

BROCHURE OF
RADIUM ASSET MANAGEMENT, LLC

A Delaware limited liability company registered with the Securities and Exchange
Commission as an investment adviser (CRD # 299475)

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THIS BROCHURE (“BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF RADIUM ASSET MANAGEMENT, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (877) 397-4127. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT RADIUM ASSET MANAGEMENT, LLC IS ALSO AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The date of this Brochure is

July 16, 2019

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about the Firm. Registration of an investment adviser does not imply any level of skill or training.

Item 2 – Material Changes

This brochure was prepared for Radium Asset Management, LLC's initial registration with the U.S. Securities and Exchange Commission. There have been no amendments and no material changes to this brochure.

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Item 4 – Advisory Business

Radium Asset Management, LLC (the “Firm”) is a Delaware limited liability company formed on September 21, 2018 that is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The firm maintains offices in Uniondale, New York. The Firm is owned and managed by Troy Caruso, its managing member.

The Firm provides discretionary investment management services to its advisory clients, comprised of private pooled investment funds, special purpose vehicles and certain businesses operating within the merchant cash advance (“Merchant Cash Advance”) industry. The Firm provides these services in accordance with the prospectus, limited partnership agreement (or analogous organization document), offering materials or an investment management agreement applicable to the client.

Discretionary Services

The Firm currently serves as investment adviser to Radium Alternative Financing Fund I, LP (“RAFFI”), a private investment fund whose interests are offered pursuant to Regulation D of the Securities Act of 1933, as amended and Radium2 Capital, LLC, a New York limited liability company (the “Originator and Servicer”), including its successors and assigns, that evaluates small to mid-size businesses (the “Merchants”) and may make an investment by providing working capital. In the future, the Firm may serve as an investment adviser to other privately-offered investment vehicles formed as limited partnerships, limited liability companies or offshore corporations. RAFFI and any future privately-offered investment vehicles are each referred to herein as a “Fund” and collectively, as the “Funds,” unless otherwise specified or as indicated by the context. The Fund is not a registered investment company.

The Firm specializes in providing investment strategies pertaining to Merchant Cash Advances as set forth in Item 8, which are carried out by the Firm’s operational support personnel and other investment team related support personnel (collectively, the “Investment Team”). Investment Team members may be employees of the Firm, its affiliate, or may be exclusive or non-exclusive third party contactors. The Originator and Servicer utilizes a similar strategy generally employed by the Fund.

For the Funds, investment advice is provided directly to such vehicles, subject to the discretion and control of the Fund’s general partner (or analogous party), and not to the individual needs of the investors. Investment restrictions of the Funds, if any, are generally established in the organizational or offering documents of the applicable vehicle, or in the Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Fund.

The Firm currently does not participate in wrap fee programs.

As of April 16, 2019, the Firm had approximately \$65,300,000 in assets under management on a discretionary basis.¹

¹ Determined in accordance with the Form ADV Instructions, Amended Form ADV, Part 1A, Schedule D, Item 5.K.(2).

Item 5 – Fees and Compensation

Discretionary Services

The Funds managed by the Firm are generally charged a management fee and performance fee. The amount and manner in which management fees are assessed by the Firm are based on contractually specified percentages set forth in each Advisory Agreement.

The management fee paid by RAFFI is 1.50% per annum of the net asset value of RAFFI. Generally, management fees are payable quarterly in arrears and calculated as of the last day of each quarter or on the withdraw date. The Firm deducts the management fees from the client's account.

The Firm believes that its fees, charged to its third party Funds, are competitive with those charged generally by other investment advisers for comparable services. However, some investment advisers may provide comparable services for lower or different fee structures. Performance fees, as discussed in Item 6, are only charged in accordance with applicable rules and regulations, including Rule 205-3 under the Advisers Act and the Employee Retirement Income Security Act ("ERISA") as applicable.

The Accounts, as defined below, managed by the Firm are generally charged a management fee. Similarly, the amount and manner in which management fees are assessed by the Firm are based on contractually specified percentages set forth in each Advisory Agreement. The management fee paid by the Accounts is 0.5% of the total right to receive collected from a Merchant per each Merchant Cash Advance Agreement or Participation Agreement.

Additional Fees and Expenses

The Firm's fees are charged separately, net of any commissions, transaction fees, Fund fees or other Fund related costs and expenses (which are incurred by the Fund, and may include legal and accounting costs).

The Advisory Agreement of each Fund provides a description of any additional fees and expenses for which a Fund client may be responsible in addition to the management fees and any performance-based allocations or fees. Generally, each client will be responsible for all costs and expenses relating to the organization and operation of such Fund on a pro rata basis, including, without limitation, (i) administration fees and expenses, whether provided by a third party, the Firm or an affiliate thereof; (ii) audit fees; (iii) custodial fees and other bank service fees; (iv) interest and other expenses incurred in respect of borrowings, if any; (v) due diligence-related expenses; (vi) expenses associated with information, communication and periodic reporting; (vii) expenses incurred in connection with legal and regulatory compliance with U.S. federal, state, local and non-U.S. or other law or regulation; (viii) financial statements, tax returns and Schedules K-1 (if applicable); (ix) insurance premiums; and (x) certain legal fees, including costs of litigation involving the Funds and the amount of any judgments or settlements paid in connection herewith.

The Firm pays its own general operating and overhead expenses associated with providing its investment management services, including all expenses incurred by the Firm in providing for its normal operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, utilities, telephone, secretarial and bookkeeping services, etc.).

Item 6 – Performance-Based Fees and Side-By-Side Management

As described in Item 5, the Firm (or its affiliates, including Radium Management, LLC) may receive a performance-based fee from its fund clients in addition to a management fee. The performance fee paid by RAFFI to the Firm or its affiliates at the close of each fiscal quarter equals 66.67% of each Fund's annual new appreciation. All such arrangements conform with Section 205(a)(1) of the Advisers Act and ERISA, as applicable.

The Firm may advise clients that are charged a management fee and performance fee and clients that are charged solely a management fee. Some clients may also be subject to a higher management fee and/or performance-based fee than others. The Firm may have an incentive to favor a Fund paying higher performance compensation. Notwithstanding these conflicts, the Firm will allocate transactions and opportunities among the Fund and businesses it manages in a manner it believes to be as equitable as possible, considering each account's objectives, programs, limitations and capital available for investment. However, even clients with similar objectives will often have different investment portfolios and fee structures. For more information, see Item 11.

Item 7 – Types of Clients

Discretionary Services

The Firm provides investment advisory services to the Fund as defined in Item 4.

The suitability requirements for the Fund are set forth in the Fund's private placement memorandum delivered to investors. Investors in the Fund are required to meet certain suitability and net worth requirements. The investor must qualify as (i) a "qualified client" within the meaning of Rule 205-3 under the Advisers Act, as amended, and (ii) an "accredited investor," as defined in Regulation D under the Securities Act of 1933. Investors in the Fund must meet a minimum initial investment requirement of \$250,000. The investment manager or general partner (or analogous party) of the Fund may accept lower initial investments in its sole discretion.

The Firm's account clients consist of special purpose vehicles and certain businesses operating within the Merchant Cash Advance industry ("Accounts"). Account clients are required to meet certain suitability and net worth requirements, and thus must qualify as an "Accredited Investor" as defined by Rule 501 of Regulation D promulgated pursuant to the Securities Act of 1933, as amended.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategy for Discretionary Services

The Fund's investment objective is to achieve financial gain for limited partners by providing working capital on a national level to small to mid-size businesses ("Merchants") and, to a lesser extent, to public companies ("Public Companies") and receiving a percentage of a Merchant's future sales in return ("Merchant Cash Advances") equal to the aggregate amount purchased by the Originator and Servicer, together with any fees associated therewith. The Fund shall allocate capital (in the Investment Adviser's sole discretion) as follows, the Fund shall participate in: (i) approximately twenty percent (20.00%) of each Merchant Cash Advance funded exclusively by the Originator and Servicer and (ii) approximately twenty percent (20%) of each Merchant Cash Advance funded by the Originator and Servicer in participation with other Merchant Cash Advance

providers (“Funders”). The Fund will also participate in the loans provided to Merchants by the Originator and Servicer and/or other Funders that are secured by collateral (“Asset Based Loans”) on an opportunistic basis.

Background

The Merchant Cash Advance industry has nearly doubled over the past several years, growing to over fifteen billion dollars (\$15,000,000,000.00) in origination volume in 2017 versus eight billion six hundred million dollars (\$8,600,000,000.00) in 2015.

The growth of a typical merchant’s business depends on efficient and frictionless access to capital, yet the small business lending market is vastly underserved. Merchants are time and resource constrained, but the traditional borrowing process is time consuming and burdensome. Seventy-four percent (74.00%) of small business owners indicate that access to customized credit solutions, including working capital, remains a top concern, including immediate capital availability for an unseen operational event (i.e. a large purchase order that requires a substantial increase in raw materials). Given the Originator and Servicer’s underwriting speed and funding timeline, it has become a critical partner in providing rapid access to capital.

Merchants are unique, and therefore difficult to assess, and the traditional lending sector has not historically served this segment well. Lack of a standardized “credit scoring model” requires lenders to utilize a number of resources, including social media, to fully understand the characteristics of a Merchant. The Originator and Servicer has engineered its underwriting and risk management policies with a dynamic, technology enabled underwriting system that incorporates both traditional and non-traditional elements into its credit scoring.

Investment Strategy

Origination

The Originator and Servicer primarily utilize affiliated Independent Sales Organizations (“ISOs”) to generate client opportunities. Affiliated ISOs of the Originator and Servicer deploy a data driven client acquisition model and are paid a commission for funding client leads, in addition to the opportunity for participation in the Merchant Cash Advance. Commissions typically range between five percent (5.00%) and twelve percent (12.00%) of the transaction size. Currently, the Originator and Servicer has relationships with ISOs that cumulatively generate over five hundred seventy-five million (\$575,000,000.00) in originations. Exclusivity agreements with affiliated ISO firms give the Originator and Servicer a significant competitive advantage when selecting which receivables to fund internally.

Merchants can apply for a Merchant Cash Advance or an Asset Based Loan on the Originator and Servicer’s website in minutes and, using its proprietary scoring model, the Originator and Servicer can make a funding decision either the same day or within twenty-four (24) hours and transfer funds within three (3) days. The Originator and Servicer primarily provide two (2) products to its client base, traditional Merchant account based advances and revenue based advances. For a traditional Merchant account based advance, the Originator and Servicer purchases a small portion of the Merchant’s future credit card sales and advances that money to the Merchant upfront. For revenue based advances, the Merchant has capital advanced to its business based on monthly gross revenue and sales, which are verified by bank deposits.

Underwriting

The Originator and Servicer is a specialized provider of custom credit solutions for Merchants. Enabled by a proprietary technology and analytics platform incorporating proprietary credit scoring, underwriting and asset management applications, the Originator and Servicer aggregates and analyzes thousands of data points from dynamic, unrelated and uncorrelated data sources to assess the creditworthiness of Merchants rapidly and accurately.

The goal of underwriting is to determine a Merchant's current financial position, its ability to generate revenues for the foreseeable future and subsequently its propensity and ability to repay. To ascertain credit and financial worthiness, the underwriter analyzes the business credit of an applying Merchant and the personal credit of its principal(s), conducts a social media search and thorough business and personal background checks and obtains landlord and trade reference verifications and bank statements to confirm revenues and analyze financial data. These factors are encompassed in the Originator and Servicer's proprietary Merchant scoring model (the "Credit Scorecard"). The Credit Scorecard considers more than four hundred twenty (420) data points in order to determine if an applying Merchant is qualified, and if so, for what terms.

In assessing an applying Merchant's financial position, the Originator and Servicer evaluates a Merchant's ability to generate future revenue. The Originator and Servicer uses a risk-based pricing model to categorize Merchants from low to high risk. As part of the portfolio monitoring process, when the Originator and Servicer receives information from a Merchant to renew, the Originator and Servicer may adjust the Merchant's risk designation. For a Merchant Cash Advance equal to or greater than two hundred fifty thousand dollars (\$250,000), the model takes the input of the Originator and Servicer's underwriters on selected revenue items, operating costs, operating income and selected average balance sheet items and calculates fifteen (15) to twenty (20) ratios, including the current ratio, coverage ratio and debt ratio. Current ratio measures liquidity and gauges the ability of a Merchant to meet its short-term financial obligations should it be compelled to liquidate its assets. However, it is not an absolute measure of a Merchant's ability to meet its obligations. Coverage ratio indicates a Merchant's ability to service its debt based on its income and debt ratio indicates a Merchant's ability to pay its debt. The Originator and Servicer evaluates a Merchant pursuant to reduced underwriting criteria for a Merchant Cash Advance less than two hundred fifty thousand dollars (\$250,000). If a Merchant is qualified, an underwriter may request and require additional documents from an applying Merchant in order to conduct an in-depth review of the business, its principals and financials before approving the Merchant Cash Advance.

Optimal Merchant Cash Advance servicing procedures ensure that the Originator and Servicer is maximizing its own earning potential, but the ability to easily track and manage the performance of repayment offers unparalleled transparency and insight into its funded Merchants.

Collections

The Originator and Servicer operate a proprietary and highly scalable technology infrastructure with substantial capacity for future growth. Through integration with Cloud My Biz ("CMB") management software, a customized version of Salesforce that allows for better management and tracking, the Originator and Servicer is able to centralize the ecosystem under one main operation. In collaboration with CMB, the Originator and Servicer has implemented Salesforce, a leading customer-relationship management software that improves transparency, efficiency, collaboration and turnaround time on transactions and facilitates the sharing of data and information.

Powerful and intuitive tools accessed through Fundingo, a platform that automates servicing, are used to manage write-offs, workflow automation and renewals on pre-existing balances. This system also provides a robust back end interface with reports that assist in monitoring repayments and provide the ability to export details of transactions to external systems. The Originator and Servicer is also able to set up Syndicator profiles with the syndication structure and balance, track funds received from Syndicators for investment and monitor and export details of syndication transactions. In addition, the Originator and Servicer has the ability to automatically create syndication payables based on the percentage of funding and management fees, track, calculate and deduct management and upfront fees, reinvest syndication investments and automatically generate remittances and disbursement records.

Participation in Merchant Cash Advances with Other Funders

The Originator and Servicer also participates in Merchant Cash Advances, not originated by the Originator and Servicer, with other Funders that the Originator and Servicer has an established relationship and track record with.² When a Merchant Cash Advance is not originated by the Originator and Servicer, the Originator and Servicer is not provided with the same information as when it is acting as the originator. In order to generate Merchant Cash Advance opportunities, other Funders frequently utilize the ISOs affiliated with the Originator and Servicer. Funders will have already evaluated a Merchant based on their own scoring model, which is similar to that of the Originator and Servicer, and the Originator and Servicer will subject a Merchant to a less complex scoring model, and the origination and collection track record of the other Funder is utilized as a significant component of the Originator and Servicer's evaluation of a particular Merchant Cash Advance opportunity.

The scoring model evaluates the following information: (a) a Merchant's location and operating history, (b) the funding amount and factor rate, (c) repayment amount, (d) payment amount and frequency, (e) term, (f) personal and business credit score and credit utilization, (g) average daily balance, monthly revenue, non-sufficient funds, negative days and number of deposits, (h) criminal background check, (i) industry, (j) seasonality and (k) use of funds. Based on these criteria, the model generates calculations, including maximum term, maximum daily and weekly payment, maximum offer and minimum buy rate. The Originator and Servicer then confirms with the other Funder the offer that is being provided to a Merchant in order to determine whether it aligns with the calculations generated by the scoring model.

Asset Based Loans

The Originator and Servicer provides Asset Based Loans to Merchants on an opportunistic basis. In order to evaluate a Merchant for an Asset Based Loan, the Originator and Servicer employs its traditional underwriting process, as described above, and performs a detailed review of a Merchant's collateral. The Originator and Servicer determines the collateral's value and how rapidly the Originator and Servicer can expect to realize that value by focusing its analysis on the quality and the verifiability of the collateral. The Originator and Servicer requests former appraisals and/or detailed equipment lists, which typically include model numbers, the year the collateral was built and its overall description. For certain equipment, the Originator and Servicer will order an appraisal from a reputable and licensed appraiser, which includes both the Forced Liquidation Value and the Orderly Liquidation Value. In addition, the Originator and Servicer

² In 2016, approximately ninety percent (90.00%) of the Merchant Cash Advances funded by the Originator and Servicer were originated by other Funders. Over the last few years, the percentage of Merchant Cash Advances originated by other Funders and funded by Originator and Servicer has significantly decreased. For 2019, the Originator and Servicer anticipates that approximately fifty percent (50.00%) of the Merchant Cash Advances it funds will be originated by other Funders.

engages a reputable title search company to conduct a complete title search of the collateral. If an Asset Based Loan is approved by the Originator and Servicer, it enters into a Co-Operative Loan Security Agreement with a Merchant where the Merchant pledges its assets as collateral in exchange for working capital from the Originator and Servicer.

Risk of Loss

Risks Associated with Merchant Cash Advances

Merchant Cash Advances Generally. The Originator and Servicer will provide capital to Merchants through Merchant Cash Advances. The Originator and Servicer will purchase receipts expected to be generated from a Merchant's future sales. The Merchant will authorize the Originator and Servicer to receive a certain percentage of its future daily sales receipts or a fixed daily amount estimated to equal this percentage until the Originator and Servicer has received all of the future receipts it has purchased. Among the risks associated with these transactions is that the Merchant does not unconditionally agree to repay the Merchant Cash Advances. If the Merchant does not generate sufficient receipts due to adverse business conditions, loss of leased premises, natural disasters or similar occurrences beyond the control of the Merchant, the Originator and Servicer and the Fund will suffer the loss since the Merchant Cash Advances are not secured by collateral.

Development and Acceptance of Merchant Cash Advances. The further development and acceptance of Merchant Cash Advances, although not a new alternative method for providing working capital to Merchants, is subject to a variety of factors that are difficult to predict and evaluate. The factors affecting the future development and acceptance of the Merchant Cash Advance industry include, but are not limited to: (a) government and quasi-government regulation or restriction of Merchant Cash Advances and their use; (b) changes in traditional institutional lending requirements and rates, such as required credit score minimums, loan and capital advance minimums and interests rates; (c) the availability and popularity of other forms or methods of alternative capital advances for Merchants who cannot obtain traditional advances or loans; (d) changes in consumer demographics, and public tastes and preferences for capital advance transactions; (e) general economic conditions and the regulatory environment at the state and federal level relating to capital advance transactions; and (f) negative consumer perception of Merchant Cash Advances generally. A decline in the development, popularity or acceptance of Merchant Cash Advances may adversely affect an investment in the Fund.

Investment Yield Risk. The investment yield risk in providing Merchant Cash Advances to Merchants depends upon whether the Merchant is able to continue its operation of business, which is subject to the market forces of supply and demand. The Merchant's ability to adequately operate its business is a driving factor in generating future receivables to satisfy the terms of the Merchant Cash Advance. The Originator and Servicer's reliance on fluctuating daily or weekly income does not allow for a concrete timeline of repayment to be established. If the Merchant experiences an influx of business that was greater than anticipated, the return of investment will occur earlier than may have been expected. Additionally, if the Merchant does not generate sufficient future receipts, the Originator and Servicer (and therefore the Fund) may experience a longer payback period or may suffer the partial or complete and unrecoverable loss of the Merchant Cash Advance.

Risks Associated with Uncertain Regulations and Enforcement Actions. The regulatory status of Merchant Cash Advances is unclear or unsettled in many state jurisdictions, as well as at the federal level. It is difficult to predict how, when or whether regulatory agencies may apply existing regulations with respect to such Merchant Cash Advances. Regulatory actions could adversely impact the Merchant Cash Advance marketplace in certain states or the industry in general in

various ways, including, for purposes of illustration only, through a determination that such capital advance transactions constitute unlawful activity or that Merchant Cash Advances are a regulated transaction that requires registration or licensing for some or all of the parties involved. The Originator and Servicer (and therefore the Fund) may cease operations in a jurisdiction where regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

Changes in the Regulation of Merchant Cash Advances. As Merchant Cash Advances have grown in both popularity and market size, the United States Congress and a number of federal and state agencies, including the Consumer Financial Protection Bureau (“CFPB”), the Federal Trade Commission (the “FTC”) and state financial institution regulators, have been examining Merchant Cash Advances and the Merchant Cash Advance market with particular focus on the extent to which Merchant Cash Advances can be used as a loophole to regulations and laws surrounding traditional capital advance methods. The CFPB, the Office of the Comptroller of the Currency (the “OCC”) and the United States Department of the Treasury have issued white papers, bulletins and reports regarding marketplace funding.

The Commercial Finance Coalition (the “CFC”) is one of several Merchant Cash Advance trade associations and a self-regulating body within the Merchant Cash Advance industry, which has taken a proactive approach to regulation and policymaking. The CFC continues to work with the federal government to self-regulate and educate the legislators on the importance of the Merchant Cash Advance industry on small businesses. To the extent that future regulatory actions or policies are enacted that limit the Merchant Cash Advance industry, the demand for Merchant Cash Advances may be reduced.

CFPB’s Treatment of Merchant Cash Advances. The jurisdiction of the CFPB is generally limited to consumer-purpose transactions and does not have the authority to regulate commercial factoring or funding. However, the CFPB was granted the authority under Section 1071 of the Dodd-Frank Act to require financial institutions to collect, maintain and report information regarding their process for funding to small businesses. In addition, the CFPB also has the authority to enforce the Equal Credit Opportunity Act, which includes commercial funding and the Fair Credit Reporting Act. However, the CFPB has not yet implemented any rules or enforcement.

Although the CFPB does not currently have the authority to regulate commercial factoring or funding, the 2017 Request for Information shows that implementation of Section 1071 could occur soon. The implementation of Section 1071 would provide the CFPB with powers extending past consumer transactions and into commercial funding businesses. The CFPB’s complete scope of authority into the commercial funding industry is uncertain. The CFPB may attempt to extend their regulatory powers over commercial lending businesses to Merchant Cash Advances. In conjunction with the risk of a Merchant Cash Advance being classified as a loan, the new regulatory powers of the CFPB would require the Originator and Servicer to be compliant with different protective acts, including the Fair Credit Reporting Act and the Equal Credit Opportunity Act.

FTC’s Treatment of Merchant Cash Advances. The FTC has the authority to regulate unfair and deceptive commercial practices. According to the FTC, it does not view a Merchant Cash Advance as a model that should be prohibited solely because of the high cost involved for the Merchant. Generally, the FTC is concerned about how high-cost products are being described and sold and will investigate the sales pitches to ensure no deception practices are being used. Merchant Cash Advances may come under FTC investigation if lenders are mischaracterizing their product offerings or otherwise engaging in unfair or deceptive practices.

Merchant Cash Advance Classification Risk. As the Merchant Cash Advance industry has gained popularity, more focus has been placed on the contractual obligations in the Merchant Cash Advance Agreements. An ambiguous and unclear contract may result in the transaction being regarded as a loan. Currently, the common law rules in each state, generally, hold that an unconditional repayment obligation classifies an advance as a “loan.” A Merchant Cash Advance that is classified as a “loan” creates potential legal and financial risks, including, but not limited to: (a) non-compliance with federal and state regulations; (b) breach of good faith and classification as an unconscionable contract; and (c) non-possession of the required lending licenses. In order to prevent a Merchant Cash Advance from being classified as a “loan,” the following should be included in the transaction: (a) creating a clear and unambiguous agreement between the Originator and Servicer and the Merchant; (b) establishing conditional and non-illusory repayment terms that are contingent on the future sales receipts of the Merchant; (c) restricting the use of collateral and the requirement of absolute repayment; and (d) ensuring the conditional repayment obligations for both the business and the personal guaranty are equivalent.

New York State Regulation of Merchant Cash Advances. Currently, regulations regarding Merchant Cash Advances do not exist in New York. New York courts have held where the transaction is classified as a sale of future receipts, the regulations regarding traditional loans and usury laws do not apply. Breaches, including default, of the Merchant Cash Advance Agreement by the debtor are protected using other measures.

In the event that a Merchant defaults on a Merchant Cash Advance Agreement with the Originator and Servicer, a common solution is a confession of judgment (“COJ”). Under New York Civil Practice Laws and Rules §3218, a Merchant may enter into a COJ with the Originator and Servicer, whereby the Merchant admits liability and accepts the amount of agreed-upon damages it must pay to the Originator and Servicer. Furthermore, the COJ states the Merchant agrees that the COJ may be filed as a court judgment against it in the event the Merchant does not pay or perform as agreed. A COJ may be entered, without an action, at any time within three (3) years after the affidavit is executed.

COJ’s are used to secure an entry of judgment against the debtor before the debt is due (the execution on the judgment may not be levied until the due date). A COJ does not nullify the conditional repayment terms contained in the Merchant Cash Advance Agreement, and therefore will not change the classification of a Merchant Cash Advance from a sale to a loan. When the Merchant executes a COJ, the Originator and Servicer is protected by New York State law in its attempt to recover damages from material breaches.

The protection offered by New York State law, including not classifying Merchant Cash Advances as loans and the acceptance of COJs lowers the risk presented to the Originator and Servicer and the Fund. However, there may be instances where a COJ will be vacated and the Originator and Servicer and the Fund risk a partial or complete loss.

Issues of Fact and Misconduct of an Adverse Party. When there are contested issues of fact, a court will use its discretion to decide whether a COJ should be applied or if a trial should commence. New York State law requires the COJ to detail the facts on which the claim substantively depends and must concisely state the facts out of which the debt arose, including how and when the debt arose and for how much. Insufficient detail may lead to the COJ being vacated. Under CPLR 5015(a)(3), the COJ may also be vacated based on fraud, misrepresentation or other misconduct.

Venue and Jurisdiction. Under CPLR 3218(a)(a), the COJ must state the New York county where the Merchant resides, or if the Merchant is not a resident of New York, the county in which entry is

authorized. If the COJ improperly states the county of residence or does not include it, venue risks may arise for the Originator and Servicer. In addition, if a Merchant is not a resident in New York, the venue in which the affidavit is entered must have jurisdictional authority to enter judgment or adjudicate the case. The Originator and Servicer must ensure that the non-resident Merchant has reasonable contacts in New York or that the transaction bears some relation to New York, otherwise the Originator and Servicer risks application of *forum non conveniens*.

California Lender's License. If a Merchant Cash Advance is deemed to be a loan in the State of California, the Originator and Servicer is required to obtain a California Finance Lending License ("CFL"). The CFL requires licensure as well as ongoing compliance activities. A CFL provides the Originator and Servicer with an exemption from the usury provision of the California Constitution. However, the Originator and Servicer must also satisfy certain ongoing obligations, including submitting an annual report and fee to the California Department of Business Oversight ("DBO"), maintain books and records and notify DBO of any changes in its directors and officers. In addition, the Originator and Servicer is also subject to requirements related to advertising, including limitations on advertising rates of interest and making advertising materials available for the DBO's review, upon request. The CFL imposes both civil and criminal penalties for failure to comply with its requirements. If a California court finds that the Originator and Servicer willfully violated the CFL when making or collecting loans, the funding contract is void and no person has any right to collect or receive any principal, charges or recompense in connection with the transaction. A "willful" violation results in a penalty of up to ten thousand dollars (\$10,000) and up to one (1) year imprisonment. The Originator and Servicer will ensure compliance with California lending regulations in the event that any court within the state of California finds a Merchant Cash Advance to be considered a loan.

Purchases Volatility Risk. The amount of customer purchases at a given business tends to change rather frequently, with fluctuations occurring daily. Therefore, there is no guarantee that a certain daily payment, as agreed to in the terms, will remain stable. The volatility of the market and conditional repayment terms of Merchant Cash Advances can cause the expected repayment term to vary. A Merchant Cash Advance may result in a loss or total loss within a short period of time if the Merchant is unable to maintain the business. Such volatility stems from various sources, including market information, supply and demand for a particular product and national and international news.

Fraud Risk and Inaccurate Valuations. The required information to be provided by a Merchant for a Merchant Cash Advance is less stringent and differs from traditional capital advances and loans from institutional lenders, giving rise to numerous risks. These risks include, but are not limited to, the Originator and Servicer receiving fraudulent or inaccurate financial data from the Merchant, transacting with a Merchant who has historical and/or current credit related issues and market shifts which may outdate the market research the Originator and Servicer uses to create its approval methodology. Although the Uniform Commercial Code governs Merchant Cash Advance transactions as a commercial transaction and provides for certain legal protections, the lack of collateral required in Merchant Cash Advance transactions presents a risk of total and unrecoverable loss.

Concentrated Merchant Cash Advance Investments. Merchant Cash Advance opportunities may arise at unpredictable intervals, creating a risk that the Originator and Servicer's investments may become concentrated in a limited number of Merchant Cash Advances. Such limited investment diversification may result in the high concentration of risk, which, in turn, could expose the Originator and Servicer and the Fund to significant or total losses.

Alternative Financing Options for Small Businesses. The Merchant Cash Advance industry has grown in the recent years following the 2008 global financial crisis, when receiving a loan from traditional money lenders (e.g. banks) became more difficult. However, the benefit of the increased demand for business financing is not exclusive to the Merchant Cash Advance industry. Other alternative funding options offer many of the same benefits with a greater chance of approval, greater flexibility and faster funding, including: (i) crowdfunding, which gives Merchants the opportunity to raise capital through the collective effort of a large group of individuals; (ii) an investment from an “angel investor” or an entrepreneur who provides capital in exchange for equity; and (iii) receiving a small business loan from the U.S. Small Business Administration (SBA), which guarantees funds to qualifying Merchants. These growing avenues in small business financing increase overall competition in the market for alternative funding.

Participation with Other Funders and Soft Underwriting. The Originator and Servicer will participate in Merchant Cash Advances originated by another Funder. As of the date hereof, approximately fifty percent (50%) of the Merchant Cash Advances funded by the Originator and Servicer are sourced by other Funders. The Originator and Servicer will determine whether to participate based on the information provided by the other Funder in conjunction with its own limited evaluation of the Merchant. The analysis conducted by the Originator and Servicer is not as extensive as when the Originator and Servicer originates the Merchant Cash Advance, relying primarily on the underwriting process of the other Funder. In addition, the other Funder shall have the full authority in the following areas: (i) collection of capital, (ii) remittance schedules and (iii) remittance activity. The other Funder may not have the same policies and procedures as the Originator and Servicer in these areas.

No assurance can be guaranteed that the other Funder will evaluate a Merchant to the same standards upheld by the Originator and Servicer. Assessing the credibility of the Merchant and its ability to generate revenues is crucial to the success of collecting future receivables. If the other Funder does not accurately evaluate a Merchant and the Merchant defaults, this could result in a partial or complete loss to the Fund.

Risks Associated with Asset Based Loans

Credit Risk. Credit risk is the most significant risk associated with Asset Based Loans. A Merchant may not be strong financially, may operate in a highly volatile or seasonal industry or may be experiencing rapid growth. Characteristics of a high default risk include high leverage, erratic cash flows, limited working capital and constantly changing collateral pools. If properly controlled, an Asset Based Loan can result in lower losses in the event of default when compared to other types of lending. An Alternative Business Loan’s reliance on controls and monitoring, however, can pose a higher risk if the facility is not properly underwritten, structured and administered. Credit risk can be posed by a Merchant’s inadequate accounting and inventory control systems, poor credit and collection practices, fraud, the failure of a major customer, inaccurate collateral valuation or lack of marketability and prior liens.

Operational Risk. Operational risk is inherent in a lender’s Asset Based Loan systems, staff and management oversight. A failure of any of these can result in higher losses than other forms of lending. Due to the nature of Asset Based Loan lending, risk of loss due to operational failure is elevated by inadequate controls for collateral or customer remittances and in effective monitoring of a Merchant’s financial condition.

Compliance Risk. An Asset Based Loan is subject to the same regulatory and compliance issues as other types of commercial lending. Given the emphasis on collateral and the typically higher borrower risk profile, an Asset Based Loan can be more vulnerable to certain aspects of compliance

risk, including the termination of credit facilities, debt liquidation and compliance with state and federal laws and regulations. A Merchant's financial position could be compromised if the Merchant does not establish and follow appropriate policies and procedures. In certain circumstances, a lender may find it necessary to terminate funding and liquidate collateral due to the borrower's financial difficulties, which can make a lender vulnerable to liability suits.

Strategic Risk. Asset Based Loans should be compatible with a lender's strategic goals and direction. A lender's management and staff must have the knowledge and experience to recognize, assess, mitigate and monitor the risks unique to Asset Based Loans. This requires a continuing investment in the personnel and systems necessary to maintain a sound and profitable operation. If a lender engaged in this type of lending without a well-developed understanding of the risks inherent in Asset Based Loans and a commitment to making the investment required for effective operations, a significant strategic risk is created.

Reputation Risk. Actions taken by a lender to protect its interests, such as the termination of a credit line or seizure and liquidation of collateral, can diminish a lender's reputation as well as inefficient loan delivery systems and lender liability lawsuits. If a lender fails to meet its legal or fiduciary responsibilities in executing these activities, a lender may damage its reputation and impair its ability to compete successfully in this line of business. In addition, while a majority of Asset Based Loans serve legitimate business purposes, a lender may be exposed to significant reputation and legal risks if it enters into transactions without sufficient due diligence, oversight and internal controls.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm's management. The Firm has no information applicable to this Item. The Firm or its principal have had no legal or disciplinary events that would be material to a client's evaluation of the Firm or the integrity of the Firm's management.

Item 10 – Other Financial Industry Activities and Affiliations

As a registered investment adviser, the Firm is required to disclose any financial industry activities and affiliations that are material to the Firm's business for your evaluation of the Firm.

Radium Management, LLC, a related person of the Firm, serves as the general partner of RAFFI, a fund advised by the Firm. Radium Management, LLC is owned by Troy Caruso. Radium Management receives the performance allocation described in Item 6 hereof. Although such fees are generally paid by a Fund, the costs are ultimately borne by the members. These fees will be in addition to the management fee payable to the Firm as set forth in the Advisory Agreement.

The Firm is not a broker-dealer; nor is it affiliated with any broker-dealer. None of the Firm's management persons are registered representatives of a broker-dealer. Neither the Firm nor any of the Firm's management persons are registered, or have an application pending to register as a futures commission merchant, a commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Investments

Code of Ethics

The Firm has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with the Firm, and establishes procedures intended to prevent the Firm, and its personnel and certain relatives, from inappropriately benefiting from the Firm’s relationships with its clients. The Code provides that the Firm and its employees must (i) place clients’ interests ahead of the Firm’s or employees’ interests; (ii) engage in personal investing that is in full compliance with the Code; (iii) avoid taking advantage of their position as investment managers; and (iv) maintain full compliance with Relevant Securities Laws.³

The Code also includes provisions relating to the confidentiality of client information, gifts and entertainment policy.

The Firm’s employees acting on behalf of the Fund are generally permitted to participate in Merchant Cash Advances for their own accounts in which the Fund primarily invests. Policies and procedures contain certain restrictions regarding pre-clearance of participations by employees in the Merchant Cash Advances.

All employees are required to certify that they are in compliance with the Code. Any violation of this Code may warrant disciplinary actions at management’s discretion, including suspension or dismissal.

Clients may request a copy of the Code by submitting a written request to the Firm at the address on the cover page to this Brochure.

Interests in Client Transactions

The Firm solicits clients and prospective clients to invest in the Funds, and in its capacity as investment adviser, the Firm recommends the Funds to its clients and prospective clients. The Firm mitigates potential conflicts of interests that may arise under this arrangement by ensuring that its marketing efforts adhere to the applicable securities laws and regulations.

Other than the foregoing, the Firm and its related persons do not recommend to the Funds or buy or sell for client accounts, securities in which the Firm and its related person(s) have a material financial interest.

The Firm and its related persons do not buy securities from or sells securities to the Funds as principal.

³ “Relevant Securities Laws” means all relevant state securities laws and regulations, the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the Commission or the Department of the Treasury.

Item 12 – Brokerage Practices

Currently, the Firm does not invest the Funds' assets directly in securities and/or other financial instruments. Therefore, the Firm does not use or select broker-dealers on behalf of its Fund clients.

Research and Other Soft Dollar Benefits

The Firm does not currently receive brokerage or research services ("Soft Dollar Services") from firms that are paid for with credits earned ("Soft Dollars") through commissions generated by portfolio transactions.

Item 13 – Review of Accounts

All accounts are reviewed on a regular basis to determine their conformity with risk parameters, investment objectives and guidelines. The portfolio manager receives weekly updates of portfolio positions and transactions for which the portfolio manager is responsible. All accounts are reviewed in light of emerging trends and developments as well as market volatility.

Investors in the Funds receive quarterly statements indicating their capital balances and their account's balance sheet and income statement. Account clients receive reports at least weekly showing realized gains and losses and the account's performance for the period.

Item 14 – Client Referrals and Other Compensation

The Firm has not in the past, but may in the future compensate affiliates or non-affiliates for client referrals in accordance with Rule 206(4)-3 under the Advisers Act. The compensation paid to any such entity will typically consist of a payment stated as a percentage of the management fee. Third parties who refer or help solicit clients may also be compensated based on a percentage of the advisory or management fee charged to that client. When required under the law, the policies and procedures require regulatory disclosure of the compensation arrangement between the Firm and the referring party.

Item 15 – Custody

Investment advisers who have custody of client assets are generally required to maintain all client assets with a qualified custodian as defined in the Rules, such as trust companies and banks, and either: (i) have a reasonable belief that the custodian will deliver quarterly statements directly to clients; or (ii) deliver quarterly statements, themselves (the adviser), so long as they have an independent public accountant conduct an annual surprise examination to verify the clients' assets.

The Firm does not maintain custody of client assets. However, pursuant to Rule 206(4)-2 of the Advisers Act, for certain accounts, in certain circumstances, the Firm may be deemed to have custody of the client's assets by virtue of its ability to deduct fees from its client accounts or acting in a capacity that gives the Firm access to client securities. The cash and securities of the Funds and the Originator and Servicer are held by unaffiliated qualified custodians.

The Fund and the Originator and Servicer have engaged an independent public accountant registered with, and are regularly examined by, the Public Company Accounting Oversight Board ("PCAOB") to conduct an annual financial audit of the vehicles, prepared in accordance with U.S. Generally

Accepted Accounting Principles (“GAAP”). Investors in the Fund and the Originator and Servicer receive audited financials as soon as possible following the end of the Fund’s fiscal year.

Item 16 – Investment Discretion

The Firm has discretionary authority to effect transactions on behalf of the Fund. Investors in the Fund grant authority to the/ Fund to enter into an Advisory Agreement with the Firm by executing the relevant subscription agreement. The Firm exercises its investment discretion in accordance with the investment strategy.

Item 17 – Voting Client Securities

The Firm will not vote client proxies as it only invests the assets of the Funds.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm’s financial condition. The Firm 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.

The Firm does not require or solicit prepayment from its clients, and therefore a balance sheet is not required to be provided for the most recent fiscal year.

Part 2B of Form ADV

RADIUM ASSET MANAGEMENT, LLC

Radium Asset Management, LLC
300 RXR Plaza
Uniondale, New York 11556
Telephone: (877) 397-4127

July 16, 2019

This brochure supplement provides information about supervised persons that supplements the Firm brochure. You should have received a copy of that brochure. Please contact the Firm if you did not receive the Firm's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Set forth below is information regarding the educational background and business experience of the Firm's Supervised Persons. "Supervised Persons" means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of the Firm, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the Firm.

Troy Caruso – Managing Member of the Firm

Mr. Caruso is the Managing Member of the Firm and the Founder and Chief Executive Officer of the Originator and Servicer, bringing more than thirty (30) years of innovation, leadership and management experience to his role. Mr. Caruso is the driving force behind the Originator and Servicer's corporate strategy and investor relations. Mr. Caruso oversees all financial aspects, positioning company growth by developing viable financial models and planning capital needs generating dynamic gains in financial performance and operational efficiencies. The Originator and Servicer has become a leader in the alternative lending space due to Mr. Caruso's unique strategy and vision, his facilitation of strategic partnerships and expansion of investor channels.

Mr. Caruso's passion for business and finance matriculated early and facilitated his ability to build several successful multimillion-dollar companies. Through these various ventures, Mr. Caruso gained firsthand knowledge of the inner workings of the financial sector, which allows him to offer practical solutions as an alternative lender. Mr. Caruso also provides ongoing consulting services to Straight Line Source, Inc., Ifund Daily, LLC, On Point Solutions, LLC and CorFunding, LLC including the development of business strategies, budgeting, financial models, strategic alliances, strategic revenue development and core competencies capitalization.

Mr. Caruso was born in 1967 and graduated from Hauppauge High School in Suffolk County, New York. Mr. Caruso does not have any formal education after high school.

Item 3 – Disciplinary Information

Investment advisers are required to disclose any legal or disciplinary events that may be material to a client's or prospective client's evaluation of the investment adviser's representatives. The Firm has no information applicable to this Item related to the Firm or Troy Caruso, as there are no legal or disciplinary events that would be material to a client's evaluation.

Item 4 – Other Business Activities

The Supervised Person does not have an application pending to register as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, a commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

As discussed above, Troy Caruso is the Founder and Chief Executive Officer of the Originator and Servicer, a Merchant Cash Advance funding company. The Firm provides investment advisory services to the Originator and Servicer. A conflict of interest may arise between the Firm's obligation to act in the best interests of its clients and its affiliates' interest in generating revenue. The Firm has implemented policies to address potential conflicts of interest associated with these arrangements.

Item 5 – Additional Compensation

The Supervised Persons of the Firm may receive a base salary and a performance-based bonus for services provided to the Firm and its clients. The Supervised Persons do not receive additional compensation or economic benefit from a person who is not a client for providing advisory services.

Item 6 – Supervision

Troy Caruso is responsible for all investment-related management of the Firm's clients' assets as allocated to the Firm in each Advisory Agreement.

The Firm maintains a policies and procedures manual that is intended to assist its employees to comply with the applicable rules and regulations of the SEC, as well as to establish proper supervision of advisory activities.

Employees of the Firm and their supervisors are required to read, understand and refer to the manual for guidance regarding compliance and/or supervisory issues.

Each employee having managerial or supervisory responsibilities must:

- Be familiar with and understand the contents of the manual;
- Ensure that all employees are familiar with and understand the manual; and
- Ensure that any subsequent changes or additions to the manual are distributed to the appropriate staff.

The manual is not to be construed as all-inclusive, but rather is to serve as a guide in conducting and supervising the daily activities of the Firm and its representatives.

All investment advisory representatives must also adhere to the Firm's Code of Ethics.

Individuals employed by the Firm participate in continuing education on an annual basis relative to ethical practices, client and account management, industry standards of care and loyalty and compliance.