

# Disclosure Brochure

March 25, 2024



INTRINSIC  
VALUE  
PARTNERS

This brochure provides information about the qualifications and business practices of Intrinsic Value Partners, LLC hereinafter "IVP" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). IVP is a SEC registered investment adviser. Registration does not imply any level of skill or training.

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## **Item 2.      Material Changes**

In this item, IVP is required to discuss any material changes that have been made to the brochure since its last annual updating amendment.

The following changes have been made to the brochure since its last annual updating amendment:

- Items 4 and 5 were updated with respect to IVP's use of independent managers (sub-advisors) in the management of portions of certain client accounts.

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## **Item 4. Advisory Business**

IVP is an independent registered investment adviser founded in 2012 by its principals, Carter A. Pearl, CFA and Daniel S. Flack, CFA. IVP provides its clients with investment management services, as well as financial planning and consulting services. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with IVP setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”).

As of December 29, 2023, IVP had \$159,542,921 of assets under management, all of which was managed on a discretionary basis.

While this brochure generally describes the business of IVP, 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 or any other person who provides investment advice on IVP’s behalf and is subject to the Firm’s supervision or control.

### **Investment Management Services**

IVP manages client investment portfolios on a discretionary basis.

IVP primarily allocates client assets among individual debt and equity securities and various mutual funds, in accordance with the investment objectives of its individual clients. When appropriate for the client, IVP may recommend or utilize one or more sub-advisors to assist with the management of portions of the client’s account. On a more limited basis, the Firm allocates client assets among exchange-traded funds (“ETFs”) and certificates of deposit. Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage IVP to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, IVP directs or recommends the allocation of client 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 provider.

IVP tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. IVP consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify IVP if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if IVP 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.

***Information Regarding the Use of Independent Managers (Sub-Advisors)***

Under the client's Investment Management Services Agreement, the client will grant IVP and/or the selected independent investment manager trading authorization over the client's account. Independent investment managers may use stocks, bonds or other types of investments, depending on the client's investment objectives and the independent investment manager's management style. Factors that IVP considers in recommending independent managers include the client's stated investment objective(s) and risk tolerance level, as well as the independent manager's management style, performance, reputation, and financial strength, among other things.

Clients will be provided with any Independent Manager's Form ADV 2A disclosure brochure and Privacy Notice.

Once the portfolio is constructed, IVP provides ongoing monitoring of the portfolio and/or independent manager as changes in market conditions and client circumstances may require.

## **Financial Planning and Consulting Services**

In limited circumstances, IVP may provide clients with certain financial planning and/or consulting services. In performing these services, IVP is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

IVP may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage IVP to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by IVP under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including IVP itself. 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 IVP's previous recommendations and/or services.

## **Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

## **Conflict of Interest**

The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. For example, if you roll over an IRA or 401k account to our firm or otherwise transfer any other account to our firm, we will charge your account and make money. If you decide to not roll over the IRA or other account to our program, we will not make money. Therefore, we have a financial incentive to recommend that you move your account to our program even if it is not in your best interest.

## **Item 5. Fees and Compensation**

IVP offers its services on a fee basis, which may include fees based upon assets under management, as well as hourly fees. The Firm's compensation is solely from fees paid directly by clients. The Firm does not receive commissions based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted.

## **Investment Management Fees**

IVP provides investment management services for an annual fee based on the amount of assets under the Firm's management. The annual fee is prorated and charged quarterly, in arrears, based upon the

market value of the assets being managed by IVP on the last day of the previous billing period.

### **Pro Rata Adjustment for Partial Billing Periods**

For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding balance is charged to the client, as appropriate.

### **Fee Waiver on Certain Cash Balances**

For clients who have been with IVP for less than one year (as measured by the client's first billing inception date), IVP will include the client's accounts' full cash balances in IVP's fee calculations. For clients who have been with IVP for at least one year (as measured by the client's first billing inception date), IVP will waive fees on cash balances that exceed 20% of the client relationship value starting with the first full quarter after that one year period. For example, if a client's first billing inception date with IVP was February 12th 2020, IVP would waive fees on any cash above 20% starting with the billing period beginning on April 1st, 2021. This fee waiver is at the client level, not the account level and accounts added by the client after this fee waiver becomes effective for the client - will immediately receive this benefit. This fee waiver policy on cash balances applies to all accounts irrespective of account size.

### **Fee Adjustment for Certain Deposits and Withdrawals**

For billing quarters where assets exceeding \$30,000 in value are either deposited or withdrawn from the client's account in one calendar day, IVP will make a pro rata adjustment to its fee based on the amount of the deposit/withdrawal and the number of days remaining in the quarter. This fee adjustment policy only applies to deposits and withdrawals that exceed \$30,000, which occur on a particular day and is not cumulative—that is, it does not apply to deposits/withdrawals that are less than \$30,000 which occur over multiple days even if, in total, they exceed \$30,000.

### **Fee Schedule**

The fee varies based on the following fee schedule:

<b>PORTFOLIO VALUE</b>	<b>ANNUAL FEE</b>
First \$1,000,000	1.00%
Next \$1,000,000	0.90%
Next \$1,000,000	0.80%
Above \$3,000,000	0.50%

A simple example is included for illustration purposes of the fee calculation method. A client has a portfolio value of \$1,500,000 on March 31, 2013. The client's portfolio has been managed by the Firm the entire first quarter of 2013 and there have been no deposits or withdrawals over this time period. The fee would be calculated as follows:

The annual fee for the first \$1,000,000 is \$10,000 ( $\$1,000,000 \times 1.00\%$ ).

The annual fee for the next \$500,000 is \$4,500 ( $\$500,000 \times 0.90\%$ ).

The subtotal of the two tiers is \$14,500 ( $\$10,000 + \$4,500$ ).

The total quarterly fee assessed to the client is \$3,625 ( $\$14,500 / 4$ ).

### **Independent Investment Manager Fees**

With respect to IVP's investment management services, the investment management fee charged by IVP does not include any fees charged by Independent Investment Managers for their services provided to clients. The fee assessed by IVP for portions of the client account managed by Independent Managers shall be increased by the amount of the Independent Manager's fee. The maximum fee charged by Independent Managers is .25% (25 basis points). The billing statement(s) sent by IVP to the client shall indicate the amount of IVP's fee and the additional fee charged to the client for the Independent Manager's services.

### **Financial Planning, Consulting and 529 Rebalancing Fees**

IVP generally charges \$300 on an hourly basis to provide clients with stand-alone financial planning or consulting services.

IVP charges clients hourly on a periodic basis for rebalancing client 529 plans. IVP researches available investment options within the 529 plan and then rebalances each client's 529 account subject to the client's goals and investment objectives. If the client has a related non-retirement account at Schwab, the rebalancing fee is debited from the related Schwab account. If the client does not have a related account at Schwab, the client is billed directly for this fee.

The specific terms and fee structure are set forth in the Agreement with IVP. Generally, the fee for these hourly services are itemized and added to each client's quarterly billing statement. These fees will be deducted directly from the client brokerage account, unless the client opts to receive an invoice.

### **Fee Discretion**

IVP, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be



managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to IVP, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, 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 and other fund expenses), 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.

**Fee Debit**

Clients generally provide IVP with the authority to directly debit their accounts for quarterly payment of the Firm's investment advisory fees. The Financial Institutions that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to IVP. Alternatively, clients may elect to have IVP send them an invoice for direct payment. For this service, an additional \$75 is charged to the client each quarter.

**Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to IVP's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to IVP, subject to the usual and customary securities settlement procedures. However, IVP designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. IVP 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, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

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

IVP 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**

IVP provides its services to individuals, trusts, estates, charitable organizations, corporations and other business entities.

**Minimum Annual Fee**

As a condition for starting and maintaining an investment management relationship, IVP generally imposes a minimum annual fee of \$10,000.

This minimum fee may have the effect of making IVP's services cost prohibitive for certain clients, particularly those with less than \$1,000,000 in assets under IVP's management. IVP, in its sole discretion, may waive its minimum annual fee based upon certain criteria, such as anticipated future

earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and *pro bono* activities.

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

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

The Firm's investment objective is to achieve long-term capital appreciation with moderate risk primarily by investing in a concentrated portfolio of U.S. stocks. IVP primarily utilizes bottom up fundamental analysis for security selection. Bottom up fundamental analysis of a company involves analyzing the company's financial statements, its management, competitive advantages, its products and services, and its competitors and markets. IVP also researches SEC filings (i.e. annual filings, quarterly filings, interim company disclosures, proxy statements), company press releases, ValueLine reports, Morningstar reports, fund prospectuses, financial periodicals, and other third party research materials when evaluating investments. IVP's *Supervised Persons* may also attend industry conferences, listen to conference calls, and have on- and off-site visits with mutual fund managers and company management.

The Firm's investment strategy focuses on managing portfolio risk through individual security selection of businesses it believes are high quality and purchasing those securities at a price less than the intrinsic value of the underlying business. The Firm believes that stocks are more than just pieces of paper, but rather shares of ownership in businesses. Individual stocks are assessed as if the entire business were to be purchased.

IVP may also use stock and bond mutual funds, index and exchange-traded funds. Investments are selected based on the fundamentals of each investment rather than on any type of macro-economic outlook. IVP selects individual investments for the client portfolio without considering the sector allocations of any benchmarks such as the S&P 500 index. The Firm chooses position sizes based on the amount of conviction that the portfolio manager has in the selected investment and an individual stock may represent 5% or more of the total client portfolio. The Firm seeks to employ a low turnover investment style.

### **Risks of Loss**

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

#### *Market Risks*

The profitability of a significant portion of IVP's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that IVP will be able to predict those price movements accurately.

### *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 indexed based ETFs and 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.

## **Item 9. Disciplinary Information**

IVP and its *Supervised Persons* have not been involved in any legal or disciplinary events related to past or present activities.

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

IVP is not engaged in any other financial industry activities and does not have any affiliations that are otherwise material to the Firm's advisory business.

## Item 11. Code of Ethics

IVP 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*. IVP’s *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 IVP’s personnel (called “Access Persons”) to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, IVP’s *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner 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 Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain 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 *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction for the Access Person is effected seven or more calendar days immediately before a client account buys or sells the security;
- the transaction for the client has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) 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, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact IVP to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

IVP generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ (“Schwab”) for investment management accounts.

Factors which IVP considers in recommending Schwab or any other broker-dealer to clients include their

respective financial strength, reputation, execution, pricing, research and service. Schwab enables IVP to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by IVP's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where IVP determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. IVP seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom IVP and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. IVP periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct IVP in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by IVP (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, IVP may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless IVP decides to purchase or sell the same securities for several clients at approximately the same time. IVP may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among IVP's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among IVP's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that IVP determines to aggregate client orders for the purchase or sale of securities, including securities in which IVP's *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. IVP does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant

factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, IVP may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist IVP in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because IVP does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

IVP may receive from Schwab, without cost to IVP, computer software and related systems support, which allow IVP to better monitor client accounts maintained at Schwab. IVP may receive the software and related support without cost because IVP renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit IVP, but not its clients directly. In fulfilling its duties to its clients, IVP endeavors at all times to put the interests of its clients first. Clients should be aware, however, that IVP's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence IVP's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, IVP may receive the following benefits from Schwab through its institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

## **Item 13. Review of Accounts**

### **Account Reviews**

For those clients to whom IVP provides investment management services, IVP monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom IVP provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of IVP’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with IVP and to keep IVP informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

### **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. On a quarterly basis or as otherwise requested, clients may also receive written or electronic reports from IVP 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. Clients should compare the account statements they receive from their custodian with those they receive from IVP or an outside service provider.

Those clients to whom IVP provides financial planning or consulting services will receive reports from IVP summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by IVP.

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

### **Client Referrals**

IVP has been fortunate to receive many client and center of influence referrals over the years. Referrals are the primary source of new business. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. IVP does not pay for referrals nor does it accept referral fees or any form of remuneration for referrals the Firm makes.

### **Due Diligence/Educational Meetings**

1. On occasion, a sponsor company may host due diligence and/or educational meetings. The sponsor company may cover the travel, lodging, and meal expenses to have firm personnel attend such events.
2. Although these types of due diligence and/ or educational meetings are not predicated or conditional



upon specific sales quotas, it is the sponsor company's intent that these meetings and events will likely develop business by educating and training IARs about the features and benefits of their products and/or services to best serve the needs of clients.

3. As a result, the receipt of these benefits by IVP or its personnel is a conflict between the interests of the client and the firm in that IVP has an incentive to recommend the sponsor companies products or services over the products and services of another company that does not provide these benefits.

## **Item 15. Custody**

IVP's Agreement and/or the separate agreement with any Financial Institution may authorize IVP through such Financial Institution to debit the client's account for the amount of IVP's fee and to directly remit that management fee to IVP in accordance with applicable custody rules.

The Financial Institutions recommended by IVP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to IVP. In addition, as discussed in Item 13, IVP also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from IVP.

The adviser is deemed to have a form of custody for certain client accounts due to the firm being granted standing limited power of attorney by some clients for the client-authorized movement of client funds between the client's managed accounts and 1) another account or entity that the client authorized in writing for their managed account to be linked to, regardless of whether or not the other account is at the same financial institution as the managed account or 2) another account at the same custodian (usually Charles Schwab) that has the same registration as the managed account. The firm adheres to the 7 safeguarding provisions outlined in the SEC no-action letter of clarification of the custody rule dated February 21, 2017.

## **Item 16. Investment Discretion**

IVP is given the authority to exercise discretion on behalf of clients. IVP is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. IVP is given this authority through a power-of-attorney included in the *Agreement*. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). IVP 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 made.

## **Item 17. Voting Client Securities**

IVP is required to disclose if it accepts authority to vote client securities. IVP does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*. Clients can contact IVP by phone, mail or e-mail to discuss questions regarding a particular solicitation.

## **Item 18. Financial Information**

IVP is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## Intrinsic Value Partners, LLC Disclosure Brochure



INTRINSIC  
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