

**MAGIS MANAGEMENT, LLC**  
FORM ADV – PART 2A INFORMATION  
March 24, 2022

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[www.magismanagement.com](http://www.magismanagement.com)

This brochure provides information about the qualifications and business practices of Magis Management, LLC (“MAGIS”). If you have any questions about the contents of this brochure, please contact us at (262) 844-7719. 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.

Additional information about MAGIS (CRD No. 169249), including a copy of its Form ADV Part 1, also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

MAGIS is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training.

***Item 2 - Material Changes***

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There have been no material changes made to the information in this brochure since its last annual updating amendment, dated March 26, 2021.

***Item 3 - Table of Contents***

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Item 1 - Cover Page.....	1
Item 2 - Material Changes.....	2
Item 3 - Table of Contents.....	3
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation .....	5
Item 6 - Performance Based Fees and Side-by-Side Management.....	6
Item 7 - Types of Clients.....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 - Disciplinary Information.....	7
Item 10 - Other Financial Industry Activities and Affiliations.....	7
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	7
Item 12 - Brokerage Practices .....	8
Item 13 - Review of Accounts.....	8
Item 14 - Client Referrals and Other Compensation .....	9
Item 15 - Custody .....	9
Item 16 - Investment Discretion.....	9
Item 17 - Voting Client Securities.....	9
Item 18 - Financial Information .....	9
Item 19 - Requirements for State-Registered Advisers .....	10

**Schedule 2B - Brochure Supplements**

Peter Merkel .....	11
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#### ***Item 4 - Advisory Business***

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Magis Management, LLC (“MAGIS”) is a Wisconsin limited liability company that offers investment consulting and management services to a wide variety of clients. MAGIS is wholly owned by Peter Merkel.

MAGIS does not control any other firm nor is it controlled by another firm. MAGIS services are described in detail below. All services are provided by Mr. Merkel. MAGIS is not engaged in any other business.

#### **Investment Consulting Services**

In completing an investment consulting project, regardless of the complexity, MAGIS Investment Adviser Representatives (“Representatives”) will discuss the client’s financial needs and assist the client in developing realistic goals and objectives based on information provided by the client. A client may retain MAGIS to perform a single nonrecurring project, such as investment research or specific investment advice.

All investment consulting services are based on information provided by the client. It is the client’s responsibility to be certain MAGIS has current and accurate information and to inform MAGIS of any material changes that may effecting the investment consulting services being provided by MAGIS.

#### **Investment Management Services**

MAGIS also provides discretionary Investment Management Services to clients needing their portfolio monitored. Services begin by performing an initial analysis of the client’s financial circumstances, investments, goals and restrictions. Accounts are managed on a continuous basis by MAGIS. MAGIS can manage stocks, bonds, mutual funds, ETFs (Exchange-Traded Funds), government-issued securities, futures, options (puts and calls), exchange-traded MLPs (Master Limited Partnership), BDCs (Business Development Company), ADRs (American Depositary Receipt) and other securities. MAGIS will exercise discretionary trading authority while providing services. This means that Representatives have the authority to purchase and sell securities of their choice and in the amounts and at the times they believe it is suitable for the client’s account to do so. MAGIS has the ability to use margin and leverage when appropriate on applicable accounts. MAGIS will limit leverage to 75% of the account, except under extraordinary circumstances.

MAGIS may include leveraged exchange or inverse exchange traded funds (ETFs) in client investment strategies. The goals of these funds is to attempt to achieve gains daily in multiples of the gains of an index used as the basis for the fund and, because of the nature of these fund investments, daily gains and losses will compound quickly. The strategy is to only purchase these types of fund as a hedge against stock market declines where selling existing stock positions is difficult to execute on a timely basis. MAGIS limits the purchase of these types of funds to no more than 10% of a total portfolio balance at the time of the purchase.

The initial investment selections are based on the financial information gathered from each client, including net worth, risk tolerance, financial goals and objectives, investment restrictions and overall financial conditions. Investments are not held by MAGIS. Instead, all investments managed by MAGIS are usually custodied at the brokerage firm through which transactions are placed.

MAGIS does not assure or guarantee the results of any of its recommendations; thus, losses can occur from following MAGIS’s advice pertaining to any investment or investment approach, including using conservative investment strategies.

As of December 31, 2021, MAGIS has assets of \$6,600,000 under discretionary management and none under non-discretionary management.

## **Item 5 - Fees and Compensation**

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All fees charged by MAGIS for advisory services are negotiable. Fees paid to MAGIS are for MAGIS advisory services only. Commissions on transactions and other account fees will also be charged in accordance with the account's brokerage firm's normal commission schedule.

Prospective clients should be aware that in addition to MAGIS's Investment Management and Investment Consulting fees, each mutual fund and Exchange-Traded Funds in which a client's assets are invested also pay their own advisory fees and other internal expenses which already have been deducted from the fund's reported performance and, depending on the fund, a client may be able to invest directly in the shares issued by the funds with or without incurring any sales or management fees.

In addition, there are tax effects pertaining to fund share redemptions made by MAGIS on behalf of clients. Redemptions are taxable events which may accelerate the recognition of capital gains, and frequent redemptions may result in short term, rather than long term, capital gains.

### **Investment Consulting Services Fee**

MAGIS's fee for providing Investment Consulting Services may be charged on a fixed fee per project basis, or on an hourly fee basis. The hourly rate is \$200. The hourly rate may be negotiated.

Fees are determined by each Representative by estimating the complexity of the client's circumstances, the level of skill required to perform the service, and the amount of time that will be required to perform research, analysis, and plan preparation. The exact fee is disclosed to the client prior to contract signing.

One-half of the quoted fee is payable upon commencement of services with the balance due upon delivery of the written plan or completion of consulting services. The prepaid fee will not exceed \$1,200 or any fee exceeding \$1,200 will not be collected six (6) or more months in advance. Payment arrangements are established in the services agreement. The fee may be waived in whole or in part by MAGIS at its sole discretion. Investment Consulting Services may be terminated upon ten (10) days advance written notice by either party to the other. Any prepaid unearned fee will be refunded to the client. Any fee due will be prorated to the date of termination.

The fees described above may change based on special situations such as an expansion of a project or more specialized needs of the client. Before such a change is made, the client is given (10) days prior written notice and agrees to such changes by signing a new services agreement, or an amendment thereto. Fees do not include product transaction commissions, or the fees for third-party professional services, e.g., attorneys, accountants, or other third parties.

### **Investment Management Services Fee**

Fees for Investment Management Services are calculated as a percentage of the total value of investments under MAGIS's management as set forth below. In addition to this advisory fee, there will be transactional, administrative, servicing fees and commissions charged by the account custodian.

<b><u>Market Value of Account*</u></b>	<b><u>Annual Rate</u></b>
First \$ 500,000	2.00%
\$500,001 - \$1,000,000	1.75%
Over \$ 1,000,000	1.50%

*\*All fees are Negotiable.*

All fees due are set forth in the each client's Investment Management Services agreement.

Fees are payable quarterly or monthly (the “billing period”) in advance as determined in the Investment Management Services Agreement and are calculated on the basis of the market value of the investments in the account(s), including any balances held in money market funds as of the last business day recently completed billing period. The initial month is charged from the date of inception of the agreement through the end of the first billing period. MAGIS may at its discretion aggregate accounts for fee calculation purposes. For existing accounts, assets deposited into accounts exceeding \$20,000 during any month may, at MAGIS's discretion charged a prorated monthly fee based upon the number of days services were provided to the deposited amount(s) during the billing period. A pro-rate fee refund shall be made if assets valued at \$20,000 or more are withdrawn during the billing period.

Upon termination of the account which can occur by ten (10) days advance written notice from one party to the other. Fees will be prorated to the effective date of termination and refunded to the client.

Fees payable to MAGIS for Investment Management Services are deducted from the client’s account when due. The client will receive an invoice from MAGIS as well as reports from the account’s custodian showing the fee calculation and debits. MAGIS will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees this way is contained in the services agreement. The client may terminate the authorization for automatic deduction of the advisory fee payable to MAGIS at any time by notifying MAGIS in writing.

MAGIS has the right to modify its fee schedule upon ninety (90) days advance written notice to the client.

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

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MAGIS does not charge performance-based fees. All fees are disclosed above.

#### ***Item 7 - Types of Clients***

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MAGIS makes investment consulting and management services available to a wide variety of clients, including but not limited to, individuals, entities, pension and profit sharing plans, trusts, estates and charitable organizations, corporations and other business entities.

MAGIS does not require a minimum account size, or minimum fee. The firm does, however, have the right to reject or terminate any account for any reason.

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

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MAGIS’s security analysis methods include, but are not limited to, charting (using charts to track individual security or market movements over time); fundamental analysis (evaluating securities based upon its historical and projected financial performance); technical analysis (examining technical moves in the price of an issue based upon peer securities or comparisons to an investment sector or index); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

MAGIS's primary investment strategy is a bottom-up, fundamental investor strategy focused on equity markets, generally equities traded in the U.S. MAGIS is focused on long term total return and not daily price fluctuations or beating a particular index. The strategy embraces volatility by preferring current out of favor names to take advantage of option volatility and the short-term nature of the market. MAGIS may use a leverage strategy in all accounts for which it is suitable. MAGIS will limit this to 75% of the account, except under extraordinary circumstances.

MAGIS may include leveraged exchange or inverse exchange traded funds in client investment strategies. The goals of these funds is to attempt to achieve gains daily in multiples of the gains of an index used as the basis for the fund and, because of the nature of these fund investments, daily gains and losses will compound quickly. The strategy is to only purchase these types of fund as a hedge against stock market declines where selling existing stock positions is difficult to execute on a timely basis. MAGIS limits the purchase of these types of funds to no more than 10% of a total portfolio balance at the time of the purchase.

MAGIS's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings, meetings and other media outlets.

All securities analysis methods and strategies, even those implemented by MAGIS may involve a high degree of risk and losses can occur. There is no assurance that a positive return will be obtained in any managed investment program.

Neither MAGIS, nor any third party, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by MAGIS.

#### ***Item 9 - Disciplinary Information***

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MAGIS does not have any reportable disciplinary information to report regarding itself or any of its counselors or other related persons, as defined by the U.S. Securities and Exchange Commission (SEC).

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

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Mr. Merkel nor MAGIS is actively involved in or affiliated with any other financial industry activity or entity.

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

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MAGIS and its Representatives may buy or sell securities for themselves that they also recommend to clients. Where a transaction for a Representative or an account related to a Representative is contemplated, a client's transaction is given priority and processed first. However, in those instances where MAGIS believes it is appropriate to "block" (combine) several similar orders for multiple clients into one order to obtain an average price, a Representative's or employee's order may be included in that block order. Although this practice creates a conflict of interest because of the average price advantage to the Representative or employee, the block order must in all cases be initiated to meet the objectives of the client within the block without consideration given to a related person being a participant in the block.

MAGIS has supervisory procedures in place which are applicable to all MAGIS personnel who have access to confidential client records or to recommendations being made or contemplated for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the procedures require that all employees and Representatives report all securities trades as they occur, and all positions in which they have a beneficial interest quarterly and annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities in clients' accounts.

## ***Item 12 - Brokerage Practices***

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Although they generally do not exercise discretion to select brokerage firms, MAGIS and its Representatives typically recommend the custodial services of Interactive Brokers, member FINRA/SIPC (“Interactive”). Commissions and execution of securities transactions implemented through Interactive may not be better than the commissions or execution available if the client used another brokerage firm. However, MAGIS believes that the overall level of services and support provided to the client by custodians and broker-dealers whom MAGIS recommends outweighs the potentially lower costs that may be available from other brokerage service providers.

Clients should be aware that there is no direct link between MAGIS and Interactive in connection with the advice MAGIS gives to clients. MAGIS receives economic benefits through the custody and operating relationships it has with Interactive that are not typically available to retail investors. These benefits include the following products and services, provided to MAGIS without cost or at a discount: duplicate client statements and confirmations, research related products and tools, consulting services, access to a trading desk serving Representatives, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares directly to or from client accounts), the ability to have advisory fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, access to mutual funds with no transaction fees, and discounts or no fees on compliance, marketing, research, technology, and practice management products and services provided by third-party vendors. Interactive may also pay for business consulting, professional services, and research received by MAGIS affiliated persons and may also pay or reimburse expenses (travel, lodging, meals, and entertainment expenses) for MAGIS personnel to attend conferences or meetings relating to their service platforms or to their advisor custody and brokerage services generally. Some of these products and services made available by Interactive may benefit MAGIS, but may not benefit its clients. Such other services made available by Interactive are intended to help MAGIS manage and further develop its business enterprise, and such services may or may not depend on the amount of brokerage transactions directed to them.

Other than the services described above, MAGIS and its Representatives do not direct transactions and the commissions they generate (safe dollars) to brokerage firms or other parties to receive research or other benefits.

Clients should be aware of the fact that not all advisers recommend clients to use a particular brokerage firm. Because clients having accounts managed by MAGIS are recommended to open accounts with, and use the transaction services of, Interactive, MAGIS may not be able to achieve the most favorable execution of client transactions. Thus, use of only Interactive may cost clients more money.

In those instances where MAGIS believes it is in the best interests of a client to do so, it will “block” (combine) the client’s order with those of other clients having similar orders for the purpose of obtaining an advantageous average price for all accounts participating in the block. Any decision not to block a transaction with those of other clients is based upon MAGIS deciding that it is more beneficial to time transactions for the benefit of each client’s account individually.

MAGIS does not process transactions through Interactive in return for Interactive referring new clients to MAGIS.

## ***Item 13 - Review of Accounts***

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Reviews are not done as part of Investment Consulting Services unless specifically agreed to as part of the project.



Each client's managed portfolio is reviewed by the Representative as frequently as determined by the Representative to ensure the investments in the account are in line with the client's stated investment policy guidelines. Investment purchases and sales are made as deemed appropriate by the Representative.

Clients receiving Investment Management Services receive reports at least quarterly from their account's custodian.

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***Item 14 - Client Referrals and Other Compensation***

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MAGIS does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Interactive, in return for client referrals.

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***Item 15 - Custody***

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MAGIS does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions ordered by MAGIS.

To the extent a client receives any account or other investment ownership statement from MAGIS, MAGIS recommends the client carefully compare the report to the custodian's statements.

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***Item 16 - Investment Discretion***

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MAGIS will exercise discretionary trading authority while providing Investment Management Services. (Discretionary authority is not used when MAGIS provides Investment Consulting Services.) Granting discretionary authority allows Representatives to purchase and sell securities of their choice in the amounts and at the times they believe it is suitable for client's account to do so. Authorization for the discretionary trading is granted to MAGIS by each client in the client's services agreement.

In those instances where an order error occurs, it is MAGIS's policy to reverse the order to make the client's account whole.

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

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MAGIS and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian. However, MAGIS will assist clients by answering questions they may have regarding the nature of a proxy and voting procedures.

MAGIS also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

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***Item 18 - Financial Information***

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MAGIS does not receive fees of more than \$1,200 six months or more in advance, thus no financial statement for MAGIS is attached. MAGIS does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

***Item 19 - Requirements for State-Registered Advisers***

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*Background Information.* See the attached Schedule(s) 2.B brochure for background information about management personnel -- those giving advice on behalf of MAGIS.

*Other Business.* MAGIS is not engaged in any business other than providing investment advice.

*Legal Events.* Neither MAGIS nor any of its management persons has been involved with (1) any arbitration claim of any kind; (2) any self-regulatory organization or administrative proceeding of any kind.

*Relationships.* Neither MAGIS nor any of its management persons have a relationship with an issuer of securities other than noted in Item 10 above.

SCHEDULE 2B - BROCHURE SUPPLEMENT

**Peter J. Merkel**

March 24, 2022

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**This brochure supplement provides information about Peter Merkel that supplements the Magis Management, LLC (“MAGIS”) brochure. You should have received a copy of that brochure. Please contact us at 262-844-7719 if you did not receive MAGIS’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Peter Merkel (CRD No. 6262229) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 - Educational Background and Business Experience**

Mr. Merkel was born in 1986. He earned a Bachelor of Science in Business Administration (magna cum laude) from Marquette University majoring in Finance, Real Estate and Accounting. He also participated in the Applied Investment Management Program through Marquette University and has earned the designation of Chartered Financial Analyst (CFA).

He most recently worked as a Senior Research Analyst/Operations for Uniplan Investment Counsel from February 2012 to June 2013. Prior to that he was an Investment Associate with Grosvenor Capital Management from August 2008 until August 2011 and an Investment Team Intern and Operations Clerk/Portfolio Support from June 2006 to January 2008 with Wells Capital Management. He formed Magis Management and became registered as an investment adviser in October 2013.

### **Chartered Financial Analyst (CFA) Designation**

The Chartered Financial Analyst (CFA) charter is globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute - the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as member; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### ***High Ethical Standards***

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### ***Global Recognition***

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders - often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### ***Comprehensive and Current Knowledge***

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional

standards, fixed-income and equity analysis, alternative and derivative investment, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

**Item 3 - Disciplinary Information**

Mr. Merkel does not have any disciplinary information to disclose. He has not: (a) been party to a criminal or civil action in a domestic, foreign or military court; (b) been party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or (c) been party to a self-regulatory proceeding.

**Item 4 - Other Business Activities**

Mr. Merkel is not actively involved in any other investment-related business activities.

**Item 5 - Additional Compensation**

Mr. Merkel does not receive any additional economic benefit from third parties for providing advisory services.

**Item 6 - Supervision**

Mr. Merkel is the owner and sole investment adviser representative for MAGIS, therefore, he is responsible for his own supervision. His contact information is available on the cover page of this Schedule 2.B brochure.

**Item 7 - Requirements for State-Registered Advisers**

Mr. Merkel has not been involved in: (a) any arbitration claim alleging damages in excess of \$2,500 resulting in an award or being found liable; (b) any civil, self-regulatory organization, or administrative proceeding resulting in an award or being found liable; or (c) a bankruptcy petition.