduce expected risk-adjusted investment returns. There can be no assurance that the FOFs or Portfolio Funds will be able to identify or successfully pursue attractive investment opportunities in competitive environments. Furthermore, certain of the Portfolio Funds in which the FOFs directly or indirectly (including without limitation, through MSI Vehicles) invest are or may be closed to additional capital. Accordingly, the FOFs may be unable to invest (in whole or in part) in the investment opportunities that Magnitude believes are most attractive.

In addition, investors' indirect investment exposure—through the Investor Funds' investments in the Master Funds and indirectly, MSI Vehicles—to Portfolio Funds that are closed to new investment may be diluted. This may occur because Investor Funds are or may be continuously offering Interests therein. In addition, Magnitude may establish, sponsor, and/or manage new investment funds, accounts, or vehicles in the future that are offered to third-party investors or clients and invest all or part of their assets in the Master Funds (collectively, “**New Third-Party Vehicles**”). Accordingly, new capital flowing into the Investor Funds or investments in the Master Funds by New Third-Party Vehicles would increase the amount of the Master Funds' capital, absent offsetting redemptions. Such growth by the Master Funds may dilute the indirect investment exposure of existing investors in the Investor Funds to those limited investment opportunities held by the Master Funds, MSI Vehicles and/or other Magnitude Funds. This may adversely impact the investment returns of such existing investors.

Dependence on Portfolio Managers. Magnitude primarily invests assets of the FOFs with Portfolio Managers. Thus, the success of the FOFs depends primarily upon the ability of Portfolio Managers to develop and implement investment strategies that achieve their respective Portfolio Funds' investment objectives. Investments in Portfolio Funds carry additional risks including, but not limited to, potential lack of diversification, lack of transparency, reliance on Portfolio Managers for performance information, investment “style drift,” and dependence on key personnel of the Portfolio Managers.

Concentration of Investments in Portfolio Funds. While Magnitude may seek to diversify the assets of the FOFs through investments with various Portfolio Funds, there are no restrictions on the amount of assets that may be indirectly invested through various Portfolio Funds in a particular market sector or type of security. At any given time, it is therefore possible that Magnitude may select Portfolio Funds that will cause one or more FOFs' portfolios to be concentrated in a particular market, sector, or industry, or in a limited number or type of securities. This could expose the FOFs to losses disproportionate to broader market movements.

Private Fund Adviser Rules. The Private Fund Adviser rules (“**PFA Rules**”) under the Advisers Act include limitations on certain preferential treatment afforded to investors in private funds (or “similar pools of assets”) relative to other investors. The PFA Rules are anticipated to increase significantly the costs and challenges associated with operating a private fund and may adversely impact Magnitude's fund of funds strategy in several critical ways.

The PFA Rules’ provisions, particularly those concerning investor rights, may necessitate alterations in the terms of agreements and operational practices of Portfolio Funds in which the Magnitude Funds invest. As Portfolio Managers adjust their strategies and operations to align with the new compliance requirements, certain terms of investment that previously benefited or were favorable to Magnitude’s fund of funds strategy may no longer be available in the private fund marketplace, may no longer be offered by Portfolio Funds in which the Magnitude Funds have invested, or may require re-negotiation with certain Portfolio Managers. This uncertainty and unavailability could arise related to restrictions on withdrawal rights, changes in fee structures, or modifications to information rights, potentially diminishing the attractiveness or performance of investments for the FOFs and potentially having a negative impact on the FOF’s performance.

Additionally, the compliance costs associated with the new rule may lead to an increase in operational expenses for Portfolio Funds, some of which could be passed on to investors, including the FOFs. Increased expenses could, in turn, erode the net returns of the FOFs.

Valuation. Interests in Portfolio Funds held by the Magnitude Funds will generally be valued in accordance with the valuations – *e.g.*, net asset value or capital account value (together for purposes of this paragraph, “NAV”) – provided by such Portfolio Funds, their administrators, or their Portfolio Managers (collectively, “**Portfolio Fund Valuation Providers**”). Such valuations provided by Portfolio Fund Valuation Providers are typically based on unaudited financial records or are estimated values or estimates of performance (“**Portfolio Fund Estimates**”), all of which are subject to subsequent adjustments. Where definitive values for interests in Portfolio Funds are not available at the relevant time (*e.g.*, as of the monthly NAV calculation date), Portfolio Fund Estimates are used to calculate the relevant Magnitude Funds’ final monthly NAVs. Accordingly, the final monthly NAV of any Magnitude Fund (and/or the NAV per Interest of any class or series of Interests therein) is typically based, substantially or entirely, upon Portfolio Fund Estimates. Although such Portfolio Fund Estimates typically are subsequently adjusted by Portfolio Fund Valuation Providers to reflect definitive valuations, the Magnitude Funds’ final NAVs for any prior fiscal period generally are not expected to be adjusted to reflect such updated, definitive valuations of Portfolio Fund interests, except under the limited circumstances set forth in Magnitude’s valuation policy. Rather, any subsequent adjustments to Portfolio Fund Estimates are typically reflected in the Magnitude Funds’ NAVs for the subsequent fiscal period. Therefore, the amount of redemption proceeds paid to a redeeming investor—determined using the applicable Magnitude Fund’s final NAV—may be greater or less than the amount the investor could have received if the NAV were adjusted to reflect subsequent adjustments to Portfolio Fund Estimates. Similarly, the management fees and performance-based compensation paid to Magnitude, or its affiliates are calculated using the Magnitude Funds’ final NAVs, and therefore, Magnitude or its affiliates could receive greater or less management fees or performance-based compensation than it would have received had such NAVs been adjusted to reflect subsequent adjustments to Portfolio Fund Estimates.

In certain circumstances, Magnitude may determine that an adjustment to the valuation of a Portfolio Fund may be appropriate, and in such cases, the relevant Magnitude Funds may use the services of a third-party valuation specialist in determining the fair value of such Portfolio Fund. There can be no assurances that any adjustment to the valuation of any Portfolio Fund by Magnitude, in conjunction with a third-party valuation specialist, will be accurate, in particular, because Portfolio Funds that require valuation adjustments may be inherently difficult to value due to various factors, including, but not limited to, limited liquidity, absence of readily ascertainable market values, and/or limited other sources for useful valuation

information. Such fair value valuations may rely in whole or in part on subjective judgments by the third-party valuation specialist and/or Magnitude.

Commingled MSI Vehicles. Magnitude invests a portion of the Master Funds' assets in Portfolio Funds structured as managed accounts—held in an MSI Vehicle—which are managed by Magnitude and sub-advised by third-party Portfolio Managers. Managed accounts are permitted to be held in a single, commingled MSI Vehicle for which its investors would generally have *pro rata* exposure to gains and losses. Accordingly, the assets and liabilities of such managed accounts are not legally segregated from each other. Magnitude believes that this commingled structure can provide operational efficiencies for managed accounts and provide for more creditworthy MSI Vehicles, which Magnitude believes can permit such managed accounts to obtain more beneficial financing terms. In such structures, the assets of each managed account that are held by a broker or derivative counterparty will be pledged as collateral to secure all borrowings by such commingled MSI Vehicle from such broker or counterparty. A change in the asset class, value, credit quality, or other characteristics of the assets and liabilities in a single managed account could cause the commingled MSI Vehicle to default under its agreements with a broker or counterparty. For example, a precipitous decline in the value of the assets of one managed account could cause a margin call that the commingled MSI Vehicle is unable to satisfy. If the commingled MSI Vehicle defaults, such broker or counterparty would typically obtain the discretionary authority to close positions and liquidate collateral pledged to that broker or counterparty by such MSI Vehicle, potentially causing substantial losses for all managed account assets in such MSI Vehicle maintained with such broker or counterparty. In addition, if a commingled MSI Vehicle defaults under one such agreement, other brokers or counterparties that transact with such commingled MSI Vehicle may gain similar rights to liquidate collateral and close positions due to cross-default provisions, which could lead to a rapid liquidation of all or a portion of all managed accounts held within such MSI Vehicle, potentially resulting in substantial losses to the Master Funds.

In addition to the commingled MSI Vehicles described above, Magnitude has established other MSI Vehicles, each of which holds a single managed account. In such MSI Vehicles, the assets and liabilities of such managed account are segregated from managed accounts held in other MSI Vehicles. Magnitude may in the future establish additional MSI Vehicles structured in this manner. The Master Funds will bear their proportionate share of the costs and expenses associated with the establishment and ongoing operation of such vehicles.

The Master Funds and any other Magnitude Funds that invest in MSI Vehicles (collectively, “**Participating Funds**”) generally will participate in gains and losses from managed accounts held in commingled MSI Vehicles on a *pro rata* basis by capital contributed. The relevant Participating Funds may have differing investments, strategies, or risk monitoring thresholds and desire differing allocations to managed accounts held within a given commingled MSI Vehicle. At times, a Participating Fund may want to make incremental investments in one or more managed accounts (“**Add-On Investments**”) that would not be suitable for other Participating Funds invested in that commingled MSI Vehicle. Furthermore, a Participating Fund may want to invest in one or more managed accounts or other investments in which other Participating Funds will not participate at all (“**Limited Investments**”). Magnitude may permit Add-On Investments, Limited Investments, or both to be held in a commingled MSI Vehicle. If they exist, Add-On Investments and Limited Investments will change the aggregate risk profile and borrowing level of the commingled MSI Vehicle that holds these investments. If Add-On Investments or Limited Investments exist in a commingled MSI Vehicle, no single Participating Fund's risk profile will be identical to the risks

of the entire commingled MSI Vehicle. As a result, it is possible that a Participating Fund could bear losses attributable to managed accounts to which it did not have (or to which it had less) exposure.

Investment and Due Diligence Process. Magnitude conducts initial and ongoing investment and operational due diligence with respect to Portfolio Funds (and their Portfolio Managers) in which it expects to invest or has invested. Magnitude conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each actual or prospective investment. When conducting due diligence, Magnitude may be required to evaluate important and complex business, operational, financial, tax, accounting, and legal issues. In conducting due diligence and making an assessment regarding an investment, Magnitude will rely on the resources reasonably available to it, which in some circumstances, whether or not known to Magnitude at the time, may not be sufficient, accurate, complete, or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment in a Portfolio Fund.

Co-Investments. While it is Magnitude's policy to allocate investment opportunities among the Magnitude Funds on a fair and equitable basis, Magnitude may determine that certain investment opportunities that may be appropriate for any Magnitude Fund should not be allocated on a pro rata basis (or at all) to another Magnitude Fund(s) based on such factors deemed relevant by Magnitude. In such instances, Magnitude may (but is not required to) offer for investment any unallocated portions of such opportunities to one or more investors in the Magnitude Funds, one or more parties affiliated with Magnitude, or such other parties as are selected by Magnitude. Magnitude has no obligation to offer any such investment opportunity to any investor by virtue of its investment in any Magnitude Fund. Investors participating in such investment opportunities may either invest directly in such investment opportunities or through vehicles managed by or otherwise affiliated with Magnitude ("**Co-Investment Vehicles**"). Further, such investors, including, without limitation any Co-Investment Vehicles, may invest (i) directly in a particular investment opportunity alongside the relevant Magnitude Funds, or (ii) in an investment vehicle together with other Magnitude Funds, which vehicle in turn, invests in the investment opportunity. The fees, other compensation, and terms of any investment in a Co-Investment Vehicle may differ from the fees, other compensation, or terms of an investment in any Magnitude Fund.

Momentum Investing; Online Investor Forums. Momentum investing by groups of individual retail investors and/or investment professionals could materially and adversely impact the value of one or more of Clients' investments (e.g., Portfolio Funds). In recent years, retail investors' participation in U.S. equity order flows significantly increased as a result of numerous factors. The impact of retail participation in the stock market is compounded by several factors. First, many retail investors buy and sell options on stocks and/or use margin made available by retail trading platforms, which has the effect of leverage and increases the volatility of the stock prices when trading occurs in large aggregate volumes. Second, online discussions about stocks on social media platforms such as Reddit, Twitter and Facebook have served as a venue for retail traders and analysts to collaborate and form collective views about specific issuers and trading, resulting in significant share price volatility that is not based on fundamental research or traditional valuation metrics. This momentum trading has been disruptive to traditional market operations (including market participants, such as brokers that may be required by clearing and settlement companies to post additional capital to settle trades) and is contrary to investments driven by fundamental research and valuation metrics generally, and has recently significantly affected the trading prices of stocks of several companies. Moreover, these forums appear to be gaining influence among retail traders, leading to a greater likelihood that additional securities in the future will be the subject of collective momentum trading based

on the populist consensus in the forums. A portion of such trading appears to have an “anti-Wall Street” sentiment pursuant to which investors take contrary positions to those of asset managers often in an attempt to cause a “short-squeeze.” A short-squeeze occurs when a stock price jumps sharply higher, forcing investors that had bet that its price would fall by holding a short position, to buy it long in order to forestall even greater losses. A market requirement that short sellers must post additional capital to cover the declining value of their short positions or to close out their short positions by buying such securities long adds to the upward momentum of the stock’s price. In turn, this may lead to investors (including retail momentum traders collaborating on social media platforms) to continue to buy the stock long, further increasing the price of the stock while open short positions further decline in value. “Anti-Wall Street” and contrarian investors attempt to anticipate a short squeeze and buy stocks that demonstrate a strong short interest. However, there is no way to predict what issuers, if any, will become the subject of such trading. Third, the impact of such retail participation may or may not also be accompanied by participation by investment professionals, further increasing the effect of such trading.

The share price swings resulting from retail momentum trading have caused, and could continue to cause, losses to longer-term and fundamental investors as well as investors that trade stocks based on historic market patterns or behavior, including Portfolio Funds held in Clients’ portfolios. Clients could suffer substantial losses if Portfolio Funds short a stock that is the subject of retail momentum trading, as in the case of a short squeeze. Additionally, because these retail momentum trading patterns are not based on fundamental analysis or traditional valuation metrics, Clients could suffer losses on long positions held by Portfolio Funds as a result of momentum driven sales. More generally, the significant volatility resulting from these retail trading platforms could cause uncertainty and disruption in the markets that impairs Portfolio Funds’ ability to execute their investment strategies and limits the effectiveness of Portfolio Managers’ trading strategies and/or results in losses to such Portfolio Funds. This could have a material adverse effect on Magnitude and/or its Clients.

“Master-Feeder” Structure. Certain Magnitude Funds directly or indirectly invest all or substantially all of their investable assets in a Master Fund (each, a **“Feeder Fund”**). In addition, certain Magnitude Funds, which are not Feeder Funds, invest in one or more Magnitude Funds or other Magnitude Funds, where the investment in each such Magnitude Fund is less than a substantial portion of the investing Magnitude Fund’s assets (each, a **“Partial Feeder Fund”**). These “master-feeder” structures, and in particular the existence of multiple Feeder Funds and Partial Feeder Funds investing in the same Master Fund or other Magnitude Fund, may pose certain risks to investors. The Master Funds may undertake, or refrain from undertaking, an investment that is more favorable to one Feeder Fund or Partial Feeder Fund than it is to another. A smaller Feeder Fund or Partial Feeder Fund investing in a Master Fund may be materially affected by the actions of a larger Feeder Fund or Partial Feeder Fund investing in a Master Fund. If a larger Feeder Fund or Partial Feeder Fund redeems all or a large portion of its capital from a Master Fund, the remaining Feeder Funds or Partial Feeder Funds may experience higher *pro rata* operating expenses, thereby producing lower returns. A Master Fund may become less diverse due to redemptions by a larger Feeder Fund or Partial Feeder Fund, resulting in increased portfolio risk. Each Master Fund is a separate entity, and thus, a creditor of any Master Fund may enforce claims against all assets of such Master Fund, including the full value of Feeder Funds’ investments a Master Fund. In addition, because the Feeder Funds invest exclusively through Master Funds, certain conflicts of interest may exist due to different tax considerations applicable to the Feeder Funds and Partial Feeder Funds investing in each Master Fund. Further, additional administrative costs and expenses are associated with investing through the Master

Funds. The foregoing risks may also apply to the Magnitude Funds' investments in Portfolio Funds, which may also employ master-feeder structures.

Risks Associated with Cryptocurrency Exposure. Clients or Portfolio Funds may make investments which are exposed to certain underlying cryptocurrencies or derivatives related to cryptocurrencies, such as futures or options (subject to the risks associated with futures, options and other applicable derivative instruments). Cryptocurrencies may be subject to significant price volatility. Cryptocurrencies are not backed by a central bank, a national or international organization, assets or other credit, and the price of cryptocurrencies is entirely dependent on the value that market participants place on them, meaning that any increase or loss of confidence in cryptocurrencies may affect their value. Prices may be affected by a wide range of factors, including, but not limited to: (i) the level of world-wide growth in the adoption and use of cryptocurrencies; (ii) the level of supply of cryptocurrencies versus level of demand; (iii) the investment and trading activities of market participants—use of cryptocurrencies in the retail and commercial marketplace is limited and the significant speculative trading activity may lead to price distortion and volatility; (iv) inflation, interest rates, governmental monetary policies, trade restrictions, currency devaluations and revaluations, and political, economic or financial events and situations; (v) the ability to convert cryptocurrencies into fiat currencies and associated rates of exchange; (vi) the regulation of cryptocurrencies, cryptocurrency networks, platforms and exchanges and restrictions on the right to acquire, own, hold, sell, use or exchange cryptocurrencies; (vii) manipulative trading on cryptocurrency exchanges, which are largely unregulated; (viii) liquidity of cryptocurrency markets; and (ix) fraud, security breaches or malicious attacks affecting, or the failure of, cryptocurrency networks, platforms and exchanges.

Cryptocurrency investing is subject to significant risks of fraud, market manipulation, and other bad acts by market participants. These risks are amplified by the relative novelty of cryptocurrency markets and market participants and the patchwork and uncertain legal and regulatory regimes governing such markets and market participants. Cryptocurrency exchanges and lenders have recently been closed and/or filed for bankruptcy due to fraud and other bad acts.

In addition, future legal and regulatory changes (including increased government oversight) in the cryptocurrency space, which are expected, could have substantial and/or adverse effects on investments in cryptocurrencies and related assets, including, but not limited to, cease and desist orders or other regulatory actions that could cause a cryptocurrency or related assets to lose all or substantially all of their value. Investments (directly or indirectly) in cryptocurrencies carry significant risk. Clients may lose part, or the entirety, of their investments in instruments which are exposed to cryptocurrencies.

Potential Conflicts Regarding Governance Roles. As of the date of this Brochure, a Partner on Magnitude's investment committee (the "**Investment Committee**") serves on the board of directors of a public company in which certain Magnitude Funds invest. In the future, Partners or employees of Magnitude may from time to time serve on boards of directors, advisory boards, or executive committees or in other management capacities (each, a "**Governance Role**") at public and private companies or Portfolio Funds in which the Magnitude Funds may have a direct or indirect interest ("**Portfolio Entities**"). Serving in such a Governance Role for a Portfolio Entity may expose such Partner or employee, and by association Magnitude and the Magnitude Funds, to certain limitations on the ability to trade the securities of such Portfolio Entity, certain actual or potential conflicts of interest, and certain claims they would not otherwise be subject to as a passive investor in such Portfolio Entity, including without limitation, claims of breach of the duty of loyalty, securities law claims, or other fiduciary-related claims. The Partner currently serving

as a director of a Portfolio Entity is not compensated by such Portfolio Entity and it is not expected that any Partner or employee serving in a Governance Role for a Portfolio Entity in the future would be compensated by the relevant Portfolio Entity.

Magnitude may be in a position to exercise influence over management and the strategic direction of a Portfolio Entity by virtue of a Partner or employee of Magnitude serving in a Governance Role for such Portfolio Entity. The exercise of influence over such Portfolio Entity could potentially expose a Magnitude Fund's assets to claims by such Portfolio Entity or by its security-holders or its creditors. Any Partner or employee of Magnitude serving in a Governance Role for a Portfolio Entity may also face a conflict between the fiduciary duties owed by such person to the Magnitude Funds and the duties owed to such Portfolio Entity. In such circumstances, such person may act in ways that are in the best interests of such Portfolio Entity but not the Magnitude Funds. There can be no assurance that permitting any Partner or employee of Magnitude to serve in a Governance Role of a Portfolio Entity will not result in less favorable results for the Magnitude Funds than if the Partner or employee was not permitted to serve in such capacity.

* * * * *

THE FOREGOING LIST OF RISKS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS ASSOCIATED WITH ANY OF THE INVESTMENT STRATEGIES EMPLOYED BY MAGNITUDE. ACTUAL AND PROSPECTIVE INVESTORS OR CLIENTS SHOULD READ THE APPLICABLE GOVERNING DOCUMENTS AND CONSULT WITH THEIR FINANCIAL, LEGAL, AND TAX ADVISORS BEFORE DECIDING TO INVEST.

IX. DISCIPLINARY INFORMATION

There have been no legal or disciplinary findings against Magnitude or its principals in the past 10 years that would be material to an investor's or Client's evaluation of Magnitude in deciding whether or not to invest in a Magnitude Fund or otherwise invest with Magnitude.

X. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Magnitude believes that relationships with other financial industry firms and their representatives may pose potential conflicts of interest that Magnitude seeks to identify and address.

Some investors in the Magnitude Funds are persons associated with Portfolio Managers with which Magnitude Funds invest. In addition, Magnitude personnel may have personal relationships with personnel of such Portfolio Managers. Magnitude seeks to mitigate any potential conflicts of interest arising from these relationships by disclosing specific conflicts to its portfolio management team and by reasonably determining that investment decisions are made in the best interests of the Magnitude Funds without consideration of the noted relationships.

XI. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

Magnitude maintains and enforces a written code of ethics (the “**Code**”) that is applicable to all individuals who are considered “supervised persons” according to applicable regulations. The Code is designed to communicate Magnitude’s culture with respect to compliance and to address how potential conflicts of interest should be handled. The Code is also intended to guide Magnitude’s supervised persons in their efforts to comply with legal and regulatory requirements. Magnitude’s supervised persons are expected to hold themselves to high ethical standards and have a duty to act in the best interests of Clients. A copy of the Code is available upon request.

Magnitude’s Code requires Magnitude and its supervised persons to:

- (i) Comply with the spirit and the letter of the U.S. federal securities laws and the rules governing the capital markets;
- (ii) Act with competence, dignity, integrity, and in an ethical manner when dealing with actual or prospective Clients, actual or prospective investors in the Magnitude Funds, the public, third-party service providers, fellow supervised persons, and other persons with whom Magnitude does business;
- (iii) Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, making investments on behalf of Clients, promoting Magnitude’s services, and engaging in other professional activities;
- (iv) Adhere to the highest standards with respect to potential conflicts of interest with or among Clients;
- (v) Act in the best interests of Clients subject to appropriate disclosure standards; and
- (vi) Report violations of the Code to appropriate supervisory personnel.

Magnitude’s supervised persons are also required to follow certain rules regarding trading in their personal securities accounts. These rules include:

- (i) A requirement to obtain pre-clearance of certain transactions in securities or commodity futures (including those involving private placements, public equities, participation in any IPOs, and certain other financial instruments);
- (ii) An expectation to avoid frequent trading in personal securities accounts; and
- (iii) A requirement to provide reports of securities holdings and transactions, as required under the Advisers Act or rules thereunder, to Magnitude’s Chief Compliance Officer (“**CCO**”), Andrew H. Messinger or his designee.

Magnitude reviews personal trading to monitor for potentially improper transactions.

Conflicts of interest may exist among various individuals and entities, including Magnitude, employees and/or supervised persons, Clients, and current or prospective Clients or investors in Magnitude Funds. Magnitude’s policies and procedures have been reasonably designed to identify and properly disclose, mitigate, or eliminate applicable conflicts of interest, as appropriate. However, written policies and procedures cannot address every potential conflict, so supervised persons must use good judgment in identifying and responding appropriately to actual or potential conflicts. Conflicts of interest that involve

Magnitude (or its supervised persons) and Clients or investors will generally be resolved in a way that favors the interests of Clients or investors over the interests of Magnitude or its supervised persons, except as appropriately disclosed to applicable Clients or investors.

Magnitude has additional policies and procedures designed to address other potential regulatory and conflict of interest issues supervised persons might face. These topics include, among other things:

- (i) Insider trading laws;
- (ii) Political contributions;
- (iii) Gifts and entertainment; and
- (iv) Outside business activities.

XII. BROKERAGE PRACTICES

A. FOFs

The FOFs invest a substantial portion of their assets directly or indirectly in privately offered Portfolio Funds through direct transactions with such funds (or their Portfolio Managers) without using a broker. However, Magnitude may engage in direct investment transactions using brokers on behalf of the FOFs. For example, Magnitude may use brokers to (i) purchase interests in Portfolio Funds in the secondary market, and (ii) purchase treasury securities or money market funds for cash management purposes. As noted above, Magnitude also processes conversion and hedging foreign exchange transactions with counterparties in connection with the Non-USD Classes of certain Investor Funds.

In the instances where Magnitude uses a broker to effect a transaction in a privately offered Portfolio Fund, Magnitude considers financial stability and reputation of the broker and the broker's execution capabilities and may consider services that would enhance Magnitude's investment research and portfolio management capability. If the amount of commission or fee charged by a broker is reasonable in relation to the value of the brokerage functions and services provided by such broker, Magnitude may effect brokerage transactions with such broker notwithstanding the fact that such broker may charge higher commissions or fees than another broker. It is Magnitude's policy, consistent with investment considerations, to seek the most favorable execution for brokerage orders, taking into account the price and levels of the services provided.

Due to the limited trading activity of FOFs and the fact that Magnitude invests a substantial portion of the FOFs' assets in primary transactions with Portfolio Funds, Magnitude does not frequently have the opportunity to aggregate orders for securities on behalf of the FOFs. Magnitude aggregates orders when (a) it has the opportunity to do so and (b) aggregation would provide materially better terms for the FOFs.

B. MSI Vehicles

Magnitude has selected certain broker-dealers, ISDA counterparties, and futures commission merchants (collectively, "**Brokerage Firms**") to provide prime brokerage, derivatives counterparty, and futures account relationships for the MSI Vehicles. In addition, Magnitude conducts hedging activity in the MSI Vehicles through accounts with certain Brokerage Firms. Magnitude periodically assesses and makes determinations that the compensation paid by the MSI Vehicles to these Brokerage Firms is reasonable in light of the overall quality of the services provided.

Portfolio Managers who trade in accounts held by MSI Vehicles are typically permitted to select executing brokers. Such Portfolio Managers are fiduciaries with a duty to seek best execution in the accounts that they manage for the MSI Vehicles. Magnitude may attempt to obtain contractual covenants from Portfolio Managers to seek to obtain best execution or perform independent reviews of execution quality obtained by Portfolio Managers if it believes such steps are necessary or prudent. Securities or derivative transactions executed by Portfolio Managers within accounts held by the MSI Vehicles typically generate brokerage commissions and other forms of compensation, all of which will be paid by the MSI Vehicle; not the Portfolio Manager. Such transactions may also generate “soft dollars,” which may be allocated by the Portfolio Managers at their discretion, including allocations to pay for products or services shared among Portfolio Managers clients (including clients other than the MSI Vehicles).

C. Soft Dollar Arrangements

Magnitude does not currently participate in “soft dollar” arrangements—i.e., any arrangements where commissions generated by securities transactions executed by Magnitude on behalf of any Client are used to obtain research and brokerage services from third parties that constitute research and brokerage within the meaning of Section 28(e) of the Exchange Act (the “**Safe Harbor**”) but is authorized to do so in the future. The Safe Harbor permits an investment manager to use commissions (or “soft dollar” arrangements) to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. To the extent Magnitude does participate in soft dollar arrangements in the future, it generally expects to limit the use of soft dollars to obtain services that constitute research and brokerage within the Safe Harbor. In addition, in the future Magnitude may receive proprietary research from broker-dealers that execute transactions on behalf of Clients and may utilize such research for such Clients and/or for other Clients.

While Magnitude does not currently participate in soft dollar arrangements, some of the Portfolio Managers that the Magnitude Funds invest with—either through investments in the corresponding Portfolio Funds or through managed accounts via the MSI Vehicles—do use soft dollars. Such Portfolio Managers may use soft dollars in accordance with the Safe Harbor or outside of the Safe Harbor. (Please refer to Section XII.B above.)

D. Capital Introduction Services

Currently, Magnitude does not use Brokerage Firms (including prime brokers) or other counterparties or intermediaries, which are commonly referred to as providing “capital introduction” services, to assist Magnitude with raising additional capital for Magnitude Funds by introducing prospective investors to Magnitude, although it may do so in the future. Subject to Magnitude’s duty to seek best execution, Magnitude may direct brokerage through such Brokerage Firms or engage such Brokerage Firms to provide prime brokerage or other services. Such capital introduction arrangements have the potential to create conflicts of interest for Magnitude in its selection of Brokerage Firms or other counterparties or intermediaries for the Magnitude Funds.

E. Cross Trades

From time to time Magnitude may effectuate “cross trades” between Client accounts whereby one Client will purchase securities, cash, or other instruments from another Client’s account. Cross trades will only be effectuated to the extent permitted by applicable law and by the applicable Clients’ Governing Documents and pursuant to applicable Firm policies and procedures. Magnitude may only effectuate a cross trade if it determines that (a) the transaction is consistent with the best interests of both Clients and (b) the transaction price is determined by Magnitude to be fair for both Clients.

F. Concurrent Subscriptions and Redemptions

From time to time, Magnitude may cause one or more Magnitude Funds to subscribe into or redeem from (as applicable) a third-party Portfolio Fund on or around the same date on which one or more other Magnitude Funds are redeeming from or subscribing into (as applicable) such Portfolio Fund (or a Portfolio Fund managed by the same Portfolio Manager or its affiliate, using the same investment strategy) (such transactions, “**Concurrent Subscriptions and Redemptions**”). In connection with Concurrent Subscriptions and Redemptions, the Portfolio Fund from which the interest is being redeemed may allow certain benefits associated with such redeemed interest—including, but not limited to, investment capacity in a “closed” Portfolio Fund, a “high water mark” or “loss carryforward”, “time served” with respect to a holding period or a “lock-up”, and fee discounts—to be transferred from one or more Magnitude Funds to one or more other Magnitude Funds, so that such benefits can be retained broadly among Magnitude Funds rather than lost. In addition, from time to time, two or more Magnitude Funds participating in Concurrent Subscriptions and Redemptions in the same Portfolio Fund on or around the same date may settle such transactions without cash redemption proceeds flowing from the Portfolio Fund to the redeeming Magnitude Fund and without cash subscription proceeds flowing from the subscribing Magnitude Fund to the Portfolio Fund. Rather, such transactions may be settled via accounting entries on the books of the Portfolio Fund and cash transactions between the participating Magnitude Funds. Concurrent Subscriptions and Redemptions generally are not expected to constitute cross trades, but they could raise potential or actual conflicts of interest. Magnitude, along with MIL, the assets of which are currently treated as “plan assets” under ERISA, have engaged an independent third-party firm to act as a “fiduciary”, as defined in Section 3(21) of ERISA, to MIL in connection with certain Concurrent Subscriptions and Redemptions involving MIL. In addition, Magnitude will consider actual or potential conflicts of interests in connection with Concurrent Subscriptions and Redemptions for all Magnitude Funds and will proceed with such transactions in a manner that Magnitude believes is fair and equitable.

G. Principal Trades

Magnitude’s general practice is to not engage in principal trades, although it may do so if it complies with the disclosure and consent requirements of Section 206(3) of the Advisers Act. Any proposed principal trade requires the prior written approval from (i) the CCO and (ii) the applicable Client—e.g., through its board of directors, trustee, or the Client account owner (as applicable). Magnitude recognizes that a cross trade could be considered a principal trade if Magnitude or the persons affiliated with Magnitude were to collectively own a 25% or greater interest in one or more of the Clients participating in the trade.

XIII. REVIEW OF ACCOUNTS

A. Portfolio Management

The portfolios of Magnitude Funds are generally reviewed on a monthly basis. The portfolio reviews for the FOFs take into account many factors, including without limitation, the capacity of specific Portfolio Managers and the Portfolio Funds they manage to accept additional capital; future flows of investor capital into and out of each Magnitude Fund; the liquidity of each Magnitude Fund's portfolio; the quality of the opportunity set for each Portfolio Fund and/or Portfolio Manager relative to other investment opportunities; the ability of each Portfolio Manager to add value going forward; and the current disposition of the portfolio relative to a hypothetically optimal allocation. In addition, the portfolio management team uses an optimization tool and other tools to help evaluate the portfolio.

The Investment Committee is responsible for managing the portfolios of the FOFs. The Investment Committee consists of four Partners, Benjamin S. Appen, James M. Hall, Henry Hawes Bostic, and Richard O. Lodewick. Final investment decisions for the FOFs are determined by a majority vote of the Investment Committee. Mr. Hall and Mr. Appen each retain the right to veto a proposed new investment or reduce risk in any existing investment in any FOFs portfolio. In addition, Biral Patel, who oversees Magnitude's operational due diligence function, has the right to override the Investment Committee's decisions in the event of substantive unaddressed operational due diligence concerns.

B. Reporting to Investors and Clients

The administrator of the Investor Funds sends each investor a monthly statement showing the net asset value or capital balance of such investor's Interests. The administrator also sends confirmation of subscriptions for new Interests and redemptions of existing Interests.

In addition, Magnitude generally expects to provide investors in Investor Funds, and MIMF with the following reporting:

- (i) Monthly performance estimates;
- (ii) Monthly investor reports with performance statistics, historical monthly performance, and strategy profit attribution;
- (iii) Quarterly investor reports with portfolio reviews, statistical analysis, and manager commentary;
- (iv) Annual audited financial statements;
- (v) Tax reporting information for U.S. taxable investors; and
- (vi) Periodic investor letters.

Reporting to the Primary Adviser with respect to the Sub-Advised Series is based on the mutual agreement between Magnitude and the Primary Adviser.

XIV. CLIENT REFERRALS AND OTHER COMPENSATION

Other than the management fees and performance compensation disclosed herein, Magnitude does not receive any material compensation or economic benefits in connection with the provision of investment services to its Clients.

Magnitude has a formal arrangement with a single placement agent that Magnitude compensates for marketing and investor service functions, including investor referrals, which are paid out of Magnitude's own fees. Magnitude also has formal arrangements with other parties that are directly compensated by Magnitude in connection with providing leads and/or referrals regarding prospective investors. In connection with these arrangements, Magnitude's policies and procedures are designed to ensure that each placement agent or other party complies with the applicable requirements in Rule 206(4)-1 under the Advisers Act. Such requirements may include, depending on the circumstances, maintenance of a written agreement between Magnitude and the placement agent or other party, and delivery by the placement agent or other party of certain disclosures to prospective private fund investors setting forth the nature of the relationship between the placement agent or other party and Magnitude, any fees to be paid to the placement agent or other party, and related conflicts of interest.

XV. CUSTODY

Magnitude is deemed to have custody of Magnitude Fund assets by virtue of the general power of attorney provided to Magnitude in the investment management agreements it enters into with the Magnitude Funds and, in certain cases, by virtue of an affiliate of Magnitude serving as general partner, non-member manager, or managing member of certain Magnitude Funds. Magnitude complies with the SEC's rules regarding custody of the assets owned by the Magnitude Funds by:

- (i) Verifying that Magnitude Fund assets are maintained by "qualified custodians," as defined in Rule 206(4)-2 under the Advisers Act (unless an exemption is available);
- (ii) Providing information about its custodial arrangements in its Form ADV;
- (iii) Arranging for annual audits of the financial statements of the Magnitude Funds and preparation of such statements in accordance with U.S. generally accepted accounting principles; and
- (iv) Arranging for the distribution of the audited financial statements to investors in the Magnitude Funds within applicable time frames.

In limited circumstances, Magnitude may be deemed to have custody of certain privately offered certificated or uncertificated securities that are owned by Magnitude Funds and are not held by "qualified custodians," as defined in Rule 206(4)-2 under the Advisers Act, in accordance with Rule 206(4)-2 and applicable SEC guidance.

XVI. INVESTMENT DISCRETION

Magnitude has full discretion over the assets of all Client accounts. However, Magnitude delegates a substantial portion of the investment and trading discretion for each MSI Vehicle to one or more third-party Portfolio Managers, subject to the agreements among Magnitude, the relevant MSI Vehicle, and the relevant Portfolio Manager. The foregoing is subject to, and qualified in its entirety by, the investment objectives, policies, and restrictions of each Client as set forth in its Governing Documents.

XVII. VOTING CLIENT SECURITIES

A. Proxy Voting

Magnitude evaluates and takes action on proxy ballots and corporate action notices it receives that are associated with Magnitude Fund investments in Portfolio Funds and, as applicable, direct investments in ETFs and other instruments, in accordance with the best interests of the Magnitude Fund, its fiduciary duties to other clients, relevant rules under the Advisers Act, and its written proxy voting policies and procedures.

Magnitude has the authority and responsibility to evaluate potential changes to the investment terms and structure associated with the Magnitude Funds' underlying investments in Portfolio Funds. The relevant investment personnel consider the best interests of each affected Magnitude Fund when approving or rejecting proposed changes in the investment terms of Portfolio Funds.

Each Portfolio Manager that trades in a managed account held by MSI Vehicles is delegated the responsibility of making proxy votes for securities held in the account that such Portfolio Manager is trading. Magnitude believes that such Portfolio Managers are fiduciaries with obligations to vote proxies in the best interests of the accounts they manage. In its discretion, Magnitude may also attempt to obtain contractual covenants from the Portfolio Manager that the Portfolio Manager will vote proxies in the best interests of the MSI Vehicle account that it manages.

B. Abstention from Voting; Copy of Proxy Policies

Magnitude may abstain from voting any proxy ballot received if it believes that doing so is in the best interests of its Clients. A copy of Magnitude's written proxy voting policies and procedures is available upon request, as is information about how Magnitude has voted proxies for its Clients in the past.

C. Conflicts of Interest

The member(s) of the Investment Committee or other investment team members who are responsible for the relationship with the Portfolio Manager (the "**Relationship Managers**") or another Investment Committee member will consider whether Magnitude is subject to any material conflict of interest in connection with each proxy vote. All Magnitude personnel are required to notify the Relationship Managers if they are aware of any potential conflict of interest associated with a proxy vote. Although Magnitude has implemented policies and procedures to seek to identify potential conflicts of interests, it is impossible to anticipate all material conflicts of interest that could arise in connection with proxy voting.

XVIII. FINANCIAL INFORMATION

Magnitude has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.