

**Item 1 – Cover Page**

**Part 2A of Form ADV – Appendix 1: Wrap Fee Program Brochure**

**MAGNIFI LLC**

1900 9<sup>th</sup> Street, Suite 310  
Boulder, CO 80302  
Phone: (720) 480-4080  
Email: [hello@magnifi.com](mailto:hello@magnifi.com)  
[www.magnifi.com](http://www.magnifi.com)

**August 26, 2021**

**This Brochure provides information about the qualifications and business practices of Magnifi LLC (“Magnifi” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. 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.**

**Magnifi is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

**Additional information about Magnifi is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

The following material changes have been made since the last Form ADV Part 2A dated 3/15/2021:

1. The ADV format was changed to include optional account managed services offered under a WRAP fee.
2. Magnifi managed portfolio services were added as a service.
3. Magnifi may act as a sub-adviser.

### Item 3 – Table of Contents

|   |     |
|---|-----|
| Item 1: Cover Page .....  | i   |
| Item 2: Material Changes.....                                     | ii  |
| Item 3: Table of Contents .....                                   | iii |
| Item 4: Services, Fees & Compensation.....                        | 4   |
| Item 5: Types of Clients .....                                    | 7   |
| Item 6: Security Selection & Evaluation.....                      | 7   |
| Item 7: Client Information Provided to Portfolio Manager(s) ..... | 12  |
| Item 8: Client Contact with Portfolio Manager(s).....             | 12  |
| Item 9: Additional Information.....                               | 12  |

## Item 4 - Services, Fees & Compensation

### A. Description of the Advisory Firm and Types of Advisory Services

Magnifi LLC ("Magnifi"), a Delaware limited liability company, was formed on June 11, 2018. Magnifi is registered with the United States Securities and Exchange Commission ("SEC") under Rule 203A-2(e) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and therefore conducts business solely through an online advisory platform. The TIFIN Group LLC ("TIFIN") is the principal owner of Magnifi. Dr. Vinay Nair is the Chief Executive Officer of Magnifi.

**The foregoing discussion in Item 4 represents Magnifi's basic compensation arrangements. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Client may vary. Although Magnifi believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

#### 1. Services provided to Clients.

Magnifi's proprietary web-based technology provides a natural language powered platform which enables users to navigate the large and growing universe of exchange-traded funds ("ETFs"), mutual funds, and model portfolios, while using such information to build and/or enhance the user's existing portfolios. Magnifi's platform is utilized by investors, investment advisers, and wealth managers (the "Clients"). Magnifi may decide in the future to provide services to additional types of clients. Magnifi's algorithms use technology and science to personalize and facilitate discovery, comparison, and action in the investment process by generating investment recommendations based on Clients' natural language searches, unique goals, investment types, risk tolerance, and other information inputted by the Client in Magnifi's website.

Pursuant to each Client's investment advisory agreement with Magnifi (each, a "Subscription Agreement"), Magnifi provides investment recommendations and portfolio management services through its website and mobile application with the objective of enabling Clients to personalize their investment preferences, receive analysis and/or recommendations of ETFs, mutual funds and model portfolios, and create and edit mock portfolios and watch lists. Clients may utilize Magnifi's platform to discover investments using natural language searches and analyze and compare information compiled by Magnifi regarding ETFs, mutual funds and model portfolios. Clients may build proposals and track selected investments directly on Magnifi's platform. Clients may also sync their external brokerage accounts to the platform and buy selected investments directly. Magnifi does not charge Clients for these services.

For an optional monthly Subscription Fee (as defined below), Clients may participate in Magnifi's premium service plan ("Magnifi Premium"). Magnifi Premium Clients have access to additional tools, including the ability to access thematic baskets by using third party research and products to further customize Magnifi's interface, including the abilities to build their own calculators and print proposal reports.

In some cases, Magnifi will recommend proprietary actively managed portfolios based on the information provided by the Client.

WRAP Brochure:

Magnifi LLC Brochure

The annual fee for Magnifi portfolios is .23% (23 basis points).

Fees are assessed annually in arrears based on the value of the average daily balance of the Magnifi managed portion of the account. Accounts that have been opened for less than one year will be prorated based on opening date. Magnifi will also bill on accounts that liquidate or transfer out prior to the billing date.

Portfolio Management services are only offered on a “WRAP Fee” basis. Clients are not assessed transaction fees for security transactions. Magnifi does not offer account management on a non-wrap basis.

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange-traded fund which shall be disclosed in the fund’s prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

If someone recommending a wrap fee program to you receives compensation as a result of your participation in the program, we must disclose this fact. Further, we are required to explain, if applicable, that the amount of the compensation may be more than what the person would receive if you participated in our other wrap fee program or paid separately for investment advice, brokerage and other services. Finally, we must explain that someone recommending a wrap fee program may have a financial incentive to recommend the wrap fee program over other programs or services.

## 2. Services provided to Institutions.

Additionally, Magnifi enters into partnerships with various financial institutions that may be registered investment advisers to ETFs and/or mutual funds (collectively, the “Asset Managers”). Under these arrangements, Magnifi may license its proprietary web-based technology to the Asset Managers in connection with the Asset Managers’ own research and sales activities, and permit Asset Managers to sponsor additional features using Magnifi’s patented Fund Selector and Portfolio Enhancer to enhance the visibility of information provided about the ETFs, mutual funds, and/or model portfolios managed by the Asset Managers. By sponsoring personalized fund selectors identified as “Sponsored” in search results, Asset Managers can create awareness for their ETFs, mutual funds, and/or model portfolios during the discovery phase to stand out with financial advisors during key fund comparison moments.

Through its partnerships with Asset Managers, digital platform licensing fees and sponsorship fees are paid by the respective Asset Managers to Magnifi.

Other fees and compensation payable to Magnifi are negotiable and vary among its Clients. Magnifi’s sources of revenue include advertising revenue generated through partnerships with Asset Managers (as further discussed below), and an optional monthly subscription fee of \$500 (the “Subscription Fee”) through participation in Magnifi Premium.

### 3. Services as a Sub-Adviser.

Magnifi may act as a sub-adviser to Clients through other Investment Advisers. Services, fees, risks, and available models are the same as the managed account services described herein. Clients are urged to review Magnifi recommendations with their primary investment adviser.

#### B. Client-Tailored Services and Client-Imposed Restrictions

Advisory services are tailored to achieve Clients directed thematic requests. Magnifi provides limited investment advice only. Security recommendations are made solely based on the search terms provided by the Client. Clients are urged to consult their financial professional for comprehensive financial advice relating to the recommendations provided by Magnifi.

Magnifi currently provides investment recommendations with respect to Exchange Traded Funds, Closed-End Funds, Exchange-Traded Notes, mutual funds and Magnifi Managed Portfolios.

If a Client elects to have Magnifi manage all or a portion of their portfolio, Client-imposed restrictions will not be honored under the managed portfolio portion of the account.

#### C. Amounts Under Management

Current Assets under Management figures can be found under Section 5 of the current Form ADV.

Other fees and compensation payable to Magnifi are negotiable and vary among its Clients. Magnifi's sources of revenue include advertising revenue generated through partnerships with Asset Managers (as further discussed below), and an optional monthly subscription fee of \$500 (the "Subscription Fee") through participation in Magnifi Premium.

Magnifi does not currently receive an incentive fee from its Clients. If in the future Magnifi receives an incentive fee from its Clients, this Brochure will be updated accordingly.

The expenses of the Clients may constitute a higher percentage of average net assets than would be found with other investment advisers.

#### D. Payment of Fees

Subscription Fees, digital platform licensing fees, and/or sponsorship fees are invoiced directly to the Clients, including the Asset Managers.

Management Fees are deducted directly from the Client's Account.

Third-party fees (discussed below) are invoiced according to any applicable third-party fee agreement.

E. Third-Party Fees

For Managed Accounts, Magnifi's management fees will cover account management and transactions costs only. These fees will not cover any other custodial or brokerage expenses that a Client's custodian or broker may charge.

For Accounts not managed by Magnifi, no brokerage or custodial fee will be covered. Clients will typically pay transaction and/or custodial expenses in connection with implementing any of Magnifi's recommendations, in addition to the Subscription Fee paid to Magnifi. These transaction and/or custodial expenses vary and are based on the Client's agreement with their account custodian and/or broker-dealer.

Fees paid to Magnifi for investment advisory services are separate and distinct from the fees and expenses charged by the ETFs and/or mutual funds in which a Client's assets are invested. The ETFs and/or mutual funds charge their own separate management fees and bear other expenses, as described in each fund's prospectus. Magnifi does not earn or receive a portion of such fees. Except with respect to Asset Managers who pay fees to sponsor and increase awareness of their ETFs, mutual funds, or model portfolios in search results, Magnifi is not contractually or otherwise committed to recommend any ETF, mutual fund, or model portfolio.

F. Prepayment of Fees

Magnifi does not require the prepayment of fees.

G. Revenue Sharing Arrangements

Magnifi receives payments known as revenue sharing from the providers of some of the thematic themed baskets. Revenue sharing involves a payment to Magnifi's Clients from the thematic themed providers. It is not an additional charge to Magnifi Clients.

These payments create a conflict of interest in that they provide an incentive for Magnifi to recommend them above other securities.

H. Outside Compensation for the Sale of Securities

Neither Magnifi nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with Magnifi.

## **Item 5 – Types of Clients**

Magnifi's Clients are generally investment adviser firms, asset managers, and individual investors. There is no minimum account size and Clients are not required to have a certain amount of investment experience or sophistication. Generally, similar terms will apply to Clients, though certain Clients may have terms that differ or are more favorable than those for other Clients.

## Item 6 – Security Selection and Evaluation

Magnifi does not recommend portfolio managers. Security recommendations are limited to ETFs, Mutual Funds, Closed-End Funds and individual equities.

### A. Methods of Analysis and Investment Strategies

As described in Item 4, Magnifi provides Clients with investment recommendations using its proprietary web-based software. Magnifi's proprietary software uses the search words and information inputted by the Clients through Magnifi's website to recommend investments comprised of mutual funds and ETFs for each Client. Clients are strongly encouraged to conduct their own analysis and to consider their own individual circumstances, risk tolerances, and needs prior to following any of Magnifi's recommendations. Magnifi utilizes technical analysis, as further described below, focusing on annual reports, prospectuses, and filings with the SEC.

Magnifi uses its proprietary software to recommend investments that are best suited for each Client and that Client's goals based on algorithms that correspond to Clients' search criteria and inputs. In making these recommendations, Magnifi's software considers the information that the Client has provided through Magnifi's website based on certain criteria such as search queries, fees, expense ratio, risk profile, returns and impact, and provides the Client recommendations on how they could optimize their existing portfolio. The Clients must make their own investment decisions based on the recommendations provided by Magnifi.

### B. Investment Tools

Magnifi provides Clients the opportunity to sync external brokerage accounts to their Magnifi account using Magnifi's online interface. A Client who wishes to implement an investment recommendation made by Magnifi may direct Magnifi to place an order for the specific security within the Client's linked account. Magnifi exercises no discretion in determining if and when trades are placed and places individual buy orders for specific securities only at a Client's direction. Magnifi does not charge separate fees for any order placement services provided to Clients.

Magnifi also utilizes thematic baskets provided by third-party providers to recommend investments that are best suited for each Client goals.

### C. Managed Accounts

If Clients elect to hire Magnifi to manage all or a portion of the account, Magnifi provides several model portfolios that track an index recommended to the client based on the criteria listed above. The index portfolio is selected by the Client. Magnifi provides continuous management to ensure the portfolio tracks the selected index. The currently offered index portfolios are listed below. Other portfolios may be offered that are not listed below.

- US Big Data and Analytics



- The Morningstar US Big Data and Analytics Index targets 30 U.S. companies the Morningstar Equity Research team believes are positioned to experience meaningful economic benefits from exposure to Big Data and Analytics.
- US Nanotechnology
  - The Morningstar US Nanotechnology Index targets 30 U.S. companies the Morningstar Equity Research team believes are positioned to experience meaningful economic benefits from exposure to Nanotechnology.
- US Robotics
  - The Morningstar US Robotics Index provides exposure to 30 U.S. companies the Morningstar Equity Research team believes are positioned to experience meaningful economic benefits as a user or producer of robotic technology.
- US Financial Services Innovation
  - The Morningstar US Financial Services Innovation Index provides exposure to 30 U.S. companies the Morningstar Equity Research team believes are positioned to experience meaningful economic benefits from Financial Services Innovation.
- USEV/AV
  - The Morningstar US Electric & Autonomous Vehicles Index provides exposure to 30 U.S. companies the Morningstar Equity Research team believes are positioned to experience meaningful economic benefits from increased adoption of Electric and Autonomous Vehicles.
- Digital Infrastructure & Connectivity
  - The Morningstar US Digital Infrastructure & Connectivity Index provides exposure to 30 U.S. companies the Morningstar Equity Research team believes are positioned to experience meaningful economic benefits from the development of promising digital infrastructure technologies, including infrastructure as a service and next-generation connectivity (5G).
- US Exponential Technologies Healthcare
  - The Morningstar US Exponential Technologies Healthcare Index provides exposure to 50 U.S. companies the Morningstar Equity Research team believes are positioned to experience meaningful economic benefits from exposure to two themes: Medicine & Neuroscience and Bioinformatics.

D. Risks of Investments and Strategies Utilized

**Investing in securities, including ETFs and mutual funds, involves risk of loss that Clients should be prepared to bear.**

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, leverage, and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

**Technology and Software Risks.** Magnifi delivers its investment advisory services entirely through software accessible through Magnifi's website. All investment advice is provided through the Internet and Clients' abilities to interact with humans regarding investment advice is accordingly limited. Additionally, such computer-generated recommendations, like all investment recommendations, may be subject to system error. No guarantee or representation is being made that the investment recommendations will be successful.

Magnifi rigorously designs, develops and tests its software extensively before putting such software into production with actual Client accounts and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as was intended. Technology and software malfunctions, programming inaccuracies, inadvertent system and human errors and similar circumstances could impair the performance of Magnifi's systems, which may negatively impact the quality and applicability of Magnifi's recommendations to Clients.

**Asset Managers' Sponsored Results.** Magnifi allows Asset Managers to sponsor nodes resulting in such Asset Managers' products being presented to Clients first when searching for investment recommendations. Sponsored recommendations are identified as "Sponsored" in the search results. Such sponsorship does not imply that any such sponsored results are more appropriate for Clients as compared to results presented after the sponsored results, only that such Asset Managers have paid for premium placement. Each Client is strongly encouraged to conduct its own analysis and to consider its own individual circumstances, risk tolerances and needs prior to following any of Magnifi's recommendations.

**Exchange-Traded Funds.** ETFs are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying reference units; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

**Mutual Fund Risks.** An investment in mutual funds could lose money over short or even long periods. A mutual fund's share price and total return are expected to fluctuate within a wide range, like the fluctuations of the overall stock market.

**Common Stocks and Equity-Related Securities.** Certain ETFs or mutual funds hold common stock. Prices of common stock react to the economic condition of the company that issued the security, industry and market conditions, and other factors which may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes

in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants, and options may also vary widely.

**Small- and Mid-Cap Risks.** Certain ETFs and mutual funds hold securities of small- and mid-cap issuers. Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses, and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts, and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments, and to market rumors than are the market prices of large-cap issuers.

**Futures, Commodities, and Derivative Investments.** Certain ETFs and mutual funds hold commodities, commodities contracts, and/or derivative instruments, including futures, options and swap agreements. The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts, and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options, and swap agreements also depends upon the price of the commodities underlying them. In addition, client assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Highly Volatile Markets.** The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**Non-U.S. Securities.** Certain ETFs and mutual funds hold securities of non-U.S. issuers. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility, and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards, and requirements comparable to or as uniform as those of U.S. issuers.

**Emerging Markets.** Certain ETFs and mutual funds hold securities of emerging markets issuers. In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell

emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices, and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices.

**Cybersecurity.** Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or disrupt operations, processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Magnifi takes measures to protect sensitive client information and service disruptions, among other things, through cybersecurity preparedness and business continuity plans from intentional and unintentional cybersecurity threats. More information about the Client’s investments and the associated risk factors is available in the Subscription Agreement.

**Capitalization Risks.** Investing in Companies within the same market capitalization category carries the risk that the category may be out of favor due to current market conditions or investor sentiment.

**Concentration Risk.** The Magnifi Managed Portfolios each concentrate in Companies related to a particular theme, industry or group of industries. Thus, certain Magnifi Managed Portfolios are expected to have significant exposure to one or more sectors. In such event, the Magnifi Managed Portfolio’s performance will be particularly susceptible to adverse events impacting such industry or sector, which may include, but are not limited to, the following: general economic conditions or cyclical market patterns that could negatively affect supply and demand; competition for resources; adverse labor relations; political or world events; obsolescence of technologies; and increased competition or new product introductions that may affect the profitability or viability of companies in a particular industry or sector.

**Cyber Security Risks.** The Adviser, the Magnifi Managed Portfolios and the Companies are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from “hacking” by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. In recent years, cybersecurity attacks on companies, including companies in the financial services industry, have become increasingly prevalent. If a cybersecurity breach occurs, the affected party may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and

proprietary information; and reputational damage. Any such breach could expose the affected party civil liability as well as regulatory inquiry and/or action.

**Disruptive Innovation Risks.** Companies that capitalize on disruptive innovation and developing technologies to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. These Companies may also be exposed to risks applicable to sectors other than the disruptive innovation theme for which they are chosen, and the securities issued by these Companies may underperform the securities of other companies that are primarily focused on a particular theme. These Companies may not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that such Companies will derive any revenue from disruptive innovations or technologies in the future. A disruptive innovation or technology may constitute a small portion of a Company's overall business. As a result, the success of a disruptive innovation or technology may not affect the value of the equity securities issued by the Company.

**Equity Risks.** Magnifi Managed Portfolios invest in equities. A primary risk relating to Magnifi Managed Portfolio is that the general level of stock prices may decline, thus affecting the value of the Magnifi Managed Portfolio. Equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. [There are no absolute restrictions in regard to the size or operating experience of the Companies in which a Magnifi Managed Portfolio may invest.] Relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments. Changes in the structure of the equity markets or new market participants may materially impede the Magnifi Managed Portfolio's investment strategy.

**Information Technology Sector Risks.** The information technology sector includes companies, such as the Companies, engaged in internet software and services, technology hardware and storage peripherals, electronic equipment instruments and components, and semiconductors and semiconductor equipment. The Companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins and cause them to be more volatile than the overall market. The Companies may have limited product lines, markets, financial resources or personnel. The products of the Companies may face rapid product obsolescence due to technological developments and frequent new product introduction, unpredictable changes in growth rates, government regulation and competition for the services of qualified personnel. Failure to introduce new products, develop and maintain a loyal customer base, or achieve general market acceptance for their products could have a material adverse effect on the Companies' businesses. The

Companies are heavily dependent on intellectual property and the loss of patent, copyright and trademark protections may adversely affect their profitability.

**Market Risks.** Turbulence in the financial markets and reduced liquidity may negatively affect the Companies, which could have an adverse effect on each of them. If the securities of the Companies experience poor liquidity, investors may be unable to transact at advantageous times or prices, which may decrease the Company's returns. In addition, there is a risk that policy changes by central governments and governmental agencies, including the Federal Reserve or the European Central Bank, which could include increasing interest rates, could cause increased volatility in financial markets, which could have a negative impact on the Companies. Furthermore, local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Companies. For example, the rapid and global spread of a highly contagious novel coronavirus respiratory disease, designated COVID-19, has resulted in extreme volatility in the financial markets and severe losses; reduced liquidity of many Companies' securities; restrictions on international and, in some cases, local travel; significant disruptions to business operations (including business closures); strained healthcare systems; disruptions to supply chains, consumer demand and employee availability; and widespread uncertainty regarding the duration and long-term effects of this pandemic. Some sectors of the economy and individual issuers have experienced particularly large losses. In addition, the COVID-19 pandemic may result in a sustained economic downturn or a global recession, domestic and foreign political and social instability, damage to diplomatic and international trade relations and increased volatility and/or decreased liquidity in the securities markets. The Companies' values could decline over short periods due to short-term market movements and over longer periods during market downturns.

**Model and Data Risks.** The Adviser relies on quantitative models, information and data supplied by third parties ("Models and Data") to inform its investment decisions with respect to the Magnifi Managed Portfolios. Models and Data are used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of the Magnifi Managed Portfolio), to provide risk management insights, and to assist in hedging the Magnifi Managed Portfolio's investments. When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Magnifi Managed Portfolio to potential risks. For example, by relying on Models and Data, the Adviser may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether.

**Thematic Investing Risks.** Each of the Companies may be exposed to risks applicable to sectors other than the theme for which they are chosen, and the securities issued by these Companies may underperform the securities of other companies that are primarily focused on a particular theme. The Morningstar, Inc. (the "Model Provider") identifies the Companies for inclusion in the respective Magnifi Managed Portfolios outlined above that reflect themes and sub-themes. A Magnifi Managed Portfolio's performance may suffer if such Companies are not correctly identified or if a theme or

sub-theme develops in an unexpected manner. A Magnifi Managed Portfolio's performance may also suffer if the Companies included in the Magnifi Managed Portfolio do not benefit from the development of such themes or sub-themes. Performance may also be impacted by the inclusion of non-theme-relevant exposures in the Magnifi Managed Portfolio. There is no guarantee that the Magnifi Managed Portfolio will reflect the theme and sub-theme exposures intended.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with Magnifi. Prospective Clients should read the entire Brochure as well as the Subscription Agreement, other materials that may be provided by Magnifi, and consult with their own financial advisers prior to engaging Magnifi's services.**

### **Item 7 – Client Information Provided to Portfolio Managers**

Magnifi does not utilize external portfolio managers. Magnifi's Client information sharing policy can be found in the privacy policy and privacy notice which all Clients receive and can be requested by contacting Magnifi.

### **Item 8 – Client Contact with Portfolio Managers**

Magnifi primarily uses electronic communication to provide service to its Clients. Clients and prospective Clients should be aware of this primary means of communication.

Please note that Clients do not typically have direct telephone access to Magnifi employees related to the management of their account.

### **Item 9 – Additional Information**

#### **A. Disciplinary History**

Magnifi and its management persons have not been a party to any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of its investment advisory business or the integrity of its management.

#### **B. Other Industry Activities and Affiliations**

Neither Magnifi nor its management persons are registered as a broker-dealer or broker-dealer representative.

Neither Magnifi nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

Except for partnerships with Asset Managers as discussed in Item 4, there are no other relationships or arrangements that are material to this advisory business. Investment products that are sponsored by Asset Managers are clearly identified to Clients as “Sponsored”.

Magnifi currently provides management and investment advisory services to clients and managed accounts that follow investment programs similar to or different from one another. A number of actual and potential conflicts of interest between the Clients could exist. Magnifi has sole discretion to resolve such conflicts as it determines to be appropriate, consistent with its fiduciary duties to Clients.

Magnifi’s principal owner, TIFIN, is also the principal owner of Positively LLC, an investment adviser that uses its own proprietary web-based technology to provide recommendations to its clients using a personality profiling platform, which may include Clients of Magnifi.

Dr. Vinay Nair, the Chief Executive Officer of Magnifi, is also the Chairman of 55 Institutional Partners, LLC, which is the sole owner of 55I, LLC (“55ip”). 55ip is an investment adviser that provides sub-advisory and/or trade list delivery services, as well as investment advice and portfolio management services, to its clients, which may include Clients of Magnifi.

D. Code of Ethics

Magnifi has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-of the Advisers Act. The Code governs the activities of each member, officer, director and employee of Magnifi (collectively, “Employees”). Magnifi holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Clients, Magnifi strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of the Client must be paramount; (b) personal transactions must be conducted consistent with the Code in a manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Magnifi will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Magnifi at the address on the cover page to this Brochure.



E. Recommendations Involving Material Financial Interests

Neither Magnifi nor its related persons recommend to Clients, or buys or sells for Client accounts, securities in which Magnifi or a related person has a material financial interest.

F. Investing Personal Money in the Same Securities as Clients

From time to time Magnifi, its Employees and/or the related persons may also personally buy or sell the same instruments that Magnifi's Clients buy or sell, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Clients because of Magnifi's recommendations regarding a particular security. Magnifi's policy as to such transactions is that neither Magnifi nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Clients or otherwise. Magnifi addresses this conflict by requiring Employees to sign and adhere to Magnifi's Code of Ethics and to report personal securities holdings and transactions to Magnifi.

G. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, Magnifi, its Employees, or related persons of Magnifi may buy or sell securities for themselves that Magnifi also recommends to the Client. Magnifi will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

H. Review of Accounts

Magnifi's platform is designed to provide Clients with continuous access to account information. Through Magnifi's website, Clients can login to view real-time reporting information about ETFs and mutual funds that correspond to the Clients' search criteria, review and better understand key statistics and recommended asset allocations, as well as other information. Clients can also login to view and review manually inputted account and search data and receive guidance and prompts based on price and market movements.

Magnifi's investment recommendations are based on financial and other information submitted by the Client through Magnifi's website.

For Accounts managed by Magnifi, routine reviews are completed to ensure the accounts are in line with the index selected by the Client. Accounts out of tolerance are rebalanced to ensure alignment with the index.

I. Client referrals and other Compensation

Magnifi currently does not anticipate receiving research or other products or service other than execution from a broker-dealer or third party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, Magnifi shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with Magnifi's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall

WRAP Brochure:

Magnifi LLC Brochure

within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the SEC. If in the future Magnifi obtains “soft-dollar” benefits, this Brochure will be appropriately amended.

Magnifi has signed licensing agreements with certain third-party firms who provide the thematic themed baskets as noted above in Item 4. Magnifi does not receive any additional economic benefit, directly or indirectly from any third party for recommendations rendered to the Client.

J. Brokerage Practices

By linking their external brokerage accounts to their Magnifi accounts, Clients may direct Magnifi to use a specific broker not recommended by Magnifi. Magnifi has not negotiated the terms and conditions of the broker’s service terms (including, but not limited to, commission rates); in this case, Magnifi does not have responsibility for obtaining the best prices or particular commission rates with or through any such broker, and the client may not obtain rates as low as it might by following Magnifi’s recommendations.

Magnifi has partnered with Apex Clearing to offer brokerage services and support the managed account services described herein. Currently, Apex Clearing is the only broker-dealer supported for the management of Client accounts.

K. Aggregating Trading for Multiple Client Accounts

Notwithstanding that Magnifi does not buy or sell specific securities for any Clients, Magnifi does not combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest.

L. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither Magnifi nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future Magnifi enters into such arrangements, this Brochure will be appropriately amended.

M. Custody

Magnifi does not have “custody” of Client assets. Client assets will be maintained with one or more banks, brokerage firms, and/or other qualified custodians that serve as custodians of the funds and/or securities of the Clients. Clients will receive account statements from their custodians. Clients are encouraged to carefully review the account statements provided by their custodians and to compare these to any reports provided by Magnifi.

N. Proxy Voting

Magnifi will not have authority to vote proxies on behalf of the Client. If in the future Magnifi obtains authority to vote proxies, this Brochure will be appropriately amended.

O. Financial Information

*WRAP Brochure:*

*Magnifi LLC Brochure*

Magnifi has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy petition.

Magnifi does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

At this time, neither Magnifi nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

Magnifi has not been the subject of a bankruptcy petition in the last ten years.