

## Intermediate Capital Group, Inc.

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**March 2019**

This brochure provides information about the qualifications and business practices of Intermediate Capital Group, Inc. (the **"Filing Adviser"**) and its affiliates, ICG Debt Advisors LLC – Manager Series, ICG Fund Advisors LLC, ICG Alternative Credit LLC and ICG Strategic Equity Advisors LLC (each, a **"Relying Adviser"**). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer, Peter S. Lin, at +1 212 295 5860 or by email to [Peter.Lin@icgam.com](mailto:Peter.Lin@icgam.com). Any questions may also be directed to the Global Compliance Officer, Stuart P. Griffiths, at +44 (0) 20 3201 7752 or by email at [Stuart.Griffiths@icgam.com](mailto:Stuart.Griffiths@icgam.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the **"SEC"**) or by any state securities authority.

Intermediate Capital Group, Inc. and the Relying Advisers are each registered with the SEC as an investment adviser. Intermediate Capital Group, Inc.'s registration as an investment adviser does not imply any level of skill or training.

Additional information about Intermediate Capital Group, Inc. and the Relying Advisers is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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This brochure has been updated since the last annual update dated March 2018 to reflect the following material changes:

Item 4 has been revised to update the number of employees, investment professionals and the types of institutional investors that the ICG Group (defined below) provides services to.

Item 4 has been revised to include additions of new fund structures, updates to certain existing fund structures, and an update to ICG's Regulatory Assets Under Management as of December 31, 2018.

Item 5 has been revised to include the fees and compensation for new fund structures.

Item 11 has been revised to disclose certain potential conflicts of interest with respect to the receipt and possession of material, non-public information and how such information may impact or restrict the trading of certain ICG client accounts.

Item 11 has been revised to disclose that ICG Debt Advisors – Manager Series is not obligated to offer any investment opportunities to any CLO or client account before making an investment on its own behalf or offering such investment to other CLOs or client accounts.

Item 11 has been revised to disclose the potential for different investment teams at ICG to make competing or opposing purchases or sales of the same security for different clients at the same time and the impact that such purchases or sales may have on the price of such securities.

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**Item 4: Advisory Business**

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Intermediate Capital Group, Inc. (“**Intermediate Capital**”), a Delaware corporation, was formed in July 2007 and is a wholly-owned subsidiary of ICG FMC Limited, a company incorporated in the United Kingdom. ICG FMC Limited is a wholly-owned subsidiary of Intermediate Capital Group plc, a premium listed company on the London Stock Exchange, a member of the FTSE 250, and regulated in the United Kingdom by the Financial Conduct Authority. Intermediate Capital Group plc and its affiliates (collectively, the “**ICG Group**”) provides discretionary management and investment advisory services to third-party assets.

ICG Group is a global specialist asset manager providing investment advice relating to private debt, mezzanine finance, leveraged credit, minority equity, structured credit and private equity. Since its inception, the ICG Group has developed a leading, diversified range of sub-investment grade debt strategies that include collateralized loan obligations, private debt funds, and other credit funds. With approximately 321 employees, including approximately 150 investment professionals as of December 31, 2018, the ICG Group provides investment services to institutional investors, including banks and other financial institution, insurance companies, investment companies, public and private retirement and pension plans, state and municipal government agencies, sovereign wealth funds, hedge funds and fund of funds, corporations and family Offices. The ICG Group is headquartered in London and has offices in Paris, Madrid, Stockholm, Frankfurt, Amsterdam, Hong Kong, Sydney, New York, San Francisco, Singapore, Tokyo, Luxembourg and Warsaw.

Intermediate Capital wholly owns four subsidiaries: ICG Debt Advisors LLC – Manager Series, ICG Fund Advisors LLC, ICG Alternative Credit LLC and ICG Strategic Equity Advisors LLC. Pursuant to umbrella registration, these subsidiaries are relying advisers included on Schedule R to Part 1A of the Form ADV of Intermediate Capital. Certain personnel of one or more non-U.S. affiliates of the Advisor (as defined below) (the “**Participating Affiliates**”) provide investment advice and other services, through the Advisor, to U.S. clients of the Advisor pursuant to a participating affiliate agreement. Such Participating Affiliates are deemed to be “participating affiliates” of the Advisor and such personnel are deemed to be “associated persons” of the Advisor, and the Participating Affiliates are not separately registered as investment advisers in reliance on an SEC No-Action Letter (Uniao de Bancos de Brasileiros S.A., pub. avail. July 28, 1992) and related SEC guidance.

Intermediate Capital formed a new Delaware series limited liability company on December 9, 2016 with the name “ICG Debt Advisors Series LLC” (the “**Series LLC**”), of which the CLOs’ collateral manager (then named “ICG Debt Advisors Series LLC – Manager Series”) (the “**Collateral Manager**”) is a series. Concurrently therewith, Intermediate Capital contributed all of its rights, title and interest in its ownership interests of ICG Debt Advisors LLC, a Delaware limited liability company formed in 2013 (the “**Legacy Collateral Manager**”), to the Collateral Manager, pursuant to which the Legacy Collateral Manager became a wholly-owned subsidiary of the Collateral Manager. On December 29, 2016, the Legacy Collateral Manager assigned all of its rights, title and interest in the collateral management agreements under which the Legacy Collateral Manager acted as collateral manager (the “**Legacy Collateral Management Agreements**”) to the Collateral Manager and distributed all of its assets to the Collateral Manager. Following such assignment and contribution, the Collateral Manager became the collateral manager under the Legacy Collateral Management Agreements and the Legacy Collateral Manager was unwound and dissolved. Subsequently, the Series LLC changed its name to “ICG Debt Advisors LLC” and as a result the Collateral Manager changed its name to “ICG Debt Advisors LLC—Manager Series”. The Series LLC also has a series named ICG Debt Advisors LLC – Holdings Series, which is used to hold interests in CLOs necessary to comply with risk retention requirements in the European Union.

ICG Debt Advisors LLC – Manager Series (“**ICG Debt Advisors – Manager Series**”) offers discretionary management services to ICG US CLO 2014-1 Ltd, ICG US CLO 2014-2 Ltd, ICG US CLO 2014-3 Ltd, ICG US CLO 2015-1 Ltd, ICG US CLO 2015-2 Ltd, ICG US CLO 2016-1 Ltd, ICG US CLO 2017-1 Ltd, ICG US CLO 2017-2 Ltd, ICG US CLO 2018-1 Ltd., ICG US CLO 2018-2 Ltd., ICG US CLO 2018-3 Ltd., any other collateralized loan obligation vehicles as may be formed in the future (each, a “CLO” and collectively, the “**CLOs**”).

ICG Fund Advisors LLC, ICG North American Private Debt GP LP and ICG North American Private Debt (Offshore) GP LP (the latter two entities, together, the “**Debt Fund General Partner**,” and, together with ICG Fund Advisors LLC, “**ICG Fund Advisors**”) offer discretionary advisory services to ICG North American Private Debt Fund LP, ICG North American Private Debt Fund (Offshore) LP and ICG North America Holdings Ltd (collectively, with any parallel funds or accounts, the “**Debt Fund**”). Intermediate Capital also wholly owns ICG Debt Administration LLC, which acts as administrative agent with respect to certain investments made by the Debt Fund and other investors. On March 29, 2018, ICG Fund Advisors LLC, ICG North American Private Debt II GP LP and ICG North American Private Debt II (Offshore) GP LP (together, the “**Debt Fund II General Partner**”) commenced offering discretionary advisory services to ICG North American Private Debt Fund II LP and ICG North American Private Debt Fund II (Offshore) LP (collectively, “**Debt Fund II**”). Unless otherwise provided, any references to the “Debt Fund General Partner” herein are deemed to include the Debt Fund II General Partner and any references to the “Debt Fund” herein are deemed to include Debt Fund II.

ICG Alternative Credit LLC (“**ICG Alternative Credit**”), offers discretionary advisory services to ICG Alternative Credit (Cayman) Master LP (the “**Credit Master Fund**”), ICG Alternative Credit (Cayman) LP (the “**Credit Offshore Feeder Fund**”), ICG Alternative Credit Ltd. (the “**Credit Corporate Feeder Fund**”) and ICG Alternative Credit (Delaware) LP (the “**Credit US Feeder Fund**” and, collectively with the Credit Master Fund, the Credit Offshore Feeder Fund and the Corporate Feeder Fund, the “**Credit Fund**”). The Credit Offshore Feeder Fund and the Credit US Feeder Fund invest substantially all of their assets in the Credit Master Fund. The Credit Corporate Feeder Fund invests substantially all of its assets in the Credit Offshore Feeder Fund.

ICG Strategic Equity Advisors LLC, ICG Strategic Secondaries Carbon GP LP and ICG Strategic Secondaries Carbon (Offshore) GP LP (the latter two entities, together, the “**Carbon Fund General Partner**”), ICG Strategic Secondaries II GP LP, ICG Strategic Secondaries II (Offshore) GP LP, ICG Strategic Equity III GP LP and ICG Strategic Equity III (Offshore) GP LP (collectively, as the context requires, the “**Equity Fund General Partner**”), ICG Velocity Partners Co-Investor GP LP and ICG Velocity Partners Co-Investor (Offshore) GP LP (together, the “**Velocity Fund General Partner**”), and ICG Strategic Equity Side Car GP LP (the “**Side Car General Partner**” and, collectively with ICG Strategic Equity Advisors LLC, the Equity Fund General Partner, the Carbon Fund General Partner and the Velocity Fund General Partner, “**ICG Equity Advisors**”) offer discretionary advisory services to ICG Strategic Secondaries Carbon Holdings Ltd, ICG Strategic Secondaries Carbon Fund LP and ICG Strategic Secondaries Carbon Fund (Offshore) LP (collectively, the “**Carbon Fund**”), ICG Velocity Partners Co-Investor LP and ICG Velocity Partners Co-Investor (Offshore) LP (together, the “**Velocity Fund**”), ICG Augusta Partners Co-Investor II LP and ICG Augusta Partners Co-Investor II (Offshore) LP (together, the “**Augusta Fund**” and collectively with the Carbon Fund and the Velocity Fund, the “**Special Purpose Investment Vehicles**”), ICG Strategic Equity Side Car GP LP (the “**Side Car**”), and ICG Strategic Secondaries II Holdings Ltd, ICG Strategic Secondaries Fund II LP, ICG Strategic Secondaries Fund II (Offshore) LP, ICG Strategic Equity Fund III LP and ICG Strategic Equity Fund III (Offshore) LP (collectively, as the context requires, the “**Equity Fund**”), as the case may be. The Special Purpose Investment Vehicles, the Side Car and the Equity Fund are collectively referred to herein as the “**Equity Vehicles**” and the Carbon Fund General Partner, the Velocity Fund General Partner, the Side Car General Partner

and the Equity Fund General Partner are collectively referred to herein as the **“Equity Vehicle General Partners”**.

The CLOs, the Debt Fund, the Credit Fund, the Special Purpose Investment Vehicles, the Side Car and the Equity Fund are collectively referred to herein as the **“Investment Vehicles”**.

The Debt Fund General Partner, ICG Alternative Credit (Cayman) GP Limited (the **“Credit Fund General Partner”**) and the Equity Vehicle General Partners are not separately registered as investment advisers in reliance on an SEC No-Action Letter (American Bar Association, Subcommittee on Private Investment Entities, pub. avail. December 8, 2005).

Each Investment Vehicle is exempt from registration as an investment company pursuant to Section 3(c)(7) or 7(d) of the U.S. Investment Company Act of 1940, as amended.

ICG Debt Advisors – Manager Series, ICG Fund Advisors, ICG Alternative Credit, ICG Equity Advisors and Intermediate Capital are herein collectively termed the **“Advisor”** or **“ICG.”**

Each CLO will invest in a diversified pool consisting primarily of loans and, to a lesser extent, bonds and other obligations. The Debt Fund will invest in a portfolio of private investments primarily consisting of subordinated debt, but which may also include senior secured debt, preferred stock, equity co-investments and other assets and securities. It will primarily target investments in middle market North American companies. The Credit Fund will invest in a portfolio of credit investments consisting of high yield and investment grade securities, as well as other illiquid and structured credit instruments. Each of the Special Purpose Investment Vehicles will pursue a private equity secondaries investment strategy by investing in an identified investment vehicle that is sponsored by a third party not affiliated with ICG. The Equity Fund and the Side Car will each pursue a private equity secondaries investment strategy by investing in a portfolio of private investments, primarily consisting of purchases of interests in underlying funds through fund restructuring transactions and other secondary market transactions and may include direct investments in the portfolio companies of underlying funds, as well as other investments. ICG manages the Investment Vehicles pursuant to the objectives specified in the materials through which they are offered and will not tailor investment advice to the individual needs of any particular investor in an Investment Vehicle (**“Investors”**). Investors do not have the right to specify, restrict, or influence the investment objectives or any investment or trading decisions of the relevant Investment Vehicle, except insofar as they have consent rights to certain amendments to the limited partnership agreement (each, a **“Partnership Agreement”**) governing such Investment Vehicle, or, in the case of a CLO, following an event of default or as expressly permitted by the CLO documentation.

As of December 31, 2018, ICG managed “Regulatory Assets under Management” of approximately \$9,875,377,532 on a discretionary basis for the Investment Vehicles.

## **Item 5: Fees and Compensation**

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### **Management Fees**

For the services they provide to the Investment Vehicles, each of the Advisors will be entitled to receive a management fee (a **“Management Fee”**). Investors in the Investment Vehicles may also bear an “incentive management fee”, “carried interest”, “performance allocation”, or other similar performance-based fee (as further described in Item 6 below).

For the services ICG Debt Advisors – Manager Series provides to each CLO, it will generally deduct a quarterly Management Fee in arrears, which will include a “Base Management Fee” and a “Subordinated

Management Fee”. Both the Base Management Fee and the Subordinated Management Fee will generally equal a percentage per annum based upon the principal amounts of assets under management (subject to reduction in respect of certain assets). In addition, as described in the offering circular of each CLO, on the closing date for the notes issued by the CLO, the CLO will generally reimburse ICG Debt Advisors – Manager Series for certain expenses incurred by it in connection with such closing and pay ICG Debt Advisors – Manager Series a structuring fee.

For the services ICG Fund Advisors provides to the Debt Fund, it will generally receive a Management Fee quarterly in advance in respect of each Investor in the Debt Fund. In the event that the Debt Fund’s investment advisory agreement with ICG Fund Advisors is terminated before the end of a quarter for which the Management Fee has been paid, ICG Fund Advisors will pro rate such Management Fee based on the number of days elapsed and refund the amount of the Management Fee allocable to the period subsequent to the termination date. Except as described below with respect to Debt Fund II, the Management Fee during the investment period will generally equal a percentage per annum based upon invested capital and undrawn, committed capital, and after the earlier of (i) the end of the investment period and (ii) the time management fees in connection with a successor fund have begun to accrue, the Management Fee will equal a percentage per annum based upon the aggregate capital contributions of all Investors (other than affiliates of the Debt Fund General Partner) with respect to investments that have not been disposed of (together with outstanding borrowings for such investments). The Management Fee for Debt Fund II throughout its term will generally equal a percentage per annum based upon the aggregate capital contributions of all Investors (other than affiliates of the Debt Fund II General Partner) with respect to investments that have not been disposed of (together with outstanding borrowings for such investments). Management Fees are paid by the Debt Fund on behalf of its Investors by requiring such Investors to make capital contributions in respect of such fees, by withholding such amounts from distributions to Investors and/or through borrowings. Management Fees will be reduced by 100% of any commitment, closing, origination, transaction, break-up, directors’, monitoring, management, amendment and other similar fees paid to ICG Fund Advisors and its affiliates in connection with the provision of capital and/or services to a portfolio company of the Debt Fund.

For the services ICG Alternative Credit provides to the Credit Fund, it will generally receive a Management Fee in respect to each Investor’s capital in the Credit Fund. The Management Fee will accrue on a monthly basis and will be payable quarterly in arrears. The Management Fee will be prorated for any period that is less than a full fiscal quarter.

For the services ICG Equity Advisors provides to the Carbon Fund, it will generally receive a Management Fee quarterly in advance in respect of each Investor in the Carbon Fund. In the event that the Carbon Fund’s investment advisory agreement with ICG Equity Advisors is terminated before the end of a quarter for which the Management Fee has been paid, ICG Equity Advisors will pro rate such Management Fee based on the number of days elapsed and refund the amount of the Management Fee allocable to the period subsequent to the termination date. The Management Fee will generally equal a percentage per annum based upon the committed capital for three years from the Carbon Fund’s first fiscal quarter and, thereafter, based upon invested capital. Management Fees are paid by the Carbon Fund on behalf of its Investors by requiring such Investors to make capital contributions in respect of such fees, by withholding such amounts from distributions to Investors and/or through borrowings.

For the services ICG Equity Advisors provides to the Equity Fund, it will generally receive a Management Fee quarterly in advance in respect of each Investor in the Equity Fund. In the event that the Equity Fund’s investment advisory agreement with ICG Equity Advisors is terminated before the end of a quarter for which the Management Fee has been paid, ICG Equity Advisors will pro rate such Management Fee based on the number of days elapsed and refund the amount of the Management Fee allocable to the period subsequent to the termination date. The Management Fee during the investment period will generally



equal a percentage per annum based upon committed capital. After the earlier of (i) the end of the investment period and (ii) the time management fees in connection with a successor fund have begun to accrue, the Management Fee will equal a percentage per annum based upon the aggregate capital contributions of all Investors (other than affiliates of the Equity Fund General Partner) with respect to investments that have not been disposed of (together with outstanding borrowings for such investments). Management Fees are paid by the Equity Fund on behalf of its Investors by requiring such Investors to make capital contributions in respect of such fees, by withholding such amounts from distributions to Investors and/or through borrowings. Management Fees will be reduced by 100% of the portion of any commitment, closing, origination, transaction, break-up, directors', monitoring, management, amendment and other similar fees representing the proportionate share of the capital contributions by the Investors that are not affiliates of the Equity Fund General Partner relative to the capital contributions of all Investors for such investment paid to ICG Equity Advisors and its affiliates in connection with the provision of capital and/or services to a portfolio company by the Equity Fund.

For the services ICG Equity Advisors provides to the Side Car, it will generally receive a Management Fee quarterly in advance in respect of each Investor in the Side Car. In the event that the Side Car's investment advisory agreement with ICG Equity Advisors is terminated before the end of a quarter for which the Management Fee has been paid, ICG Equity Advisors will pro rate such Management Fee based on the number of days elapsed and refund the amount of the Management Fee allocable to the period subsequent to the termination date. The Management Fee will generally be equal to a percentage per annum multiplied by the sum of (x) the net asset value with respect to such Investor's interest as of the most recent date of determination and (y) such Investor's pro rata share of any outstanding borrowings by the Side Car and any portfolio investments. Management Fees are paid by the Side Car on behalf of its Investors by requiring such Investors to make capital contributions in respect of such fees, by withholding such amounts from distributions to Investors and/or through borrowings. Management Fees will be reduced by 100% of the portion of any commitment, closing, origination, transaction, break-up, directors', monitoring, management, amendment and other similar fees representing the proportionate share of the capital contributions by the Investors that are not affiliates of the Side Car General Partner relative to the capital contributions of all Investors for such investment paid to ICG Equity Advisors and its affiliates in connection with the provision of capital and/or services to a portfolio company by the Side Car.

For the services ICG Equity Advisors provides to the Augusta Fund, it will generally receive a Management Fee quarterly in advance in respect of each Investor in the Augusta Fund. In the event that the Augusta Fund's investment advisory agreement with ICG Equity Advisors is terminated before the end of a quarter for which the Management Fee has been paid, ICG Equity Advisors will pro rate such Management Fee based on the number of days elapsed and refund the amount of the Management Fee allocable to the period subsequent to the termination date. The Management Fee will generally be equal to a percentage per annum multiplied by the aggregate capital contributions by such Investor with respect to investments that have not been disposed of (together with outstanding borrowings for such investments, including the Augusta Fund's pro rata share of borrowings by the underlying fund). Management Fees are paid by the Augusta Fund on behalf of its Investors by requiring such Investors to make capital contributions in respect of such fees, by withholding such amounts from distributions to Investors and/or through borrowings. Management Fees will be reduced by 100% of the portion of any commitment, closing, origination, transaction, break-up, directors', monitoring, management, amendment and other similar fees representing the proportionate share of the capital contributions by the Investors that are not affiliates of the Equity Fund General Partner relative to the capital contributions of all Investors for such investment paid to ICG Equity Advisors and its affiliates in connection with the provision of capital and/or services to a portfolio company by the Augusta Fund.



The Debt Fund General Partner, the Credit Fund General Partner, the Carbon Fund General Partner, the Side Car General Partner and the Equity Fund General Partner may waive, reduce or vary the Management Fee as to one or more particular Investors, including, without limitation, Investors that are their principals, employees or affiliates, any family members or other entities for their benefit, of any such principal or employee, by separate agreement, without notice to the other Investors. Each such general partner has waived the Management Fee with respect to investments made by such general partner, the Advisor, ICG and their respective affiliates, including their employees, officers, directors, managers or affiliates thereof.

No Management Fee will be payable with respect to the Velocity Fund.

### **Expenses**

The following is a list of expenses that are typically borne by the Investment Vehicles (and indirectly by the Investors in the Investment Vehicles) and paid directly to third parties. This list is not intended to be exhaustive; prospective and existing Investors in the Investment Vehicles are advised to review the legal documents and offering memoranda for the particular Investment Vehicle for a more extensive description of the expenses associated with an investment in such Investment Vehicle. Additionally, one or more members of the ICG Group, in its sole discretion, may determine to bear any of the following expenses in lieu of one of the Investment Vehicles.

- Fees, costs and expenses of maintaining the operations of the Investment Vehicle and its investments (including travel costs associated therewith) paid by or on behalf of the Investment Vehicle and not paid or reimbursed by the related portfolio companies, including, without limitation, fees, costs and expenses for and/or relating to advisors, operating partners, trustee, custodians and depositaries and legal, filing, auditing, consulting, compliance, administration, accounting, research and other professional fees and expenses (including, expenses of consultants and experts' fees relating to particular investments, as applicable);
- organizational expenses, including legal, accounting, filing, capital raising, meals, lodging, travel and other organizational expenses and organizational expenses of any feeder funds;
- Broken-deal expenses (including, as applicable, in respect of co-investment opportunities, costs allocable to the ICG Group and/or actual and potential co-investors);
- Government fees and taxes;
- Information, communication and reporting costs, including annual meeting expenses (excluding expenses incurred by individual Investors in connection with attending the annual meeting), expenses of the advisory committee and financial statements, tax returns and Schedules K-1 expenses;
- Compliance-related expenses for the Investment Vehicle and Advisor (including expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provisions);
- Fees, costs and expenses relating to regulatory (including fees relating to the preparation and filing of Form PF, reports to be filed in connection with the requirements of the U.S. Commodity Futures Trading Commission (including Form CPO-PQR, and Form NFA-PQR, as applicable), reports, disclosures, filings and notifications prepared in connection with the laws, rules, regulations or similar requirements of jurisdictions in which the Investment Vehicle engages in activities (or in which any prospective Investor is resident or established), including any notices, reports and/or filings in accordance with the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and/or other regulatory filings, notices or disclosures of the Advisor and its Affiliates relating to the Investment Vehicle's direct or indirect activities); and

- Other expenses relating to the acquisition, holding, monitoring, settlement, and disposition of the Investment Vehicle's investments (including any travel and accommodation expenses (including, without limitation, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers) associated with the Investment Vehicle's activities).

Each of the Equity Vehicles bears its direct expenses and management costs, as well as its pro rata share of the expenses and management costs incurred by the underlying funds in which it invests. It is expected that the underlying funds will charge management fees and incentive fees or carried interest to their investors, a portion of which will be paid, indirectly, by the Equity Vehicles, as applicable. Such fees and expenses are expected to materially reduce the actual returns to the respective limited partners and will result in greater expense than if limited partners were to invest directly in those underlying funds or the underlying companies in their portfolios. Fees and expenses of the Equity Vehicles and the underlying funds in which they invest will generally be paid regardless of whether such Equity Vehicles or their underlying funds produce positive investment returns.

The CLOs and the Credit Fund are responsible for and do incur other fees and expenses related to the transactions ICG Debt Advisors – Manager Series and ICG Alternative Credit, as applicable, execute for their respective accounts. These fees and expenses may include brokerage fees, commissions, mark-ups or mark-downs and other related transaction costs; custodial charges; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; other portfolio expenses; sales and use taxes; and other costs, expenses and fees (including third-party settlement related fees that may be charged in connection with certain types of investments).

For further details on ICG Debt Advisors LLC – Manager Series' and ICG Equity Advisor's brokerage practices refer to Item 12 of this Brochure.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

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Each CLO will charge an "incentive management fee" that will generally be equal to a specified percentage of the available proceeds after the subordinated notes have achieved a specified internal rate of return, and will be paid to ICG Debt Advisors – Manager Series.

The Credit Fund will allocate a portion of its investment profits to an affiliate of Intermediate Capital Group plc (the "**Credit Special Limited Partner**") as a performance allocation of a specified percentage of profits on investments over a high water mark as set forth in the Credit Fund's organizational documents.

Each of the Debt Fund and the Equity Vehicles will allocate a portion of its investment profits to one or more affiliates of Intermediate Capital Group plc as a carried interest of a specified percentage of profits on distributions derived from the disposition of investments (and, in certain circumstances, other income from investments) following a preferred return to the Investors in such Investment Vehicle, in each case, as set forth in the legal documents and offering memoranda for such Investment Vehicle.

The Debt Fund General Partner, the Credit Fund General Partner and the Equity Vehicle General Partners may waive or reduce, performance allocations with respect to certain Investors, including, without limitation, Investors that are their principals, employees or affiliates or any family members of any such principal or employee. Each such general partner has waived the performance allocation with respect to investments made by such general partner, the Advisor, ICG and their respective affiliates, including their employees, officers, directors, managers or affiliates thereof.

Performance based fee arrangements create an incentive to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement.

Please see “Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Certain Potential Conflicts of Interest – Performance Allocation / Fund Management Fee” for further information regarding potential conflicts of interest in relation to performance-based fees.

## **Item 7: Types of Clients**

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The Advisor manages the Investment Vehicles and separately managed accounts for insurance companies. Investors in the Investment Vehicles may include a variety of institutional investors capable of understanding the risks of their investments, including the following types of Investors:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- State and municipal government agencies
- Sovereign wealth funds
- Hedge funds and fund of funds
- Corporations
- Family Offices

Each Investor (other than non-US Investors in ICG Alternative Credit (Cayman) LP) will be a “qualified purchaser” as that term is defined in the U.S. Investment Company Act of 1940, as amended. ICG requires the Investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment.

The minimum initial investment in a CLO generally is \$250,000.

The minimum initial investment in the Debt Fund is \$10,000,000 or such lesser amount as determined in the sole discretion of the Debt Fund General Partner.

The minimum initial investment in the Credit Fund is \$250,000 or €200,000 (depending on the tranche of the Credit Fund in which such investment is made) or such lesser amount as determined in the sole discretion of the Credit Fund General Partner.

There is no minimum initial investment in the Special Purpose Investment Vehicles or the Side Car.

The minimum initial investment in the Equity Fund is \$10,000,000 or such lesser amount as determined in the sole discretion of the Equity Fund General Partner.

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

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### **Methods of Analysis & Investment Strategy**

**The CLOs**

ICG Debt Advisors – Manager Series consists of an experienced and dedicated 12-person U.S. leveraged loan investment team. The senior U.S. leveraged loan research staff and Investment Committee has an average of 21 years of experience.

ICG Debt Advisors – Manager Series' investment process for evaluating potential opportunities and investments may include a variety of proprietary and non-proprietary research models and methods of analyses. It derives information used to make investment decisions on behalf of the CLOs from a variety of both internal and external resources, such as financial newspapers and magazines, research and reports provided by third parties and corporate ratings services. In addition, ICG Debt Advisors – Manager Series generally conducts an in-depth review of the target companies/investments, which may include, without limitation, (i) analyses of corporate activities and financials, (ii) reviews of annual reports, prospectuses and other filings with the SEC, if any, and (iii) where appropriate, interviews and meetings with senior management of such target companies.

Generally, ICG Debt Advisors – Manager Series seeks to capitalize on both long- and short-term inefficiencies in the market by investing across a spectrum of investments, often employing bottom-up analysis, utilizing market technical and fundamentals to select investments. There may be occasions when (consistent with applicable CLO guidelines) the strategy may be weighted to deep value or be more opportunistic and seek short-term gains.

ICG Debt Advisors – Manager Series' investment committee will meet as needed in connection with, among other things, reviewing any proposed asset to be acquired by a CLO. If any CLO is intended to comply with risk retention requirements in the European Union, that CLO will be sub-managed by Intermediate Capital Managers Limited, an affiliate of ICG Debt Advisors – Manager Series, which participates in the CLO's investment committee and is required for a quorum. In those CLOs, no such asset may be acquired or committed to be acquired without unanimous approval from all members of the investment committee constituting a quorum. The investment committee need not approve the disposition of any asset of such a CLO directed by the Collateral Manager in accordance with the applicable CLO's Collateral Management Agreement and Indenture or, except as expressly provided for by the investment committee, the taking of any other action by ICG Debt Advisors – Manager Series or the CLO. The investment committee may provide input on asset dispositions or any other investment-related issue of such a CLO.

**The Debt Fund**

ICG Fund Advisors brings together an experienced North American credit investment team, with the three senior members having an average of 21 years of experience, as well as a vast network of relationships. ICG Group believes there is a significant opportunity to complete attractive private debt investments in middle market companies in the United States and Canada. The majority of the Debt Fund's investments are expected to be completed in connection with private equity-sponsored transactions. Additionally, the Debt Fund may invest in non-sponsored transactions, generally in connection with management-owned business and management-led buyouts.

ICG Fund Advisors' investment process will include transaction evaluation, execution, and management. ICG Fund Advisors expects that numerous transactions will be sourced each year through direct relationships with private equity sponsors and through the ICG Group's broad relationships with financial intermediaries and other transaction sources. Prospective investments undergo a significant due diligence process, which may include findings from third-party consultants and advisors. Once it is determined a particular portfolio company is suitable for investment, the investment team will work with the company's

management to determine the appropriate structure for the investment, based on ICG Fund Advisors' risk assessment. Post-transaction investment management will include monitoring of financial performance and may include ICG Fund Advisors appointing an observer to a portfolio company's board.

Investment opportunities are submitted to ICG Fund Advisor's North American Private Debt investment committee for review, and if considered appropriate, approval. Unanimous approval by the investment committee is required for an investment to be approved for the Debt Fund.

### **The Credit Fund**

ICG Alternative Credit brings together an experienced credit investment team consisting of 5 senior professionals, each with more than 10 years of relevant market experience.

The Credit Fund seeks to achieve long-term growth by investing worldwide in a variety of credit opportunities. Normally, the format of such investments will be that of income producing securities, but ICG Alternative Credit may also pursue equity, derivative, and loan investments. The Credit Fund may buy Asset-Backed Securities ("**ABS**"), such as CLOs, CDOs (as defined below), and Residential Mortgage Backed Securities ("**RMBS**"). Additionally, it may make use of swaps or other derivative instruments for hedging, as well as investment, purposes.

The ICG Alternative Credit team uses a combination of proprietary modelling tools as well as third party analytics for evaluating investment opportunities. The team also relies on the broader team of ICG research analysts for further insights that are compiled and used to evaluate investment opportunities. The team gathers market data and additional research from third party data feeds, dealer research, relevant market professionals and other similar sources of relevant financial information.

All investment opportunities are approved by the ICG Alternative Credit investment committee.

### **The Equity Vehicles**

ICG Equity Advisors is led by a team of experienced investment professionals, who previously founded a specialist investment firm focused on private equity fund restructuring transactions. The core members of the senior leadership team have worked together for the last 11 years in both direct private equity investing and secondary portfolio buyouts.

ICG Equity Advisors focuses predominantly on acquiring portfolios of private equity assets from older vintage private equity funds (typically in years 8+), primarily by partnering with incumbent general partners of private equity funds to gain exposure to their remaining unrealized underlying portfolio companies. Specifically, ICG Equity Advisors intends to engage in fund restructuring transactions, in which it would generally facilitate the availability of liquidity options to current limited partners in selling funds and negotiate new terms on which the underlying general partner will manage the assets with structured incentives and governance rights, as well as other secondary market transactions.

ICG Equity Advisors seeks to proactively build and maintain relationships with target general partners, intermediaries and key limited partners in order to generate a strong pipeline of investment opportunities, as well as keeping and actively maintaining a proprietary database of the private equity funds and general partners within its target universe.

ICG Equity Advisors targets portfolios of private equity assets at entry prices which, in ICG Equity Advisors' view, provide a balance between downside protection and strong upside potential. Target portfolios under consideration are analyzed and priced as an aggregation of individual assets. ICG Equity

Advisors seeks portfolios which it believes are ably managed and diversified by exposure, sector, cycle and/or cash generative characteristics. Each underlying portfolio company is assessed on a stand-alone basis with a view towards gaining a deep understanding of its business fundamentals and risk parameters. The investment team then develops detailed base case assumptions which drive the expected financial projections, cash flows and exit values.

All investment opportunities are submitted to the ICG Equity Advisors investment committee for review, and if considered appropriate, approval. Unanimous approval of the quorum is required from the ICG Equity Advisors investment committee in order to proceed with the investment and to enter into binding legal documentation.

**Risk of Loss.**

Investing in each of the Investment Vehicles involves various risks, including loss of capital that Investors should be prepared to bear. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Investment Vehicles. Prospective investors are urged to consult their professional advisers and review the legal documents and offering memoranda for the particular Investment Vehicle before deciding to invest.

**General Risks Relating to an Investment in the Investment Vehicles.*****No Assurance of Investment Return.***

The Investment Vehicles are not able to provide assurance that they will be able to choose, make and realize investments in any particular company or portfolio of companies. There can be no assurance that an Investment Vehicle will be able to generate returns for its Investors, that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein or that the Advisor's methodology for evaluating risk-adjusted return profiles for investments will achieve its objectives. An investment in an Investment Vehicle should only be considered by persons who can afford a loss of their entire investment.

***Limited Operating History.***

The Investment Vehicles and the Advisor are, in certain instances, relatively new entities and have little operating history upon which Investors can evaluate their performance. Additionally, ICG Group may not have previously managed a fund pursuing the same investment objective, strategy and geographic region as certain of the Investment Vehicles. Although the Advisor's investment professionals have considerable prior industry experience, Investors should draw no conclusions from their prior experience or the performance of any other ICG Group investments or funds.

***Changes in Legislation or Regulation.***

Changes in the legislative and regulatory environment may affect the Investment Vehicles. Recent changes in legislation, together with uncertainty about the nature and timing of regulations that will be promulgated to implement such legislation, may create uncertainty in the credit and other financial markets and create other unknown risks.

***Reliance on the Advisors and their Professionals.***

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of any Investment Vehicle. Investors must rely entirely on the relevant Advisor to

conduct and manage the affairs of the Investment Vehicles and the relevant Advisor will have complete discretion in directing the investment of assets, subject to any contractual limitations imposed on the Investment Vehicle. The success of an Investment Vehicle will depend in large part upon the skill and expertise of the relevant Advisor to identify and consummate suitable investments and to dispose of investments at a profit. The Advisor will rely on the skill and expertise of its investment professionals, and others providing investment and other advice and services. In addition, investment professionals and committee members may be replaced or added at any time. Conflicts of interest may arise in allocating management time, services or functions, and ICG and the ability of the members of the investment team to access other professionals.

### ***Cyber Security Breaches and Identity Theft.***

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The Advisor's, Investment Vehicles' and their respective service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information. Although the Advisor has implemented, and Investment Vehicles and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Advisor's and/or an Investment Vehicle's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Limited Partners (and their beneficial owners) and the intellectual property and trade secrets of the Advisor and/or Investment Vehicles. The Advisor and/or an Investment Vehicle could be required to make a significant investment to remedy the effects of any such failures, which failures may harm their reputations, subject them and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance.

### **General Risks Relating to the Assets of the Investment Vehicles.**

#### ***Credit Risk.***

One of the fundamental risks associated with the Investment Vehicles' investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. An Investment Vehicle's return to Investors would be adversely impacted if an issuer of debt in which such Investment Vehicle invests becomes unable to make such payments when due.

The CLOs will invest primarily in leveraged loans. Although most of the CLOs' investments are expected to be in senior secured loans, a portion may be in second lien loans, unsecured assets and certain other assets. Many of the Debt Fund's investments are expected to be in subordinated debt securities, leveraged loans, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. There are varying



sources of statistical default and recovery rate data for leveraged loans and numerous methods for measuring default and recovery rates. The historical performance of the leveraged loan market is not necessarily indicative of its future performance. The Credit Fund may hold investments via special purpose vehicles (“SPVs”) or other investment conduits and may originate loans using such SPVs. Originated loans may be issued with respect to borrowers that are small, unrated and/or without access to multiple channels of credit.

***Highly Competitive Market for Investment Opportunities.***

The activity of identifying, completing and realizing on attractive investments that fall within the objective of an Investment Vehicle is highly competitive, involves a high degree of uncertainty and will be subject to market conditions. In particular, in light of changes in such market conditions, including changes in long-term interest rates, certain types of investments may not be available to an Investment Vehicle on attractive terms.

***General Economic and Market Conditions.***

The market for private debt and other investments generally, and the success of an Investment Vehicle’s investment activities in particular, will be affected by general economic and market conditions, as well as by changes in applicable laws, trade barriers, currency exchange controls, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and national and international political and socioeconomic circumstances in respect of the countries in which such Investment Vehicle may invest. These conditions and opportunities may include, among others, the availability of alternative sources of financing, the continuation of high levels of private equity fundraising, the continued demand for non-investment grade debt by financial sponsors and the expansion of the leveraged buyout market. No assurance can be given that such conditions, trends or opportunities will arise or continue, as applicable, or that private debt can be acquired or disposed of at favorable prices or that the market for such investments will either remain stable or, as applicable, grow or improve, since this will depend upon events and factors outside the control of the Advisor. These factors may affect the level and volatility of securities prices and the liquidity of an Investment Vehicle’s investments, which could impair such Investment Vehicle’s profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect an Investment Vehicle’s investment opportunities and the value of such Investment Vehicle’s investments.

***Potential for Decline in Loan Performance.***

Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies, therefore loan performance may decline.

***Rising Interest Rates may Render Some Obligors Unable to Pay Interest.***

The Investment Vehicles’ assets may bear interest at floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related obligors will also increase. As prevailing interest rates increase, some obligors may not be able to make the increased interest payments on their obligations or refinance their non-amortizing obligations, resulting in payment defaults. Conversely if interest rates decline, obligors may refinance their collateral obligations at lower interest rates which could shorten the average life of the investments.

***Balloon Loans and Bullet Loans Present Refinancing Risk.***

The investments of the CLOs and the Debt Fund will primarily consist of obligations that require minimal or no amortization prior to maturity. The inability of an obligor to refinance or repay such borrowings at maturity will result in a default and impair the investment results.

***Risks Relating to an Investment in a CLO.******Illiquidity and Potential for Early Redemption or Re-pricing.***

Investment in a CLO involves certain risks relating to the securities the CLO issues and the assets it holds. The securities issued by a CLO have limited liquidity and are subject to transfer restrictions that may require Investors to retain their interests in the CLO for its duration. Conversely, the CLO may be subject to an early redemption or re-pricing. In such case, an Investor may not realize its desired return, and may not be able to reinvest the proceeds of redeemed securities in assets with a comparable interest rate or maturity. Furthermore, there can be no assurance that, upon any such redemption or refinancing, the proceeds from the liquidation of the CLO's assets would permit any payment on the CLO equity after all required payments are made to the holders of the more senior CLO securities and to cover administrative expenses of the CLO.

***Limited Recourse and Subordination.***

The debt securities of a CLO are limited recourse obligations of the issuer and will only be satisfied with the proceeds of the CLO's assets. To the extent such assets are insufficient to pay the issuer's debt securities in full, an Investor in such debt securities may suffer a loss of all or a portion of its investment. The equity securities of a CLO (which may be in the form of "subordinated notes") are highly leveraged, unsecured obligations of the issuer and are subordinated to payment in full of the issuer's debt securities and administrative expenses. To the extent the issuer's assets are insufficient to pay its debt securities and administrative expenses in full, an Investor in equity securities may suffer a loss of all or a portion of its investment. The ability of the issuer to fulfill its payment obligations under its debt and equity securities depends on the performance and value of its assets.

***Risks Relating to Underlying Assets.***

Risks that impact the performance and value of a CLO's assets include risks relating to default, refinancing, prepayment, liquidity, market value, credit, interest rate, reinvestment and certain other risks. The assets of a CLO are typically below investment grade, may be unsecured and may be subordinated to other obligations of the related obligors. As such, repayment on these assets may be impaired by any adverse changes in the financial condition of such obligors and general market conditions. Furthermore, the need to liquidate assets rapidly upon an early redemption may result in the CLO receiving less for such assets than it might at a later date. Both the CLO and its underlying assets are subject to the risk of general market deterioration and change in law or regulation that may affect the CLO's ability to pay its obligations. In a bankruptcy proceeding involving an asset, the CLO could be subject to claims for preferential payments and fraudulent transfers. Potential Investors in a CLO should consider these risks, as well as the structural and liquidity risks relating to their potential investment.

***Interest Rate Risk.***

Interest rate risk will be inherent in the CLO because of, among other things, a difference between the interest rate basis of the CLO's rated notes and of floating/fixed rate assets purchased by the CLO, the CLO's cash balances not being required to be invested in floating rate investments, and changing levels of

LIBOR or other indexes in relation to the floating rate CLO notes and floating rate assets. No assurance can be made that the portion of floating rate assets of the CLO that bear interest based on indices other than LIBOR will not increase in the future. The CLO is not expected to enter into hedge agreements to minimize such risk. The CLOs are subject to the risk that LIBOR is replaced by alternative rates, which may differ as between the securities issued by the CLOs and the underlying loan assets. Subject to limitations imposed by the CLO documents, ICG Debt Advisors – Manager Series will be responsible for nominating or designating an alternative to LIBOR in respect of its securities.

***Reinvestment Risk.***

The CLO's inability to invest or reinvest available funds (from the proceeds of the offering of the CLO securities or from sale proceeds, prepayments or other proceeds in respect of the assets) with comparable or favorable interest rates that satisfy the CLO's investment criteria may adversely affect the timing and amount of payments received by the holders of CLO's rated notes, the yield to maturity of the CLO's rated notes and the distributions on the CLO equity. There can be no assurance that ICG Debt Advisors – Manager Series will be able to invest or reinvest available funds in assets with comparable interest rates that satisfy the CLO's investment criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

***Prepayment Risk.***

Loans are generally prepayable in whole or in part at any time, and ICG Debt Advisors – Manager Series cannot predict the timing or amount of prepayments. There can be no assurance that ICG Debt Advisors – Manager Series will be able to reinvest prepayment proceeds in a timely or advantageous manner.

***Risks Relating to an Investment in the Debt Fund.******Reliance on Portfolio Company Management.***

Although ICG Fund Advisors will monitor the performance of each investment and portfolio company in the Debt Fund, it is the responsibility of a portfolio company's management to operate the company on a daily basis. There is no guarantee that the management team of a portfolio company or any successor will be able to operate the portfolio company in accordance with the Debt Fund's expectations or ICG Fund Advisors' suggestions, or that the Debt Fund will be able to recover on or profit from its investments.

***Portfolio Company Specific Risks.***

Portfolio companies may be affected by force majeure events (e.g., events beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, etc.). In addition, the cost to a portfolio company or the Debt Fund of repairing or replacing damaged assets resulting from such events could be considerable. There can be no assurance that each portfolio company will be fully insured against all risks inherent to its business. Additionally, a major governmental intervention into the industry, such as the nationalization of an industry, could result in a loss to the Debt Fund.

***Use of Leverage by Portfolio Companies.***

The Debt Fund may invest in portfolio companies whose capital structures may already have significant leverage (including substantial leverage senior to the Debt Fund's investment, a considerable portion of which may be secured and/or may be at floating interest rates), which may impair these companies' ability to finance their future operations and capital needs. The debt securities acquired by the Debt Fund may be the most junior in what will typically be a complex capital structure. Furthermore, to the extent

companies in which the Debt Fund has invested become insolvent, the Debt Fund may determine, in cooperation with other debt holders or on its own, to engage, at the Debt Fund's expense in whole or in part, counsel and other advisors in connection therewith. In addition to leverage in the capital structure of portfolio companies, the Debt Fund General Partner may incur leverage on behalf of the Debt Fund.

### ***Use of Third Parties in Diligence Process***

Before making investments, ICG Fund Advisors will typically conduct the due diligence that it deems appropriate for each investment. ICG Fund Advisors may utilize outside consultants, legal advisors, accountants, investment banks and other third parties to complete the due diligence process. The involvement of third-party advisors/consultants may present a number of risks primarily relating to the Debt Fund General Partner's reduced control of the functions that are outsourced. When making an assessment regarding an investment, ICG Fund Advisors will rely on the resources available to it, including information provided by any third parties during the due diligence process.

### **Risks Relating to an Investment in the Credit Fund.**

#### ***Trading Risks in Mortgage-Related Securities.***

Mortgage-related securities are collateralized by residential or commercial mortgages or pools of residential or commercial mortgages. Pools of mortgage loans are assembled as securities for sale to investors by various governmental, government related and private organizations. These securities may include complex instruments such as collateralized mortgage obligations ("**CMOs**"), stripped mortgage-backed securities ("**SMBS**"), mortgage pass-through securities, interests in real estate mortgage investment conduits ("**REMICS**"), as well as other real estate related securities. The mortgage-related securities in which the Credit Fund invests may include those with fixed, adjustable, floating or variable interest rates, those with interest rates that change based on multiples of changes in a specified index of interest rates and those with interest rates that change inversely to changes in interest rates, as well as those that do not bear interest. The mortgage-related securities in which the Credit Fund invests may also relate to balloon mortgages.

Mortgage-related securities are subject to credit risks associated with the performance by the mortgagors. In certain instances, the credit risk associated with mortgage-related securities can be reduced by third party guarantees or other forms of credit support. Improved credit risk does not reduce prepayment risk, which is unrelated to the rating assigned to the mortgage-related security. Prepayment risk can lead to fluctuations in value of the mortgage-related security, which may be pronounced. If a mortgage-related security is purchased at a premium, all or part of the premium may be lost if there is a decline in the market value of the security, whether resulting from changes in interest rates or prepayments on the underlying mortgage collateral. Certain mortgage-related securities that may be purchased by the Credit Fund, such as inverse floating-rate CMOs, have coupons that move inversely to a multiple of a specific index, which may result in a form of leverage. As with other interest bearing securities, the prices of certain mortgage-related securities are inversely affected by changes in interest rates. However, although the value of a mortgage-related security may decline when interest rates rise, the converse is not necessarily true, since in periods of declining interest rates the mortgages underlying the security are more likely to be prepaid. Due to declining interest rates and for other reasons, a mortgage-related security's stated maturity may be shortened by unscheduled prepayments on the underlying mortgages. Therefore, it is not possible to predict accurately a security's return to the Credit Fund. Moreover, with respect to certain SMBS, if the underlying mortgage securities experience greater than anticipated prepayments of principal, the Credit Fund may fail to fully recoup its initial investment even if the securities are rated in the highest rating category by a rating agency. During periods of rapidly rising interest rates, prepayments of mortgage-related securities may occur at slower than expected rates. Slower prepayments effectively

may lengthen a mortgage-related security's expected maturity, which generally would cause the value of such security to fluctuate more widely in response to changes in interest rates.

Investments in subordinated mortgage-backed securities ("**MBS**") involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of subordinated MBS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans.

### ***Mortgage Loans Risk.***

Mortgage loans may be, at the time of their origination or acquisition, or may become after such origination or acquisition, non-performing for a variety of reasons. Such non-performing mortgage loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loans. Even if a restructuring were successfully accomplished, a risk exists that upon maturity of such mortgage loan, replacement "takeout" financing will not be available. Purchases of participations in mortgage loans raise many of the same risks as investments in mortgage loans and also carry risks of illiquidity and lack of control. It is possible any appointed loan servicer may find it necessary or desirable to foreclose on collateral securing one or more mortgage loans purchased. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a mortgage loan including, without limitation, numerous lender liability claims and defenses, in an effort to prolong the foreclosure action. If the borrower files for bankruptcy during foreclosure proceedings, it would stay the foreclosure action and further delay the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. In addition, certain mortgage loans in which the Credit Fund may invest could be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time.

Mortgage loans are also subject to prepayment or call risk, which is the risk that payments may be received earlier or later than expected due to changes in the rate at which the underlying loans are prepaid. Faster prepayments often happen when market interest rates are falling. As a result, the Credit Fund may need to reinvest these early payments at lower interest rates, thereby reducing its income. Conversely, when interest rates rise, prepayments may happen more slowly, causing the underlying loans to be outstanding for a longer time, which can cause the market value of the security to fall because the market may view its interest rate as too low for a longer-term investment. Such changes in prepayment rates could result in reduced yields, increased volatility and/or reductions in the Credit Fund's net asset value.

### ***Collateralized Obligations.***

The Credit Fund may invest in CDOs, CLOs and collateralized synthetic obligations ("**CSOs**"). The Credit Fund's portfolio may include a variety of different types of products including CDO, CLO and CSO equity, multi-sector CDO equity, trust preferred CDO equity and CLO debt. The CDO equity purchased by the Credit Fund will most likely be unrated or non-investment grade. As a holder of CDO equity, the Credit Fund will have limited remedies available upon the default of the CDO. The Credit Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objective or fully invest its committed capital. For example, from time to time, the market for CDO transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. CDOs often invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the related CDO securities to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would

subject the related CDOs to a greater degree of risk with respect to economic downturns relating to such industry.

The value of the CDO securities owned by the Credit Fund generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CDO (“**CDO Collateral**”), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CDO securities must rely solely on distributions on the CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CDO Collateral are insufficient to make payments on the CDO securities, no other assets will be available for payment of the deficiency and, following realization of the CDO securities, the obligations of such issuer to pay such deficiency generally will be extinguished. CDO Collateral may consist of high yield debt securities, loans, asset-backed securities and other financial instruments, which often are rated below investment grade (or of equivalent credit quality). High yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

### ***High Yield Securities.***

The Credit Fund may invest in “high yield” bonds and preferred securities, which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Financial instruments in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

### ***Risks Related to Asset Backed Securities.***

Asset-backed securities are subject to credit risks associated with the performance of the underlying assets. Asset-backed notes generally are issued pursuant to indentures, and pass-through certificates generally are issued pursuant to pooling and servicing agreements. A separate servicing agreement typically is executed in connection with asset-backed notes (such servicing agreements, indentures and pooling and servicing agreements, the “**Asset-Backed Agreements**”). The Asset-Backed Agreements provide for the appointment of a trustee and the segregation of the transferred pool of assets from the other assets of the transferor. Typically, the transferor segregates the assets only on its own books and records, such as by marking its computer files, and perfects the trustee’s interest by filing a financing statement under the Uniform Commercial Code. This method of segregation and perfection presents the risk that the trustee’s interest in the assets could be lost as a result of negligence or fraud, such that the trustee and the asset-backed security holders become unsecured creditors of the transferor of the assets.



***Illiquidity.***

Illiquidity in the collateralized default obligation (“**CDO**”), leveraged finance and fixed income markets may affect holders of the securities. Events in the CDO (including CLOs), leveraged finance and fixed income markets contributed to a severe liquidity crisis in the global credit markets that has existed in recent years. The financial markets have experienced substantial fluctuations in prices for leveraged loans and reduced liquidity for such obligations.

***Derivative Instruments.***

The Credit Fund may use various derivative instruments. While the use of derivative instruments can be beneficial, such instruments also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. General risk factors of derivatives include:

- *Market Risk* — This is the general risk, attendant to all investments that the value of a particular investment will change in a way detrimental to the Credit Fund’s interests.
- *Management* — Derivatives are highly specialized instruments that require investment techniques and risk analyses different from those associated with equities and bonds. The use of a derivative instrument requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.
- *Tracking* — When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Credit Fund from achieving the intended hedging effect or expose the Credit Fund to the risk of loss.
- *Liquidity* — Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Credit Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Credit Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Credit Fund to the potential of greater losses.
- *Leverage* — Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the Credit Fund.

***Illiquidity.***

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***Futures Contracts and Options on Futures Contracts.***

In entering into futures contracts and options on futures contracts, there is a credit risk that the counterparty will not be able to meet its obligations to the Credit Fund. The counterparty for futures



contracts and options on futures contracts traded in the United States and on most foreign futures exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse, which are required to share any financial burden resulting from the non-performance by one of its members and, as such, should significantly reduce this credit risk. In cases where the clearinghouse is not backed by the clearing members (e.g., some foreign exchanges), it is normally backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing member or clearinghouse will be able to meet its obligations to the Credit Fund.

For a more complete discussion of the analysis and investment strategies used in formulating investment advice or managing assets and the investment risks for any Investment Vehicle, investors should review the applicable offering documents for that Investment Vehicle.

### **Leverage**

The Credit Fund may increase the amount of capital available for investment through use of leverage, including through the use of a credit facility. While the use of leverage can substantially improve the return on invested capital, potential investors should be aware that such use may also substantially increase the adverse impact to which the portfolio of the Credit Fund may be subject. To the extent that the Credit Fund uses leverage, changes in the general level of interest rates on borrowed money may adversely affect the Credit Fund's assets and operating results.

Borrowings will typically be secured by the Credit Fund's securities and other assets. Under certain circumstances, a lender may demand an increase in the collateral that secures the Credit Fund's obligations and, if the Credit Fund were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy the Credit Fund's obligations to the lender. Liquidation in that manner could have extremely adverse consequences for the Credit Fund.

Under the terms of a multicurrency revolving credit facility, the Credit Master Fund is permitted to borrow from Intermediate Capital Group plc (the "**Lender**"), an affiliate of ICG Alternative Credit LLC, the Credit Fund's investment manager (the "**Credit Investment Manager**"), up to EUR 50,000,000 on a temporary basis to finance the acquisition by the Credit Master Fund of portfolio investments in accordance with the investment management agreement among the Credit Master Fund, the Lender and the Credit Investment Manager. The credit facility does not have a commitment fee and expires in March 2019, although it is expected that it will be renewed. Any loan amount outstanding under the credit facility accrues interest at the rate of four percent (4%) per annum. At the time a loan must be repaid under the credit facility, the Credit Master Fund will (1) repay such loan together with all accrued interest, (2) roll the maturity date of the loan to the next month, and/or (3) arrange for a debt for equity swap whereby the principal amount of such loan is repaid through an issuance to the Lender of interests in the Credit Offshore Feeder Fund. Such interests are subject to such rights (including voting and redemption rights), powers, duties and obligations, including the payment of incentive allocations, as set forth in the offering documents of the Credit Offshore Feeder Fund. As a result of this arrangement, the Lender and its affiliates may own, on a fully diluted basis, more than 25% of the Credit Master Fund.

### **Emerging and Less Developed Markets; Non-U.S. Investments.**

In emerging and less developed markets, in which the Credit Fund may invest, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks for investors who should, therefore, ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio. Investments in emerging and less developed markets

should be made only by sophisticated investors or professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments. Such risks might be of a political, legal or economic nature, or might result from prices, currency or taxation movements.

Countries with emerging and less developed markets include, but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in a World Bank publication as developing.

Investment in non-U.S. issuers or securities principally traded outside the United States may involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive, accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. Foreign brokerage commissions and other fees are also generally higher than in the United States. The laws of some foreign countries may limit the Fund's ability to invest in securities of issuers located in certain foreign countries. There are also special tax considerations which apply to securities of foreign issuers and securities principally traded overseas.

The risks of foreign investments described above apply to an even greater extent to investments in emerging markets. The securities markets of emerging markets countries are generally smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and developed foreign markets. Disclosure and regulatory standards in many respects are less stringent than in the United States and developed foreign markets. Accounting and auditing standards in many markets are different, and sometimes significantly different from those applicable in the United States or Europe. In particular, the accounting standards with respect to inflation have to be clearly understood in order to analyze a balance sheet. There is substantially less publicly available information about companies located in emerging markets than there is about companies in other more developed jurisdictions. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries, and the activities of investors in such markets and enforcement of existing regulations has been extremely limited. Many emerging markets countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging markets countries. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of emerging markets countries also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of emerging markets countries may also be predominantly based on only a few industries or dependent on revenues from particular commodities. In addition, custodial services and other costs relating to investment in foreign markets may be more expensive in emerging markets than in many developed foreign markets, which could reduce the Credit Fund's income from such securities.

In many cases, governments of emerging markets countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the capacity of issuers of emerging markets country debt instruments to make

payments on their debt obligations, regardless of their financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause the Credit Fund to suffer a loss of any or all of its investments or, in the case of fixed-income securities, interest thereon.

Many emerging markets countries are undergoing important political and economic changes that are making their economies more free-market oriented. However, there could be future political and economic changes that may return the situation to closed and centrally-controlled economies with price and foreign exchange controls. Many emerging markets countries lack the legal, structural and cultural basis for the establishment of a dynamic, orderly, market-oriented economy. Many of the promising changes that are being seen at present could be reversed, causing significant impact on the Credit Fund's investment returns in this region.

### ***Loan Investments Risk.***

The Credit Fund may originate and invest in a variety of loans. Bank loans are obligations of companies or other entities entered into in connection with recapitalizations, acquisitions, and refinancings. The Credit Fund's investments in bank loans are generally acquired as a participation interest in, or assignment of, loans originated by a lender or other financial institution. These investments may include institutionally-traded floating and fixed-rate debt securities. The bank loans underlying these securities often involve borrowers with low credit ratings whose financial conditions are troubled or uncertain, including companies that are highly leveraged or in bankruptcy proceedings. Participation interests and assignments involve credit, interest rate, and liquidity risk. Bridge loans involve certain risks in addition to those associated with bank loans including the risk that the borrower may be unable to locate permanent financing to replace the bridge loan, which may impair the borrower's perceived creditworthiness. Debtor-in-possession ("DIP") loans are subject to the risk that the entity will not emerge from bankruptcy and will be forced to liquidate its assets. Mezzanine loans generally are rated below investment grade, and frequently are unrated. Investment in mezzanine loans is a specialized practice that depends more heavily on independent credit analysis than investments in other fixed-income securities.

The Credit Fund's success will depend, in part, on its ability to originate or obtain loans on advantageous terms. In originating or purchasing loans, the Credit Fund will compete with a broad spectrum of investors and institutions. Increased competition for qualifying loans could result in lower yields on such loans, which could reduce returns to investors.

### ***Risks of Investing in Real Estate Loans.***

Real estate loans that are in default may require a substantial amount of workout negotiations and/or restructuring. If a restructuring was successful, a risk still exists that upon maturity of such loan, replacement "takeout" financing will not be available. It is also possible that the Credit Investment Manager or servicer may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Credit Fund, which process can be lengthy and expensive. In some jurisdictions, foreclosure actions can take several years to litigate, which proceedings tend to create a negative public image of the collateral property and related assets, and may disrupt the ongoing leasing and management of the property. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. The amount that may be received by the Credit Fund may be substantially affected by foreclosure actions by lenders senior to the Credit Fund, if any.

***Risks Associated with Loans.***

Loans are subject to the risk of non-payment of scheduled interest or principal. Such non-payment would result in a reduction of income to the Fund, and a reduction in value of an investment of the Credit Fund. There can be no assurance that the liquidation of any collateral securing a loan would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments, or that such collateral could be readily liquidated. In the event of bankruptcy of a borrower, the Credit Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a loan. To the extent that a loan is collateralized by stock in the borrower or its subsidiaries, such stock may lose all or substantially all of its value in the event of bankruptcy of a borrower. Some asset-backed loans are subject to the risk that a court, pursuant to a fraudulent conveyance or other similar laws, could subordinate such loans to presently existing or future indebtedness of the borrower or take other action detrimental to the holders of asset-backed loans including, in certain circumstances, invalidating the loans or causing interest previously paid to be refunded to the borrower. If interest were required to be refunded, it could negatively affect the Credit Fund's performance. Risks associated with bank loans include the fact that prepayments may generally occur at any time without premium or penalty.

In addition, certain loans may be supported, in part, by personal guarantees made by the persons affiliated with a borrower, or guarantees made by a corporation affiliated with the borrower. The amount realizable with respect to a loan may be detrimentally affected if a guarantor fails to meet its obligations under the guarantee. Moreover, the value of collateral supporting loans may fluctuate. In addition, active lending/origination by the Credit Fund may subject it to additional regulation. Finally, there may be a monetary, as well as a time cost involved in collecting on defaulted loans and, if applicable, taking possession of and subsequently liquidating various types of collateral.

Most loans made by the Credit Fund will not be rated by a rating agency, will not be registered with the SEC or any foreign or state securities commission and will not be listed on any U.S. or foreign securities exchange. The amount of public information with respect to such loans will generally be less extensive than that available for registered or exchange listed securities. In evaluating the creditworthiness of borrowers, the Credit Investment Manager will consider, and may rely in part, on analyses performed by others.

No active trading market may exist for many loans and some loans may be subject to restrictions on resale. A secondary market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may impair the ability to realize full value and thus cause a material decline in the value of the Credit Fund's investments.

***Risks Relating to an Investment in the Equity Vehicles.******Risks at the Underlying Fund Level.***

An investment in an underlying fund involves substantial risks and uncertainties. These risks and uncertainties include, but are not limited to, the risk that the underlying fund is a newly formed partnership with no separate operating history and its affiliates' investment track record is not indicative of its future performance, and the general partner or manager of the underlying fund and its respective investment professionals and affiliates may be able to pursue other business activities and provide services to third parties, including affiliates that compete directly with the underlying fund. This risk is exacerbated where the general partner or manager of the underlying fund does not intend to sponsor a new fund (or a new fund with the same investment strategy as the underlying fund). The Investment Vehicles are highly dependent on the applicable general partner or manager of the underlying fund and their investment professionals and there can be no assurance that the Investment Vehicles, ICG Equity Advisors, ICG or

any of their respective affiliates will have continued access to them. In addition, certain investment professional and affiliates of the underlying fund's general partner will be entitled to carried interest at the underlying fund level, and may receive carried interest distributions even if the Investment Vehicle's investment in such underlying fund does not increase in value or in fact decreases in value. An Investment Vehicle may be subject to less favorable carried interest arrangements than comparable investments by other limited partners of the underlying fund. The underlying fund's general partner may be incentivized to make investments and take other actions that may be unfavorable, or less favorable than other options, to an Investment Vehicle, including an incentive for it to assume greater risks when making investment decisions than it otherwise would in the absence of carried interest at the underlying fund level. Further, an underlying fund's organizational structure, management, investment program and other characteristics may involve other significant risks and conflicts of interest that may be resolved in a manner which is not always in the best interests of an Investment Vehicle or its Investors.

### ***Reliance on Underlying Fund and Underlying Portfolio Company Management.***

Although ICG Equity Advisors will monitor the performance of each underlying fund and underlying portfolio company, unless otherwise provided in the transactional documents in connection with an investment, the management of such underlying fund or underlying portfolio company will be responsible for operating it on a day-to-day basis and will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing, monitoring and eventually divesting investments made by such underlying fund or underlying portfolio company. Furthermore, an Investment Vehicle may not learn of significant structural events, such as personnel changes or substantial changes to the value of the assets of, or obtain other important information, regarding the underlying funds and underlying portfolio companies until after the fact. In addition, it will be difficult, if not impossible, for the Investment Vehicles, ICG Equity Advisors or any of their affiliates to protect investors from the risk of the management team of any underlying fund or underlying portfolio company engaging in fraud, misrepresentation or material strategy alteration. Investors will generally have no direct dealings or contractual relationships at the underlying fund or underlying portfolio company level.

Although the Investment Vehicles generally intends to invest in underlying funds and underlying portfolio companies with strong management teams, there can be no assurance that the existing management teams of such underlying funds or underlying portfolio companies will continue to operate an underlying fund or underlying portfolio company successfully or that such management teams will continue to be involved in such role throughout the period of an Investment Vehicle's investment. In the event that all or part of the management team ceases to be involved with the management of an underlying fund or underlying portfolio company, the applicable Investment Vehicle may not have any rights or remedies in order to mitigate the effects of such cessation or may not be able to exercise any rights or remedies without the support of other investors in such underlying fund or underlying portfolio company, which may or may not be forthcoming.

### ***Underlying Fund Governance Rights.***

Although each Investment Vehicle is expected to have certain governance rights in the underlying funds in which it invests, including the right to appoint a representative to the limited partner advisory committees of such underlying funds, there can be no assurance that such Investment Vehicles, ICG Equity Advisors or any of their respective personnel or representatives, will be able to exercise any amount of influence or control over any underlying fund or underlying portfolio company, or that determinations or recommendations advanced on behalf of such Investment Vehicle will prevail. Furthermore, as a consequence of an Investment Vehicle having the ability to appoint a member to an underlying fund's limited partner advisory committee or to exercise other governance rights with respect to an underlying fund, such Investment Vehicle may be subjected to an increased risk of liability at the underlying fund or

underlying portfolio company level, which may result in potential indemnification payments by the limited partners of the Investment Vehicle, thereby decreasing the returns of such limited partners.

***Risks Relating to the Special Purpose Investment Vehicles; No Diversification.***

The principal purpose of each Special Purpose Investment Vehicle is to invest in the applicable underlying fund. An investment by a Special Purpose Investment Vehicle in an underlying fund is speculative in nature and there can be no assurance that any Investor will receive a return on invested capital or any distribution in respect of its investment in such Special Purpose Investment Vehicle. Investors should expect that they may not receive any return of capital for a long period of time.

An investment in a Special Purpose Investment Vehicle involves a high degree of risk and, as a consequence, the aggregate return of a Special Purpose Investment Vehicle may be substantially adversely affected by unfavorable performance of its investment in the applicable underlying fund.

***Access to Information from Underlying Funds.***

ICG Equity Advisors may not always receive full information from underlying funds because certain of this information may be considered proprietary by an underlying fund. An underlying fund's use of proprietary investment strategies that are not fully disclosed to the ICG Equity Advisors may involve risks under some market conditions that are not anticipated by ICG Equity Advisors. Furthermore, this lack of access to information may make it more difficult for ICG Equity Advisors to select and evaluate underlying funds. Similar considerations apply to information of the underlying portfolio companies.

***Risks Relating to Due Diligence of Investments and Conduct at the Underlying Funds.***

Before making investments, ICG Equity Advisors will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to ICG Equity Advisors' reduced control of the functions that are outsourced. In addition, if ICG Equity Advisors are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, ICG Equity Advisors will rely on the resources available to it, including information provided by the target of the investment (or the sponsor thereof) and, in some circumstances, third-party investigations. The due diligence investigation that ICG Equity Advisors carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in an Investment Vehicle as being speculative and having a high degree of risk. There can be no assurance that ICG Equity Advisors will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis. Furthermore, underlying funds and underlying portfolio companies may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, war, terrorism and labor strikes).



**Nature of Investments in Underlying Funds.**

Although the Equity Fund generally intends to invest in underlying funds which are at least 80% funded at the time of the Equity Fund's investment and for which any unfunded capital is limited primarily for follow-on investments in existing portfolio companies, the Equity Fund may invest in newly formed underlying funds and underlying funds which have a greater amount of drawable capital available for investment. In such circumstances, the Equity Fund will generally not be given the opportunity to take part in the underlying fund manager's investment decision or conduct due diligence of new investments prior to its acquisition by the underlying fund.

The management of the underlying funds in which the Investment Vehicles invest will be responsible for operating such underlying funds and the underlying portfolio companies in their portfolio on a day-to-day basis and will generally have sole and absolute discretion in structuring, negotiating and purchasing, financing, monitoring and eventually divesting investments made by such underlying fund or underlying portfolio company. Accordingly, the Investment Vehicles may be unable to take steps to protect against or mitigate the effects of the risks described herein.

**Valuation Matters.**

There is no established market for secondary private equity partnership interests or for the privately held portfolio companies of private equity sponsors, and there may not be any comparable companies for which public market valuations exist. In addition, under limited circumstances, ICG Equity Advisors may not have access to all material information relevant to a valuation analysis. As a result, the valuation of an Investment Vehicle's investments may be based on imperfect information and is subject to inherent uncertainties. For purposes of the Partnership Agreements of the Equity Vehicles, the fair market value of any investment will generally be the value of such interest as most recently reported by the manager of the relevant underlying fund or the relevant underlying portfolio company. Different underlying fund managers and underlying portfolio companies use different valuation methods and determine such valuations at different times and there can be no assurance that any of such valuations are accurate. In addition, these valuations may be provided by the manager of the relevant underlying fund based on interim unaudited financial statements. Accordingly, these figures may be subject to an upward or downward adjustment following the auditing of such financial records. There can be no assurance that investments will ultimately be realized for amounts equal to, or greater than, these valuations, or that the past performance information based on such valuations will accurately reflect the realization value of such investments. The actual realized returns generated by unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale. Valuations are subject to determinations, judgments and opinions, and other third parties or limited partners may disagree with such valuations.

**Item 9: Disciplinary Information**

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The Advisor has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no person involved in the management of the Advisor has been subject to such action.

**Item 10: Other Financial Industry Activities and Affiliations**

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Due to the broad range of activities of the ICG Group, it is possible that at times it may engage in activities that present a conflict of interest to the Advisor. For example, it is possible that the various entities that form the ICG Group may invest at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities. Such investments may give rise to conflicts of interest, or perceived



conflicts of interest, between the ICG Group entities, including the Advisor. In the event that a conflict of interest arises, the Advisor will attempt to resolve such conflict on a case by case basis and in the best interests of the parties involved, while maintaining its duty of fiduciary care to the relevant Investment Vehicle.

Additionally, ICG Group may have conflicts of interest with an Investment Vehicle arising out of the overall investment activity of the Advisor and the ICG Group. Please see Item 11 below regarding certain potential conflicts of interest and the applicable offering memoranda for additional information.

ICG Alternative Credit is registered as a Commodity Pool Operator with the U.S. Commodity Futures Trading Commission and is a member of the National Futures Association. ICG Alternative Credit relies on a self-executing exemption from registration as a Commodity Trading Advisor. Philip Keller, Gideon (Zak) Summerscale and David Deutsch are Principals of ICG Alternative Credit, Peter Lin is an Associated Person and Principal of ICG Alternative Credit, and Andreas Mondovits, Sunil Vaswani, Brian Marshall, Chris Hawkins and Joe Pallotta are Associated Persons of ICG Alternative Credit.

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

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### **Code of Ethics**

It is ICG's policy that all employees conduct themselves so as to avoid not only actual conflicts of interest with the Investors, but also that they refrain from conduct which could give rise to the appearance of a conflict of interest. ICG has adopted a Code of Ethics (the "**Code**") which describes its high standard of business conduct and fiduciary duty to its Investors. All ICG employees must acknowledge the terms of the Code at the commencement of employment and annually thereafter.

ICG recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its Investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of Investors come first; and (iii) it has a fiduciary duty to the Investment Vehicles to act in or not opposed to the best interests of such vehicles. All employees are required to act in accordance with the implied contractual covenants of good faith and fair dealing in respect of their dealings with Investors. All employees must also comply with all applicable federal securities laws.

The Code governs a number of potential conflicts of interest that exist when providing advisory services to the Investment Vehicles. The Code is designed to ensure that the Advisor meets its fiduciary obligation to the Investment Vehicles and to instill a culture of compliance within ICG. An additional benefit of the Code is to detect and prevent violations of federal securities laws. The Code is distributed to each employee at the commencement of employment and annually thereafter. The Code addresses, among other things, pre-clearance and reporting of employee personal securities transactions.

On an annual basis, all employees are required to certify that they are in compliance with the Code. The Code is available to all employees, Investors and prospective investors for review upon request. Requests for a copy of the Code can be made by contacting the Chief Compliance Officer, Peter Lin at 212-295-5860.

**Certain Potential Conflicts of Interest.*****Broad and Wide-Ranging Activities.***

The Advisor and the ICG Group engage in a broad spectrum of activities. In the ordinary course of their business activities, the Advisor and the ICG Group may engage in activities where the interests of the Advisor and the ICG Group or the interests of their clients may conflict with the interests of the Investors. Other present and future activities of the Advisor and/or the ICG Group may give rise to additional conflicts of interest. In the event that a conflict of interest arises, the Advisor will attempt to resolve such conflicts in a fair and equitable manner on a case-by-case basis by senior management of the Advisor and representatives of the ICG Group, who in many circumstances will be the same individuals. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. The Advisor will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on, the Investment Vehicles. Investors should be aware that conflicts will not necessarily be resolved in favor of the interests of the relevant Investment Vehicle. These resolutions may include, by way of example and without limitation, refraining from investing in or disposing of the security giving rise to the conflict of interest, appointing an independent fiduciary or consulting with the relevant Investment Vehicle's Limited Partner advisory committee or the board of directors of a CLO.

***ICG Group Policies and Procedures.***

Specified policies and procedures implemented by the ICG Group to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across the ICG Group's various businesses that the Investment Vehicles expect to draw on for purposes of pursuing attractive investment opportunities. Because the ICG Group has many different asset management businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, the ICG Group has implemented, and may further implement, certain policies and procedures (e.g., information walls) that may reduce the positive synergies that the Investment Vehicles expect to utilize for purposes of finding attractive investments. For example, the ICG Group regularly comes into possession of material, non-public information with respect to companies in which an Investment Vehicle may be considering making an investment or companies that are the ICG Group's advisory clients, for example, through ICG Group or other client's or Investment Vehicles' majority ownership of portfolio companies. As a consequence, that information, which could be of benefit to an Investment Vehicle, might become restricted to those other businesses and otherwise be unavailable to such Investment Vehicle, and could also restrict such Investment Vehicle's activities. In addition, where an Investment Vehicle holds loans of a borrower in which other ICG Group clients or Investment Vehicles hold significant equity, the Investment Vehicle may be considered an affiliate of the borrower, and as a consequence may be restricted under the governing documents for the loan from voting or enforcing its rights. Additionally, the terms of confidentiality or other agreements with or related to companies in which any fund of the ICG Group has or has considered making an investment may restrict or otherwise limit the ability of an Investment Vehicle, its portfolio companies and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. The ICG Group may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although they may be intended to provide greater opportunities for the Investment Vehicles, may require the Investment Vehicles to share such opportunities or otherwise limit the amount of an opportunity the Investment Vehicles can otherwise take. While the Investment Vehicles will typically hold no publicly traded securities, ICG has implemented a structured employee investment policy with

pre-approval and quarterly reporting requirements. The Advisor also maintains a restricted list to avoid any possible conflicts with portfolio holdings.

***Performance Allocation / Fund Management Fee.***

The existence of performance based arrangements may create an incentive for ICG to make more risky investments on behalf of the Investment Vehicles than it would otherwise make in the absence of such performance-based arrangements, although, in the case of certain Investment Vehicles, the significant commitment by the respective general partner and the ICG Group to invest in investments and the clawback should tend to reduce this incentive. In addition, in the case of certain Investment Vehicles, the fact that a portion of the fund management fee may be calculated based on capital contributions with respect to investments that have not been disposed of, rather than capital commitments, may create an incentive for the applicable Advisor to (i) make more speculative investments than it otherwise would have made if fund management fees were based on capital commitments, (ii) seek to deploy the capital commitments in investments at an accelerated pace, (iii) hold investments longer than it otherwise would have if fund management fees were based on capital commitments and/or (iv) employ a greater degree of leverage than it otherwise would have if fund management fees were based on capital commitments.

The general partner of an Investment Vehicle may, in its sole discretion, agree to reduce or waive fees or carried interest with respect to certain limited partners and may allocate a portion of the carried interest to one or more third parties, including an Investment Vehicle limited partner. In such instances, the relevant general partner will have a reduced incentive to seek to maximize the respective Investment Vehicle's returns and as a consequence may devote less time and attention to the management of such Investment Vehicle, which may reduce the returns of such Investment Vehicle's limited partners.

***Other Fees.***

The Advisor may earn commitment, closing, origination, transaction, break-up, directors', monitoring, management, amendment, and other similar fees in connection with the provision of capital to a portfolio company by an Investment Fund. The fund management fee payable by an Investment Fund's Limited Partner will generally be reduced by an amount equal to 100% of such Investment Fund's Limited Partner's pro rata share of such fees. Except as set forth above, the Investment Fund's Limited Partners will not receive the benefit of fees or other compensation received by the ICG Group in connection with the provision of services by the ICG Group to the Investment Fund or third parties. For greater certainty, the Advisor engages and retains strategic advisors, consultants, and other similar professionals who are not employees or affiliates of the Advisor and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies. In such circumstances, such amounts will not be deemed paid to or received by the Advisor and such amounts will not be subject to offset.

The Advisor and its personnel can also be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of an Investment Fund which will not be subject to the offset arrangements described above or otherwise shared with such Investment Fund, its limited partners and/or portfolio companies. For example, airline travel or hotel stays incurred as fund expenses may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimus or difficult to value, inure exclusively to the Advisor and/or such personnel (and not such Investment Fund, its limited partners and/or portfolio companies) even though the cost of the underlying service is borne by such Investment Fund and/or portfolio companies.

***Allocation of Investment Opportunities.***

The Advisor and the ICG Group may provide investment management services to other clients, other investment funds, client accounts (including managed accounts), and proprietary accounts in which the Investment Vehicles will not have an interest (such other clients, funds and accounts, collectively the “**Other Accounts**”).

The respective investment programs of the Investment Vehicles and the Other Accounts may or may not be substantially similar. The Advisor and the ICG Group may give advice and recommend securities to Other Accounts which may differ from advice given to, or securities recommended or bought for, the Investment Vehicles, even though their investment objectives may be the same or similar to those of the Investment Vehicles. In addition, the ICG Group may purchase or sell securities for its own proprietary accounts and references to “Other Accounts” may include such activities as the context requires. The ICG Group or such Other Accounts, whether now existing or created in the future, could compete with an Investment Vehicle for the purchase and sale of investment opportunities.

While the Advisor will seek to manage potential conflicts of interest in good faith, the portfolio strategies employed by the Advisor and the ICG Group in managing the Other Accounts could conflict with the transactions and strategies employed by the Advisor in managing the Investment Vehicles and may affect the prices and availability of the securities and instruments in which an Investment Vehicle invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both an Investment Vehicle and Other Accounts. It is the policy of the Advisor generally to share appropriate investment opportunities (and sale opportunities) with the Other Accounts. In general and except as provided below, this means that such opportunities will be allocated pro rata among an Investment Vehicle and the Other Accounts based on available capacity for such investment in each fund, taking into account capital commitments, available cash and the relative capital of the respective funds and such other factors as the Advisor determines in good faith to be appropriate (including whether or not the Investment Vehicles and Other Accounts are considered to be “plan assets” for purposes of the Employee Retirement Income Security Act of 1974 and the regulations thereunder). Nevertheless, investment and/or sale opportunities may be allocated other than on a pro rata basis, if the Advisor deems in good faith that a different allocation among an Investment Vehicle and the Other Accounts is appropriate, taking into account, among other considerations (a) the risk-return profile of the proposed investment; (b) such Investment Vehicle’s and any Other Account’s objectives, whether such objectives are considered solely in light of the specific investment under consideration or in the context of the portfolio’s overall holdings; (c) the potential for the proposed investment to create an industry, sector or issuer imbalance in such Investment Vehicle’s and any Other Account’s portfolios; (d) the liquidity of such Investment Vehicle and Other Accounts, including whether the Investment Vehicle or Other Account is warehousing, ramping-up or winding-down; (e) tax consequences; (f) regulatory restrictions; (g) the need to re-size risk in such Investment Vehicle’s or Other Accounts’ portfolios; (h) redemption or withdrawal requests from Other Accounts and anticipated future contributions into or withdrawals from such Investment Vehicle and Other Accounts; (i) proximity of an Investment Vehicle or Other Account to the end of its specified term/commitment period; (j) when a pro rata allocation could result in de minimis or “odd lot” allocation; (k) availability of leverage and any requirements or other terms of any existing leverage facilities; (l) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to such Investment Vehicles or such Other Accounts; and (m) other considerations deemed relevant by the Advisor (all of the foregoing referred to as the “**Allocation Considerations**”).

Orders may be combined for all or some of the Investment Vehicles and Other Accounts, and if any order is not filled at the same price, they may be allocated on a volume-weighted average price basis. Similarly, if an order on behalf of more than one Investment Vehicle and Other Account cannot be fully executed

under prevailing market conditions, securities may be allocated among the different Investments Vehicle and Other Accounts on a basis which the Advisor considers equitable.

In the case of the Debt Fund and the Equity Fund, ICG Fund Advisors and ICG Equity Advisors, as applicable, attempts to mitigate these conflicts by not closing a “Similar Fund” (as defined in the applicable Partnership Agreement) until the earlier of (i) the end of the investment period of such Investment Vehicle and (ii) such time as 75% of the aggregate capital commitments are invested or committed by such Investment Vehicle, other than as may otherwise be permitted under the applicable Partnership Agreement.

ICG Debt Advisors – Manager Series and its affiliates have no affirmative obligation to offer any investment opportunities to any CLO or client account or to inform such CLO or client account of any investment opportunity before offering those investments to other CLOs or client accounts that ICG Debt Advisors – Manager Series or any of its affiliates manage or advise. ICG Debt Advisors – Manager Series and its affiliates may also make investments on their own behalf without offering such investment opportunities to any CLO or client account.

From time to time, an Investment Vehicle and an Other Account may make investments at different levels of an issuer’s capital structure or otherwise in different classes of an issuer’s securities. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities. While these conflicts cannot be eliminated, the Advisor, when practicable, will cause such Investment Vehicle and Other Account to hold investments in the same levels of an issuer’s capital structure in the same proportion at each level; provided, however, that neither any Investment Vehicle nor any Other Account will be required to hold an investment if holding such investment would result in a violation of the provisions of the organizational documents of such Investment Vehicle or Other Account, as applicable, or constitute a breach of, or default or debt repayment event with respect to, any credit facility or other debt instrument or obligation (each such event, a “**Restrictive Event**”). If a Restrictive Event exists, the Advisor will use reasonable efforts to cause such Investment Vehicle to hold investments in each level of an issuer’s capital structure in the same proportion as that held by the Other Accounts, but will only do so to the extent permissible by the Restrictive Event. In some circumstances, investments may be made at different levels of an issuer’s capital structure or otherwise in different classes of an issuer’s securities or on a disproportionate basis, even though no Restrictive Event would result if the Advisor deems in good faith that such investments among an Investment Vehicle and the Other Accounts are appropriate and according to the Allocation Considerations. It is possible that certain portfolio companies of the Other Accounts may compete with the Investment Vehicles for one or more investment opportunities. Investors should be aware that conflicts will not necessarily be resolved in favor of an Investment Vehicle’s interests.

The ICG Group may, on behalf of itself or Other Accounts, buy, sell, hold, or otherwise deal with securities or other investments that may be purchased, sold, or held by an Investment Vehicle and/or its parallel funds or that are otherwise issued by a portfolio company in which an Investment Vehicle and/or its parallel funds invest, or may give advice to Other Accounts with respect to such investments that may differ from advice provided to an Investment Vehicle and/or its parallel funds. While the ICG Group will seek to manage any resulting conflicts in an appropriate manner, such transactions or advice may have consequences that are adverse to the interests of an Investment Vehicle and/or its parallel funds, such as, for example, adversely affecting the availability, price or other terms of investments that the Advisor seeks to make for such Investment Vehicle and/or its parallel funds.

***Investments in Which the Advisor and/or the ICG Group Have a Different Interest.***

The Advisor and the ICG Group may invest in a broad range of securities and instruments throughout the corporate capital structure. These investments include (but are not limited to) investments in senior secured loans, subordinated bonds, mezzanine debt securities, debt and equity of structured securities, private equity securities and preferred equity securities and common equity securities. Accordingly, the Advisor, the ICG Group and/or Other Accounts may invest in different parts of the capital structure of a company or other issuer in which the Investment Vehicles, the ICG Group or Other Accounts invest. Further, if any Other Account were to purchase debt or other instruments from a portfolio company senior to an Investment Vehicle's investments, the ICG Group may, in certain instances, face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such Other Account and such Investment Vehicle (e.g., with respect to the terms of such debt or other instruments, the enforcement of covenants, the terms of recapitalizations, exercise of rights, pursuit of remedies, etc.).

With respect to companies in which an Investment Vehicle has an equity investment, to the extent that one of the Other Accounts is actually or effectively the controlling shareholder, it may be able to determine the outcome of all matters requiring stockholder approval and will be able to cause or prevent a change of control of such company or a change in the composition of its board of directors and could preclude any unsolicited acquisition of that company regardless as to whether the Investment Vehicle agrees with such determination. So long as the Other Account continues to own a significant amount of the voting power of a company in which the Investment Vehicle invests, even if such amount is less than 50%, it may continue to influence strongly, or effectively control, that company's decisions. As a result, the Investment Vehicle's interests with respect to the management, investment decisions or operations of those companies may at times be in direct conflict with those of the Other Accounts.

In addition, where an Investment Vehicle, the ICG Group and/or any Other Account invest in different parts of the capital structure of a portfolio company, their respective interests may diverge significantly in the case of financial distress of such portfolio company. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of an Investment Vehicle to provide such additional financing. If the ICG Group or any Other Account were to lose its respective investments as a result of such difficulties, the ability of the Advisor to recommend actions in the best interests of the Investment Vehicle might be impaired. In addition, it is possible that in a bankruptcy proceeding an Investment Vehicle's interest may be subordinated or otherwise adversely affected by virtue of the Advisor's and/or the ICG Group's or any Other Account's involvement and actions relating to their investment. Moreover, there can be no assurance that the term of or the return on an Investment Vehicle's investment will be equivalent to or better than the term of or the returns obtained by the other affiliates or any Other Account participating in the transaction. This may result in a loss or substantial dilution of such Investment Vehicle's investment, while the ICG Group and/or any Other Account recovers all or part of amounts due to it. Similarly, the Advisor's ability to implement an Investment Vehicle's strategies effectively may be limited to the extent that contractual obligations entered into in respect of the activities of the ICG Group impose restrictions on such Investment Vehicle engaging in transactions that the Advisor may be interested in otherwise pursuing.

Due to the various conflicts described herein, actions may be taken by the ICG Group and/or on behalf of Other Accounts that are adverse to an Investment Vehicle.

***Co-Investment Opportunities.***

Co-investment opportunities may be offered to Investors, the ICG Group, or other third parties. Any co-investment opportunity will be provided to one or more Investor's at the applicable general partner's or investment manager's discretion on such terms and conditions that such general partner or investment



manager and the investors participating therein agree, which terms may be more favorable than those offered to the Investment Vehicles. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among potential co-investors, the applicable general partner or investment manager may consider some or all of a wide range of factors, which may include, but are not limited to, the following: (i) the size and financial resources of the potential co-investor and the perception as to such potential co-investor's ability to participate efficiently and expeditiously in the investment opportunity, in particular when the investment opportunity is time-sensitive in nature; (ii) any confidentiality concerns that may arise in connection with providing the potential co-investor with specific information in order to evaluate the investment opportunity; (iii) past experiences and relationships with the potential co-investor, such as its willingness or ability to respond promptly and/or affirmatively to potential investment opportunities previously offered by ICG; (iv) whether the investment opportunity may subject the potential co-investor to legal, regulatory, reporting, public relations, media, or other burdens that make it less likely that the potential co-investors would act upon the investment opportunity if offered; (v) whether the profile or characteristics of the potential co-investor may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Investment Vehicle to take advantage of such opportunity (for example, if the potential co-investor is involved in the same industry or has a similar investment strategy as a target asset, or if the identity of the potential co-investor, or the jurisdiction in which it is based, may affect the likelihood of the Investment Vehicle being able to capitalize on a potential investment opportunity); and (vi) whether such general partner or Advisor believes, in its discretion, that allocating investment opportunities to a potential co-investor will help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits to the Investment Vehicle or current or future other accounts. In addition, ICG may, from time to time, form one or more investment vehicles to facilitate co-investment opportunities in transactions alongside Debt Fund II and/or certain other Investment Vehicles. Such investment vehicles may include, by way of example and without limitation, transaction-specific co-investment vehicles and/or one or more "overflow" funds formed to generally receive an allocation of investment opportunities to the extent that the applicable general partner determines that the amount of such investment opportunity exceeds the amount of the investment required to be made available to, or otherwise deemed appropriate for, such Investment Vehicle and/or one or more other Investment Vehicles. The establishment of any such co-investment vehicles would likely result in fewer co-investment opportunities for Investors who do not participate therein and allocations to such co-investment vehicles are likely to result in Debt Fund II and/or such other Investment Vehicles investing less than they would have in the related investments. Similarly, a general partner or investment manager may agree with one or more Investors to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into, that may result in fewer co-investment opportunities being made available to other Investors. A general partner or investment manager may present co-investment opportunities to potential co-investors at any time and, with respect to any particular co-investment opportunity, at different times. Thus, one or more potential co-investors may have a longer period of time to evaluate a co-investment opportunity relative to other potential co-investors being offered the same opportunity. The allocation of co-investment opportunities may involve a benefit to the ICG Group including, without limitation, management fees and/or incentive allocations (including a carried interest) from the co-investment opportunity and capital contributions and capital commitments to Investment Vehicles and/or Other Accounts (as defined below). There can be no assurances with respect to the amount of any investment opportunity that will be allocated to an Investment Vehicle.

***Portfolio Company Relationships.***

The Debt Fund's portfolio companies and/or the Equity Vehicles' underlying portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by the ICG Group that, although the ICG Group



determines to be consistent with the requirements of such funds' governing agreements, may not have otherwise been entered into but for the affiliation with ICG Fund Advisors, ICG Equity Advisors and/or the ICG Group, and which may involve fees and/or servicing payments to ICG Fund Advisors, ICG Equity Advisors and/or the ICG Group-affiliated entities which are not subject to the management fee offset provisions described herein. From time to time employees of the ICG Group may serve as directors or advisory board members of certain portfolio companies or other entities. In connection with such services, ICG Fund Advisors may receive directors' fees or other similar compensation which will offset management fees as described above. Such amounts have not been, and are not expected to be, material.

***Portfolio Company Interests.***

The ICG Group may invest on behalf of itself and/or Other Accounts in a portfolio company that is a competitor of a portfolio company of an Investment Vehicle or that is a service provider, supplier, customer, or other counterparty with respect to a portfolio company of an Investment Vehicle. In providing advice and recommendations to, or with respect to, such portfolio companies, and in dealing in their securities on behalf of itself or such Other Accounts, to the extent permitted by law, the ICG Group will not take into consideration the interests of an Investment Vehicle and its portfolio companies. Accordingly, such advice, recommendations and dealings may result in adverse consequences to an Investment Vehicle or its portfolio companies. Conflicts of interest may also arise with respect to the allocation of the ICG Group's time and resources between such portfolio companies. In addition, in providing services to such portfolio companies, the ICG Group may come into possession of information that it is prohibited from acting on (including on behalf of an Investment Vehicle) or disclosing as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure could benefit an Investment Vehicle. To the extent not restricted by confidentiality requirements or applicable law, the ICG Group may apply experience and information gained in providing services to portfolio companies of an Investment Vehicle to provide services to competing portfolio companies invested in by the ICG Group or Other Accounts, which may have adverse consequences for an Investment Vehicle.

***Material, Non-Public Information.***

The Advisor may come into possession of material, non-public information with respect to an issuer. Should this occur, the Advisor would be restricted from buying or selling securities, derivatives or loans of the issuer on behalf of the Investment Vehicles until such time as the information became public or was no longer deemed material to preclude the Investment Vehicles from participating in an investment. Disclosure of such information to the ICG personnel responsible for the affairs of the particular Investment Vehicle will be on a need-to-know basis only, and the Investment Vehicle may not be free to act upon any such information. Additionally, there may be circumstances in which one or more of certain individuals associated with the Advisor will be precluded from providing services related to an Investment Vehicle's activities because of certain confidential information available to such individuals and the Advisor. Therefore, an Investment Vehicle may not have access to material, non-public information in the possession of the ICG Group which might be relevant to an investment decision to be made by such Investment Vehicle, and such Investment Vehicle may initiate a transaction or sell an investment which, if such information had been known to it, may not have been undertaken. Additionally, due to these restrictions, an Investment Vehicle may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

***Service Providers.***

Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms and certain other advisors and agents) to the Investment Vehicles, the ICG Group or their portfolio companies may

also provide goods or services to or have business, personal, political, financial or other relationships with the ICG Group. Such advisors and service providers may be Investors in an Investment Vehicle, affiliates of the Advisor, sources of investment opportunities or co-investors or counterparties therewith. These service providers and their affiliates may contract or enter into any custodial, financial, banking, advising or brokerage or other arrangement or transaction with an Investment Vehicle, the Advisor or any Investor in an Investment Vehicle or any company or entity any of whose securities are held by or for the account of an Investment Vehicle. These relationships may influence the Advisor in deciding whether to select or recommend such a service provider to perform services for an Investment Vehicle or a portfolio company (the cost of which will generally be borne directly or indirectly by such Investment Vehicle or portfolio company, as applicable). Similarly, these service providers and their affiliates may engage in competitive activities and may earn fees from or receive or provide other consideration from such persons or entities, and may provide different advice or services, take different action, or hold or deal in different loans for any other client or account, including their own accounts, from the advice or services they provide, action they take, or loans they hold or deal for an Investment Vehicle. Notwithstanding the foregoing, investment transactions for an Investment Vehicle that requires the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the Advisor believes to be of benefit to such Investment Vehicle. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the ICG Group, the Advisor or their affiliates as compared to services provided to an Investment Vehicle and the Debt Fund's portfolio companies, which may result in more favorable rates or arrangements than those payable by such Investment Vehicle or portfolio companies.

#### ***Other Affiliate Transactions.***

The Advisor may engage in transactions with its affiliates by purchasing investments (the "**Identified Investments**") from or through the ICG Group as principal. For example, the Debt Fund and the Equity Fund has each previously purchased from the ICG Group investments that were made by the ICG Group and within the Debt Fund's or the Equity Fund's (as applicable) investment objectives. The subscription agreements of Investor in the relevant Investment Vehicles contained a consent to the transfer of the Identified Investments and it is contemplated that any purchase of a portfolio investment, other than an Identified Investment so consented to, from the Debt Fund General Partner or Credit Fund General Partner, as necessary, or the ICG Group as principal or underwriter, or through such entity as agent, will be subject to the consent of the Limited Partner advisory committee of the Debt Fund or Credit Fund, as applicable. The failure of a Limited Partner advisory committee to grant consent would prevent such Investment Vehicle from consummating such investments.

Subject to the applicable Partnership Agreement, all or any portion of an investment by an Investment Vehicle may be allocated or syndicated to one or more Other Accounts, which may have different terms (including fees and carried interest) or may be structurally different than such Investment Vehicle in material aspects, and ICG may give advice, which advice may differ, to both the Investment Vehicle and such Other Account. Investors may or may not be offered the opportunity to invest in any such Other Accounts, or to invest on similar terms to their respective investments in the Investment Vehicles.

#### ***Valuation Matters.***

The fair value of all investments or of property received in exchange for any investments of an Investment Vehicle will generally be determined by the applicable General Partner or Advisor in accordance with such Investment Vehicle's governing documents and the Advisor's Compliance Manual. In certain circumstances, a General Partner or Advisor may need to retain a third party to value an investment. In

any event, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material.

***Other Trading and Investing Activities.***

Certain Other Accounts may invest in securities of publicly traded companies which are actual or potential Debt Fund portfolio companies. The trading activities of those vehicles may differ from or be inconsistent with activities which are undertaken for the account of the Debt Fund in such securities or related securities. In addition, the Debt Fund may not be able to pursue an investment in a portfolio company as a result of such trading activities by Other Accounts.

ICG Group has separate investment teams for different strategies that are managed by different portfolio managers or traders. Pursuant to the different strategies pursued on behalf of different clients, ICG Group may, for example, make competing or opposing purchases or sales of the same security or loan on behalf of different clients at the same time, or may make a purchase or sale for one client following a purchase or sale of the same asset for another client. These competing or opposing trades may cause a client to pay a higher purchase price or receive a lower sale price than it otherwise would have paid or received.

***Diverse Investor Group.***

The Investors of each Investment Vehicle are expected to be based in a wide variety of jurisdictions and take a wide variety of forms. Accordingly, they may have conflicting regulatory, legal, investment, tax and other interests with respect to their investments in the respective Investment Vehicle and with respect to the interests of Investors in other investment vehicles managed or advised by the Advisor that may participate in the same investments as such Investment Vehicle. The conflicting interests of individual Investors with respect to other Investors and relative to Investors in other investment vehicles may relate to or arise from, among other things, the nature of investments made by such Investment Vehicle and such other partnerships, the structuring or the acquisition of investments and the timing of disposition of investments, internal investment policies of such Investors and their target risk/return profiles. As a consequence, conflicts of interest may arise in connection with the decisions made by the Advisor, including with respect to the nature or structuring of investments that may be more beneficial for one Investor than for another Investor, especially with respect to Investors' individual tax situations. In addition, an Investment Vehicle may make investments which may have a negative impact on related investments made by its Investors in separate and unrelated transactions. In selecting and structuring investments appropriate for an Investment Vehicle, the Advisor will consider the investment and tax objectives of such Investment Vehicle and its Investors (and those of Investors in other Investment Vehicles managed or advised by the Advisor) as a whole, not the investment, tax or other objectives of any Investor individually. As a consequence of the foregoing, the Advisor may elect to exclude certain Investors in an Investment Vehicle from particular investments for legal or regulatory reasons applicable to any such investment, in which case non-excluded Investors shall be allocated a greater proportionate interest in such investment.

Since the ICG Group will, through an Investment Vehicle's General Partner or otherwise, make a substantial capital commitment to such Investment Vehicle, conflicts may arise between its own interests and those of the Investment Vehicle's Limited Partners in relation to such decisions. The ICG Group has made and may in the future make substantial investments in securities of certain CLOs managed by ICG Debt Advisors – Manager Series (including in CLOs intended to comply with risk retention requirements of the European Union). In those situations, there can be no assurance that the interests of the ICG Group will be aligned with the holders of any particular class of CLO securities and conflicts may arise. Except in limited situations (such as removal of the manager for cause), the CLO securities held by the ICG Group will be able to vote on all matters.

**Possible Future Activities.**

The ICG Group may expand the range of services that it provides over time. Except as provided herein, the ICG Group will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. The ICG Group has, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by an Investment Vehicle. These clients may themselves represent appropriate investment opportunities for an Investment Vehicle or may compete with an Investment Vehicle for investment opportunities.

**Restrictions Arising under the Securities Laws.**

The ICG Group's activities (including, without limitation, the holding of securities positions or having one of its employees on the board of directors of a portfolio company) could result in securities law restrictions on transactions in securities held by an Investment Vehicle, affect the prices of such securities or the ability of such entities to purchase, retain or dispose of such investments, or otherwise create conflicts of interest, any of which could have an adverse impact on the performance of an Investment Vehicle and thus the return to the Investors.

**Additional Potential Conflicts.**

The officers, directors, members, managers, employees, affiliates of the employees, and relatives of the employees of the Advisor may trade in securities for their own accounts, subject to pre-clearance restrictions and reporting requirements as may be required by law or the ICG Group's policies, or otherwise determined from time to time by the Advisor, as applicable. The ICG Group may conduct any other business, including any business within the securities industry, whether or not such business is in competition with an Investment Vehicle. Without limiting the generality of the foregoing, the ICG Group may act as the investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in their own name or through other entities, and may serve as officers, directors, consultants, partners or stockholders of one or more investment funds, partnerships, securities firms, advisory firms or management firms.

**Side Letters.**

Investment Vehicles and/or ICG may enter into a side letter or other similar agreement with a particular Investor without the approval or vote of any other Investor. This may provide a particular Investor with terms that are more favorable than those offered to other Investors. Side letter agreements may also permit such Investors to take actions on the basis of information not available to other Investors that do not have the benefit of such agreements. Any rights established, or any terms altered or supplemented in a side letter or other similar agreement will govern solely with respect to such Investor notwithstanding any other provision of the applicable Partnership Agreement or any subscription agreement.

**Item 12: Brokerage Practices**

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ICG Fund Advisors and ICG Equity Advisors do not generally make investments in securities listed on national exchanges as an advisor to their respective funds. If there were a situation where ICG Fund Advisors or ICG Equity Advisors would place a trade(s) through a broker, "best execution" would be sought in light of the circumstances involved in the transaction. ICG Debt Advisors – Manager Series and ICG Alternative Credit seek to achieve best execution when placing trades with brokers. "Best

execution” means obtaining for an Investment Vehicle the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to a number of factors the Advisor would consider in selecting a broker for any transaction, including, for example, the broker’s reputation, net price or spread, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. ICG is not obligated to obtain the lowest commission or best net price for an Investment Vehicle on any particular transaction.

ICG Debt Advisors – Manager Series and ICG Alternative Credit do not participate in any “soft dollar” arrangements. Nevertheless, ICG Debt Advisors – Manager Series and ICG Alternative Credit may receive, without cost and unrelated to the execution of securities transactions, a broad range of research services from brokers, including information on the economy, industries, securities and individual companies, statistical information, market data, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information that may affect the economy and/or security prices. Subject to best execution requirements, ICG Debt Advisors – Manager Series and ICG Alternative Credit may from time-to-time allocate securities transactions to these brokerage firms. The research, information and services furnished by these brokers are useful in varying degrees and may be used in servicing any account. Some of these services may be used by the ICG Group in connection with accounts that paid no commissions to the broker providing such services. No formula has been established for the allocation of business to such brokers. We may also pay brokers and their affiliates for certain specialized data and services, such as benchmark information, that are also unrelated to the execution of securities transactions.

### **Allocation and Aggregation**

Aside from the CLOs and the Credit Fund, ICG deals primarily with private securities purchased directly from the issuer, and therefore, the Advisor will generally not be able to aggregate securities transactions for clients. However, with respect to the CLOs and the Credit Fund, and when available and appropriate, the Advisor generally aggregates purchases or sales of securities for client accounts. If transactions are aggregated and if any order is not filled at the same price, they may be allocated on a volume-weighted average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which the Advisor considers equitable. Furthermore, to the extent the Advisor does not aggregate trades but has the opportunity to do so, a CLO or the Credit Fund, as applicable, may be subject to higher brokerage costs. See also “Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Certain Potential Conflicts of Interest – Allocation of Investment Opportunities.”

## **Item 13: Review of Accounts**

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### **Review of Accounts**

ICG’s investment professionals, including Managing Directors, Partners, Directors, Associate Directors and others, review the Investment Vehicles on an ongoing basis. This analysis includes, but is not limited to, a review of:

- Compliance with the investment strategy and restrictions provided in the specific offering documents;
- Potential conflicts;
- Market conditions; and
- Performance.

These reviews take place by the analysts and at investment committee meetings where investment ideas and strategies are discussed and adherence to investment strategy is monitored. A variety of internal and external resources may be reviewed during the course of such meetings. In addition to these formal meetings, which take place weekly or as needed, investment professionals may meet and discuss the review of an Investment Vehicle on a more frequent, informal basis. The investment committees also conduct regular credit reviews based on monitoring and analysis performed by the portfolio managers and investment analysts.

## **Reporting**

ICG typically provides to Investors unaudited performance reports on a quarterly basis, as specified in the organizational and offering documents of the Debt Fund, Credit Fund or the Equity Vehicles, and audited financial statements annually. The Advisor will distribute an audited financial report for the Debt Fund and Credit Fund to their respective Investors generally within 90 days and 120 days of their respective fiscal year-ends, respectively, and for the Equity Vehicles to their respective Investors generally within 180 days of their respective fiscal year-ends. Additionally, Investors will typically receive quarterly letters that will include certain unaudited financial information within 60 days after the end of each fiscal quarter (in each case, subject to reasonable delays in the event of late receipt of any necessary financial information from any person in which investments are made). The trustee of each CLO will distribute financial reports to the Investors in the CLO on a monthly basis. The written reports described above are generally distributed by the Advisor in electronic format.

The Advisor may provide certain investors with information on a more frequent and detailed basis if agreed to by the Advisor. Investors in the Investment Vehicles may also request information relating to their respective Investment Vehicle, which the Advisor will endeavor to provide to the extent such information is reasonable and appropriate, and is readily available or may be obtained without unreasonable effort or expense. The Advisor does not publish investor questions and answers and generally do not otherwise disseminate such answers to all investors of the relevant Investment Vehicle. Investors that request and receive such information may consequently possess information regarding the business and affairs of an Investment Vehicle that may not be known to other Investors. As a result, certain Investors may be able to take actions on the basis of such information which, in the absence of such information, other Investors do not take.

In addition, the Debt Fund General Partner and the Equity Vehicle General Partners may conduct an annual informational meeting for all Investors in the applicable Investment Vehicle(s).

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

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ICG has engaged third-party marketers to assist in prospective investor referrals. While they may initially be paid by the relevant Investment Vehicle, generally such expenses are not ultimately borne by the Investment Vehicles.

However, to the extent the Debt Fund or the Equity Fund incurs placement fees with respect to a particular Investor, such Investor may be allocated such placement fees (including any out-of-pocket expenses borne by any placement agent or financial advisor to such Investment Vehicle or any costs relating to the indemnification of any placement agent) and the Management Fee in respect of such Investor will be reduced on a dollar-for-dollar basis.

Additionally, the Credit Fund General Partner may select one or more placement agents for the Credit Fund from time to time and determine fees or compensation to such agents as appropriate. The Credit Special Limited Partner and the ICG Alternative Credit may pay or re-allocate (as appropriate) a portion



or all of the Credit Fund's Management Fee or performance allocation they receive from the Credit Fund to a placement agent, its affiliates or its registered representatives.

For details regarding economic benefits provided to the Advisor and its related persons by non-clients, please see "Item 5: Fees and Compensation", above.

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**Item 15: Custody**

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The Advisor is not deemed to have custody of the assets in the CLOs.

Under SEC position, the Advisor is deemed to have custody with respect to the assets of other pooled investment vehicles managed by the Advisor. However, advisers to pooled investment vehicles are not subject to the account statement delivery requirement of Rule 206(4)-2 promulgated under the U.S. Investment Advisers Act of 1940 (the "**Custody Rule**") if such pooled investment vehicle: (i) is audited at least annually; and (ii) distributes its audited financial statements prepared in accordance with U.S. generally accepted accounting principles to all limited partners (or other beneficial owners) within 120 days of the end of its fiscal year (within 180 days of the end of its fiscal year for pooled investment vehicles that invest in other pooled investment vehicles).

The custody requirement will be met as ICG intends to deliver to Investors of the Debt Fund and the Credit Fund audited financial statements within 90 days and 120 days of their respective fiscal year ends, respectively, as stated above in Item 13.

Each of the Equity Vehicles is deemed to be a pooled investment vehicle that invests in other pooled investment vehicles, and as such, ICG intends to meet the Custody Rule with respect to such Investment Vehicle by delivering audited financial statements to its Investors within 180 days of such Investment Vehicle's fiscal year-end.

Investors are urged to review any account statements received from ICG.

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**Item 16: Investment Discretion**

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Subject to any investment restrictions set forth in the offering memorandum of an Investment Vehicle, ICG has discretionary authority to make the following determinations without obtaining the consent of any Investor before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers, investment banks or placement agents through which securities are to be bought or sold; and
- the commissions, fees or other rates at which securities transactions for an Investment Vehicle are transacted.

Our discretionary authority is derived from our authority as the Advisor of each Investment Vehicle and pursuant to the investment management agreement.



**Item 17: Voting Client Securities**

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Although it is expected to happen very infrequently, when necessary, the Advisors may vote proxies/corporate actions. The respective investment committee will determine whether and how to vote on a case-by-case basis and will apply the following guidelines, as applicable:

- consider all aspects of the vote that could affect the value of the issuer or that of the Investment Vehicle.
- vote in a manner that it believes is consistent with the Investment Vehicle's stated objectives.
- generally vote in accordance with the recommendation of the issuing company's management on routine and administrative matters, unless it has a particular reason to vote to the contrary.

Prior to voting, a determination will be made as to what vote is in the best interest of an Investment Vehicle. The Investment Vehicles and Investors generally will not be able to direct the Advisors to vote in any particular proxy or corporate action. A written record of each vote cast will be maintained.

To the extent that the Advisors have authority to deal with class action claims on behalf of an Investment Vehicle, it will do so on a case-by-case basis and in furtherance of the Investment Vehicle's best interests. The Advisors may submit proof of claims in connection with class actions; however, the Advisors generally will not instruct or give advice to Investment Vehicles on whether or not to participate as a member of a class action lawsuit.

ICG will endeavor not to put its own interests ahead of those of any Investment Vehicle and will attempt to resolve any possible conflicts between its interests and those of the Investment Vehicle in favor of the Investment Vehicle. In the event that a potential conflict of interest arises, ICG will vote on a case-by-case basis and undertake the following analysis.

A conflict of interest will be considered material to the extent that it is determined that the conflict has the potential to influence ICG's decision making in voting the proxy. If such a material conflict is deemed to exist, ICG will refrain completely from exercising its discretion with respect to voting the proxy and will instead refer that vote to an outside service for its independent consideration. If it is determined that any such conflict or potential conflict is not material, ICG may vote the proxy.

Requests for a copy of ICG's proxy voting policies and procedures and/or a record of all proxy votes cast by the relevant Investment Vehicle for the past 6 years can be made by contacting the Chief Compliance Officer, Peter Lin at 212-295-5860.

**Item 18: Financial Information**

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ICG has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its clients.