



Intelligent Investment Management, LLP  
Independent Registered Investment Adviser

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***Form ADV Part 2A***

***Firm Brochure***

This brochure provides information about the qualifications and business practices of Intelligent Investment Management, Limited Liability Partnership. If you have any questions about the contents of this brochure, please contact us at: (970) 403-1234, or by e-mail at: [jbrost@IntelligentIM.com](mailto:jbrost@IntelligentIM.com). 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.

Intelligent Investment Management, LLP is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of Intelligent Investment Management, LLP provide you with information about which you determine to hire or retain Intelligent Investment Management, LLP.

Additional information about Intelligent Investment Management, LLP (CRD Number 108833) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 24, 2020

## **Material Changes**

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This Brochure dated March 24, 2020 is an updated document prepared according to the SEC's and States' requirements on rules which reflect material changes from the last annual update dated March 18, 2019. Please refer to the section titled Business Continuity Plan for our response to the current disruption resulting from the Covid-19 Pandemic. Additional updates will be communicated as circumstances dictate.

Our Brochure acknowledges the assets under management and number of clients as of December 31, 2019.

## **Brochure Delivery**

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In the past we have offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to the Regulatory Agencies, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.







Currently, our Brochure may be requested by contacting James Brost, Partner, at (970) 403-1234 or [jbrost@IntelligentIM.com](mailto:jbrost@IntelligentIM.com). Our Brochure is also available, free of charge, on our website: [www.IntelligentIM.com](http://www.IntelligentIM.com)

Additional information about Intelligent Investment Management, LLP (CRD Number 108833) is also available via the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Intelligent Investment Management, LLP who are registered, or are required to be registered, as Investment Adviser Representatives of Intelligent Investment Management, LLP.

## Table of Contents

<b>Material Changes</b> .....	<b>i</b>
<b>Brochure Delivery</b> .....	<b>i</b>
<b>Advisory Business</b> .....	<b>1</b>
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships .....	2
Financial Planning Engagements.....	2
Asset Management .....	2
Cryptocurrencies.....	2
Termination of Agreement .....	3
<b>Fees and Compensation</b> .....	<b>3</b>
Description .....	3
Fee Billing .....	4
Other Fees .....	4
<b>Performance-Based Fees</b> .....	<b>4</b>
Sharing of Capital Gains .....	4
<b>Types of Clients</b> .....	<b>5</b>
Description .....	5
Protection Against Elder Fraud and Abuse.....	5
<b>Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	<b>5</b>
Methods of Analysis.....	5
Investment Strategies .....	5
Risk of Loss .....	6
<b>Disciplinary Information</b> .....	<b>7</b>
Legal and Disciplinary .....	7
<b>Other Financial Industry Activities and Affiliations</b> .....	<b>7</b>
Financial Industry Activities.....	7

<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	<b>8</b>
Code of Ethics and Participation or Interest in Client Transactions .....	8
Personal Trading.....	9
<b>Brokerage Practices</b> .....	<b>9</b>
Selecting Brokerage Firms and Soft Dollars .....	9
Best Execution .....	11
<b>Review of Accounts</b> .....	<b>11</b>
Periodic Reviews .....	11
Review Triggers .....	11
Regular Reports.....	12
<b>Client Referrals and Other Compensation</b> .....	<b>12</b>
Incoming Referrals.....	12
Referrals Out .....	12
<b>Custody</b> .....	<b>12</b>
Account Statements.....	12
Performance Reports.....	12
Standing Letters of Authorization .....	13
<b>Investment Discretion</b> .....	<b>13</b>
Discretionary Authority for Trading.....	13
Limited Power of Attorney.....	13
<b>Voting Client Securities</b> .....	<b>13</b>
Proxy Votes .....	13
<b>Financial Information</b> .....	<b>14</b>
Financial Condition .....	14
<b>Business Continuity Plan</b> .....	<b>14</b>
General .....	14
Disasters .....	14
Alternate Offices .....	14
Loss of Key Personnel .....	15
Custodians of Client Accounts .....	15

<b>Information Security Program</b> .....	<b>15</b>
Information Security.....	15
Cyber Security .....	15
Anti-Money Laundering.....	16
Privacy Notice.....	16
<b>Brochure Supplement (Part 2B of Form ADV)</b> .....	
Education and Business Standards .....	1
Professional Certifications .....	1
James Michael Brost    (CRD Number 5611651) .....	3
Gregory Stephen Wheeldon,  (CRD Number 4376708) .....	4
Jean B. Wheeldon – Chief Financial Officer .....	5
Laura L. Vaughan   – Firm Administrator .....	5

## **Advisory Business**

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### Firm Description

Intelligent Investment Management, LLP was founded in 1997. Our offices are located in Durango, CO and we offer advisory services to Clients located across the United States.

Intelligent Investment Management, LLP provides personalized investment management to individuals, families, trusts, partnerships, estates, charitable organizations and small businesses. Investment management advice is provided through consultation with the Client about their specific financial planning needs and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, education funding, retirement planning and estate planning.

Intelligent Investment Management, LLP is strictly a fee-only investment management firm using financial planning goals as the basis for the long-term investment strategies. The Firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships or other commissioned products. The Firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted. Intelligent Investment Management, LLP does not act as a custodian of Client assets. The Client always maintains asset control. Intelligent Investment Management, LLP places trades for Clients under a limited power of attorney. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the Client on an as-needed basis. Conflicts of interest will be disclosed to the Client in the unlikely event they should occur.

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### Principal Owners

James M. Brost is a 40% owner. G. Stephen Wheeldon is a 30% owner. Jean B. Wheeldon is a 30% owner.

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### Types of Advisory Services

Intelligent Investment Management, LLP provides investment management services. Intelligent Investment Management, LLP furnishes investment advice to Clients based on Client's financial planning goals and objectives.

As of December 31, 2019, Intelligent Investment Management, LLP managed approximately \$74,000,000 in assets for approximately 110 Clients on a discretionary basis.

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### Tailored Relationships

The goals and objectives for each Client are documented in our files. Investment Policy Statements are created that reflect the stated goals and objectives and are updated to reflect changing circumstances. Clients may impose restrictions on investing in certain securities or types of securities. Clients enter into a written Investment Management Agreement that spells out the details of our investment advisory services. The Agreement contains a “mediation” clause as a means of settling possible disputes. The agreements may not be assigned without Client consent.

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### Financial Planning Engagements

Routine financial planning matters related to investment objectives are discussed with clients at no additional charge to the standard fee-only schedule. Intelligent Investment Management, LLP does not provide planning services for Clients who need more extensive or written advice.

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### Asset Management

Assets are invested primarily in mutual funds (typically closed-end mutual funds), through discount brokers. Mutual fund companies earn an investment management fee that is disclosed by the fund manager. Discount brokerages charge a transaction fee for the purchase of mutual funds.

Bonds, bank certificates of deposit, individual preferred stock issues, other alternative equity and income securities are purchased or sold through a brokerage account. The brokerage firm charges a fee for such trades. Intelligent Investment Management, LLP does not receive any direct compensation from brokerage firms. The brokerage firms do make available research and advisory firm management services to Intelligent Investment Management, LLP in addition to the brokerage and custodial services provided to all clients. Please see **Brokerage Practices** section for a complete discussion of the relationship.

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### Cryptocurrencies

Our firm, Intelligent Investment Management, LLP, views Cryptocurrencies as speculative and too risky for prudent investors. Although we do not directly invest in this currency, some fund managers may have nominal allocations in their funds.

**Termination of Agreement**

A Client may terminate the Investment Management Agreement at any time by notifying Intelligent Investment Management, LLP in writing prior to termination.

Intelligent Investment Management, LLP may terminate the Agreement at any time by notifying the Client in writing.

**Fees and Compensation**

**Description**

Intelligent Investment Management, LLP bases its fees on a percentage of assets under management, **as follows:**

Standard Fee Schedule: Annual fees, which are generally non-negotiable, are based on a percentage of the market value of all assets in the account on the last trading day of each calendar month, billed quarterly in arrears. The advisory fee will be prorated based on the number of days that the account was open during the month. Fees charged to not-for-profit organizations and related parties are at reduced rates from our standard fee schedule.

**Our Standard Fee Schedule Is:**

<b>Assets Under Management:</b>	<b>Annual Fees (Billed Quarterly):</b>
Account Acceptance Fee (one-time)	\$1,000
Up to \$1,000,000	1.25% (\$1,500 Minimum Fee)
\$1,000,001 - \$2,000,000	\$12,500 + 1.00% of amounts over \$1,000,000
\$2,000,001-\$5,000,000	\$22,500 + 0.75% of amounts over \$2,000,000
\$5,000,001 and Over	\$45,000 + 0.50% of amounts over \$5,000,000



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## Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that we invoice Clients after the three-month billing period has ended. Fees are deducted from Client accounts to facilitate billing. The Client must consent in advance to direct debiting of their investment account. By deducting fees directly from client accounts, Intelligent Investment Management, LLP is “deemed to NOT have custody” under the Colorado Securities Act.

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## Other Fees

Custodians generally charge transaction fees on purchases or sales of mutual funds and individual alternative equity and income issues. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is generally more important than the nominal fee that the custodian charges to buy or sell the security. Such fees for similar transactions may be available from other custodians at a lower fee. Please refer to the Brokerage Practices Section of this brochure for additional information.

Intelligent Investment Management, LLP, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, etc.).

An initial charge of \$1,000.00 is billed upon acceptance of the new client relationship. This charge covers meetings necessary to create an “investment roadmap” which guides the overall financial plans and the types of investments and strategies employed by the Advisor. These meetings review the investment goals and objectives; client risk tolerance; existing investment accounts and the income tax implications from the various types of accounts being considered. This charge may be more or less than what is charged by other investment advisors for similar services.

## Performance-Based Fees

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### Sharing of Capital Gains

Fees are **not** charged based on a share of the capital gains or capital appreciation of managed securities.

Intelligent Investment Management, LLP does **not** use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the Client.

## **Types of Clients**

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### Description

Intelligent Investment Management, LLP generally provides investment advice to individuals, high net worth individuals, families, trusts, partnerships, estates, charitable organizations, corporations and other business entities. Client relationships vary in scope and length of service.

Although Intelligent Investment Management, LLP clients are not required to have a minimum account balance in order to work with us, we do assess a minimum annual fee that is typically \$1,500 per annum for investment management services which may make client relationships in which we manage account portfolios under \$150,000 less efficient.

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### Protection Against Elder Fraud and Abuse

The Older Americans Act of 2006 defines elder financial abuse, as “the fraudulent or otherwise illegal, unauthorized, or improper act that uses the resources of an older individual for monetary or personal benefit, or that results in depriving an older individual of rightful access to, or use of benefits, resources, belongings, or assets.” Intelligent Investment Management, LLP is concerned about vulnerability of our clients. In the course of managing client accounts we advise clients to protect their financial well-being.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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### Methods of Analysis

Security analysis methods include fundamental analysis, technical analysis and cyclical analysis.

The main sources of information include financial and professional publications, research materials prepared by financial professionals, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Other sources of information that Intelligent Investment Management, LLP may use include research obtained through its relationship with TD Ameritrade Institutional and research available on the World Wide Web.

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### Investment Strategies

The primary investment strategy used on client accounts is a broadly diversified strategic asset allocation utilizing mutual fund investments for equity allocations. Portfolios are globally diversified to reduce the risk associated with

traditional individual stocks and include allocations to alternative assets and global allocation categories. Income investments typically include a “ladder” of investment grade bonds and bank CDs, as well as preferred stocks, convertible bond securities, utility company funds, Master Limited Partnerships (MLP) and real estate investment trusts (REITS). Tactical changes to the asset allocation may be made as market, economic and geo-political situations dictate.

The investment strategy for a specific Client is based upon the objectives stated by the Client and documented in their Investment Policy Statement. The Client may change these objectives at any time.

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## Risk of Loss

**All investment strategies have certain risks called systemic risks that are borne by the Client (Investor).** Our investment approach constantly keeps the risk of loss in mind. All investors face the following investment risks, which in many cases are mitigated by our a broadly diversified approach:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. Accordingly, we generally buy individual investment grade bonds and bank CDs that are held to maturity to protect the principal invested.
- **Market Risk:** The price of a security, bond or mutual fund may drop in reaction to tangible and intangible events and conditions, which may be caused by external factors independent of a security’s particular underlying circumstances. For example, geo-political, domestic and international economic and social conditions may trigger market events, as well as the current Covid-19 Pandemic.
- **Inflation Risk:** When any type of inflation is present, a dollar tomorrow will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation. Accordingly, each Client’s portfolio includes an allocation to Alternative investments, such as real estate, energy or other “hard” assets.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. Also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities, such as bonds, bank CDs and preferred stocks.

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in an investment traded on an established market. For example, Treasury Bills are highly liquid, while individually owned real estate properties are not. All of our portfolio investments can be liquidated through custodians in the normal course of business.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

To minimize the risks inherent from investments in financial market securities, each individual Client's portfolio is broadly diversified including both equity and income investments. Each investment is generally limited to five percent, or less, of the total managed portfolio. In addition, each Client's tolerance for risk is assessed and factored into the determination of the appropriate investment portfolio.

## **Disciplinary Information**

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### Legal and Disciplinary

The Firm and its employees have not been involved in any legal or disciplinary events related to past or present investment Clients.

## **Other Financial Industry Activities and Affiliations**

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### Financial Industry Activities

Intelligent Investment Management, LLP is not registered as a securities broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor.

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

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### Code of Ethics and Participation or Interest in Client Transactions

Intelligent Investment Management, LLP has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Intelligent Investment Management, LLP must acknowledge the terms of the Code of Ethics annually, or as amended.

Subject to satisfying this policy and applicable laws, officers and employees of Intelligent Investment Management, LLP may trade for their own accounts in securities which are recommended to and/or purchased for its Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Intelligent Investment Management, LLP will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Intelligent Investment Management's Clients. In addition, the Code requires pre-clearance of many transactions, and restricts significant trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is monitored under the Code of Ethics, to reasonably prevent conflicts of interest between Intelligent Investment Management, LLP and its Clients.

Certain affiliated accounts may trade in the same securities with Client accounts on an aggregated basis when consistent with Intelligent Investment Management's obligation of best execution. In such circumstances, the affiliated and Client accounts will share commission costs equally and receive securities at a total average price. Intelligent Investment Management, LLP will retain records of the trade order (specifying each participating account) and its allocation. Which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will generally be allocated on a round-lot basis

and any exceptions will be explained on the trading order.

Intelligent Investment Management's Clients or prospective Clients may request a copy of the firm's Code of Ethics by contacting James Brost (jbrost@intelligentim.com).

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## Personal Trading

The Chief Compliance Officer of Intelligent Investment Management, LLP is James Brost. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading done for employees does not affect the markets and may not be made in a manner which might disadvantage the Client. Since most employee trades are relatively small mutual fund trades, the trades do not affect the securities markets.

## Brokerage Practices

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### Selecting Brokerage Firms and Soft Dollars

Intelligent Investment Management, LLP participates in the institutional customer program offered by TD AMERITRADE INSTITUTIONAL. TD AMERITRADE INSTITUTIONAL is a division of TD AMERITRADE Inc., member FINRA/SIPC ("TD AMERITRADE"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisors services, which include custody of securities, trade execution, clearance, and settlement of transactions. Intelligent Investment Management, LLP receives some benefits from TD AMERITRADE through its participation in the program.

As disclosed above, Intelligent Investment Management, LLP participates in TD AMERITRADE's customer program and Intelligent Investment Management, LLP recommends TD AMERITRADE to Clients for custody and brokerage services. There is no direct link between Intelligent Investment Management's participation in the program and the investment advice it gives to its Clients, although Intelligent Investment Management, LLP receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions when deemed appropriate and efficient for execution and then allocate the appropriate shares to 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 some mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology and practice management products or services provided to Intelligent Investment Management, LLP by third party vendors. All of these services provide an inherent economic benefit to Intelligent Investment Management, LLP that does not directly benefit the Client. Any Client benefits from these arrangements accrue to all clients and enhance the services we provide. TD AMERITRADE has paid for business consulting and professional services received by Intelligent Investment Management, LLP (or its personnel) and also pays expenses (including meals and entertainment) to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program benefit Intelligent Investment Management, LLP but do not directly benefit its Client accounts. These products or services assist Intelligent Investment Management, LLP in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Intelligent Investment Management, LLP manage and further develop its business. The benefits received by Intelligent Investment Management, LLP (or its personnel) through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. Clients should be aware, however, that the receipt of economic benefits by Intelligent Investment Management, LLP or its related persons in and of itself creates a conflict of interest and can indirectly influence Intelligent Investment Management's choice or recommendation of TD AMERITRADE for custody and brokerage services. Intelligent Investment Management's use of its relationship with TD AMERITRADE is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), Intelligent Investment Management, LLP will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally consider all the factors described above and that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD AMERITRADE. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services to a particular Client, but also the value of those services in our performance of our overall responsibilities to all of our

Clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services might charge. Please see the Best Execution section below to see how Intelligent Investment Management, LLP monitors the execution of trades to help ensure client trades are executed at a level that meets or exceeds the industry averages. Not all advisors direct their clients to a brokerage firm.

Intelligent Investment Management, LLP **does not** receive fees or commissions from any of these arrangements.

In late 2019, we notified our clients of a pending merger between TD Ameritrade and Charles Schwab. That merger is currently being reviewed by government regulators. We will inform our clients of the eventual outcome and of any changes we deem appropriate for our clients.

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#### Best Execution

Intelligent Investment Management, LLP reviews the execution of trades each quarter. The review is documented in the Intelligent Investment Management, LLP compliance files. Trading fees charged by the custodians is also reviewed on a quarterly basis. Intelligent Investment Management, LLP does not receive any portion of the trading fees.

## Review of Accounts

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#### Periodic Reviews

Account reviews are performed quarterly by advisors James Brost and G. Stephen Wheeldon to determine rebalancing of portfolio positions and to provide cash for client needs. These reviews are performed more frequently when market conditions dictate. Accounts are rebalanced in accordance with each Client's Investment Policy Statement. Both advisors serve as Co-Chief Investment Officers.

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#### Review Triggers

Other factors that would trigger a review include, but are not limited to: Account cash flows, significant changes in Client circumstances, significant changes in financial markets, changes in the United States and world economies or changes to current tax laws.



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## Regular Reports

Reports to Clients on accounts supervised or managed are distributed on a quarterly basis. The management style reports reflect data to appraise and manage the investments, to evaluate the performance of the account and to present results for the period reported.

## Client Referrals and Other Compensation

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### Incoming Referrals

Intelligent Investment Management, LLP has been fortunate to receive many Client referrals over the years. The referrals come from current Clients, estate planning attorneys, accountants, bankers, employees, personal friends of employees and other similar sources. The Firm does not compensate referring parties for these referrals.

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### Referrals Out

Intelligent Investment Management, LLP does not accept referral fees or any form of remuneration from other professionals when a prospect or Client is referred to them.

## Custody

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### Account Statements

All assets are held at a qualified custodian, which means the custodian provides account statements directly to Clients at their address of record monthly. The reports include a list of all securities and cash equivalents held in the portfolio, their market value as of the last day of the month and all trade activity for that month. Clients should carefully review their statements and contact either the custodian or Intelligent Investment Management, LLP if there are any questions.

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### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the quarterly performance report statements provided by Intelligent Investment Management, LLP. Please contact us immediately if you find any discrepancies or have any questions.

During the current Covid-19 Pandemic traditional performance reports will not be distributed for the period ending March 31, 2020. As soon as we are

comfortable working as a group in our business office we will resume our practice of distributing traditional performance reports.

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### Standing Letters of Authorization

It is the practice of Intelligent Investment Management, LLP to not take custody of client funds and to use processes that protect our Clients. We ensure that standing instructions including wire, electronic and check distributions are controlled by the written instructions of the client and not by Intelligent Investment Management, LLP.

## Investment Discretion

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### Discretionary Authority for Trading

Intelligent Investment Management, LLP accepts discretionary authority to manage securities accounts on behalf of Clients. Intelligent Investment Management, LLP has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold. Clients can (but generally do not) impose limitations on our discretionary authority.

The Client approves the custodian to be used and that custodian's commission rates. Intelligent Investment Management, LLP does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

Discretionary trading authority facilitates placing trades in Client accounts on their behalf so that Intelligent Investment Management, LLP may promptly implement and maintain the Investment Policy Statement that the Client has approved in writing.

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### Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Each Client signs a limited power of attorney with the broker/custodian so that Intelligent Investment Management, LLP may execute the discretionary trades.

## Voting Client Securities

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### Proxy Votes

Unless the Client designates otherwise, Intelligent Investment Management, LLP votes proxies for which it maintains discretionary authority consistent with its proxy voting policy. We do not vote proxies for individual company stocks that are held in Client accounts unless we are instructed to do so by the Client.

A copy of Intelligent Investment Management, LLP's proxy voting policy and our voting record is available upon request by contacting our office.

Clients are permitted to place reasonable restrictions on Intelligent Investment Management, LLP's voting authority and may do so by contacting James Brost at the Firm's business telephone number, (970) 403-1234.

## **Financial Information**

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### Financial Condition

Intelligent Investment Management, LLP does not have any financial impairment that will preclude the Firm from meeting contractual commitments to Clients and has not been the subject of a bankruptcy proceeding.

A balance sheet is not required to be provided because Intelligent Investment Management, LLP does not serve as a custodian for Client funds or securities and does not require prepayment of fees in any amount. Pursuant to the rules and regulations of the Colorado Securities Act, Intelligent Investment Management does not have custody of client funds solely by having fees directly deducted from the client accounts and has complied with the safeguard requirements provided in the Colorado rules and regulations.

## **Business Continuity Plan**

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### General

Intelligent Investment Management, LLP and third-party vendors that provide critical services to us have Business Continuity Plans in place that provide steps to mitigate and recover from significant business disruptions. If after a significant business disruption, you cannot contact us as you usually do, you can call either James Brost at 970-749-1761 or G. Stephen Wheeldon at 970-749-1125.

### Disasters

Intelligent Investment Management's Business Continuity and Disaster Recovery Plans cover natural disasters such as snowstorms, flooding and earthquakes. The Plans cover man-made disasters such as loss of electrical power, fire, bomb threat, communication outage and Internet outage. Our electronic files are backed up daily and archived offsite.

### Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all Clients within five

days of a disaster that dictates moving our office to an alternate location. For the safety of clients and personnel, social distancing as required by the Covid-19 Pandemic have resulted in each member of our Firm establishing “work-at-home” offices to allow uninterrupted working conditions.

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#### Loss of Key Personnel

Intelligent Investment Management, LLP employs two advisors who are familiar with all Clients of the firm, so that in the event of a serious disability or death of one advisor, all Clients will continue to be served on an uninterrupted basis. In addition, business critical operations are supervised by a partner who can fill in, as needed, to maintain daily business activities.

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#### Custodians of Client Accounts

The custodians of all client accounts are among the largest in the business. They have the resources available to ensure that any disruptions are handled timely and efficiently.

## **Information Security Program**

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#### Information Security

Intelligent Investment Management, LLP maintains an information security program to reduce the risk that your personal and confidential information may be breached. We monitor these processes within industry best practices and have additional processes in place in the event of a breach to limit and protect client information. Our Firm is currently undergoing a review of our technology solutions to move to a Cloud based and encrypted technology platform. Such a solution will facilitate our staff’s current needs to work at home.

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#### Cyber-Security

Intelligent Investment Management maintains a cyber security insurance policy. We review our cyber security policies on an ongoing basis. We have a third-party auditor review our security practices and evaluate potential threat concerns on a regular basis.

### Anti-Money Laundering

In accordance with the Patriot Act of 2001 it is the policy of Intelligent Investment Management, LLP to seek to prevent the misuse of the funds it manages. We also take measures to prevent the misuse of its personnel and facilities for the purpose of money laundering and terrorist financing. We have adopted and enforce policies, procedures and controls with the objective of detecting and deterring the occurrence of money laundering, terrorist financing and other illegal activity.

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### Privacy Notice

Intelligent Investment Management, LLP maintains a commitment to confidentiality and privacy of client information. We are committed and bound to do so as a matter of trust between clients and the employees of Intelligent Investment Management, LLP. Intelligent Investment Management, LLP will handle and maintain confidential personal information as we fulfill our obligations to protect our Client's privacy. By engaging Intelligent Investment Management, LLP to provide investment management services on our Clients' behalf, the Client gives their consent to the collection and use of such information. Additional privacy information may be obtained by reviewing our complete Privacy Policy provided to Clients annually and made available upon request.



Intelligent Investment Management, LLP  
Independent Registered Investment Adviser

**150 EAST 9<sup>TH</sup> STREET, SUITE 333**

**DURANGO, CO 81301**

**(970) 403-1234**

**(970) 259-8017 FAX**

**[www.IntelligentIM.com](http://www.IntelligentIM.com)**

***Brochure Supplement (Part 2B of Form ADV)***

Additional information about each adviser may be obtained at the SEC's website: <http://www.adviserinfo.sec.gov>.

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James Michael Brost,    (CRD Number 5611651)

Gregory Stephen Wheeldon,  (CRD Number 4376708)

Jean B. Wheeldon, Chief Financial Officer

Laura L. Vaughan,   Firm Administrator

March 19, 2020

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

**Intelligent Investment Management, LLP** requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and investment management. Examples of acceptable coursework include: a CFP<sup>®</sup>, an APMA<sup>®</sup>, an AWMA<sup>®</sup>. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Advisors have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner<sup>™</sup> (CFP<sup>®</sup>): Certified Financial Planner<sup>™</sup> professionals are licensed by the CFP<sup>®</sup> Board to use the CFP<sup>®</sup> mark. CFP<sup>®</sup> certification requirements include a Bachelor's degree from an accredited college or university, completion of the financial planning education requirements set by the CFP<sup>®</sup> Board ([www.cfp.net](http://www.cfp.net)) and successful completion of the 10-hour CFP<sup>®</sup> Certification Exam. CFP<sup>®</sup> professionals must also have a minimum of three years qualifying full-time work experience and must successfully pass the Candidate Fitness Standards and background check. To maintain the license, a CFP<sup>®</sup> professional must complete 30 hours of continuing professional education (CPE) every two years.

Accredited Portfolio Management Advisor<sup>SM</sup> (APMA<sup>®</sup>): Individuals who hold the APMA<sup>®</sup> designation have completed a course of study encompassing client assessment and suitability, risk/return, investment objectives, bond and equity portfolios, modern portfolio theory and investor psychology. Students have hands-on practice in analyzing investment policy statements, building portfolios and making asset allocation decisions including sell, hold and buy decisions within a client's portfolio. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere

to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

**Accredited Wealth Management Advisor<sup>SM</sup> (AWMA<sup>®</sup>):**

Individuals who hold the AWMA<sup>®</sup> designation have completed a course of study encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives and asset protection alternatives. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

**Foundations in Financial Planning<sup>SM</sup> (FPQP<sup>®</sup>):**

Individuals who hold the FPQP<sup>®</sup> designation have completed a course of study encompassing the foundations of the financial planning process. Designees renew their designation every two-years by completing 12 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.



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James Michael Brost    (CRD Number 5611651)

Date of Birth: June 17, 1971

Educational Background:

- Pierce Community College, Associates Degree in Technology, 1992; University of Oregon, Bachelor of Science in Psychology, 1997; University of Oregon, Master's Degree in Education, 2001; College for Financial Planning, Certified Financial Planner<sup>TM</sup>, 2012; College for Financial Planning, Accredited Portfolio Management Advisor<sup>SM</sup>, (APMA) 2014 . College for Financial Planning, Accredited Wealth Management Advisor<sup>SM</sup>, (AWMA) 2018.

Business Experience:

- From 2008 to current – Intelligent Investment Management, LLP, Investment Adviser Representative. Co-Chief Investment Officer, Chief Compliance Officer, Chief Operations Officer and partner since 2013.

Disciplinary Information: None

Other Business Activities: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Supervision:

- The advisor partners of Intelligent Investment Management, LLP collectively and individually supervise each Investment Adviser Representative. To contact James Brost, please call (970) 403-1234 or (970) 749-1761.

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Gregory Stephen Wheeldon,  (CRD Number 4376708)

Date of Birth: July 22, 1949

Educational Background:

- University of Utah, Bachelor of Science in Accounting, 1970;  
College for Financial Planning, Certified Financial Planner™, 1986

Business Experience:

- From 1997 to current – Intelligent Investment Management, LLP,  
Chief Executive Officer and Co-Chief Investment Officer.
- From 1973 to 2015 – Certified Public Accountant (CPA) with  
experience obtained from two international firms from 1970  
through 1984 and as an owner of Brown Wheeldon Tafoya and  
Barrett, PC from 1984 through 2005.

Disciplinary Information: None

Other Business Activities: G. Stephen Wheeldon is an owner in several family businesses. Those activities represent less than ten percent of G. Stephen Wheeldon's time and, accordingly, are not considered substantial.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Supervision:

- The advisor partners of Intelligent Investment Management, LLP  
collectively and individually supervise each Investment Adviser  
Representative. To contact G. Stephen Wheeldon, please call  
(970) 403-1234 or (970) 749-1125.

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Jean B. Wheeldon – Chief Financial Officer

Date of Birth: August 21, 1957

Educational Background:

- The Leland Stanford Junior University, Bachelor of Arts Degree, 1979.

Business Experience:

- From 1983 to current – Business owner and manager of four businesses in Durango, CO, including Intelligent Investment Management, LLP since 2008.

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Laura L. Vaughan  – Firm Administrator

Date of Birth: November 21, 1958

Educational Background:

- University of Wisconsin - Bachelor of Business Administration in marketing and computer science 1981.
- College for Financial Planning, Foundations in Financial Planning<sup>SM</sup> (FPQP<sup>®</sup>) 2009

Business Experience:

- From 2005 to current - Financial Para-Planner Qualified Professional.