

# **GMAG Management LP**

## **Firm Disclosure Brochure**

**Dated: March 2023**

**400 Broadhollow Road, Suite 301**

**Melville, NY 11747**

**(631) 227-3900**

This Firm Brochure (the "Brochure") provides information about the qualifications and business practices of GMAG Management LP ("GMAG MANAGEMENT"). If you have any questions about the contents of this Brochure, please contact GM Advisory Group's Chief Compliance Officer ("CCO"), Margaret Iamunno at 631-227-3900 or by e-mail [miamunno@gmagwealth.com](mailto:miamunno@gmagwealth.com). Additional information about GMAG MANAGEMENT also is available on the United States Securities and Exchange Commission's (the "SEC") website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Registration of an investment advisor does not imply that GMAG MANAGEMENT LP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

**Item 2: Material Changes**

In this Item, GMAG MANAGEMENT LP (“GMAG MANAGEMENT”, the “Firm”, “we”, “us”, or “our”) is required to discuss any material changes that have been made to the disclosure brochure since the last annual amendment.

Since our amendment to this Brochure, filed on March 31, 2022, GMAG has no material changes to disclose.

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## Item 4: Advisory Business

GMAG MANAGEMENT LP (“GMAG MANAGEMENT”, the “Firm”, “we”, “us”, “our” or the “Firm”), founded in 2020, is a limited partnership organized under the laws of the State of Delaware that provides investment advisory services to private funds sponsored by GMAG MANAGEMENT’s affiliates. GMAG MANAGEMENT is principally owned by Highfield Capital Partners LLC, which, in turn, is principally owned by Frank Marzano.

While this brochure generally describes the business of GMAG MANAGEMENT, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on GMAG MANAGEMENT’s behalf and is subject to the Firm’s supervision or control.

GMAG MANAGEMENT provides investment management services to private pooled investment vehicles sponsored by affiliates of the Firm (the “Funds” or the “clients”). Investors in the Funds must be accredited investors as defined in Rule 501(a) under the Securities Act of 1933 and “qualified clients” as such term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and may be required to satisfy other eligibility criteria to invest in the Funds.

Investment strategies for each Fund will differ depending on the mandate and anticipated investments for each Fund. The Funds may invest in, among other things, underlying hedge funds and private equity funds. Certain of the Funds invest substantially all of the Fund’s investable assets in a single investment. Investments are not customized for the investment objectives or needs of individual Fund investors, and individual Fund investors will not have authority to manage the affairs or investments of any Fund.

Information pertaining to any Fund, including, among other things, the investment program, compensation paid to GMAG MANAGEMENT and its affiliates, risk factors, conflicts of interest, and other important information are found in the limited liability company operating agreement or limited partnership agreement, private placement memoranda, and subscription documents or similar documents for each Fund (collectively, the “Offering Documents”). Investing in the Funds involves significant risks, including the potential loss of all amounts invested. As a result, GMAG MANAGEMENT strongly urges prospective investors to carefully read the Offering Documents prior to investing in a Fund and encourages investors to ask questions prior to investing. For certain Funds, investors will also be provided with offering materials for underlying funds in which the Funds will invest when it is anticipated that the Funds will invest substantially all of the investable assets of such Fund in an underlying fund.

Currently, GMAG MANAGEMENT serves as the investment manager to the,

**GMAG Therapeutics Fund LP:** GMAG Management LP serves as the investment manager of GMAG Therapeutics Fund LP (the “Therapeutics Fund”), which was formed to allow high net worth individuals and institutions to make an investment in HealthCor Therapeutics, L.P. (the “HealthCor Therapeutics Fund”). As of January 3, 2023, the HealthCor Therapeutics Fund was acquired by Catalio Capital Management LP. The Therapeutics Fund will invest substantially all of its assets in the Catalio Public Equities Fund LP formerly known as the HealthCor Therapeutics Fund. The Catalio Public Equities Fund will, in turn, invest substantially all of its assets in the Catalio Public Equities Master Fund LP formerly known as the HealthCor Therapeutics Master Fund, L.P. The Therapeutics Fund pays an asset-based management fee to GMAG Management LP

**GMAG Special Circumstances Fund LP:** GMAG MANAGEMENT LP serves as the investment manager of GMAG Special Circumstances Fund LP, (The “SC Fund”) which was formed to make investments in companies, partnerships, limited liability companies or other entities (“Co-Investment Opportunities”)

made available to investors in the Atreides Foundation Fund, LP, a Delaware limited partnership, Atreides Foundation Fund, Ltd., a Cayman Islands exempted company, and Atreides Foundation Master Fund LP, a Cayman Islands exempted limited partnership through investments in various series of limited liability company interests offered by the Atreides Special Circumstances Fund, LLC. The GMAG Special Circumstances Fund pays an asset-based management fee to GMAG MANAGEMENT LP as well as a performance allocation to an affiliate of GMAG Management.

**GMAG Digital Asset Fund LP:** GMAG Management LP serves as the investment manager of the GMAG Digital Asset Fund LP, (the “Digital Asset Fund”) which was formed to allow high net worth individuals and institutions to make an investment in Multicoin Capital Fund, (the “Multicoin Capital Fund”). The Digital Asset Fund will invest substantially all of its assets in the Multicoin Capital Fund. The Multicoin Capital Fund will, in turn, invest substantially all of its assets in Multicoin Capital Fund Master Fund, LP. The Digital Asset Fund pays an asset-based management fee to GMAG Management LP as well as an incentive allocation to an affiliate of GMAG.

GMAG MANAGEMENT will enter into written investment management agreements with each Fund whose assets it manages that outline the terms and conditions for each engagement.

#### **Client Assets We Manage**

As of December 31, 2022, GMAG MANAGEMENT had discretionary assets under management totaling \$47,150,201 all of which were managed on a discretionary basis.

#### **Item 5: Fees and Compensation**

GMAG MANAGEMENT generally will earn an asset-based management fee (“Management Fee”) for providing investment advisory services to a Fund based on the specific terms set forth in the Offering Documents for such Fund. These Management Fees are generally charged in advance on a quarterly basis as authorized by the Fund Offering Documents. Nonetheless, GMAG MANAGEMENT has the right to waive or reduce the Management Fees to be paid with respect to any given investor in a Fund.

The general partner of each Fund is authorized to deduct the amount of Management Fees to be paid to GMAG MANAGEMENT for providing investment management services to the Fund.

#### **Additional Fees and Expenses**

In addition to the compensation to be paid to GMAG MANAGEMENT and any of its affiliates, Funds will be responsible for the costs associated with the organization of each Fund and the offering of its securities (which generally include legal, due diligence, marketing, printing, and other expenses). In addition, each Fund will be responsible for its ongoing operating costs, which could include, without limitation, the costs associated with the acquisition, holding, or disposition of investments; the costs associated with retaining service providers (such as attorneys, accountants, auditors, administrators, and other service providers) to provide services on behalf of the Fund; the cost of preparing communications, reports, tax returns, and financial statements on behalf of Fund investors; and extraordinary expenses (including any indemnification obligations) incurred by the Fund. Such additional expenses and costs are outlined in the Offering Documents for each Fund.

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

Affiliates of GMAG MANAGEMENT which serve as the general partner of a Fund can receive compensation based on the realized net profits, unrealized net profits, or other income sharing arrangements from a Fund managed by GMAG MANAGEMENT in accordance with the Offering Documents for each Fund. A conflict of interest exists when affiliates of GMAG MANAGEMENT receive performance-based compensation from a

Fund as GMAG MANAGEMENT has an incentive to favor a Fund that pays performance-based compensation to an affiliate of GMAG MANAGEMENT over another fund where no such affiliate receives any performance-based compensation. Additionally, the performance-based compensation creates an incentive for GMAG MANAGEMENT to make investment decisions that could be riskier than they otherwise would be in the absence of an arrangement whereby its affiliates can receive performance-based compensation.

## **Item 7: Types of Clients**

Our only clients are the Funds.

GMAG MANAGEMENT does not maintain any minimum portfolio size or minimum fee for maintaining an advisory relationship with any client. However, Funds managed by GMAG MANAGEMENT can impose minimum investment amounts in order for an investor to make an initial or additional investment in the Fund. Depending on the Fund, the general partner of a Fund is authorized to reduce or waive such minimum investment amounts for investors on a case-by-case basis.

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

### **Methods of Analysis & Investment Strategy**

The methods of analysis and investment strategies for each Fund will differ depending on the investment program for each Fund.

### **Material Risks of Strategies and Securities**

An investment in any given Fund involves a high degree of risk, and is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. There can be no assurance that a Fund's investment objectives will be achieved, or that an investor will receive a return of its capital. Investors may be subject to a number of risks, only certain of which are described below. Additional risk factors pertaining to any given Fund's investments are set forth in the Offering Documents for each Fund. The following risks do not represent an exhaustive list of the risks associated with an investment in any given Fund. Prospective investors are urged to carefully review the Offering Documents with respect to any given Fund prior to investing.

### **Legal and Regulatory Environment for Private Investment Funds and their Managers.**

The legal, tax and regulatory environment worldwide for private investment funds (such as a Fund) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of a Fund to pursue its investment program and the value of any investments held by a Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of a Fund to pursue its investment program could have a material adverse effect on a Fund and the Investors' investments therein. In addition, GMAG MANAGEMENT or its affiliates may, in their sole discretion, cause a Fund to be subject to certain laws and regulations if they believe that an investment or business activity is in a Fund's interest, even if such laws and regulations may have a detrimental effect on one or more Investors.

### **Legal, Tax and Regulatory Developments.**

Legal, tax, and regulatory changes could occur during the term of a Fund that may adversely affect a Fund, any of its investments, or the Investors. For example, changes in laws and regulations applicable to taxation of carried interest may result in certain types of investments and/or investment returns being treated

differently and accordingly may influence GMAG MANAGEMENT's or its affiliates' decisions pertaining to a Fund's investments. A Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in Federal or state courts.

If Federal securities laws change in such a manner that the exemption relied on by a Fund from having to register its securities pursuant to the Securities Act or the exemption that a Fund relies on from having to register as an investment company pursuant to the Investment Company Act of 1940, as amended (the "Investment Company Act"), this could have a material and negative impact on a Fund's operations and activities.

**Tax-Related Risks.**

A Fund may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by the Internal Revenue Service ("IRS"), an investor may be found to have a different tax liability for that year than that reported on its U.S. Federal income tax return.

In addition, an audit of a Fund may result in an audit of the returns of some or all of the Investors, which examination could result in adjustments to the tax consequences initially reported by a Fund and affect items not related to an investor's investment in a Fund. If such adjustments result in an increase in an investor's U.S. Federal income tax liability for any year, such Investor may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of a Fund's U.S. Federal income tax return will be borne by a Fund. The cost of any audit of any Investor's U.S. Federal income tax return will be borne solely by the Investor. Under new legislation applicable to tax returns filed for taxable years 2018 and beyond, the IRS may assess tax resulting from audit adjustments directly against a Fund (to be economically borne by the Partners at such time).

The allocation of items of profit and loss pursuant to a Fund's operating agreement or partnership agreement may be challenged by the IRS as lacking "substantial economic effect." While the matter is not free from doubt, a Fund expects that the provisions for the allocation of net profit and net loss to the investors in a Fund set forth in a Fund's operating agreement or partnership agreement should be respected as having substantial economic effect. Nevertheless, there can be no assurance that the allocation provisions of a Fund's operating agreement or partnership agreement will not be successfully challenged by the IRS.

**No Assurance of Confidentiality.**

As part of the subscription process and otherwise in their capacity as Investors, investors will provide significant amounts of information about themselves to a Fund and its sponsor. Under the terms of a Fund's Offering Documents as well as applicable laws, such information may be made available to third parties that have dealings with a Fund and governmental authorities (including by means of securities law-required information statements that are open to public inspection).

**General Economic and Other Conditions.**

The business of a Fund and its investments may be adversely affected from time to time by such matters as changes in general economic, industrial and international conditions, changes in tax laws, prices and cost and other factors of a general nature that are beyond the control of a Fund. The current worldwide financial markets situation, various social and political tensions in the United States and around the world, and the uncertainty created by the COVID-19 pandemic, among other factors, may contribute to increased market volatility, may cause economic uncertainties or a significant downturn in the United States and worldwide,

and may have long term effects on the United States and worldwide financial markets, and. As the result of such developments, the business, operating results, financial condition and prospects of a Fund and its investments could be materially and adversely affected, as could the value of a Fund's investments. Such developments could significantly impact the revenues generated by such investments. Additionally, a period of deteriorating general economic conditions could negatively impact a Fund's ability to dispose of its investments by adversely affecting the market for such investments. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war.

**Systemic Risk.**

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which a Fund interacts, as well as a Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on a Fund and its investments.

**Assumption of Business, Terrorism and Catastrophe Risks.**

A Fund may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on a Fund and its investments.

**Risks Associated with COVID-19.**

There has been an outbreak of a novel and highly contagious form of coronavirus ("**COVID-19**"), which has spread to many countries throughout the world including the United States. The World Health Organization has declared the outbreak to be a public health emergency of international concern, and the Secretary of the U.S. Department of Health and Human Services has declared it a public health emergency in the United States.

The impact of the outbreak of COVID-19 has been and will likely continue to be extensive in many aspects of society, potentially for years to come. The outbreak has resulted in numerous deaths, adversely impacted global commercial activity, and led (and will likely continue to lead) to significant uncertainty and disruptions in the global financial markets and the economies of nations where the coronavirus disease has arisen. Many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity. Consumer, corporate and financial confidence is being materially adversely affected by this outbreak. Such erosion of confidence has led to a global economic downturn. Such health crisis could exacerbate political, social, and economic risks and result in significant breakdowns, delays, and other disruptions to the economy, with potential corresponding results on the performance of a Fund and its investments. The global impact of this outbreak is rapidly evolving, and it is impossible to predict the scope of this outbreak or the impact it may have on the global economy or the global financial markets going forward.

The COVID-19 crisis has already led to certain governmental interventions that were implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. Additional governmental intervention is likely to occur and the impact on a Fund and its investments cannot be predicted. Additionally, no assurances can be made regarding the policies that may be adopted by the Federal Reserve, the Federal government (including regulatory agencies), any state government, or any foreign government as a result of the outbreak and/or market volatility.

In response to the crisis, COVID-19 and resulting limitations on travel could affect the ability of GMAG MANAGEMENT or its affiliates to conduct its business including meeting in person with third parties critical



to the business of a Fund.

This outbreak of COVID-19, or any future epidemic or pandemic similar to COVID-19, SARS, H1N1/09 flu or MERS, could have a significant adverse impact on a Fund and any of its investments, could adversely affect a Fund's ability to fulfill its investment objectives, and could result in significant losses to a Fund. The extent of the impact of any outbreak on the performance of a Fund and any of its investments depend on many factors, including the duration and scope of such outbreak, the development and distribution of treatments and vaccines for viruses such as COVID-19, the extent of its disruption to important global, regional and local supply chains and economic markets, and the impact of such outbreak on overall supply and demand, investor liquidity, consumer confidence and levels of economic activity, all of which are highly uncertain and cannot be predicted.

**Dependence on GMAG MANAGEMENT and Its Affiliates.**

Fund Offering Documents do not permit the Investors to participate in the management and affairs of a Fund. The success of a Fund is dependent upon the ability of GMAG MANAGEMENT and/or its affiliates to manage a Fund and effectively implement a Fund's investment program. If a Fund and/or any other funds managed by GMAG MANAGEMENT were to incur substantial losses or were subject to an unusually high level of withdrawals, the revenues of GMAG MANAGEMENT may decline substantially. Such losses and/or withdrawals may impair GMAG MANAGEMENT's ability to provide the same level of service to a Fund as it has in the past and continue operations. The loss of the services of GMAG MANAGEMENT could have a material adverse effect on a Fund and the Investors' investments therein.

**Dependence on Certain Third Parties.**

A Fund is also dependent upon its counterparties and certain third-party service providers. Errors are inherent in the business and operations of any business, and although GMAG MANAGEMENT will adopt measures to prevent and detect errors by, and misconduct of, counterparties and third-party service providers, and transact with counterparties and third-party service providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on a Fund and the Investors' investments therein.

**Investment and Due Diligence Process.**

Before making any investments on behalf of a Fund, GMAG MANAGEMENT will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, GMAG MANAGEMENT may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, GMAG MANAGEMENT will rely on the resources reasonably available to it, which in some circumstances whether or not known to GMAG MANAGEMENT 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. There can be no assurance that such an investigation will result in an investment being successful.

**Concentrated Investments.**

A Fund's investments could be concentrated and be limited to a limited universe of investments or even a single investment. This could result in a lack of diversification for investors in the Fund.

**No Assurance of Fund Profit, Cash Distributions or Appreciation.**

It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before realization of gains on successful investments. There may be no current return on the investments

for an extended period of time. Distributions to the Investors are typically made in the sole discretion of the sponsor of the Fund. Cash that might otherwise be available for distribution will also be reduced by payment of Fund obligations. As a result, if a Fund is profitable, the Investors in all likelihood will be credited with Fund net income, and may incur the consequent income tax liability (to the extent that they are subject to income tax), even though Investors receive little or no Fund distributions.

**Operating Deficits.**

The expenses of operating a Fund may exceed income, thereby requiring that the difference be paid out of the capital of a Fund, reducing the investments of a Fund and creating an operating loss that reduces each Investor's capital account and net worth of a Fund and the net asset value of a Fund.

**Absence of Regulatory Oversight.**

The Funds' interests are not expected to be registered under the securities laws of the United States and will therefore be subject to various restrictions. Also, the Funds will not be registered as investment companies under the Investment Company Act, and, therefore, will not be required to adhere to the restrictions and requirements under the Investment Company Act. Accordingly, the provisions of the Investment Company Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities to be held in custody by a bank or broker in accordance with rules requiring the segregation of securities, prohibit investment companies from engaging in certain transactions with its affiliates and regulate the relationship between advisers and investment companies) are not applicable.

**Payment of Withdrawal Proceeds to Investors Based on Unaudited Data.**

The calculation and payment of an investor's withdrawal proceeds may be based on estimated and unaudited data. Accordingly, adjustments and revisions may be made to a Fund's net asset value following the year-end audit of a Fund. However, it is possible that no revision to an investor's withdrawal proceeds will be made based upon audit adjustments. It is also possible that a Fund will not seek reimbursement in the event of any overpayment and will not pay additional amounts in the event of an underpayment. As a result, a withdrawing Investor may be positively or negatively affected by a revision to a Fund's net asset value. To the extent that such revisions to net asset value decrease the net asset value of a Fund, the outstanding investor interests will be adversely affected by withdrawals. Conversely, any increases in the net asset value of a Fund resulting from such adjustments will be entirely for the benefit of the outstanding investor interests.

**Effect of Substantial Withdrawals.**

Substantial withdrawals from a Fund could be triggered by a number of events, including, without limitation, unsatisfactory performance, events in the markets or other significant change in personnel or management of GMAG MANAGEMENT, legal or regulatory issues that investors perceive to have a bearing on a Fund or GMAG MANAGEMENT, or other events. Actions taken to meet substantial withdrawal requests from a Fund (as well as similar actions taken simultaneously by investors in any other Funds managed by GMAG MANAGEMENT) could result in prices of investments held by a Fund decreasing and in Fund expenses increasing (e.g., transaction costs and the costs of terminating agreements). In addition, if any other Fund managed by GMAG MANAGEMENT were to incur substantial losses or were subject to an unusually high level of withdrawals, the revenues of GMAG MANAGEMENT may decline substantially. Such losses and/or

withdrawals may hamper GMAG MANAGEMENT's ability to (i) retain employees, (ii) provide the same level of service to a Fund as it has in the past, and (iii) continue operations.

**Illiquid Investment Within a Fund.**

Interests in any given Fund are highly illiquid and have no public market value. No secondary market for the Interests exists, and no such market will be established or supported by the Fund sponsor. Furthermore, withdrawals of capital and transfers of Interests are subject to significant restrictions contained in a Fund's Offering Documents. Consequently, Investors may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in a Fund is suitable only for persons and entities which have no need for liquidity with respect to their investment. The Interests have not been registered under the Securities Act, nor is any such registration contemplated.

**Distributions of Income.**

The Fund's sponsor has broad discretion as to the manner and timing of any distributions to be made to the investors. Thus, Investors may be subject to taxation on income allocated to them even though they have not actually received a corresponding cash distribution. In such cases, the Investors may be required to pay such taxes out of funds that are not invested in a Fund.

**Access to Information and Effect on Withdrawals.**

While it is GMAG MANAGEMENT's intention to provide all Investors and prospective Investors with the same information, in response to questions and requests and in connection with due diligence meetings and other communications, a Fund and GMAG MANAGEMENT may provide additional information to certain Investors and prospective Investors that is not distributed to other Investors and prospective Investors and that GMAG MANAGEMENT does not deem necessary to disclose to all Investors at such time. Each Investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by GMAG MANAGEMENT, and a Fund is sufficient for its needs and must accept the foregoing risks.

**In-Kind Distributions.**

Although Funds do not intend to make distributions in kind, under certain circumstances, a withdrawing Investor may receive securities in lieu of, or in combination with, cash. Such distributions may include interests in one or more special purpose vehicles holding securities owned by a Fund, or participations therein. To the extent a withdrawing Investor is distributed interests in special purpose vehicles, such withdrawing Investor will continue to be at risk with respect to a Fund's business. At the request of an investor that receives a distribution in kind, the Fund sponsor will use commercially reasonable efforts to assist such Investor in finding a buyer for such assets and with the management of such assets until they can be sold. The value of the securities distributed in kind may increase or decrease before they are sold either by the withdrawing Investor, if received directly, or by GMAG MANAGEMENT or its affiliates, if held through a special purpose vehicle. In either case, the withdrawing Investor will incur transaction costs in connection with the sale of any such securities and, in the case of interests in special purpose vehicles, will bear a proportionate share of the operating and other expenses borne by such vehicle. Securities distributed in kind may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the Investor, with the result that such Investor may ultimately receive less cash than it would have received on the date of withdrawal if it had been paid in cash. Furthermore, to the extent that a withdrawing Investor receives interests in special purpose vehicles, such withdrawing Investor will generally have no voting rights or any control over when and at what price the securities in which such vehicles have an interest are sold. No person will have any obligation to reimburse any portion of an investor's losses upon dissolution, expulsion or otherwise.

**Early Termination.**

In the event of the early termination of a Fund, a Fund would have to distribute to the Investors their pro rata interests in the assets of a Fund. Certain assets held directly or indirectly by a Fund may be highly illiquid and might have little or no marketable value. It is possible that at the time of such sale or distribution, certain securities held by a Fund would be worth less than the initial cost of such securities, resulting in a loss to the Investors.

**Substantial Restrictions on Withdrawals.**

As such, investors must be prepared to hold an investment in a Fund for a significant amount of time. Additionally, there may be significant restrictions on the payment of withdrawal proceeds.

**Special Allocations.**

The Fund sponsor may also specially allocate items of Fund taxable ordinary income and/or capital gain (including short-term capital gain), ordinary loss and/or capital loss (including long-term capital loss) and deductions to an investor withdrawing some or all of its interests, to the extent the investor's capital attributable to the withdrawn interests exceeds, or is less than, as the case may be, its adjusted tax basis in those interests. Such special allocations may be based on the items of ordinary income, capital gain, ordinary loss and/or capital loss at the time of such withdrawal.

**Withdrawals by Other Investors.**

A Fund may offer certain Investors additional information and reporting that other Investors may not receive, and such information may affect an investor's decision to request a withdrawal from a Fund. A decision by an investor to withdraw capital from a Fund, especially where such an investor's capital represented a significant portion of a Fund's assets, could negatively impact investment decision making of GMAG MANAGEMENT.

**Side Letters.**

Each of the Fund sponsor on its own behalf or on behalf of a Fund, without further act, approval or consent of any Investor, and GMAG MANAGEMENT has the discretion to enter into side letter agreements ("**Side Letters**") with certain Investors that have the effect of establishing rights under or altering or supplementing the terms of a Fund's Offering Documents or of any subscription agreement. Any rights established, or any terms of a Fund's Offering Documents altered or supplemented, in a side letter with an investor may not apply to other Investors. Not all Investors will be able to obtain such additional rights or altered or supplemented terms. In addition, the Fund sponsor may from time to time provide for the creation of one or more additional classes of interests with such designations, preferences and relative participating, optional or other rights and qualifications, which may be stated and expressed in an amendment to a Fund operating agreement or partnership agreement which the Fund sponsor is authorized to make. Such interests may have varying fee structures and withdrawal rights and different participation and other rights in a Fund's investments.

**Cybersecurity Risk.**

With the increased use of technologies such as the Internet to conduct business, a Fund, the Fund sponsor, and GMAG MANAGEMENT are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining

unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting GMAG MANAGEMENT and other service providers (including, but not limited to, Fund accountants, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with a Fund's ability to value its securities or other investments, the inability of Investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While a Fund's service providers are expected to have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, a Fund cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect a Fund or its Investors. A Fund and its Investors could be negatively impacted as a result.

### **Item 9: Disciplinary Information**

Neither we nor any of our management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

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

#### **Sponsor of Funds**

Affiliates of GMAG MANAGEMENT sponsor and serve as general partner or managing member of the Funds and, as a result, receive compensation, depending on the Fund. Among other things, GMAG Therapeutics Fund GP, LLC serves as the general partner of the Therapeutics Fund and has authority to manage the affairs of the Therapeutics Fund. GMAG Special Circumstances Fund GP, LLC serves as the general partner of the SC Fund and has authority to manage the affairs of the SC Fund, the GMAG Digital Asset Fund GP, LLC serves as the general partner of the Digital Asset Fund and has the authority to manage the affairs of the Digital Asset Fund. Frank Marzano has a direct or indirect controlling ownership interest in GMAG MANAGEMENT and such affiliated sponsor entities.

A conflict of interest exists when affiliates of GMAG MANAGEMENT receive performance-based compensation from a Fund as GMAG MANAGEMENT has an incentive to favor a Fund that pays performance-based compensation to an affiliate of GMAG MANAGEMENT over another fund where no such affiliate receives any performance-based compensation. Additionally, the performance-based compensation creates an incentive for GMAG MANAGEMENT to make investment decisions that could be riskier than they otherwise would be in the absence of an arrangement whereby its affiliates can receive performance-based compensation.

Nonetheless, investment decisions are made with consideration of numerous factors in mind including but not limited to, the Fund's strategy. All conflicts of interest are described in each Fund's offering documents.

#### **Related Investment Adviser**

An affiliate of GMAG MANAGEMENT, GM Advisory Group Inc. provides investment management and financial planning services to individuals, high net worth individuals, trusts, estates, charitable organizations, business entities, and a private fund. In certain circumstances, GM Advisory Group Inc. recommends that its

clients invest in Funds managed by GMAG MANAGEMENT. In such circumstances, any conflicts of interest are disclosed to clients of GM Advisory Group Inc.

A conflict of interest exists as the compensation that GM Advisory Group or its affiliates can earn as result of services rendered to the Funds could exceed the compensation that GM Advisory Group would otherwise earn by recommending that the client invest in other types of investments other than the Funds.

Nonetheless, an investment in a Fund is only recommended to clients by wealth advisors with consideration of numerous consideration of numbers factors in mind, including but not limited to , the client's investment objective and financial circumstances.

**Related Insurance Agency**

GMAG Risk Management LLC is an insurance company under common control with GM Advisory Group. GM Advisory Group personnel may be licensed insurance agents of GMAG Risk Management LLC and earn compensation for selling insurance products through GMAG Risk Management LLC. As a result of such arrangements, a conflict of interest exists as GMAG and its personnel have an incentive to recommend GMAG Risk Management LLC to its clients because of the compensation that can be earned by GMAG Risk Management LLC and certain GMAG personnel as a result of the sale of insurance products to GMAG advisory clients through GMAG Risk Management LLC. In such arrangements, conflicts of interest are disclosed to clients of GM Advisory Group.

Additionally, an insurance product is only recommended to clients based upon their specific needs, Commissions are not factored into product recommendations. Conflicts of interest are disclosed to GM Advisory Group and GMAG Risk Management clients.

**Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

GMAG MANAGEMENT has adopted a Code of Ethics (the "Code of Ethics") for all supervised persons of GMAG MANAGEMENT describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading and trade error procedures, among other things. All supervised persons at GMAG MANAGEMENT must acknowledge the terms of the Code of Ethics annually, or as amended.

In accordance with Section 204A of the Advisers Act, GMAG MANAGEMENT also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by GMAG MANAGEMENT or any person associated with GMAG MANAGEMENT.

GMAG MANAGEMENT anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it may cause accounts over which GMAG MANAGEMENT has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which GMAG MANAGEMENT, its affiliates and/or clients, directly or indirectly, have a position of interest. GMAG MANAGEMENT's employees and persons associated with GMAG MANAGEMENT are required to follow GMAG MANAGEMENT's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of GMAG MANAGEMENT and its affiliates may trade for their own accounts in



securities, which are recommended to and/or purchased for GMAG MANAGEMENT's clients. Employees also invest alongside clients in capacity-constrained deals that client's source. These deals are not recommended to clients due to the nature of the investments (i.e., ventures, start-ups, etc.). The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of GMAG MANAGEMENT will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these classes of securities would not materially interfere with the best interest of GMAG MANAGEMENT's clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances permits 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 and is structured to reasonably prevent conflicts of interest between GMAG MANAGEMENT and its clients.

GMAG MANAGEMENT also invests in issuers of securities where GMAG MANAGEMENT clients are employed or have an ownership interest. GMAG MANAGEMENT's investment team selects these securities objectively based upon investment need and selection criteria, which includes various quantitative factors, such as exposure and market outlook. The client's affiliation is not factored in securities recommendations and conflicts of interest are disclosed to clients of GMAG MANAGEMENT and its affiliates where appropriate.

### **Item 12: Brokerage Practices**

Because GMAG MANAGEMENT manages the Funds, which do not utilize brokers to acquire investments, GMAG MANAGEMENT does not recommend or select brokers to utilize for acquiring or disposing of Fund investments.

### **Trade Aggregation and Allocation**

GMAG MANAGEMENT does not aggregate trades on behalf of the Funds it manages.

### **Item 13: Review of Accounts**

#### **Review of Accounts**

GMAG MANAGEMENT reviews Fund investments as appropriate, based on the investment strategies for each Fund. Where a Fund invests its investable assets in a single investment, GMAG MANAGEMENT may only review such Fund investments on an "as-needed" basis."

#### **Account Reporting**

Fund investors receive periodic capital account statements for their investments either directly from the Fund or from the Fund's administrator. Investors also will receive audited financial statements for each Fund in which they are invested on an annual basis.

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

We do not compensate unaffiliated third parties for client referrals.

### **Item 15: Custody**

Although we do not maintain physical custody of client funds and securities, we are deemed to have custody of client funds and securities as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940 (the

“Custody Rule”) because GMAG MANAGEMENT’s affiliates serve as the general partner of such Funds.

Nonetheless, GMAG MANAGEMENT is not required to obtain an annual independent verification of client funds and securities over which GMAG MANAGEMENT is deemed to have custody because the Funds arrange for the preparation and distribution of audited financial statements to be prepared by an accountant registered and regulated by the Public Company Accounting Oversight Board (PCAOB) in compliance with the pooled investment vehicle exception under the Custody Rule.

### **Item 16: Investment Discretion**

The investment management agreement GMAG enters into with each Fund grants GMAG MANAGEMENT discretionary authority to manage the assets of the Fund. The operating agreement or partnership for each Fund includes a power of attorney granted to the fund sponsor by each investor to authorize the Fund sponsor to act on the investor’s behalf with respect to Fund-related matters.

### **Item 17: Voting Client Securities**

GMAG MANAGEMENT currently does not exercise such proxy authority because the nature of the investments held in the Funds does not require GMAG MANAGEMENT to vote any proxies on the Fund’s behalf.

### **Item 18: Financial Information**

GMAG MANAGEMENT does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered.

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients and have not been the subject of a bankruptcy proceeding.