

# Magellan Financial Solutions LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Magellan Financial Solutions LLC. If you have any questions about the contents of this brochure, please contact us at (845) 986-9717 or by email at: [info@magellanfinancialsolutions.com](mailto:info@magellanfinancialsolutions.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Magellan Financial Solutions LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Magellan Financial Solutions LLC's CRD number is: 169107.*

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*Registration does not imply a certain level of skill or training.*

Version Date: 03/01/2024

## **Item 2: Material Changes**

Material changes have been made for the annual filing amendment for fiscal year 2023. The following changes have occurred since the previous filing:

**ITEM 4:** Updated Assets Under Management as of December 31, 2023.

### **ITEM 5: Financial Planning Fees**

Fixed Fees: The rate for creating client financial plans has been changed from between \$1000 and \$7500, to between \$1500 and \$7500.

Hourly Fees: The hourly fee for services has been changed from between \$250 and \$400 to between \$300 and \$500.

### **ITEM 7: Types of Clients**

Minimum Account Size for Portfolio Management has been increased from \$250,000 to \$400,000.

**ITEM 19: Requirements for State Registered Advisers** has been removed.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Magellan Financial Solutions LLC (hereinafter “Magellan”) is a Limited Liability Company organized in the State of New York.

The firm was formed in November 2009, and the principal owner is Raul Berina. Prior to registration as an investment advisory firm in 2013, Magellan served as the entity through which Mr. Berina conducted his personal trading activities and offered strategic business development consulting for small businesses.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. As fiduciaries we are obligated to do the following:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **B. Types of Advisory Services**

Magellan offers the following services to advisory clients:

#### ***Portfolio Management Services***

Magellan offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Magellan creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

Magellan evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Magellan will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Magellan seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Magellan’s economic, investment or other financial interests. To meet its fiduciary obligations, Magellan attempts to avoid, among other things, investment or

trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, Magellan's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Magellan's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Services Limited to Specific Types of Investments***

Magellan generally limits its investment advice to mutual funds, equities, fixed income securities, ETFs (including ETFs in the gold and precious metal sectors), real estate funds (including REITs), non-U.S. securities and private placements. Magellan may use other securities as well to help diversify a portfolio when applicable.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

As fiduciaries we are obligated to do the following:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **C. Client Tailored Services and Client Imposed Restrictions**

Magellan will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Magellan on behalf of the client. Magellan may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. If restrictions require Magellan to deviate from its standard suite of services, Magellan reserves the right to end the relationship.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Magellan does not participate in any wrap fee programs.

## E. Assets Under Management

Magellan Financial Solutions LLC has **\$26,662,436** in discretionary reportable assets and \$0 in a non-discretionary assets for a total of **\$26,662,436** in assets under management as of December 31, 2023.

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Services Fees*

Total Assets Under Management	Annual Fee
\$0 - \$499,999	1.50%
\$500,000 - \$999,999	1.25%
\$1,000,000 - \$1,999,999	1.00%
\$2,000,000 - \$4,999,999	0.75%
\$5,000,000 and higher	0.60%

The final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Our firm's fees are billed on a pro-rata, annualized basis, quarterly in advance, based on the value of your account on the last day of the previous quarter. An account's first billing cycle may occur once the agreement is executed and accounts are funded. A partial period will be assessed a pro-rated fee.

For the benefit of discounting your asset-based fee, we may aggregate investment supervisory services accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's or incompetent person's account. Should, however, investment objectives be substantially different for any two or more household accounts, requiring different investment approaches or operational requirements, we do reserve the right to apply our fee schedule separately to each account.

For all forms of engagement noted in earlier paragraphs, the services that are to be provided to you and the fee range will be detailed specifically in your agreement. Our fees may be negotiable and are solely at the discretion of a firm principal.



## ***Financial Planning Fees***

### **Fixed Fees**

The rate for creating client financial plans is between \$1,500 and \$7,500. The final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

We also offer our financial planning, investment consultation, and portfolio monitoring services on a retainer basis, typically ranging from \$4,000 to \$25,000 annually. The fixed fee takes into consideration factors such as the estimated amount of time dedicated to the engagement as well as the complexity of your project and your financial profile.

When a fixed-fee engagement involves our portfolio monitoring services, the fee may also reflect the assets that comprise your overall portfolio, number of individual accounts comprising the portfolio, frequency of reviews, among other considerations.

### **Hourly Fees**

The hourly fee for these services is between \$300 and \$500. The final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

### ***Termination of Agreement***

Clients may terminate the agreement without penalty, for full refund of Magellan's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with thirty days' written notice.

## **B. Payment of Fees**

### ***Payment of AUM-based Portfolio Management Fees***

AUM-based portfolio management fees are invoiced and billed directly to the client on a quarterly basis.

### ***Payment of Financial Planning Fees***

Fixed and Hourly Financial Planning fees are paid via check or bank transfer.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Magellan. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

Magellan collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset based fees paid in advance, the fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.)

Fixed financial planning fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly financial planning fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

## **E. Outside Compensation for the Sale of Securities to Clients**

Neither Magellan nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Magellan does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

Magellan generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts/Estates
- ❖ Charitable organizations
- ❖ Profit-sharing plans

### ***Minimum Account Size for Portfolio Management***

There is an account minimum of \$400,000, which may be waived by Magellan in its discretion.

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

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

#### ***Methods of Analysis***

Magellan's methods of analysis include fundamental analysis, technical analysis, cyclical analysis and modern portfolio theory. Magellan is focused on capital preservation and risk management. We utilize behavioral economics and asset allocation strategies in order to maximize returns and minimize losses, all based on our client specific investment objectives.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Modern portfolio theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

#### ***Investment Strategies***

Magellan uses long term trading, margin transactions (which will generally be utilized only with options trading, absent client request) and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value.

The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

Magellan's use of margin transactions and options trading (including covered options, uncovered options, or spreading strategies) holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options** writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Magellan's use of margin transactions and options trading (including covered options, uncovered options, or spreading strategies) generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is

volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing.

**Exchange Traded Funds (ETFs):** Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). The price of Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) may be negatively impacted by several factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Private placements** carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

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

Neither Magellan nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither Magellan nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Mr. Berina, under Magellan COF I, LLC, provides consulting services to assist startups, small and medium size businesses by creating and presenting business development strategies to enable clients to make informed financial business decisions. Mr. Berina also provides advice and access to funding to individuals and business needing to raise capital. Clients should be aware that these services involve a conflict of interest as Mr. Berina receives fees for these services. However, Magellan always acts in the best interest of the client and clients are in no way required to utilize Mr. Berina's services in his outside capacity as a consultant.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Magellan does not utilize nor select third-party investment advisers. All assets are managed by Magellan management.

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

### **A. Code of Ethics**

Magellan has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

Magellan does not recommend that clients buy or sell any security in which a related person to Magellan or Magellan has a material financial interest. However, Mr. Berina, under Magellan COF I, LLC, may provide consulting services to private issuers needing to raise capital. Magellan clients may have access to these investments. Mr. Berina has no discretion to make investments in such securities on behalf of Magellan's clients and does not receive fees for investments in such securities. This does create a conflict of interest as Mr. Berina does receive consulting fees from the issuer. Magellan will always act in the best interest of the client. Clients are in no way required to utilize the services of Magellan in connection with such securities.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Magellan may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Magellan to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Magellan will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Magellan may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Magellan to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Magellan will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on Magellan's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a Client on terms that are the most favorable to the Client under the circumstances. The Client will not necessarily pay the lowest commission or commission equivalent, and Magellan may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of Magellan. Magellan will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker- dealer/custodian.

Fidelity Investments is recommended by Magellan.

#### ***1. Research and Other Soft-Dollar Benefits***

While Magellan has no formal soft dollars program in which soft dollars are used to pay for third party services, Magellan may receive research, products, or other services from custodians and broker dealers in connection with client securities transactions ("soft dollar benefits"). Magellan may enter into soft dollar arrangements within (but not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Magellan does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Magellan benefits by not having to produce or pay for the research, products or services, and Magellan will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that Magellan's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### ***2. Brokerage for Client Referrals***

Magellan receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Magellan will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If Magellan buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple Clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, Magellan would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Magellan would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with the Adviser's duty to seek best execution, except for those accounts



with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

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

All client portfolio management accounts are reviewed at least annually only by Raul Berina with regard to clients' respective investment policies and risk tolerance levels. All accounts at Magellan are assigned to this reviewer.

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

Portfolio Management reviews may be triggered by material market, economic or political events, or by changes in clients' financial situations (such as retirement, termination of employment, physical move, or inheritance) and by client request.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive a quarterly written report that details the client's account including assets held and asset value. This report will come from the custodian that holds the client's assets, and a verbal report from Magellan at least annually.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Magellan does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Magellan clients.

### **B. Compensation to Non-Advisory Personnel for Client Referrals**

Magellan does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

Magellan does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements.

## **Item 16: Investment Discretion**

Magellan provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, Magellan generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, and the price per share. In some instances, Magellan's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Magellan. Clients must execute a limited power of attorney.

## **Item 17: Voting Client Securities (Proxy Voting)**

Magellan will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. Clients may contact the Chief Compliance Officer of Magellan to discuss questions they may have about the proxies at [info@magellanfinancialsolutions.com](mailto:info@magellanfinancialsolutions.com).

## **Item 18: Financial Information**

### **A. Balance Sheet**

Magellan neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Magellan nor its management has any financial condition that is likely to reasonably impair Magellan's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

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