

# FORM ADV PART 2A DISCLOSURE BROCHURE

## Intellus Advisors, LLC

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This disclosure brochure ("Brochure") provides information about the qualifications and business practices of Intellus Advisors, LLC (hereinafter "Intellus Advisors," the "Firm," "we", "us", or similar designations). If you have any questions about the contents of the Brochure, please contact the Firm at (312) 809-9106. The information in the 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 the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Intellus Advisors, LLC is an investment adviser registering with the SEC. Registration with the SEC or any state securities authority does not imply any level of skill or training.

## Item 2. Material Changes

In this Item, Intellus Advisors is required to discuss any material changes that have been made to the brochure since the last annual amendment. Intellus Advisors has nothing to report in response to this item since it is applying for initial registration with the SEC.

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## Item 4. Advisory Business

### Description of Intellus Advisors

Intellus Advisors is an investment adviser registered with the SEC which provides a broad range of investment advisory services to its advisory clients (“Clients”). The Firm is a limited liability company originally organized in Florida in 2017. The Firm is owned by Bifrost Management, LLC and Chancy Ventures, LLC, which are indirectly controlled respectively by Bart Lewis and Karen Chancy.

Intellus Advisors offers a variety of advisory services, which include financial planning, investment management, and investment consulting services. Prior to Intellus Advisors rendering any of the foregoing advisory services, Clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

While this brochure generally describes the business of Intellus Advisors, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, and other persons who provide investment advice on the Firm's behalf and are subject to the Firm's supervision or control.

## **Description of Services**

The Firm offers a broad range of financial planning, investment management, and investment consulting services as described below in more detail.

### Financial Planning Services

Intellus Advisors offers Clients a broad range of financial planning services, which can include any or all of the following services depending on the needs of its Clients:

- Retirement Income Planning
- Cash flow planning
- Trust and estate planning
- Insurance Planning
- Education Planning
- Risk Management
- Tax planning
- Charitable giving
- Distribution Planning
- Divorce Planning

While each of these services is available on a stand-alone basis, certain basic financial planning services can be provided in conjunction with investment portfolio management as part of a combined wealth management engagement (described in more detail below).

In performing these services, Intellus Advisors is not required to verify any information received from the Client or from the Client's other professionals (e.g., attorneys, accountants) and is expressly authorized to rely on such information. Intellus Advisors recommends certain Clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that Clients engage the Firm to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Intellus Advisors under a financial planning engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's recommendations and/or services.

### Investment Management and Wealth Management Services

Intellus Advisors manages Client investment portfolios on a discretionary or non-discretionary basis. Discretionary investment management services allow the Firm to implement its recommendations without prior consent from the Client. Non-discretionary investment management services require the Firm to obtain prior consent from the Client before implementing its recommendations.

Intellus Advisors typically offers Clients investment management services through a combined wealth management services arrangement which includes basic financial planning services as well as discretionary and/or non-discretionary management of investment portfolios.

Intellus Advisors primarily allocates Client assets among stocks, bonds, mutual funds, exchange traded funds, and money market funds. However, where appropriate, Intellus Advisors may also allocate Client assets using options, private equity, venture capital, and real estate investments.

Additionally, Intellus Advisors may select, where appropriate, certain third-party investment managers including, without limitation, sub-advisers, other third-party independent managers, and third-party investment programs (including model portfolios) (“Independent Managers”) to actively manage a portion of its Clients’ assets. The specific terms and conditions under which a Client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, Clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets. As appropriate, Intellus Advisors evaluates a variety of information about Independent Managers, which includes the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its Clients’ individual portfolio allocations and risk exposure. Intellus Advisors also takes into consideration, as applicable, each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Intellus Advisors continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Intellus Advisors seeks to ensure the Independent Managers’ strategies and target allocations remain aligned with its Clients’ investment objectives and overall best interests.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in Client portfolios. Clients can engage Intellus Advisors to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Intellus Advisors directs or recommends the allocation of assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s sponsor.

Intellus Advisors tailors its advisory services to meet the needs of its individual Clients and seeks to ensure, on a continuous basis, that portfolios are managed in a manner consistent with those needs and objectives. The Firm consults with Clients on an initial and ongoing basis to assess their specific risk

tolerance, time horizon, liquidity constraints, and other factors relevant to the management of their portfolios. Clients are advised to promptly notify the Firm if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if the Firm determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

When Intellus Advisors provides investment advice to a Client regarding a Client's retirement plan account or individual retirement account, the Firm acts as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and/or the Internal Revenue Code of 1986, as applicable, which are laws governing retirement accounts. The way the Firm makes money creates some conflicts with the Client's interests. As such, the Firm operates under a special rule that requires the Firm to act in the Client's best interest and not put its interest ahead of the Client's interests. Under this rule, the Firm must:

- Meet a professional standard of care when making investment recommendations (furnish prudent advice);
- Never put the Firm's financial interests ahead of the Client's interests when making recommendations (offer loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that the Firm gives advice that is in the Client's best interest;
- Charge no more than is reasonable for the Firm's services; and
- Give the Client basic information about conflicts of interest.

### Retirement Plan Services

Intellus Advisors offers investment consulting and investment management services to qualified employee benefit plans and their fiduciaries. Such services are provided by Intellus Advisors as a fiduciary under ERISA. In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Intellus Advisors' fiduciary status, the specific services to be rendered, and all direct and indirect compensation the Firm reasonably expects under the engagement.

### **Wrap Fee Programs**

Intellus Advisors is the sponsor and manager of the Intellus Advisors Wrap Fee Program ("Program") through which certain of its investment management/wealth management services are offered where the Client pays a single "bundled" fee for investment advisory services and brokerage services. Information relating to services, fees, and conflicts of interest related to the Program are provided in the Intellus Advisors Form ADV wrap brochure ("Wrap Brochure"). The Wrap Brochure is provided to Clients prior to their participation in the Program. The Firm's Wrap Brochure is also available upon request at any time by contacting our Chief Compliance Officer using the contact details on the cover page of this brochure or by going to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Assets Under Management

As of the date of this filing, Intellus Advisors does not currently have any assets under management.

## Item 5. Fees & Compensation

Intellus Advisors offers services on a fee basis, which includes hourly fees and fees based upon assets under management.

### Financial Planning Fees

Intellus Advisors charges hourly fees for providing financial planning services under a stand-alone engagement. These fees can be up to \$650 per hour but depend on the specific engagement. Fees are billed and invoiced monthly in arrears after services are rendered. The terms and conditions of the financial planning engagement are set forth in the Advisory Agreement between the Firm and the Client.

### Investment Management and Wealth Management Fees

Intellus Advisors offers investment management/Wealth Management services described above in Item 4 for a fee based on the following fee schedule:

Assets Under Management	Annual rate
First \$1,000,000	1.25%
Next \$1,500,000	0.90%
Next \$2,500,000	0.80%
Next \$2,500,000	0.70%
Next \$2,500,000	0.60%
Next \$5,000,000	0.50%
Next \$5,000,000	0.40%
Next \$10,000,000	0.30%
Next \$20,000,000	0.20%
Over \$50,000,000	Negotiable

Certain legacy Clients have different fee arrangements from those described above.

The fee is charged quarterly in advance based upon the market value of the assets being managed as of the last day of the previous quarter. Fees are prorated for partial quarters. Fees are adjusted in the following quarter for any additions or withdrawals of capital mid-quarter.

In the event the advisory agreement is terminated Client, the fee for the final billing period is prorated for the number of days for which services are rendered through the effective date of the termination, and the unearned portion of the fee is refunded to the Client, as appropriate.

## Retirement Plan Service Fees

Intellus Advisors charges an asset-based fee for its retirement plan investment consulting and investment management services based on the following fee schedule.

Assets Under Management	Annual rate
Up to \$3,500,000	0.50%
\$3,500,001 - \$5,000,000	0.45%
\$5,000,001 - \$7,500,000	0.40%
\$7,500,001 - \$10,000,000	0.35%
\$10,000,001 - \$12,500,000	0.30%
\$12,500,001 - \$15,000,000	0.25%
Over \$15,000,000	Negotiable

Once assets reach a new tier, all assets are charged the corresponding fee.

The fee is charged based upon the market value of the assets being managed based on the billing practices of the applicable recordkeeper.

In the event the advisory agreement is terminated, the fee for the final billing period is prorated for the number of days for which services are rendered through the effective date of the termination, and the unearned portion of the fee is refunded to the Client, as appropriate.

## Fee Discretion

Intellus Advisors can, in its sole discretion, negotiate to charge lesser fees based upon certain criteria, such as the overall scope of services to be provided to the Client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy Client relationship, account retention, and pro bono activities.

## Additional Fees and Expenses

In addition to the advisory fees paid to Intellus Advisors, Clients also incur certain charges imposed by third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges include, among others, securities brokerage commissions; other transaction costs; custodial fees; reporting charges; fees of Independent Managers, charges imposed directly by a mutual fund or ETF in a Client's account, as disclosed in the fund's prospectus (e.g., fund management fees, distribution fees, and other fund expenses); fees associated with private fund investments (including management fees, carried interest, and fund expenses) as outlined in private fund offering documents; deferred sales charges; odd-lot differentials; transfer taxes; wire transfer and electronic fund fees; and other fees and taxes on brokerage accounts

and securities transactions. The Firm's brokerage practices are described at length in Item 12 below. Clients participating in the Program may not be responsible for certain of the above-referenced expenses.

### **Direct Fee Debit**

Clients provide the Firm with the authority to directly debit their accounts for payment of investment management, wealth management, and retirement plan service fees. The Financial Institutions that act as the qualified custodian for Client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to Intellus Advisors.

For stand-alone financial planning services, the Firm will send an invoice directly to the Client for such fees which are payable directly by the Client.

### **Additions and Withdrawals of Capital**

Clients can make additions to and withdrawals from their account at any time, subject to Intellus Advisors' right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a Client's account. Clients can withdraw account assets on notice to Intellus Advisors, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Intellus Advisors may consult with its Clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## **Item 6. Performance-Based Fees & Side-by-Side Management**

Intellus Advisors does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a Client's assets).

## **Item 7. Types of Clients**

### **Types of Clients**

Intellus Advisors offers investment management services to individuals, pension and profit sharing plans, trusts/estates, charitable organizations, and business entities.

### **Minimum Account Requirements**



The Firm does not impose a minimum annual fee or asset value in order to initiate an engagement with the Firm.

## **Item 8. Methods of Analysis, Investment Strategies, & Risk of Investment Loss**

Investing in securities involves a risk of loss that Clients should be prepared to bear. There is no guarantee that any specific investment or strategy will be profitable for a particular Client.

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

Intellus Advisors focuses on providing asset allocation strategies that can be tailored to a Client's objectives and their comfort with investment return risk. These tailored strategies can be adjusted to meet the needs of most Clients, ranging from a purely conservative income investor to investors interested solely in wealth accumulation. These allocation strategies use a combination of stocks, bonds, exchange traded, mutual, and money market funds to meet the investor's allocation needs. Where appropriate, we also use alternative investments such as private equity, venture capital, and real estate. More conservative investors typically have higher allocations to fixed income and money market-oriented securities while investors who tend to be more aggressive will utilize a greater quantity of equity-oriented securities. Securities are selected using both a quantitative and qualitative process. Quantitative measurements are based on the security type, including fundamental financial analysis, financial ratios, peer group and industry comparisons, expense ratios, performance over various time horizons, and modern portfolio theory statistics. Qualitative measurements include deviations between expected and actual returns, confidence in the investment process (for funds) and perceived management quality (for companies), firm/third-party/analyst recommendations, and predicted success in the anticipated market environments.

### **Risk of Loss**

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to Intellus Advisors' investment management activities.

#### General Economic Conditions

A Client's portfolio could be adversely affected from time to time by such matters as changes in general economic, industrial and international conditions, changes in tax laws, prices and cost and other factors of a general nature that are beyond the control of the Firm. Geopolitical and other events (e.g., war or terrorism) may disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.

### Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Intellus Advisors' recommendations and/or investment decisions will depend to a great extent upon the future course of price movements of equity securities and other investments.

### Volatility Risks

The prices and values of investments can be highly volatile and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

### Interest-Rate Risks

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by Clients.

### Cash-Management Risks

The Firm is authorized to invest some of a Client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

### Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at

least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro-rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### Equity-Related Securities and Instruments

The Firm will take positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization, and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

#### Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations. Additionally, the value of fixed-income securities is impacted by factors such as interest rates as well as market and economic factors.

#### Options

Options allow a Client to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

#### Real Estate Investment Trusts

The Firm may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks

associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

#### Use of Independent Managers

As stated above, Intellus Advisors selects certain Independent Managers to manage a portion of its Clients' assets. In these situations, Intellus Advisors continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies.

#### Private Investment Vehicles

Intellus Advisors recommends that certain Clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There may be few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Private funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is a dearth of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other offering documents explaining such risks and conflicts of interest prior to investing.

#### Cybersecurity Risks

The information and technology systems of Intellus Advisors and key service providers to the Firm and its Clients may be vulnerable to potential damage or interruption from computer viruses; network failures; computer and telecommunication failures; infiltration by unauthorized persons and security breaches; usage errors by their respective professionals; power outages; and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although the Firm has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, it may be necessary for the Firm to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Firm or its Clients' accounts and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information.

### **Item 9. Disciplinary Information**

Intellus Advisors does not have any disciplinary actions to report in response to this item.

### **Item 10. Other Financial Industry Activities & Affiliations**

## **Licensed Insurance Agents**

Certain of the Firm's Supervised Persons will be licensed insurance agents and offer certain insurance products (including, without limitation, life, disability, and long-term care products, including fixed annuities) on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Intellus Advisors recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation in connection with such recommendations. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its Clients' best interest regardless of any such affiliations.

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

Intellus Advisors has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Intellus Advisors' Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of Clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Intellus Advisors' personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to Clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a Client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with Clients; or
- a decision has been made not to engage in the transaction for the Client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments; (iii) shares issued by money market funds; and (iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective Clients may contact Intellus Advisors to request a copy of its Code of Ethics by calling the number on the cover page of this brochure.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker-Dealers and Custodians for Transactions**

Intellus Advisors does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Intellus Advisors to direct trades to the Custodian as agreed upon in the Advisory Agreement with the Client. Further, Intellus Advisors does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where Intellus Advisors does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by Intellus Advisors. However, Intellus Advisors may be limited in the services it can provide if the recommended Custodian is not engaged. Intellus Advisors may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

Intellus Advisors will Generally recommend that Clients establish their account(s) at Raymond James & Associates, Inc. ("RJA"). RJA is a FINRA-registered broker-dealer and New York Stock Exchange/SIPC member. RJA will serve as the Client's "qualified custodian". Intellus Advisors maintains institutional relationships with RJA, whereby the Adviser receives economic benefits from the Custodian. Please see Item 14 below.

Intellus Advisors is independently owned and operated and not affiliated with RJA.

While Intellus Advisors receives certain services customarily provided by custodians, such as research, software, and conferences, the firm does not currently have any soft dollar arrangements in place with custodians and broker dealers through which Intellus Advisors receives research or other services based on commissions generated in Client accounts or the number of transactions effected for Client accounts.

In fulfilling its duties to its Clients, Intellus Advisors endeavors at all times to put the interests of its Clients first and does not believe that its recommendations regarding choice of custodian are influenced by their provision to serve the firm. Many of the services described above may be used to benefit all or a substantial number of Client accounts, including accounts not maintained through RJA. Intellus Advisors does not attempt to allocate these benefits to specific Clients.

For Intellus Advisors Client accounts not in the wrap fee program, custodians generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed or that settle into custodian accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Intellus Advisors custodians typically

provide access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

### **Directed Brokerage**

All Clients are serviced on a “directed brokerage basis”, where Intellus Advisors will place trades within the established account(s) at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account(s). Intellus Advisors will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

### **Referrals from Brokers**

Intellus Advisors does not receive any compensation from any third party in connection with the recommendation for establishing an account.

### **Aggregation of Trades**

The primary objective in placing orders for the purchase and sale of securities for accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Intellus Advisors will execute its transactions through the Custodian as authorized by the Client. Intellus Advisors may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients’ accounts.

## **Item 13. Reviews of Accounts**

### **Account Reviews**

Financial advisors conduct ongoing reviews of each Client’s portfolio as part of the Firm’s investment management services. Financial advisors will conduct a review of each Client’s accounts at least annually to ensure that the Firm’s investment recommendations continue to be suitable for the Client, given the Client’s investment objectives and financial circumstances.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested by the Client, Clients may also receive written or electronic reports from Intellus

Advisors and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance.

## **Item 14. Client Referrals & Other Compensation**

### **Economic Benefits Provided to the Advisory Firm from External Sources**

Intellus Advisors has established an institutional relationship with RJA to assist the Advisor in managing Client account(s). The Advisor contracts with RJA to receive custody, brokerage, software, and related support. RJA may provide additional resources and support in connection with this relationship.

### **Client Referrals from Third Parties**

Intellus Advisors does not currently compensate third parties for Client referrals.

## **Item 15. Custody**

Intellus Advisors is deemed to have custody of Client funds and securities because it is authorized to deduct its advisory fees directly from Client accounts.

As such, Intellus Advisors is required to comply with the requirements set forth in the Custody Rule under the Advisers Act which requires, among other things, that Client funds and securities be maintained with a qualified custodian. The custodians or broker-dealers that serve as qualified custodians on behalf of INTELLUS ADVISORS' Clients have agreed to send a statement to the Client, at least quarterly, indicating all amounts disbursed from the account, including the amount of advisory fees paid directly to Intellus Advisors. In addition, as discussed in Item 13 above, Intellus Advisors may also send periodic supplemental reports to Clients. Clients should carefully review the statements sent directly by the custodian or broker-dealer and compare them to the reports received from Intellus Advisors.

## **Item 16. Investment Discretion**

Intellus Advisors is given discretionary authority to manage each Client's account. Intellus Advisors is considered to exercise investment discretion over a Client's account if it can effect and/or direct transactions in Client accounts without first seeking consent. Intellus Advisors is given this authority through a limited power-of-attorney included in the Advisory Agreement with the Client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Intellus Advisors takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are done.

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



Intellus Advisors does not take responsibility for voting proxies on behalf of its Clients. Proxy materials will be sent directly by the custodian to the Client, and Intellus Advisors will not be responsible for answering questions pertaining to the voting of proxies.

## **Item 18. Financial Information**

Intellus Advisors does not have any financial condition or impairment that would prevent the Firm from meeting its contractual commitments to Clients. The Firm does not take physical custody of Client funds or securities or serve as trustee or signatory for Client accounts, and it does not require the prepayment of more than \$1,200 in fees six or more months in advance.

The Firm has not filed a bankruptcy petition at any time in the past ten years.