

## Part 2A of Form ADV

# Intelligration LLC

7 Cedar Street, Suite D  
Summit, New Jersey 07901  
(908) 517-4594  
<https://cwfmangers.com/>

September 27, 2018

This brochure (the “Brochure”) provides information about the qualifications and business practices of Intelligration LLC (“Intelligration”). If you have any questions about the contents of this Brochure, please contact us at (908) 517-4594 and/or [mrosenthal@intelligrationllc.com](mailto:mrosenthal@intelligrationllc.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Intelligration 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 an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Intelligration is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – MATERIAL CHANGES**

This Brochure was prepared in connection with Intelligration's initial registration and, therefore, there are no material changes to report from a previous Brochure.

In the future, this section will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

### ITEM 3 – TABLE OF CONTENTS

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	1
Item 6 – Performance-Based Fees and Side-By-Side Management.....	2
Item 7 – Types of Clients .....	2
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	3
Item 9 – Disciplinary Information .....	8
Item 10 – Other Financial Industry Activities and Affiliations.....	8
Item 11 – Code of Ethics.....	8
Item 12 – Brokerage Practices .....	9
Item 13 – Review of Accounts .....	10
Item 14 – Client Referrals and Other Compensation .....	11
Item 15 – Custody .....	11
Item 16 – Investment Discretion .....	11
Item 17 – Voting Client Securities .....	12
Item 18 – Financial Information.....	12

## **ITEM 4 – ADVISORY BUSINESS**

Intelligration LLC (“Intelligration”) was organized on December 15, 2014. Intelligration currently provides investment management services to Collective Wisdom Fund LP (the “Fund”), a Delaware limited partnership, and Collective Wisdom Master Fund Ltd., a Cayman Islands exempted company with limited liability (the “Master Fund”) into which the Fund invests substantially all of its assets. The Master Fund also serves as master fund for Collective Wisdom Fund Ltd. (the “Offshore Fund”), a Cayman Islands exempted company with the same investment strategy as the Fund. The Offshore Fund has not launched as of the date of this Brochure. References to the Fund in this Brochure should be understood to include the Master Fund and the Offshore Fund as the context requires.

The Fund’s general partner, CWF Managers LLC (the “General Partner”), is an affiliate of Intelligration. The General Partner has overall responsibility for managing the business and affairs of the Fund. The General Partner, however, has delegated day-to-day investment authority to Intelligration pursuant to an investment management agreement.

The Offshore Fund is governed by its Board of Directors (the “Offshore Fund Board”). The Fund Board, however, has delegated the responsibility for managing the investment and trading activities of the Offshore Fund to Intelligration pursuant to an investment management agreement.

The Master Fund is governed by its Board of Directors (the “Master Fund Board”). The Master Fund Board, however, has delegated the responsibility for managing the investment and trading activities of the Master Fund to Intelligration pursuant to an investment management agreement.

The Fund is offered to qualified investors exclusively on a “private placement” basis as described in its Confidential Private Placement Memorandum. Prospective investors should refer to the Memorandum for additional information and disclosures regarding the Fund.

Intelligration may agree to serve as investment adviser or sub-adviser to other funds and/or accounts in the future.

Intelligration currently does not tailor its investment decisions to individual clients and clients generally will not be able to impose restrictions on investments in certain securities or types of securities.

As of September 1, 2018, Intelligration had approximately \$30,600,000 in regulatory assets under management, all of which is discretionary.

## **ITEM 5 - FEES AND COMPENSATION**

In consideration for the investment management services provided to the Fund, the Fund pays a monthly management fee (the “Management Fee”) to Intelligration in an amount equal to a percentage of the net asset value of the Fund. The Management Fees are adjusted pro rata for any investments or withdrawals during the relevant month. Management Fees are payable without

regard to the overall success or income earned by the Fund. Intelligration, in its sole discretion, may elect to reduce or waive the Management Fee with respect to any investor, including principals and employees of Intelligration or its affiliates.

In addition, as of the end of each calendar year and as of any date on which an investor receives a withdrawal or distribution from the Fund, the Fund ordinarily debits from each investor's capital account, and credits to the capital account of the General Partner, a special allocation of profits (the "Incentive Allocation") in an amount equal to a percentage of the profits in each capital account as of the relevant date. The Incentive Allocations are subject to a "high water mark." This means that if there is a decline in an investor's capital account due to net losses, the General Partner will not be allocated the Incentive Allocation for such investor until these losses are recovered. The Incentive Allocation to the General Partner will be based, in part, on unrealized investment gains of the Fund that may never be realized in the event of adverse changes in the value of such investments, and thus, the allocation may be greater than if it were solely based on realized gains. The General Partner, in its sole discretion, may elect to reduce or waive the Incentive Allocation with respect to any investor, including principals and employees of Intelligration or its affiliates.

Please refer to the Memorandum for additional information regarding the Fund's Management Fee and Incentive Allocations. The information contained herein is a summary only and is qualified in its entirety by the information provided in the Memorandum.

Intelligration does not accept compensation for the sale of securities or other investment products from third parties.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Fund generally charges the performance-based fees described above as Incentive Allocations.

The Incentive Allocation received by the General Partner creates a conflict between Intelligration's interest in earning a profit in the short term with the long-term interests of the Fund and its investors. The Incentive Allocation may create an incentive for riskier or more speculative investments by Intelligration than might be the case. Fund investors are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance based compensation prior to making an investment.

## **ITEM 7 - TYPES OF CLIENTS**

Intelligration provides discretionary investment advice to its clients: the Fund and the Master Fund. The Fund limits its investors to persons who are "accredited investors" as defined in the Securities Act of 1933 and also "qualified purchasers" as defined in the Investment Company Act of 1940. The Fund is also subject to a waivable minimum investment amount as described in the Memorandum.

Investors in the Fund are both U.S. and international investors, which may include, among others, high net worth individuals, other investment advisers, estate planning trusts, family limited partnerships, family limited liability companies, and corporations. In addition, principals, employees and other persons associated with Intelligration may invest in the Fund.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Intelligration invests primarily in U.S. common stocks. Intelligration believes that there is a great deal of collective wisdom and insight into publicly held corporations that can be derived from a large, diverse crowd of independent individuals. Intelligration has built and maintains a unique, proprietary and expanding database comprised of such information.

Intelligration has developed a proprietary mobile application (the “**app**”) to collect investment information from this crowd and applies a suite of patent-pending algorithms to aggregate this acquired investment data into a portfolio. Users of the app typically buy and/or short at least 3 stocks within a calendar month and are limited to holding no more than 10 stocks at any given point in time. Users receive points and other awards that are generally based on their selected securities’ performance, and the most successful users are provided with cash prizes on a monthly cycle. In addition, other large prizes are awarded on an annual cycle to users also on a points-based and/or tickets-based system.

Intelligration has also developed a suite of proprietary patent-pending algorithms that assist it in determining securities and their weightings for its portfolios based primarily on patterns found in data from the app, coupled with some more conventional quantitative fundamental and technical algorithms. Intelligration may employ leverage to enhance its returns as determined by Intelligration.

Intelligration may, but is not required to, use exchange traded funds (“**ETFs**”) and other instruments to hedge its positions.

Please refer to the Memorandum for a more detailed review of the strategies and risks of an investment in the Fund.

There can be no assurance that the methods described above will be successful or that clients will not suffer losses. Investing in securities involves risk of loss that clients should be prepared to bear. All investors should be aware of certain risk factors, which include, but are not limited to, the following:

***Long Positions.*** The success of the long positions established by Intelligration will depend in large part on Intelligration’s ability to accurately assess the fundamental value of those positions. An accurate assessment of fundamental value depends on a complex analysis of a number of financial and legal factors. No assurance can be given that Intelligration will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of long positions, or that Intelligration will accurately assess the impact of all factors of which it is aware.

**Short Selling.** Intelligration may sell securities short. Selling short involves the sale of borrowed securities. In order to sell a security short, the client must borrow the security from a securities lender and deliver it to the buyer. The client is then obligated to return the security to the lender at its request (although the client remains free to return the security to the lender at any time prior to the lender's request). Intelligration ordinarily fulfills its obligation to return a security previously sold short by acquiring it in the open market.

A short sale ordinarily involves a judgment on Intelligration's part that, subsequent to the sale, the price of the security will fall over time, resulting in profits equal to the difference between the net proceeds of the sale and the cost of acquiring the security (or a security exchangeable for or convertible into such security) at a later date to fulfill the obligation to return the security to the lender.

The principal risk in selling a particular security short is that, contrary to Intelligration's expectation, the price of the security will rise, resulting in a loss equal to the difference between the cost of acquiring the security (for return to the lender) and the net proceeds of the short sale. This risk of loss is theoretically unlimited, since there is theoretically no limit on the price to which the security sold short may rise.

Another risk is that Intelligration may be forced to unwind a short sale at a disadvantageous time for any number of reasons. For example, a lender may call back a security at a time the market for such security is illiquid or additional security is not available to borrow. In addition, some traders may attempt to profit by making large purchases of a security that has been sold short. These traders hope that, by driving up the price of the security through their purchases, they will induce short sellers to seek to minimize their losses by buying the security in the open market for return to their lenders, thereby driving the price of the security even higher.

In certain situations, Intelligration may find it difficult if not impossible to establish a desired short position because of a limited supply of the security available for borrowing. In these cases, Intelligration may be compelled to forego a potentially profitable investment opportunity.

**Dependence on Technology.** Intelligration's investment strategy is dependent on computerized systems. Computerized systems are vital for the generation of the app data, Intelligration's analysis of such data and the execution of its trades. The dependence on computers and telecommunications technology implies the risk of malfunction and misprogramming.

**Reliance on App Data.** Intelligration's strategy is reliant on the data provided by the app and its users. Investors would be materially harmed if Intelligration were to cease to have access to this data for any reason. Investors would be similarly harmed if the app were to decline in popularity for any reason – including the emergence of competitors.

**Changing Market Conditions.** Certain changes in general market conditions – for example, markets in which new inputs or an influx of new market participants disrupt the historical relationship between the data and equity price movements – could materially reduce the profit potential.

**Model Risk.** Intelligration's strategy requires the use of quantitative valuation models that Intelligration has developed over time. As market dynamics (for example, due to changed market conditions and participants) shift over time, a previously highly successful model often becomes outdated or inaccurate, perhaps without Intelligration recognizing that fact before substantial losses are incurred. There can be no assurance that Intelligration will be successful in continuing to develop and maintain effective quantitative models, and the necessity of continuously updating these models demonstrates that Intelligration's past successful results may not be representative of Intelligration's future performance.

**Investment Techniques.** In implementing its investment strategy, Intelligration may utilize techniques such as borrowing to increase equity exposure and investing and trading in financial futures contracts, options, forward contracts, swaps and other derivative instruments. Although employing these techniques expands opportunities for gain, it also substantially increases the risks of volatility and loss.

**Use of Leverage.** Intelligration may borrow cash to purchase financial instruments (e.g., traditional margin purchases). Additionally, Intelligration may purchase inherently leveraged instruments such as options, forward contracts, and swaps. The level of interest rates generally, and the rates at which Intelligration can borrow, in particular, are likely to have a substantial effect on performance to the extent Intelligration borrows. If the interest expense on borrowings – which ordinarily will fluctuate from time to time depending on market conditions – were to exceed the net return on the portfolio securities purchased with the borrowed funds, the use of leverage would result in a lower rate of return than if leverage were not used. Moreover, to the extent Intelligration purchases securities with borrowed funds, investor assets will tend to increase or decrease at a greater rate than if borrowed funds were not used, and a relatively small price movement in a position could result in immediate and substantial losses. In a given market setting, securities that Intelligration sells short (see “Short Selling” above) may rise in value while the value of a client's long positions may decline, resulting in a situation in which leverage compounds losses. To the extent a client borrows, its borrowings typically will be secured by a pledge of its securities and other assets to the brokers who have extended the credit. Under certain circumstances, a lender might demand an increase in the collateral that secures a client's obligations and, if the client were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy those obligations. For example, if assets pledged to a broker to secure the client's margin trading activities should decline in value, the client could be subject to a margin call, pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden precipitous drop in the value of its assets, the client might not be able to liquidate sufficient assets quickly enough to meet a margin call. A forced liquidation of assets under these circumstances could have extremely adverse consequences for the client.

**Portfolio Concentration.** A portfolio concentrated in a single industry or market sector may present greater risk than a portfolio that is diversified across many industries or market sectors. Although Intelligration is cognizant of the risks associated with portfolio concentration, it also believes that adherence to strict guidelines or standards governing portfolio diversification may preclude Intelligration from taking advantage of promising investment opportunities.



Accordingly, Intelligration has not established any strict rules relating to the diversification of its portfolio.

***Substantial Fees and Expenses.*** The Fund is subject to fees, transaction costs and other costs and other expenses, including the Management Fee and Incentive Allocation. All fees and costs other than the Incentive Allocation will be paid regardless of whether the Fund realizes any profits. Accordingly, Intelligration must earn trading profits to avoid depletion of its assets due to such costs and expenses.

***Incentive Allocations.*** The General Partner's Incentive Allocations depend on continuing increases in the NAV of the capital accounts. This creates a potential incentive for the principals of the General Partner to cause Intelligration to trade a client's assets in a manner that is riskier or more speculative than would otherwise be the case. Although the high water mark for a capital account will carry forward from year to year until exceeded, the General Partner will not be required to "repay" any Incentive Allocation allocated to it in the event such Account subsequently experiences losses. The Incentive Allocations made to the General Partner will be determined on the basis of the value of the assets in the capital accounts, including value attributable to unrealized appreciation. Thus, Incentive Allocations may be made to the General Partner based on positions that were profitable at the time such allocations were made but unprofitable when eventually liquidated.

***Absence of Registration.*** The Fund is offering interests to investors pursuant to the exemption from registration under the Securities Act provided by Regulation D and will not register its securities or investment operations under the Securities Act. In addition, the Fund will rely on the "exclusion" from the definition of "investment company" for certain "private" investment companies provided by Section 3(c)(7) of the Investment Company Act of 1940. As a result, limited partners will not be afforded the protections that registration under the Securities Act and the Investment Company Act might provide.

***Lack of Liquidity.*** There is no market for interests in the Fund and none is expected ever to develop. Consequently, the limited partners may not be able to liquidate their investment, or securities distributed to them in kind, in the event of an emergency or for any other reason, interests may not be pledged as collateral.

***Cybersecurity:*** The Fund, the General Partner and Intelligration are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. The Fund may incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse reaction, the dissemination of confidential and proprietary information and reputational damage. While Intelligration has established business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not be identified.

***Side Letters; Differing Terms.*** From time to time, Intelligration and/or the General Partner may enter into letter agreements or other similar agreements (collectively, “Side Letters”) with one or more limited partners which provide such limited partner(s) with additional and/or different rights (including, without limitation, with respect to access to information, Management Fees and incentive allocations, minimum investment amounts, and liquidity terms) than other limited partner(s) have. As a result of such Side Letters, certain limited partners may receive additional benefits (including, but not limited to, reduced fee obligations, the ability to make withdrawals on shorter notice and/or expanded informational rights) which other limited partners will not receive. For example, a Side Letter may permit a limited partner to withdraw interests on less notice and/or at different times than other limited partners. As a result, should the Fund experience a decline in performance over a period of time, a limited partner who is party to a Side Letter that permits less notice and/or different withdrawal times may be able to withdraw interests prior to other limited partners. The General Partner will not be required to notify any or all of the other limited partners of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the General Partner be required to offer such additional and/or different rights and/or terms to any or all of the other limited partners. The General Partner may enter into such Side Letters with any party as the General Partner may determine in its sole and absolute discretion at any time. The other limited partners will have no recourse against the Fund, the General Partner, Intelligration and/or any of their affiliates in the event that certain limited partners receive additional and/or different rights and/or terms as a result of such Side Letters.

***Hedging.*** Intelligration may (but is not obligated to) hedge a client’s positions as a way to obtain protection against adverse price movements. However, hedging is not without its costs and limitations. For example, hedging lowers the profit potential of the investment just as it lowers the loss potential. For this reason, Intelligration may choose to hedge only part of a client’s portfolio and only for a limited period of time, or Intelligration may choose not to hedge at all. Also, hedging involves expense. A client will have to absorb the cost of purchasing the hedge instrument as well as the brokerage and related transaction charges. At times, such costs may outweigh the benefits of obtaining the hedge.

***Exchange Traded Fund Risk.*** Although the ETFs in which Intelligration invests are listed for trading on a listing exchange, there can be no assurance that an active trading market for such ETFs will be maintained. Secondary market trading in ETFs may be halted by an exchange because of market conditions or for other reasons. In addition, trading in ETFs is subject to trading halts caused by extraordinary market volatility pursuant to “circuit breaker” rules. These restrictions on trading may impede Intelligration’s efforts to effect its strategy. ETFs may trade at, above or below their most recent NAV. While ETFs’ creation/redemption feature is designed to make it likely that an ETF’s shares normally will trade close to its net asset value, exchange prices are not expected to correlate exactly with an ETFs’ net asset value due to timing reasons as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme volatility may result in trading prices that differ significantly from net asset value.

***“Uninvested” Capital.*** Intelligration may from time to time invest in high quality short-term instruments such as U.S. Treasury securities. It is not possible to determine or even estimate the

degree to which a client's assets will be "uninvested" from time to time, but the percentage of client assets invested in short-term instruments may be high from time to time. Such periods of "uninvestment" may have a dampening effect on a client's rate of return.

***Stable NAV Risk.*** Intelligration may from time to time invest in "money market" funds or similar vehicles that seek to maintain a stable NAV per share of \$1.00 at all times. A significant enough market disruption or drop in market prices of securities held by a money market fund, especially at a time when such fund needs to sell securities to meet its redemption requests, could cause the value of such fund's shares to decrease to a price less than \$1.00 per share. Such an occurrence would likely adversely affect the value of a client's investment in the money market fund as well as a client's ability to liquidate the investment.

Please refer to the Memorandum for additional information regarding the risk factors and conflicts of interest involved in an investment in the Fund. The information contained herein is a summary only and is qualified in its entirety by the information provided in the Memorandum.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Intelligration is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of it or the integrity of its management

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Intelligration is an affiliate of the General Partner. Intelligration and its principals have no other financial industry activities or affiliations.

## **ITEM 11 - CODE OF ETHICS**

Pursuant to Rule 204A-1 of the Advisers Act, Intelligration has adopted a written code of ethics ("Code of Ethics" or the "Code") that sets forth standards of conduct expected of supervised persons and addresses conflicts that can arise from personal trading. The Code of Ethics requires all supervised persons to place client interests ahead of Intelligration's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws. Intelligration's Code of Ethics is based on principles of openness, honesty, integrity, and trust. At least once a year, each Intelligration employee is required to acknowledge this Code and agree to be bound by it.

Intelligration's Code of Ethics covers standards of business conduct, confidentiality of client information, personal trading requirements, insider trading, conflicts of interest, reporting of personal securities transactions, restrictions on accepting and giving of significant gifts, and reporting of certain gifts and business entertainment items, among other things. The Code of Ethics also includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Employees of Intelligration who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension, or dismissal. Employees are also required to promptly report to the Chief Compliance Officer any violations of the Code of Ethics of which they become aware.

Intelligration will provide a copy of its Code of Ethics to any existing or prospective investor upon request to its Chief Compliance Officer, Mark Rosenthal, at (908) 517-4594.

The Memorandum details a complete description of what Intelligration believes to be the most significant conflicts of interest associated with an investment in the Fund. Investors should carefully consider the conflicts of interest described herein prior to investing in the Fund.

## **ITEM 12 – BROKERAGE PRACTICES**

Transactions are allocated to broker-dealers on the basis of best execution available in light of the overall quality of brokerage, prime brokerage, financing and other services provided. Intelligration is authorized to determine the broker or dealer to be used for each securities transaction.

In selecting brokers or dealers to execute transactions, Intelligration will consider the following factors, among others: Intelligration's experience in evaluating the broker-dealer's reliability and capability based on previous and pending transactions effected by the broker-dealer for Intelligration; a broker's execution capabilities with respect to the relevant type of order and access to the markets for the securities being traded; the strength of the broker-dealer's analytic services as well as clearing and settlement capabilities; the commissions charged; the broker's reputation and responsiveness to requests for trade data and other financial information; the amount of business with each broker-dealer and the justification for directing trades to those broker-dealers; the gross compensation paid to each broker-dealer and the transaction costs incurred; the broker-dealer's familiarity both with the investment practices generally and the techniques employed by Intelligration; statistics or other information by independent consultants on the relative quality of executions/financial services of each broker-dealer; the financial strength and stability of each broker-dealer; the broker-dealer's ability to respond promptly to inquiries during volatile markets; the value of privacy considerations, liquidity, price improvement and lower commission rates on electronic communications; and the broker-dealer's expertise in the particular markets and its general reputation and ability to execute an order in an appropriate time frame. Intelligration need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Intelligration does not currently expect to use "soft dollars," but may determine to do so in the future to obtain research and brokerage services within the meaning of Section 28(e). Research and brokerage services within Section 28(e) include, but are not limited to: research reports (including market research); Bloomberg, certain financial newsletters and trade journals;

software providing analysis of securities portfolios; analyses concerning specific securities, companies or sectors; and data services (including services providing market data, company financial data and economic data); services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer); and trading software operated by a broker-dealer to route orders.

Although Intelligration will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable, and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

As mentioned above, in selecting brokers and negotiating commission rates, Intelligration will take into account, among other things, the financial stability and reputation of brokerage firms as well as the research, brokerage, or other services provided by such brokers. Intelligration may place transactions with a broker or dealer that: (i) provides it (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer; or (ii) refers investors to the Fund or other product advised by Intelligration (or an affiliate), if otherwise consistent with seeking best execution, provided Intelligration is not selecting the brokerdealer solely in recognition of the opportunity to participate in such capital introduction events or the referral of investors. The selection of a broker (including the prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: capital introduction; marketing assistance; consulting with respect to technology, operations, and equipment; commitment of capital; access to company management; and access to deal flow. Intelligration will not generally compensate any broker for any of these other services.

Intelligration recognizes that it may have an incentive to favor broker-dealers that provide capital introduction services to Intelligration or refer investors. Intelligration receives asset-based fees and accordingly would receive a financial benefit from the increase in assets under management that result from capital introduction services and investor referrals. Similarly, Intelligration receives a performance-based fee and accordingly could receive a larger performance-based fee in any given profit period as a result of an increase in assets under management that results from capital introduction services and investor referrals. The potential for higher fees presents a potential conflict in that Intelligration has an incentive to favor broker-dealers that provide services that have a direct impact on fees even if those broker-dealers rate unfavorably in other categories.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The principals of Intelligration regularly review portfolios to determine if they are consistent with investment objectives and restrictions. Intelligration also considers whether the portfolio should change investments based on various factors as described in the Memorandum.

Mark Rosenthal, the Chief Compliance Officer, reviews records of trades placed on a regular basis. Accounts are also reviewed on a regular basis by U.S. Bancorp Fund Services, Intelligration's third party administrator, to price the portfolio based on independent third party pricing sources or methodologies approved by Intelligration. U.S. Bancorp Fund Services also ensures that Intelligration's records are accurate and in agreement with those of its custodian.

Intelligration distributes monthly and annual written reports to Fund investors. Monthly reports contain summary information regarding performance and exposures, including the estimated NAV as compared to the previous calendar month. Annual reports are delivered within 120 days of year-end and include a summary of investments and performance, as well as an annual audited financial statement and audited balance sheet. All reports are sent to investors in writing and are delivered electronically. Intelligration has contact with investors (personal visits, telephone calls, and e-mails) throughout the year as conditions warrant.

Intelligration will provide each investor with such tax information and schedules as are necessary to enable such investor to prepare its federal income tax return.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Intelligration does not receive any monetary compensation or any other economic benefit from a nonclient for Intelligration's provision of investment advisory services to a client.

Intelligration does not currently directly or indirectly compensate any person who is not a supervised person for client referrals and does not use third party marketers in its fundraising efforts.

#### **ITEM 15 – CUSTODY**

As a general partner or investment manager of the Fund, Intelligration will generally be deemed to have custody of client assets under Advisers Act Rule 206(4) (the "Custody Rule") despite the fact that Intelligration will never have actual physical custody of such assets. Intelligration expects to comply with the requirements of the Custody Rule by causing the Fund to undergo an annual GAAP financial statement audit by Public Company Accounting Oversight Board ("PCAOB") registered auditing firm, copies of which will be delivered to underlying fund investors within 120 days of year-end.

Intelligration does not take physical possession of client money or securities; capital contributions are directly sent or wired into Intelligration's custodial accounts. Intelligration receives monthly statements from its qualified custodian and prime brokers on behalf of the Fund.

## **ITEM 16 – INVESTMENT DISCRETION**

Intelligration has discretionary authority over all client accounts.

To become a limited partner in the Fund, an investor must execute a subscription agreement with the Fund. Such subscription agreements, and other governing documents of the applicable Fund, contain a power of attorney that generally grants the General Partner, an affiliate of Intelligration, certain powers related to the orderly administration of the affairs of the Fund. Once executed, Intelligration is not required to contact an investor prior to transacting business in a Fund.

## **ITEM 17 – VOTING CLIENT SECURITIES**

Intelligration has the authority to vote on behalf of the Fund in any proxy solicitations that may occur with respect to the issuers of securities held by the Fund. Intelligration has adopted a proxy voting policy pursuant to SEC Rule 206(4)-6 to describe how it votes its Funds' proxies. Intelligration votes proxies consistent with the best interests of its investors and in accordance with the Fund's stated objectives, primarily maximizing portfolio values. In general, investors cannot request that Intelligration vote in a particular way on any specific proposal.

Intelligration generally will not vote proxies for any securities Intelligration no longer owns unless Intelligration possesses a strong opinion regarding such a matter. In the event Intelligration does decide to vote a proxy, it will generally vote in a manner intended to promote the client's investment objectives and to maximize investment returns, while following the investment restrictions and policies of each client, generally as set forth in the governing document of the relevant client. In the event Intelligration determines there is a conflict of interest in voting a proxy, Intelligration will resolve the conflict in one of several possible ways, such as by engaging a third party to recommend a vote with respect to the proxy or seeking the advice of an independent third party. The Chief Compliance Officer will retain all proxy voting records in accordance with SEC Rule 206(4)-6.

Investors can obtain a copy of Intelligration's complete proxy voting policy upon request, free of charge, from Intelligration's Chief Compliance Officer, Mark Rosenthal, at (908) 517-4594. Investors can also obtain information from Intelligration's, free of charge, about how Intelligration voted any previous proxies.

## **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisers are required in this section to provide you with certain financial information or disclosures about Intelligration's financial condition. Intelligration has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.