

**Item 1 – Cover Page**

**Part 2A of Form ADV**



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**July 19, 2022**

**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 as 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**

On March 31, 2022, we filed the annual updating amendment to this ADV Part 2A (“Brochure”). The following material changes have been made since the last annual Brochure was filed:

1. Addition of two affiliated businesses
2. Clarifying language regarding sponsored funds
3. Removal of references to certain investment techniques that are not utilized by Magnifi in the Risks of Investing and Strategies Utilized section

Please refer to Magnifi’s ADV Part 2A - Appendix 1: Wrap Fee Program Brochure for more information.

In addition, certain non-material changes have also been made to this Brochure. Consequently, we encourage you to read this Brochure in its entirety.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

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.

### B. Types of Advisory Services

#### Investment Advice

Magnifi’s proprietary web-based technology provides a natural language powered platform which enables users to navigate a 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 and/or mobile application.

Pursuant to each Client’s investment advisory agreement with Magnifi (each, a “IA 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’s web-based platform regarding ETFs, mutual funds and model portfolios. Clients may build proposals and track selected investments directly on Magnifi’s platform. Wealth managers may build proposals for their Clients 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), advisory Clients may participate in Magnifi’s premium service plan (“Magnifi Premium”). Magnifi Premium Clients have access to additional tools, including the ability to customize Magnifi’s interface, including the ability to build their own calculators and print proposal reports.

In some cases, Magnifi will recommend proprietary actively managed portfolios (“Magnifi Managed Portfolios”) based on the information provided by the Client.

#### Asset Management

Should Clients elect to invest in a Magnifi Managed Portfolio, they will be managed under a Wrap Program. Please refer to Magnifi’s ADV Part 2A - Appendix 1: Wrap Fee Program Brochure for more information.

### Sub-Advisor Management

Magnifi may act as a sub-advisor to certain Clients. Such arrangements will be governed by and detailed in a sub-advisory agreement.

In some cases, Magnifi will recommend managed portfolios Magnifi Managed Portfolios based on the information provided by the Client. If Clients elect to engage Magnifi to manage all or a portion of the account, Magnifi provides several model portfolios that track a third-party index recommended to the Client based on the client's search criteria or other inputs. The index portfolio is selected by the Client. Magnifi provides continuous discretionary 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.

#### US EV/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.

Non-Advisory Service: Platform Sponsorship

Magnifi has entered into partnerships with various financial institutions that may be registered investment advisers to ETFs and/or mutual funds (collectively, the “Fund Managers”). Under these arrangements, Magnifi may license its proprietary web-based technology to the Fund Managers in connection with the Fund Managers’ own research and sales activities, and permit Fund 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 Fund Managers. By sponsoring personalized fund selectors identified as “Sponsored” in search results, Fund 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. Sponsored Investment Products will be returned as the top search results when clients use Magnifi’s search function, and are promoted on the website.

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

C. Client-Tailored Services and Client-Imposed Restrictions

Advisory services are tailored to achieve Clients’ searches and selected thematic requests. Magnifi provides limited investment advice and only through its website and mobile application. 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, SMAs and model portfolios and individual stocks.

Investment recommendations may include sponsored funds for which Magnifi or an affiliate of Magnifi serves as a marketer pursuant to compensated sponsorship arrangements (“Sponsored Funds”). Magnifi has conflicts of interest when providing its services to Clients by recommending Sponsored Funds for which the Firm or its affiliate(s) receive fees and/or compensation.

D. Wrap Fee Programs

Only the Magnifi Managed Portfolios are subject to wrap fees. Please refer to Magnifi’s ADV Part 2A - Appendix 1: Wrap Fee Program Brochure for more information.

E. Amounts Under Management

Magnifi has the following approximate assets under management as of 12/31/2021:

<b>Discretionary Amounts:</b>	<b>Non-Discretionary Amounts:</b>	<b>Total Firm Assets:</b>
\$0	\$0	\$13,180.59

## Item 5 – Fees and Compensation

### A. Fee Schedule

Although Magnifi believes its fees are competitive, lower fees for comparable services may be available from other investment advisers. In addition, fees for all outlined services are negotiable.

#### Investment Advice

Magnifi's proprietary web-based technology provides a natural language powered platform is offered without charge. However, and an optional monthly subscription fee of \$500 (the "Subscription Fee") through participation in Magnifi Premium.

#### Asset Management

Please refer to Magnifi's ADV Part 2A - Appendix 1: Wrap Fee Program Brochure for more information.

#### Sub-Advisor Services

The annual fee may vary but is generally 0.23%. This fee is billed quarterly in arrears based on the average daily balance of the subaccount balances allocated to Magnifi for that billing period. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period.

### B. Payment of Fees

Management Fees for Magnifi Managed Portfolios are deducted directly from the Client's Account in accordance with the IA Agreement and Magnifi's ADV Part 2A - Appendix 1: Wrap Fee Program Brochure.

Subscription Fees and/or digital platform licensing fees are invoiced directly to the Clients.

### C. Wrap Account Fees

Magnifi Managed Portfolios are subject to wrap account fees. with respect to Magnifi Managed Portfolio.

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, sometimes referred to as internal expenses. 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 Fund 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.

### D. Prepayment of Fees

Magnifi does not expect Clients to prepay fees.

### E. 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 6 – Performance-Based Fees and Side-By-Side Management**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Magnifi does not use a performance-based fee structure.

## **Item 7 – 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.

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

### **A. Methods of Analysis and Investment Strategies**

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 thematic investments composed of mutual funds ETFs and Magnifi Managed Portfolios 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 algorithm 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 return results relevant to each Client's 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 and suggestions 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. Clients who wish 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. Except with respect to Managed Portfolios 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 models provided by third-party providers to recommend investments that are best suited for each Client goals.

C. 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.

**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.

**Algorithm Development.** Magnifi's algorithms make simplifying assumptions and may not always capture the full complexity of an investor's search or preferences. The interpretation of algorithm results should take into account inherent limitations, and the incorporation of algorithm outputs within a Client's strategy is ultimately up to the discretion of the Client. Magnifi's algorithms employ assumptions that abstract a limited number of variables from complex financial markets or instruments which they attempt to connect with search inputs. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect. Magnifi's algorithms may emphasize the importance of certain variables which ultimately are unimportant in determining correlation with the Client's search, or may neglect to incorporate other variables which are determinative. The risk that Magnifi may incorrectly analyze and interpret these complex systems in creating its algorithms arises both from human error (e.g., the designers of the algorithms using incorrect variables or assigning incorrect importance to the correct variable) as well as systems error (e.g., the computers and other hardware used to create the algorithms may incorrectly interpret data). These risks persist even after the algorithms are implemented — for example, a programmer may assign incorrect input sensitivity to the variables.

**Fund Managers' Sponsored Results.** Magnifi allows Fund Managers to participate in paid sponsorships resulting in such Fund 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 Fund 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 Funds.** 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.

**Input Risk.** The ability of Magnifi's proprietary algorithms to successfully make investment recommendations that reflect the Client's investment goals or risk tolerances depends in part on accurate and timely inputs from Clients. Due to the subjectivity of inputs and parameters used in the system, outputs may prove incorrect. There is a risk that inaccurate system inputs, data and assumptions could result in outputs or illustrative recommendations that are misaligned with Client goals.

**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.

**Certain Risks with respect to Magnifi Managed Portfolios.** Each Magnifi Managed Portfolio seeks to invest in the securities of companies ("Companies") that fit within the Magnifi Managed Portfolio's thematic exposure and other parameters.

**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 Firm 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 Firm 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. 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 IA Agreement or other materials that may be provided by Magnifi, and consult with their own financial advisers prior to engaging Magnifi's services.**

### **Item 9 – Disciplinary Information**

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

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

#### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Magnifi is not registered as a broker-dealer nor are its employees broker-dealer representatives. Two affiliated companies under common control with Magnifi are registered as broker-dealers, TIFIN Private Markets LLC and TIFIN Distribution Partners LLC. TIFIN Private Markets LLC and TIFIN Distribution Partners LLC do not currently have material business relationships with Magnifi, however, executive or other personnel of each entity are also personnel of Magnifi's parent company. TIFIN Distribution Partners LLC may in the future receive compensation from sponsorships or revenue sharing with Sponsored Funds that may be recommended on the Platform.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

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**

Magnifi currently provides investment advisory services to Clients 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. For instance, Fund Managers who pay fees to sponsor and increase awareness of their ETFs, mutual funds, or model portfolios in search results. This creates a conflict of interest as Magnifi may have an incentive to promote those Sponsored Funds due to the fee received. To mitigate this conflict, investments that are sponsored by Fund Managers are clearly identified to Clients as "Sponsored". Magnifi has sole discretion to resolve such conflicts as it determines to be appropriate, consistent with its fiduciary duty owed to its Clients.

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 TIFIN Capital Partners Management Co LLC, an exempt reporting adviser, as well as two registered investment advisers, Louise Giving Technologies, LLC ("TIFIN Give") and TIFIN Grow LLC and two broker-dealers TIFIN Private Markets LLC and TIFIN Distribution Partners LLC. Clients of the adviser affiliates may also be Clients of Magnifi. Magnifi, TIFIN Give and TIFIN Grow LLC have engaged an affiliated, offshore service provider that provides product development including code and application programming interfaces in addition to providing testing and quality control services. The cost and expenses associated with the service provider are borne by Magnifi and its affiliates, not by the Clients.

Dr. Vinay Nair, the Chief Executive Officer of TIFIN, also has significant managerial duties for TIFIN Grow LLC and TIFIN Give, both investment advisers that may provide 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. Selection of Other Advisors or Managers

Magnifi does not utilize nor select other advisors or third-party managers.

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

A. 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.

B. 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. However, as detailed

above in Item 4.C, certain Fund Managers pay Magnifi or its affiliate(s) sponsorship fees in order to enhance the visibility of their Sponsored Funds on Magnifi's platform. Magnifi and its affiliates are not compensated for the sale of Sponsored Funds in the form of commissions.

C. Investing Personal Money in the Same Securities as Clients

From time-to-time Magnifi, its Employees and/or the related persons may 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 due in part to the algorithmic nature of Magnifi's recommendations 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.

D. 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 a Client.

## **Item 12 – Brokerage Practices**

A. Factors Used to Select or Recommending Broker-Dealers

1. Research and Other Soft Dollar Benefits

Magnifi currently does not anticipate receiving research or other products or services 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 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.

2. Brokerage for Client Referrals

In selecting or recommending broker-dealers for the Magnifi Managed Portfolios, Magnifi does not consider whether Magnifi or its related persons receive client referrals from a broker-dealer or third party.

3. Directed Brokerage

For Clients not utilizing any of Magnifi's management services, by linking 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.

For Clients investing in Magnifi Managed Portfolios, a Wrap Program, Magnifi requires the use of a specific broker/dealer. Broker/dealers are chosen based on the reputation, integrity and financial responsibility of the broker/dealer and broker/dealers that in Magnifi's judgment provides best execution of orders at reasonable commission rates, among other factors.

For Clients that Magnifi is the sub-adviser for, Clients select the custodian broker/dealer and Magnifi plays no role in selecting the broker/dealer. By directing brokerage Magnifi may be unable to achieve most favorable execution of Client transactions, and that this practice may cost Clients more money.

#### B. Aggregating Trading for Multiple Client Accounts

With respect to Magnifi Managed Portfolios, over which Magnifi has discretionary authority, Magnifi may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

Magnifi may (but is not required to) 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. When it does, Magnifi will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Magnifi believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account affecting the transaction or had completed its transaction before the other participants. The manner in which Magnifi provides its services may limit Magnifi's ability to block trades for Client accounts across Magnifi's platform, however Magnifi may be able to block trades among Clients that have the same primary adviser. Because of Magnifi's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of Magnifi's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

In addition, Magnifi and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in Client accounts are made.

### **Item 13 – Review of Accounts**

#### A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

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 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 or mobile application.

For Magnifi Managed Portfolios, 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.

Magnifi personnel will not monitor or review the performance of any individual Client. As an internet adviser, Magnifi does not have the capacity to offer any form of personalized financial advice.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

None.

C. Content and Frequency of Regular Reports

Clients receive written account statements no less than quarterly for Magnifi Managed Portfolios. Account statements are issued by the Client's custodian. Each Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. Magnifi may also send periodic or other event-inspired reports based on market or portfolio activity. Reports will generally be provided in electronic format.

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

A. Economic Benefits Provided by Third Parties

Magnifi may enter into partnerships with and receive sponsorship fees from Fund Managers. Under these arrangements, advisers to Sponsored Funds pay Magnifi sponsorship fees in order to enhance the visibility of their Sponsored Funds on Magnifi's platform.

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

B. Compensation to Non-Advisory Personnel for Client Referrals

Magnifi has entered into agreements with individuals and organizations, which may be affiliated or unaffiliated with Magnifi, that refer clients to Magnifi in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a client is introduced to Magnifi by a solicitor, Magnifi may pay that solicitor a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon Magnifi's engagement of new clients and is calculated using a varying percentage of the fees paid to Magnifi by such clients. Any such fee shall be paid solely from Magnifi's investment management fee, and shall not result in any additional charge to the Client.

Each prospective client who is referred to Magnifi under such an arrangement will receive a copy of this brochure and a written disclosure statement disclosing the nature of the relationship between

the solicitor and Magnifi and the amount of compensation that will be paid by Magnifi to the solicitor. The Client's signature will be obtained acknowledging receipt of Magnifi's disclosure brochure and the solicitor's written disclosure statement.

### **Item 15 - Custody**

Magnifi does not have physical custody of Client assets including the receipt of securities, cash or checks at any time. However, pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940, with respect to certain Client accounts, Magnifi may be deemed to have custody due to the ability to deduct management fees directly from the Client's account. 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. Please see Magnifi's ADV Part 2A - Appendix 1: Wrap Fee Program Brochure for additional information.

### **Item 16 - Investment Discretion**

If authorized by an IA Agreement, Magnifi accepts discretionary authority to manage securities accounts on behalf of Clients. Magnifi has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold and the amount of the securities to be bought or sold with respect to Magnifi Managed Portfolios.

All other investment advice is provided on a non-dictionary basis.

### **Item 17 - Voting Client Securities**

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.

### **Item 18 - Financial Information**

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.

A. Balance Sheet

Magnifi does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

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.

C. Bankruptcy Petitions in Previous Years

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