

# **Magnum Research Global Limited**

164 Tai Po Tsai, Clearwater Bay,  
Kowloon, Hong Kong  
[www.aqumonx.com](http://www.aqumonx.com)

## **Form ADV Part 2A Client Brochure**

December 22, 2017

### **Item 1 – Cover Page**

This brochure (“Brochure”) provides information about the qualifications and business practices of Magnum Research Global Limited (the “Company” or “We”). The information in this Brochure has not been approved or verified by the United State Securities and Exchange Commission or by any state securities authority.

If you have any questions about the contents of this brochure, please contact Magnum Global by email at [info@aqumon.com](mailto:info@aqumon.com).

Additional information about the Company is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Magnum is 291667.



**Item 2 – Material Changes**

The Company was a limited liability company duly incorporated on July 7, 2017 pursuant to the laws of Cayman Islands. No material changes were made as of December 22, 2017. We may provide ongoing disclosure information about material changes as necessary and will further provide a new Brochure as necessary based on changes or new information, at any time.



### **Item 3 – Table of Contents**

	<u>Page</u>
Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-by-Side Management .....	5
Item 7 – Types of Clients .....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 – Disciplinary Information .....	9
Item 10 – Other Financial Industry Activities and Affiliations.....	9
Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading .....	9
Item 12 – Brokerage Practices .....	10
Item 13 – Review of Accounts .....	11
Item 14 – Client Referrals and Other Compensation.....	11
Item 15 – Custody .....	12
Item 16 – Investment Discretion.....	12
Item 17 – Voting Client Securities .....	12
Item 18 – Financial Information .....	12



#### **Item 4 – Advisory Business**

We provide automated global asset allocation services based on modern portfolio theory, Internet Technology and computer-based algorithms, which make it possible for anyone to access state-of-the-art portfolio management, through our robo-advisory platform AQUMON. We aim to build a one-stop suite from portfolio generation to trade execution. Clients will receive our on-going investment advices and portfolio optimization services through a secure and user-friendly website <http://www.aqumonx.com>.

All the investment recommendations made by AQUMON are based on the personal information, financial needs and preferences provided by the Clients. Clients must understand that any type of investment will involve risk of loss due to market volatility and neither AQUMON nor anyone else can predict or guarantee any level of return on investments.

Our investment advisory service may include, but not be limited to, buying, selling, holding or otherwise gaining exposure to equity securities that are exchange traded or offered by foreign issuers, mutual fund shares, exchange traded funds (“ETFs”), and U.S. Government securities.

We manage approximately US\$5,000,000 of client assets on a non-discretionary basis as of December 21, 2017.



**Item 5 – Fees and Compensation**

We charge an advisory fee of annual 0.8~1.0% of the total assets under management (the “Advisory Fee”). The Advisory Fee is calculated based on the client’s total assets under management.

Clients may incur brokerage costs and “transfer out” fees charged by brokers. The Company is not affiliated in any way with the brokers’ fee structures and does not receive any compensation from any brokers.

Our advisory fees are non-negotiable and may be subject to adjustment at the end of each service term with clients. However, at our sole discretion, we may elect to modify, waive, or reduce Advisory Fees under special circumstances to the extent permissible by law. Periodically, we may offer promotions for new or existing clients for reduced fees for a limited time.

Any fees payable are automatically deducted from the clients’ brokerage account managed by us on each payment date.

**Item 6 – Performance-Based Fees and Side-by-Side Management**

The Company does not charge performance-based advisory fees nor manage any client accounts on a side-by-side management basis.



**Item 7 – Types of Clients**

The Company offers investment advisory services to individual clients. The minimum amount required to open and maintain an AQUMON account is US \$10,000. We reserve the right to waive or reduce certain fees based on unique circumstances, special arrangements or promotions.

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

We advise clients through our own state-of-the-art algorithm based on each individual client's risk preference. We also seek to maximize returns for a given amount of risk, or equivalently minimize risk for a given level of expected return, by allocating various proportions of different asset classes rather than selecting individual securities.

Clients must accurately convey their personal objective and subjective tolerance for risk. AQUMON then analyzes such risk in order to build an individualized investment plan based on the client's specific risk tolerance.

We offer investment advice on the following types of investments: equities, bonds, ETFs or mutual funds. We may buy or sell securities consistent with analysis designed to seek an investment return suitable to the investment objectives and goals of each distinct client account by reviewing the performance of the client's individual account and suitability parameters. Such review may include account type, financial condition, personal and business



assets, investment objectives, risk tolerance, and any other factors unique to each client.

#### Risk Considerations:

Any investment in securities involves the possibility of financial loss that clients should be prepared to bear.

Financial loss may be viewed differently by each client and may depend on many different risk factors, each of which may affect the possibility of consequences and potential loss.

Neither AQUMON nor anyone else can guarantee any level of performance or avoidance of any loss on client accounts.

Our investment recommendations are dependent on the accuracy and performance of our algorithms and the technology that generates them. The recommendations we provide and other information that appears on our website and mobile application may be time sensitive, especially during times of significant market volatility and when there are time limits on the availability of a particular investment product. Thus, our recommendations and other information may be subject to different interpretations as market conditions and other factors change.

Transactions are executed on each client's behalf as soon as possible after generating each recommendation. However, due to unexpected internal and external delays for executing each transaction, material losses in profit may result.

Our algorithms involve assumptions based upon numerous variables that may



be referenced from complex financial markets or instruments that they intend to replicate. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect, which could result in major losses.

We may also make future changes to the investing algorithms and advisory services that we provide. In addition, it is possible that AQUUMON or clients may experience computer equipment failure, loss of Internet access, viruses, or other events that may impair our service. We will not bear any liabilities resulting from such failures.

The price of securities or the entire value of asset classes may decline for a variety of reasons beyond our control, including, but not limited to, changes in the economic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, or social events. Past performance does not guarantee future results, and any historical returns, expected returns, may not reflect actual future performance.

Clients may experience difficulty in finding buyers or forced to sell their securities below market value due to high volatility issues. Client securities will be valued based on third party exchange-traded security data; however, we may receive inaccurate data that could adversely affect valuations and transaction fees.



**Item 9 – Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our Company, or the integrity of our management. We have no information to disclose applicable to this item.

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

We do not participate in nor are affiliated with other financial industry activities. The Company has no management persons registered as or pending registration as:

- i. a broker-dealer or registered representative of a broker-dealer; or
- ii. a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

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

The Company has adopted a Code of Ethics (“Code”) describing its high standards of business conduct, fiduciary duty to its clients, and the restrictions and reporting requirements for employees’ personal investments. All employees at the Company are subject to the Code and must acknowledge the terms of the Code annually or as amended. Employees are instructed to place the interests of their clients first, conduct all their personal securities transactions in a manner consistent with the Code and not take advantage of



their positions. Among other terms, the Code contains:

- provisions relating to the confidentiality of client information;
- a prohibition on any fraudulent conduct;
- a prohibition on insider trading;
- restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items; and
- personal securities trading procedures.

The Code restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between us and our clients.

We will disclose to clients any material conflict of interest which could reasonably be expected to impair the rendering of unbiased and objective advice.

### **Item 12 – Brokerage Practices**

Our clients' assets are held by independent third-party custodians. We may use our discretion in selecting the custodian. In selecting a custodian we will comply with our fiduciary duty in accordance with the Securities Exchange Act



of 1934, to obtain best execution and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order; and
- The research and related brokerage services provided by such custodian to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services.

### **Item 13 – Review of Accounts**

We conducts reviews of client accounts on a continual basis to track diversification, overall market movement, significant changes to one or more of the securities owned by a client, or if a client alerts us to changes in life circumstances.

Account reviews are conducted through our automated computer algorithms and monitored by our investment advisor professionals to assess the performance of each portfolio according to the client's financial goals.

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

The Company acquires clients by conducting campaigns through social networks and by hosting live events. We do not utilize third-party solicitors in



**Item 15 – Custody**

We do not have custody of client assets. Client assets are held under the client's own name in the custody of a third party brokerage firm. Clients give the Company authorization to deduct service fees directly from their brokerage account on a monthly basis.

**Item 16 – Investment Discretion**

The Company does not have discretion over client assets.

**Item 17 – Voting Client Securities**

We do not have authority to vote client securities.

We do not accept authorization to vote client securities and do not provide opinions on a particular solicitation. Since we do not have discretion over client assets, clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

**Item 18 – Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

We have not been subject to a bankruptcy petition.