

**ITEM 1: COVER PAGE**



**FIRM BROCHURE**  
Form ADV Part 2A

**Intrinsic Edge Capital Management, LLC**

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**March 31, 2023**

**This Brochure provides information about the qualifications and business practices of Intrinsic Edge Capital Management, LLC (“IECM,” the “Investment Manager” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (312) 734-1094 or [operations@intrinsicedge.com](mailto:operations@intrinsicedge.com). Note that the information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**IECM is registered as an investment adviser with the SEC. Registration of an investment adviser with the SEC does not imply a certain level of skill or training, nor has any of the foregoing approved or disapproved of our qualifications.**

**Additional information about IECM is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). References to “we,” “us” and “our” in this Brochure are to IECM.**

## ITEM 2: MATERIAL CHANGES

This Brochure, dated March 31, 2023, is an annual update to our previous annual update dated March 23, 2022. Since the last update, there have been no material changes to the processes or strategies employed by IECM. The Investment Manager routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and processes or in response to evolving industry and IECM practices.

The following Items have been updated in this Brochure:

Item 8 – **Methods of Analysis, Investment Strategies and Risk of Loss:** Updated with additional risk of loss and potential conflicts of interest language.

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## **ITEM 4: ADVISORY BUSINESS**

### **Firm Description**

Intrinsic Edge Capital Management, LLC (“IECM,” the “Investment Manager” or the “Firm”), is a Chicago based investment management firm. IECM, an Illinois limited liability company, was founded in 2016 by Mark Coe (“Mr. Coe”), Chief Investment Officer. IECM is the successor in interest to Coe Capital Management, LLC, a former affiliated registered investment adviser, as the investment adviser to the Intrinsic Edge funds (defined below). Mr. Coe sold Coe Capital Management, LLC in October 2021.

IECM provides discretionary investment advisory services to the following clients: Intrinsic Edge Plus, L.P. (including feeder fund, Intrinsic Edge Plus Offshore, Ltd.), Intrinsic Edge Capture, L.P. (including feeder fund, Intrinsic Edge Capture Offshore, Ltd.), Intrinsic Edge Digital Infrastructure Fund, L.P., and Intrinsic Edge Partners L.P., (each a “Fund” or the “Intrinsic Edge Fund” and collectively referred to as the “Intrinsic Edge Funds” or “Funds”). Intrinsic Holdings, LLC and Intrinsic Holdings II, LLC (each a “General Partner”), each a Delaware limited liability company and the general partner of certain Intrinsic Edge Funds, or the board of directors of the Cayman Islands domiciled Funds, as applicable, have delegated day-to-day investment management authority of the Intrinsic Edge Funds to IECM. For additional information about the Intrinsic Edge Funds, the General Partner or board of directors, please refer to IECM’s Form ADV Part 1.

The Intrinsic Edge Funds are private hedge funds for which the principal investment objective is to achieve capital appreciation through investments in securities, financial instruments traded in organized domestic and international securities markets (including over-the-counter markets) and other assets. IECM’s investment decisions for each Intrinsic Edge Fund are based on the investment objectives as stated in the respective private placement memoranda, limited partnership agreements, investment management agreements or any other organizational documents (the “Governing Documents”), as applicable. The specific investment strategies are described further in Item 8.

As of the date of this filing, IECM advises one managed account of an unaffiliated third-party investment adviser’s private fund (“Managed Account” and together with the Intrinsic Edge Funds, “Clients”) that implement strategies substantially similar to those utilized by certain Intrinsic Edge Funds. IECM’s investment management authority was established at the commencement of the Managed Account’s investment management relationship.

IECM manages each Fund based on the Fund’s investment objectives and strategy and not pursuant to investment restrictions of any specific investor in the Fund. IECM provides

investment advice directly to the Clients and not underlying investors in the Funds. The Clients' investment objectives and strategies can be found in each Client's Governing Documents, or in the case of the Managed Account, the investment management agreement. Governing Documents are provided to each prospective investor prior to making an investment and should be read carefully prior to investing. Please refer to Item 8 for information on our methods of analysis and investment strategies.

IECM provides general investment ideas and research to Schechter Investment Advisors, LLC ("Schechter"). Such research services include, but are not limited to: (i) consulting with Schechter representatives with regard to securities currently under review by IECM; (ii) participation by Schechter analysts in relevant IECM research calls; and (iii) providing IECM proprietary research reports and other standard research-related information, such as: the source of information (*e.g.*, research call, meeting, etc.), research analyst name, conviction level, thesis, earnings estimates, EBITDA, risk measurements, quarterly overview and outlook.

As of December 31, 2022, IECM had approximately \$1.65 billion of regulatory assets under management, all of which were managed on a discretionary basis.

### **Principal Owner**

IECM's majority owner is the Mark D. Coe 2012 Irrevocable Trust controlled by Mr. Coe. For more information about IECM's owner and executive officers, please see IECM's Form ADV Part 1, Schedule A.

### **ITEM 5: FEES AND COMPENSATION**

Each Intrinsic Edge Fund sets forth its fee structure in its Governing Documents, including how and when fees are calculated, charged and paid.

In exchange for the investment management services provided to the Funds, IECM will receive a management fee, payable in arrears as of the last day of each calendar month, equal to approximately 2% annually of the balance of each investor's capital account as of the start of business on the first business day of such calendar month.

As described in Item 6 below, the General Partners will receive performance-based fees typically calculated based on the net profits, subject to a high-water mark, allocated to each investor capital account during such fiscal year.

IECM's fees and services for the Managed Account is memorialized in an investment management agreement negotiated at the onset of the relationship. For the Managed Account, IECM fees are

calculated by the Managed Account's Adviser. The Managed Account fees consists of a management fee and a performance-based fee.

The Investment Manager and/or General Partner reserves the right, in its sole discretion, to reduce or waive all or a portion of its fees with respect to certain investors, including, without limitation, employees or affiliates of the Investment Manager.

In addition to the management fees and performance-based fees, certain expenses are borne by the Clients, and therefore the underlying investors in the Clients. In good faith and in its fair and reasonable discretion, IECM determines on a case-by-case basis whether an expense should be borne by the Investment Manager or by the Clients in accordance with the Governing Documents and/or investment management agreement of each Client.

Fund operating and other ongoing operations expenses include, but are not limited to, investment and trading expenses, investment and research related expenses including travel expenses, legal expenses, accounting expenses, auditing and tax preparation, regulatory compliance (including relating to filing Form PFs, Form Ds, blue sky and other filing fees), insurance-related expenses (including, without limitation, D&O, E&O, etc.) and other professional fees and expenses, administration fees and expenses (including, without limitation, any fees and expenses paid with respect to third-party administrators), organizational expenses, fees and expenses related to updates or supplements to Governing Documents, expenses relating to the ongoing offer and sale of limited partnership interests in a Fund (e.g., travel expenses, entertainment expenses, marketing expenses, printing costs, filing fees, legal expenses relating to negotiations with selling agents or brokers etc.), administrative expenses, any selling agent or broker, the Administrator and any other parties, custodial fees, fees and expenses for the use of third-party proxy voting services, and other expenses associated with the operation of a Fund. Funds will also bear all extraordinary expenses, including, without limitation, fees and expenses related to litigation, Fund proceedings or examinations related to the Internal Revenue Service, the SEC or other governmental bodies or self-regulatory organizations. The Investment Manager may, in its sole and absolute discretion, at any time and from time to time, allocate all or any costs and expenses incurred by or on behalf of a Fund and one or more other Clients among any Fund, such other Clients, or the Investment Manager in such manner as the Investment Manager may deem fair and equitable in its discretion, taking into consideration: (i) the extent of the utilization of the services associated with the expense, (ii) the relative benefit that is derived from the expense, and (iii) the association of the expense with a legal, contractual or other obligation. Please see the Governing Documents for additional expense information.

The Clients' investors also bear the costs of certain products and services received by the Investment Manager that constitute "brokerage and research services" under Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), as described in Item 12

below. The Clients typically pay for these products and services through “soft dollar” or client commission agreements that fall under the safe harbor for such services established by Section 28(e).

The Clients will not bear any of the internal operating costs and overhead expenses of IECM, such as employee salaries and bonuses, rent, utilities and other similar items.

IECM has entered into certain Intrinsic Edge Fund side letter agreements that provide certain investors with reduced fees and/or most favored nation rights.

The Managed Account through their fund administrator, prime brokers, and/or custodians has daily transparency into holdings and transactions implemented in its account. Investors in the Intrinsic Edge Funds are provided with monthly statements from the Funds’ administrator detailing the investors position in each Fund and are not provided with details of Fund holdings or daily Fund portfolio transactions. An Intrinsic Edge Fund investor’s ability to add or withdraw from the Intrinsic Edge Fund is limited compared to liquidity of a Managed Account. As a result, Fund investors have less control over the timing of their cash flows, market exposure, investment management decisions affecting the portfolio holdings, and/or the manner in which portfolio holdings are bought and sold.

Schechter pays IECM a flat monthly fee for research services provided by IECM pursuant to a services agreement.

Certain IECM employees’ incentive compensation is linked to Fund performance and Firm profitability. To address any potential conflict of interest, IECM implemented written policies and procedures, which include performing periodic reviews, on a sampling basis, of the trades placed for the Clients to help ensure transactions are executed in line with stated investment objectives and strategies, are equitable and in the best interests of all Clients and underlying investors.

#### **ITEM 6: PERFORMANCE-BASED FEES**

The Firm manages Managed Accounts and Intrinsic Edge Funds that are charged a performance-based fee as described in Item 5. Managed Account performance fees are negotiated on a case-by-case basis at the onset of the investment management relationship and will result in higher or lower performance fees than the Intrinsic Edge Fund performance fees. The performance-based compensation gives the Investment Manager an incentive to engage in more speculative investment strategies in an effort to maximize a Client’s gross profits and receive greater compensation. Such fee arrangements also create an incentive to favor higher paying accounts over other accounts in the allocation of investment opportunities. The Investment Manager has described its investment opportunity allocation practice more specifically in Item 12, Brokerage

Practices. Generally, the Investment Manager determines to allocate trades among all Clients within a strategy, subject to certain Client restriction or other constraints, on a pro-rata basis in accordance with net assets, or as the Investment Manager determines to be otherwise fair and equitable across all Clients.

### **Performance-Based Fees**

The respective Fund General Partner will receive performance-based fees typically calculated based on the net profits, subject to a high-water mark, allocated to each investor capital account during such fiscal year. The performance-based fees are described in the Governing Documents and have been structured in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940 (the “Advisers Act”) subject to the available exemptions, including the Rule 205-3 exemption.

Managed Account performance-based fees are determined on a case-by-case basis as memorialized in each investment management agreement negotiated at the onset of such relationship. Please see Item 5 for additional information on these fees.

The General Partner, in its discretion, may waive, reduce or calculate differently any applicable performance-based fee with respect to certain investors, including without limitation, employees and affiliates of IECM.

As stated in Item 5, certain IECM employees’ incentive compensation is linked to Fund performance and Firm profitability. Further, Mr. Coe, as Managing Member of each General Partner, benefits from the payment of performance-based fees. To address any potential conflict of interest, IECM implemented written policies and procedures, which include performing periodic reviews, on a sampling basis, of the trades placed for the Clients to help ensure transactions are executed in line with stated investment objectives and strategies, are equitable and in the best interests of all Clients and underlying investors.

Performance-based fees create certain inherent conflicts of interest with respect to IECM’s management of assets. The entitlement to performance-based fees in managing one or more accounts may create an incentive for IECM to make riskier or more speculative investments than would be the case in the absence of such arrangements. Since performance-based fees reward an adviser for strong performance in accounts which are subject to such fees, IECM may have an incentive to favor these accounts. IECM implemented allocation policies and procedures designed to result in the fair and equitable allocation of investment opportunities among all Clients, subject to their respective investment objectives and restrictions. Furthermore, prior to investing in an Intrinsic Edge Fund, each potential investor is provided with copies of the applicable Governing Documents, which include information on performance-based fee calculation methodology and the risks associated with such performance-based fee.



## **ITEM 7: TYPES OF CLIENTS**

IECM Clients currently include the Intrinsic Edge Funds and the Managed Account. The Intrinsic Edge Funds are privately offered to qualified investors and are exempt from registration under the Investment Company Act of 1940, as amended. Investors must meet certain suitability and net worth requirements prior to being considered as a prospective investor in an Intrinsic Edge Fund. Minimum contributions for investment are generally \$500,000 for Intrinsic Edge Partners, L.P. and Intrinsic Edge Digital Infrastructure Fund, L.P. and \$1,000,000 for Intrinsic Edge Plus, L.P., Intrinsic Edge Capture, L.P. and the offshore feeder funds of each, however contributions less than \$500,000 or \$1,000,000 have been in the past and will be in the future, accepted at the sole discretion of the Investment Manager, General Partner and/or the board of directors, as applicable.

Investors in the Intrinsic Edge Funds consist of both U.S. and international investors and include high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, and other institutional investors. Additionally, employees and other qualified persons associated or affiliated with IECM have invested and may invest in the Intrinsic Edge Funds.

The Managed Account is generally managed pursuant to a similar strategy as one or more of the Intrinsic Edge Funds but may be subject to certain investment restrictions as detailed in the investment management agreement for the Managed Account. The minimum initial investment in a Managed Account varies, but generally exceeds \$40 million.

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

### **Investment Strategies**

The Intrinsic Edge Funds offer investors multiple strategies. The primary strategy employs a fundamentally driven investment approach that focuses on both near-term and long-term economic prospects of the target companies. Although the Investment Manager anticipates that the current fundamental long/short strategy will remain the primary focus of the Intrinsic Edge Funds, the Intrinsic Edge Funds' investment mandate is flexible and is not in any way limited to any one or more strategies.

## **Fundamental Long/Short**

The fundamental long/short strategy involves purchasing securities that the Investment Manager believes are undervalued or selling short securities that the Investment Manager believes are overpriced. To determine whether a security is over- or under-valued, the Investment Manager typically conducts a bottom-up analysis of the business strategy, financial condition and industry position of an issuer to arrive at what the Investment Manager believes to be the security's value. The Investment Manager will typically establish a long or short position in securities whose trading values deviate from what IECM believes to be their value. This strategy may also be expressed through the use of options, swaps or other derivative financial instruments.

## **Other Investment Techniques**

In some circumstances, the Investment Manager invests opportunistically and may not implement the below detailed investment research process owing to the time sensitive nature or other considerations that may influence the nature of the investments.

By way of example, but in no way by limitation, Intrinsic Edge Capture, L.P. ("Capture") maintains an opportunistic approach with a broad, flexible mandate that seeks to generate returns over a multi-year period. Capture may make investments in a variety of asset classes worldwide and across capital structures and may include investing in other managed strategies from time to time. Capture may employ various strategies such as capital structure arbitrage, convertible arbitrage, equity volatility arbitrage, merger arbitrage, global macro strategies, and may invest in commodities, currencies, credit, structured credit, distressed debt, event-driven investments, special situations and real estate, including fee interests, leaseholds, mortgages or other real estate assets (or related financings) that the General Partners or Investment Manager, as the case may be, believes are undervalued or inefficiently managed or financed.

Intrinsic Edge Digital Infrastructure Fund, L.P. ("DIF") maintains a core focus on opportunistic investments within the digital assets space. "Digital Assets" refers to tokens, currencies, "initial coin offerings" ("ICOs") and similar assets that are offered pursuant to blockchain or related technology. The primary strategy of DIF will be long/short investments in equities issued by firms that support the infrastructure or ecosystem surrounding Digital Assets transactions (the "Digital Infrastructure Strategy"). DIF also may invest directly in Digital Assets at any time in the future, although it does not expect to do so initially and may never do so (the "Digital Assets Direct Strategy"). Other than with respect to DIF's general focus on the Digital Assets space, DIF's investment authority is unconstrained and is not in any way limited to any one or more strategies -- the Investment Manager does and will pursue other strategies. DIF may make investments in all asset classes, worldwide and across the capital structure. No assurances can be given that DIF's investment objectives will be achieved.

In addition, where possible, the Intrinsic Edge Funds will invest in securities offered through certain companies' initial public offerings or secondary offerings. The Investment Manager also

hedges position exposures using ETFs, options, and/or derivatives. In connection with such investments, the Investment Manager's investment research process described below is generally not applicable.

### **Investment Research Process**

The Investment Manager does not typically target companies within specific pre-defined industry groups or with a predetermined market capitalization. However, the Intrinsic Edge Funds' investment universe is generally comprised of U.S. domiciled companies that can be valued through traditional fundamental metrics (*i.e.*, price/earnings, price/cash flow, price/book, or price/sales). Companies targeted by the Investment Manager for equity investments are generally growth-oriented, and thus the Investment Manager believes that underlying changes in share prices will often be more sensitive to reported earnings and expected growth, as opposed to cyclical or commodity-oriented companies that are more dependent on changes in macroeconomic factors.

The Investment Manager typically searches for potential opportunities by screening a variety of companies through its proprietary information, databases and models. Earnings reports, pre-releases and changes in analyst estimates for a company or its competitors will often prompt a scheduled call with the management teams of companies the Investment Manager expects to be impacted by the news.

Fundamental analysis typically includes meetings and discussions with targeted company management teams, competitors, suppliers and industry-specific analysts, as well as the analysis of income statements, balance sheets, cash flow statements and accounting policies. The process may also result in thematic investing, whereby the Funds invest in securities or financial instruments of companies operating within a given industry where the Investment Manager believes that an identified industry trend may be beneficial to such industry as a whole. In other instances, the Investment Manager may believe through its own research that a specific company is well-positioned within its industry to outperform relative to its peers, while another is expected to falter. Such a situation may result in a paired trade, with the Fund taking both a long and a short position in the same industry. The Investment Manager's process may result in the same equities (both long and short) being repeatedly revisited over time.

The Investment Manager through its research process attempts to identify companies that it believes are under-appreciated or over-appreciated in the marketplace and seeks out potential catalysts that may trigger an anticipated change in stock price.

Please refer to the Governing Documents for each Fund for additional information on the investment strategies and investment research process.

### **Managed Account Services**

As discussed above, IECM serves as investment manager to the Managed Account. The strategies employed in the Managed Account are generally similar to those employed for certain Intrinsic Edge Funds, subject to any differences in contractual investment objectives and/or restrictions negotiated with the Managed Account.

### **Variations in Liquidity Rights**

A Managed Account that invests alongside any Fund has transparency and liquidity terms that are preferential to those of such Funds managed in a similar strategy. Specifically, a Managed Account that invest alongside a Fund can be redeemed at any time. As of the date of this filing, the Investment Manager is advising one Managed Account that implements a strategy substantially similar to those utilized by the Intrinsic Edge Funds. The beneficial owners of a managed account generally receive more information (including daily portfolio information) and have more favorable termination rights than the Fund investors. The ability to open a managed account with the Investment Manager is not available to all investors, and is only permitted at the discretion of the Investment Manager. If the Managed Account is able to redeem or otherwise liquidate their investments before the Fund investors, particularly in times of market dislocation where there is a greater likelihood of a financial impact, it may adversely affect the return on the Funds' investment versus that of the Managed Account. Additionally, if multiple investors redeem their Fund interests at the same time as a Managed Account it may make it difficult for a Fund to liquidate its investments and honor withdrawal requests.

### **Research Services**

As stated above, pursuant to a research services agreement, IECM provides research to Schechter. Please see Item 4 and Item 10 for additional information.

### **Risk of Loss**

An investment in a Client entails a significant degree of risk and, therefore, should be undertaken only by investors capable of evaluating the merits and risks of the Client and bearing the risks it represents, including the potential loss of their entire investment. Prospective and current investors should carefully consider the following risk factors in addition to the risks disclosed in the Governing Documents, and should consult their own legal, tax and financial advisers in connection with a potential investment in a Client. The following list is not a complete enumeration of all risks involved in connection with an investment in a Client. There can be no assurance that the Client will be able to achieve its investment objectives or that investors will receive a return on their investment.

Risks of loss include, but are not limited to, the following:

**No Assurance of Investment Return; Risk of Loss.** The Clients' process of identifying and evaluating investment opportunities, managing such investments and realizing a significant return for its investors is difficult. An investor must be prepared for volatile performance as well as for the possibility of losing all or a substantial portion of their investment in the Client. There is no assurance that a Client will be able to invest its capital on attractive terms or generate returns for its investors. An investment in a Client involves a high degree of risk, including the risk that the entire amount invested may be lost. Neither the General Partner nor the Investment Manager is in any respect responsible for the performance of a Client, except to the extent of each of the General Partner's and Investment Manager's obligation to act in good faith, without gross negligence and not to engage in willful misconduct.

**Pandemic Risks.** Disease outbreaks that affect local economies or the global economy may materially and adversely impact the Clients or the Investment Manager. For example, uncertainties regarding Coronavirus (COVID-19) outbreak have resulted in serious economic disruptions across the globe. These types of outbreaks can be expected to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions lead to instability in the market place, including stock market losses, overall volatility and disruptions to traditional historic pricing relationships and inputs, as has occurred in connection with COVID-19. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak, there can be no assurance that the Clients and our service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

**Force Majeure Provisions.** As has been witnessed during the COVID-19 pandemic, certain counterparties may rely on force majeure provisions in contracts during crises to halt payments or services otherwise required by the contracts. Similarly, various types of insurance have not been paid to those insured in reliance on carveouts for pandemics and other force majeure events. Investment, operational and insurance counterparties of the Investment Manager, the General Partner or the Clients may similarly, and unexpectedly, discontinue or diminish payments or services otherwise owed to the Investment Manager or the Clients during the current pandemic or other crises. This could have material adverse impacts on the Investment Manager, the General Partner or the Clients and their investment activities and operations.

**Unforeseen Events.** All investments in securities and other financial instruments involves substantial risk of volatility (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond the control of the Investment Manager, such as: changing market sentiment; changes in market conditions, competition and technology;

changes in inflation, exchange or interest rates; changing domestic or international economic or political conditions or events; riots or other civil unrest; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements. Unexpected volatility or illiquidity in the markets in which the Clients directly or indirectly holds positions, or unexpected impacts on the Investment Manager's business operations caused by unforeseen events, could impair its ability to achieve the Client's objective and cause it to incur losses.

**Macro-Economic Risks.** Certain market environment may lead to a recession in the United States or worldwide. A recessionary economy may decrease Clients' performance and cause. These unfavorable effects are more likely to occur and be more severe if a weak economy is accompanied by significant changes in interest rates, rates of inflation, stresses in the financial markets market or actual or potential changes in the legislative and regulatory environment.

**Inflation.** Clients' will be exposed to inflation risk. High inflation, including the levels of inflation in effect in the United States as of the date of this Form ADV update, may tighten credit and otherwise adversely impact Clients. Should Clients be required to acquire, hold or dispose of investments during a period of high inflation, the Clients' overall return may be reduced. There can be no assurance that high rates of inflation will not have a material adverse effect on Clients' investments.

**Russian Invasion of Ukraine.** In late February 2022, Russia launched a large-scale military operation in Ukraine. In response to the military action by Russia, various countries, including the United States, the United Kingdom, and European Union issued broad-ranging economic sanctions against Russia. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the U.S. and global economy. The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted. These and any related events could have a significant impact on Clients' performance and the value of Clients' investment.

**SEC Private Fund Rules.** The SEC has indicated that it intends to enact changes to numerous areas of law and regulations that would impact the Investment Manager's business. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Investment Manager, Clients and/or their investments, and increase their expenses. Significant time and resources would be required to comply with new regulations, which potentially will detract from the time and resources dedicated to Clients.

**Recent Banking Failures; Custodian and Counterparty Risk.** Recent events including major bank failures such as Silicon Valley Bank (“SVB”) and Signature Bank in March 2023 and Lehman Brothers in September 2008, have demonstrated the extent to which investors are exposed to custodian and counterparty risk. In particular, it appears that many clients of failed custodians believed that their funds on deposit to support their trading had the benefit of customer protected “segregation” when this was not necessarily the case. The failure of one bank may also lead to regional, sectoral, or systemic failures in the broader banking system. As a result of the uncertainty related to the closure of SVB and Signature Bank and the timing of the Clients’ access to cash equivalents and marketable securities (regardless of where they are held), the Clients’ investments, portfolio and operations may be materially affected. The Funds currently maintains cash at First Republic Bank which has also been mentioned in recent headlines regarding the recent bank failures. The Investment Manager is monitoring the situation carefully and taking steps to it determines advisable to safeguard the Funds’ assets, although there can be no assurance that First Republic Bank or other banks will not fail or the Funds’ assets will not otherwise be materially adversely impacted by custodian and counterparty risks.

**Dependence on the Investment Manager and Key Personnel.** All business, investment and asset allocation decisions will be made by the General Partner or the Investment Manager, as the case may be. The investors will have no authority to make decisions or to exercise business discretion on behalf of the Clients. The success of the Fund will significantly be dependent upon the skill, judgment and expertise of the Investment Manager’s principal, Mr. Coe, as well as Portfolio Manager, Mr. Corral and Director of Research, Mr. Jacobs, to develop and implement investment strategies that achieve the Fund’s investment objectives. Subjective decisions made by the General Partner or the Investment Manager may cause the Fund to miss profit opportunities on which it may otherwise have capitalized or incur losses. While the Investment Manager aims to have key roles and functions operate with a degree of redundancy to minimize the impact of any one individual’s departure, if the Fund were to lose the services of Mr. Coe, the consequences to the Fund could be material and adverse or could lead to the termination of the Fund.

**Reliance on Trading Model.** The trading strategy utilized by the Investment Manager relies, in part, on technical analysis to identify entry and exit points for Client investments. Technical analysis relies on the study of interrelationships between the U.S. and world markets, as well as actual daily, weekly and monthly price fluctuations, volume variations and changes in a number of market statistics, and utilizes computer software to measure the interrelationships among this data in order to predict future price movements. Technical analysis produces positive results only to the extent that the trends followed are actually present or discernible in a given market and that the trend which has been identified will continue into the future. No assurance can be given that the trading systems employed by the Investment Manager will be successful in a given set of market conditions, or that such trading strategy is the most successful available system.

**Past Performance of Client Not Indicative of Future Results.** The past investment performance of a Client may not be construed as an indication of the future results of an investment in the Client. A Client’s investment program should be evaluated on the basis that there can be no assurance that

the assessment of the Investment Manager of the short-term or long-term prospects of investments will prove accurate or that the Client will achieve its investment objectives. The performance of one Client will likely not be the same as that of any other Client.

**Highly Volatile Markets.** The prices of securities that a Client may hold or in which a Client may invest, can be highly volatile. Price movements of equity, debt and other securities in which a Client's assets may be invested will be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of government, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The effect of such intervention is often heightened by a group of governments acting in concert. Moreover, war, political or economic crisis or other events, such as a pandemic crisis, may occur which can be highly disruptive to the markets, regardless of the strategies being employed. In addition, the value of a Client's portfolio may fluctuate as the general level of interest rates fluctuates. A Client is also subject to the risk of failure of any of the exchanges on which its positions trade or the failure of clearinghouses. Sustained cyclical market declines and periods of unusual market volatility make it more difficult to produce positive trading results, and there can be no assurance that a Client's strategies will be successful in such markets.

**Concentration of Investments.** A Client may at certain times hold a few, relatively large (in relation to its capital) positions in securities across particular sectors, with the result that a material loss could have a material adverse impact on the Client's capital. To the extent a Client's investments are concentrated in a single investment and/or issuer, industry and/or geographic region, the Client will be susceptible to a greater degree of risk. Such concentration may increase the volatility of the value of the Client's portfolio investments.

**Non-Public Information.** In the event the General Partner or the Investment Manager, as the case may be, have access to or are in possession of material, non-public information concerning a company in which a Client has invested or may invest, the General Partner or the Investment Manager, as the case may be, may be restricted from effecting purchases and/or sales of securities on behalf of a Client. Such a restriction may force a Client to hold positions longer than anticipated and cause a Client to forego an opportunity to profit or potentially suffer losses on certain positions. At times, the General Partner or the Investment Manager, as the case may be, in an effort to avoid restriction for a Client, may elect not to receive such information, which may be relevant to a Client's portfolio, that other market participants are eligible to receive or have received.

**Systemic Risk; Cyber Attacks & Technological Malfunctions.** Despite the security measures established by the Investment Manager and third parties to safeguard the information in IECM's



systems, such systems may be breached due to attacks by hackers, employee error or malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft or loss of assets or the theft, loss or public dissemination of the information stored therein. Moreover, although IECM's business continuity plan seeks to address local disruptions of telecommunications, internet access and other electronic communication methods (such as private data and voice circuits for electronic trading and broker communications), the Clients remain vulnerable to the direct and indirect effects of any broad-based disruptions. The Investment Manager relies extensively on computer programs and systems (and often relies on new systems and technology) for various purposes including, without limitation trading, clearing and settling transactions, evaluating certain securities, monitoring its portfolio and generating risk management and other reports that are critical to the oversight of a Client's activities. Certain of the Clients' and the Investment Manager's operations interfaces will be dependent upon systems operated by third parties, including prime brokers, the third-party administrator, market counterparties and their sub-custodians and other service providers. Disruptions in the Investment Manager's operations or failure (even if only temporary or partial) may result in the Client incurring substantial costs or losses as the result of such disruption or cybersecurity breach. Any such breach could expose both the Client and the Investment Manager (which in turn may be indemnified by the Client) to civil liability, regulatory inquiry and/or penalties, financial loss, the disruption of its business, liability to third parties and/or reputational damage. The service providers of the Investment Manager and the Clients are also subject to electronic information security threats. These threats could impact investors both because these service providers maintain sensitive information and because their systems can be misused by hackers to access the Investment Manager's systems. Investors could also be exposed to losses resulting from unauthorized use of their personal information. If there were a breach of a service provider's networks, sensitive information (including, relating to the transactions of the Clients and personally identifiable information of the investors) may be lost or improperly accessed, used or disclosed. Any of the foregoing failures or disruptions could have a material adverse effect on the Clients and the investors. Similar types of cybersecurity risks are also present for issuers of securities or other assets in which the Clients invest, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing the Clients' investment in such securities or other assets to lose value.

**Equity Securities.** The Clients will invest in preferred and common stocks and there is no limitation on the type, size or operating experience of the companies in which the Clients may invest. All of the Clients' investments in stocks will be subject to normal market risks, although investments in small capitalization companies will have more limited marketability than the securities of larger companies. While diversification among issuers may mitigate these risks, the Clients are not required to diversify their investments in equity securities, and investors must expect fluctuations in the value of equity securities held by a Client based on market conditions.

**Micro, Small and Mid-Cap Investing.** The Clients will invest a portion of their assets in stocks of small and/or unseasoned companies with micro, small and mid-market capitalization, which have market capitalizations that are significantly less than the median market capitalization of companies listed on the New York Stock Exchange. While the Investment Manager believes smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, the securities of companies with small capitalization may be traded only on over-the-counter markets or on regional securities exchanges. As a result, the securities of smaller companies may be subject to wider price fluctuations. When liquidating large positions in small companies, a Client may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small transactions over an extended period of time. Also, there may be less publicly available information about small companies or less market interest in their securities compared to larger companies, and it may take longer for the prices of these securities to reflect the full value of their issuers' earnings potential or assets.

**Investment in Unseasoned Issuers.** The Clients often invest a portion of their assets in the securities of "unseasoned issuers" which have been in operation for only a few years or less. The risks of investing in such securities are generally greater than risks associated with investment in the common stocks of more established companies.

**Short Selling.** The Clients' investment objectives and strategies involve seeking to profit from securities believed to be overvalued by entering into short sale positions, both directly and indirectly through the use of options and other derivative instruments. When a Client effects a short sale, it may be obligated to leave the proceeds thereof with the broker and also deposit with the broker an amount of cash or other securities (subject to requirements of applicable law) that is sufficient under any applicable margin or similar regulations to collateralize its obligation to replace the borrowed securities that have been sold. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which a Client engages in short sales will depend upon the investment strategy and opportunities presented to the Investment Manager. In certain cases, a short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Client of buying those securities to cover the short position. There can be no assurance that a Client will be able to maintain the ability to borrow securities sold short. In such cases, the Client can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Any gain

resulting from a short sale will be decreased (and any loss will be increased) by the transaction costs incurred in connection with the short sale.

**Event Driven and Special Situations Investments.** The Clients may in the future engage in event driven investing. Event driven investing requires investors to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a particular investment. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Manager had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to a Client of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors. Because of the inherently speculative nature of event driven investing, the results of a Client with respect to event driven and special situations investments, if any, may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period may not necessarily be indicative of results that may be expected in future periods.

The Clients may in the future also invest in, or lend to, companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation (which may include debtor-in-possession financing), there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Client of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Client may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies and special situations in which a Client may invest, there is a potential risk of loss by the Client of its entire investment in such companies.

**Interest Rate Risk.** Clients' investments in debt Securities will generally be subject to interest rate risk. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities. In addition, equity securities can be adversely affected by changes in interest rates. As such, interest-rate variations can materially affect the profitability of the Clients' strategies. Beginning in March 2022, the U.S. Federal Reserve has acted to approve increases in the primary credit rate several times resulting in substantial increases

over a short period of time and the U.S. Federal Reserve has signaled that it anticipates implementing additional increases in interest rates in 2023. It cannot be predicted with certainty when, or how, these policies will change, but actions by the U.S. Federal Reserve and other central banks may have a significant effect on interest rates and on the U.S. economy generally. Such events, and future similar events, could have an adverse impact on the Partnership. In addition, any implementation of negative interest rates by the Federal Reserve or other central banks could have unexpected and negative impacts on Clients' investments. Intrinsic will from time to time seek to hedge such risks (including through long or short investments in treasury securities or derivative instruments), there is no assurance that such measures, even if implemented, will be effective.

**Valuation of Some Investments.** The Clients may not be able to liquidate some of the securities owned or otherwise held by it that are less liquid if the need were to arise and rapid sales of securities could depress their market value, reducing a Client's profits, or increasing a Client's losses, in the securities. In addition, in certain circumstances there may be no market for a particular security at any price.

While the Investment Manager will typically value a Client's portfolio based on pricing information obtained from independent sources, it may also rely on pricing information developed internally. Independent pricing information may not at times be available with respect to a Client's assets.

Pricing inaccuracies could cause the net asset value on which the Investment Manager bases various decisions (including determining capital contributions and capital withdrawal amounts) to differ significantly from the value a Client can ultimately realize on its investments. In addition, inaccuracies in valuation could affect a Client's portfolio management activities and, as a result, cause the Client to experience significant losses. The Investment Manager will use whatever criteria and techniques they, in their discretion, consider appropriate under all the circumstances. The value the Investment Manager assigns to securities, illiquid securities and large blocks of securities for purposes of determining net asset value may differ from the value a Client (or an investor who receives in-kind securities upon a capital withdrawal) is ultimately able to realize upon the sale of those securities. The limited liquidity of a Client's investments may have an impact on an investor's ability to withdraw capital or to receive capital withdrawal proceeds. It could also cause a Client to elect to pay capital withdrawal proceeds in the form of securities, some or all of which may be illiquid. If that were to occur, the withdrawing investor might not be able to realize the value assigned to those securities at the time they were distributed to such investor.

**Reliance on Corporate Management and Financial Reporting.** Many of the investment strategies implemented by a Client rely on the financial information made available by the issuers in which it invests. The Investment Manager may not have the ability to independently verify the financial information disseminated by the issuers in which a Client invests and will consequently

be dependent upon the integrity of both the management of these issuers and the financial reporting process in general. A Client may incur material losses as a result of corporate mismanagement, fraud and accounting irregularities.

**Limited Liquidity.** Certain of the Clients' investments may be or become illiquid and involve a high degree of business and financial risk that could result in substantial losses. It may not always be possible to execute a buy or sell order at the desired price or to close out an open position, either due to market conditions, daily price fluctuation limits or speculative position limits.

**Derivatives Transactions.** The Clients' investment mandates allow for the use of derivatives in their investment program for speculative and hedging purposes, including swaps, futures, options, spot and forward contracts. The use of such instruments entails various risks, including the liquidity and leverage risks described herein. Derivative instruments involve a variety of material risks, including, in some cases, extremely high embedded leverage. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying them may not correlate with historical patterns, resulting in unexpected losses. Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with other types of securities, and therefore also present certain operational risks.

**Options.** The prices of options are highly volatile and are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities underlying them. In addition, a Client's assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

In general, without taking into account other positions or transactions a Client may enter into, the principal risks involved in options trading can be described as follows: when a Client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Client's investment in the option (including commissions).

When a Client sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, the Client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on

the option (after transaction costs) would provide profit that would reduce or offset any loss the Client might suffer as a result of owning the security.

**Use of Leverage and Financing.** Certain Clients have the ability to leverage their capital because the General Partner or the Investment Manager, as the case may be, believes that the use of leverage may enable such Client to achieve a higher rate of return. Accordingly, the Client may pledge its securities and other assets in order to borrow additional funds for investment and other purposes. The Client will frequently borrow funds and enter into agreements in connection therewith and also has the ability to leverage its investment return with options, short sales, swaps, forwards, credit derivatives and other derivative instruments under its existing investment mandate. The amount of borrowings which a Client may have outstanding at any time may be substantial in relation to its capital.

While leverage presents opportunities for increasing a Client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a Client would be magnified to the extent the Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to the Client's investments could result in a substantial loss to the Client which would be greater than if the Client were not leveraged. The use of leverage may create interest expenses for a Client, which can exceed the investment return from the use of borrowed funds. To the extent the investment return derived from assets purchased with borrowed funds exceeds the interest a Client will have to pay, the Client's investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return of the Client will be less than if leverage were not used.

**High Turnover and Transactions Costs.** The turnover rate of a Client's investment portfolio is often significant, potentially involving substantial brokerage commissions and fees and other transactions costs. In particular, many of the Clients' investments, including those that are not readily marketable, may involve higher bid-ask spreads than investments that are exchange-traded.

**Execution Risks; Trade Errors.** The Investment Manager's trading activity for the Clients will involve multiple instruments, multiple brokers and counterparties and multiple strategies. Furthermore, the execution of the trading and investment strategies employed by the Investment Manager for the Clients may require a high volume of trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives, and the execution of trades involving less common or novel instruments. However, in light of the foregoing, some slippage, trade errors and miscommunications with brokers and counterparties may occur and result in losses to a Client. The Investment Manager will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner that is fair and equitable to all Clients. To the extent an error is caused by a counterparty, such as a broker, the Investment Manager will attempt to recover any loss associated with such error from such

counterparty. The Funds and/or Managed Accounts (and not the Investment Manager) benefit from any gains resulting from trade errors. For the Funds, any costs or losses resulting from trade errors or order errors will be borne by the Fund unless such errors are due to actions by the General Partner or the Investment Manager for which the General Partner or the Investment Manager would not be entitled to indemnification pursuant to the respective Governing Documents. For the Managed Accounts, trade error losses are handled in accordance with the respective investment management agreements which vary but certain Managed Accounts have capped and/or require reporting of the amount of trade error losses to be incurred by the Client.

**Cayman Islands Data Protection.** The Cayman Islands Data Protection Law, 2017 (the “DPL”) introduced legal requirements for the Cayman Islands domiciled Intrinsic Edge Funds based on internationally accepted principles of data privacy.

The applicable Intrinsic Edge Funds have prepared a document outlining the Fund’s data protection obligations and the data protection rights of investors in the Cayman Islands (and individuals connected with investors) under the DPL (the “Cayman Privacy Notice”). The Cayman Privacy Notice is contained within the subscription agreement and is available to existing investors by contacting the Investment Manager.

Prospective investors should note that, by virtue of making investments in the Intrinsic Edge Funds and the associated interactions with the Intrinsic Edge Funds and its affiliates and/or delegates (including completing the subscription agreement, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Fund with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Intrinsic Edge Fund and its affiliates and/or delegates (including, without limitation, the Fund administrator) with certain personal information which constitutes personal data within the meaning of the DPL. The Intrinsic Edge Fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Fund administrator and the Investment Manager, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Intrinsic Edge Fund and/or continuing to invest in the Intrinsic Edge Fund, investors shall be deemed to acknowledge that they have read in detail and understood the Cayman Privacy Notice and that the Cayman Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Intrinsic Edge Fund.

### **Conflicts of Interest**

Identifying potential conflicts of interest is complicated and it is not possible to foresee every conflict of interest that will arise. The conflicts of interest that a Client encounters include those discussed elsewhere in this Brochure and detailed in this section.

Investors should be aware that IECM, its personnel, and its affiliates in the future will possibly engage in activities that can result in additional conflicts of interest not addressed herein. There can be no assurance that IECM will be able to determine all potential conflicts of interest or resolve all actual conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to all Clients. To the extent that IECM identifies actual conflicts of interest in the future, IECM intends to, but is under no obligation to, disclose these conflicts and their implications to investors through a variety of means, including written or oral communications to the Fund board of directors or investors more generally.

The Investment Manager is responsible for the investment decisions made on behalf of the Clients and is permitted to take actions with respect to one Client that differ from actions taken with respect to another Client. Allocations of investments are decided by determining the Client or Clients for which a particular investment is appropriate. If the investment is appropriate for more than one Client, a trade is generally allocated on a pro rata basis based upon the net asset value of such Client, with consideration given to various factors including, but not limited to, investment restrictions or objectives and risk parameters of a particular Client.

Each Client's investors include persons or entities in various jurisdictions, who may have conflicting investment, tax and other interests with respect to their investments. Such individual interests can result in different after-tax consequences being realized by different investors. As a consequence, conflicts of interest potentially arise in connection with investment decisions made by IECM that could be more beneficial for one investor than another investor, especially with respect to investors' individual tax situations. IECM considers the investment and tax impact of a Client as a whole and not the individual investment, tax, or other objectives of any particular investor.

Certain persons employed by or otherwise associated with IECM are related to, or otherwise have business, personal, political, financial, or other relationships with, persons employed by or otherwise associated with service providers engaged for the Clients or firms engaged by one or more existing or prospective investors. In providing services to the Clients, IECM may face conflicts of interest in selecting providers for the Intrinsic Edge Funds and/or Managed Accounts. Certain advisors and other service providers, or their affiliates, including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and certain other advisors and agents, to the Clients may also provide services to or have business, personal, political, financial or other relationships with IECM. Such advisors and service providers may be investors in certain Intrinsic Edge Funds and/or Managed Accounts. These relationships may influence IECM in deciding whether to select or recommend such a service provider to perform services for a particular Client, the cost of which will generally be borne directly or indirectly by such Client. Notwithstanding the foregoing, transactions for the Clients that require the use of a service



provider will generally be allocated to service providers on the basis of IECM's judgement as to seeking to obtain best execution, the evaluation of which generally includes, among other considerations, such service provider's provision of certain other services or items that IECM believes to be of benefit to the Clients and its investors.

#### **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that are material to an investor's evaluation of IECM's advisory business or the integrity of IECM's management.

IECM does not have any such legal or disciplinary events to report.

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

Neither IECM, nor any of our employees are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither IECM, nor any of our employees are registered, or have an application pending to register, as a futures commission merchant, commodity trader, or commodity adviser.

Mr. Coe is the Managing Member of each General Partner and IECM, as well as an investment adviser representative of IECM.

As stated above, IECM provides research services to Schechter. This research is the same used by IECM to manage its Clients, which creates certain conflicts of interest. For example, while Schechter has full discretion over whether or not and when to use the research provided by IECM to make investments in Schechter accounts, there could be instances when Schechter trades in the same securities, at the same time, as IECM Clients due to the research provided. IECM does not believe that this activity will cause any harm to our Clients since the provided research generally covers only publicly traded securities and IECM will likely have commenced and/or possibly completed trading in such securities before Schechter commences trading, if at all.

#### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Rule 204A-1 of the Advisers Act imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. IECM's Clients entrust us to use the highest standards of integrity when managing their assets. Our fiduciary duty requires all employees to act with integrity in all of our dealings. To this end, IECM has adopted a Code of Ethics to which all of our employees are

required to adhere. The Code of Ethics clearly establishes parameters that place Client interests ahead of the Firm's interests and maintain compliance with all applicable federal securities laws.

IECM's Code of Ethics covers fiduciary obligations and ethical principles, personal securities transactions and reporting procedures, IECM's insider trading policy and procedures, conflicts of interest, recordkeeping requirements, outside business activities, standards of professional conduct, restrictions on accepting and giving of gifts, among other items. Employees found to be in violation of the Code of Ethics may be subject to remedial actions, including, but not limited to, suspension, disgorgement of profits, fines or dismissal. Employees are required to immediately report any observed or suspected potential violation or violation of the Code of Ethics of which he or she becomes aware to the Chief Compliance Officer.

IECM employees have invested and may invest in the future in the Intrinsic Edge Funds and are not limited to the amount they invest. Please refer to Item 6 for additional information.

IECM's employees are allowed, under certain circumstances, to invest personally in securities that are purchased for Clients and may own securities of the issuers whose securities are also purchased for Clients. To address this conflict of interest, IECM's Code of Ethics outlines the fiduciary duty that the Firm and its employees have regarding placing Clients' interests first. Through the Code of Ethics, IECM has adopted personal securities transaction policies ("PST policies") for all of its employees. The PST policies are designed to minimize, if not eliminate, situations where certain investment ideas could potentially create a conflict between the interests of employees and those of our Clients. IECM also requires certain trades of its employees as well as those of their immediate family, to be pre-approved by IECM's Chief Compliance Officer or their designee to further our commitment to keep Client interests first. In addition, employee personal brokerage account statements are reviewed to ensure compliance with these PST policies. The Code of Ethics also contains procedures for reporting violations and is distributed to employees for review initially upon hire, annually thereafter, and any time a material amendment is made.

IECM will provide a copy of the Code of Ethics to any Client, current investor or qualified prospective investor upon request.

## **ITEM 12: BROKERAGE PRACTICES**

IECM uses various brokers to execute trades on behalf of Clients, who provide internally generated and/or third-party research, introductions to potential investors and other products and services.

Certain securities, such as over-the-counter stocks and fixed-income securities are primarily traded in dealer markets. In such markets, securities are directly purchased from or sold to a financial institution acting as a dealer or principal. Dealers executing principal trades typically include a markup or a markdown and/or spread in the net price at which transactions are executed.

IECM has entered into certain soft dollar arrangements in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides for certain “safe harbors” and allows investment advisers to use client commissions to pay for brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. This practice is commonly referred to as “soft dollars.” Brokerage and research services can include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing research information regarding the broader economy, specific industries, certain sectors of securities, individual companies, statistical information, taxation, political developments, legal developments, technical market action, pricing and appraisal services, credit analysis, risk analysis and performance analysis. Such research information can be received in the form of written reports, telephone conversations, personal meetings with securities analysts and/or individual company management and through attending industry conferences. The research services provided by a broker may be proprietary (*i.e.*, provided by the broker providing the execution services) and/or provided by a third party (*i.e.*, originates from a party independent from the broker providing the execution services).

In accordance with Section 28(e), IECM may cause Clients to pay brokerage commissions that are in excess of commissions that another broker may have charged for effecting the same transaction, so long as IECM makes a good faith determination that the amount of commissions paid are reasonable in relation to the value of the brokerage and research services received. This must be viewed in terms of either the specific transactions or an investment adviser’s overall responsibility to the accounts for which it exercises investment discretion.

Additionally, Section 28(e) permits advisers to use the research services provided by brokers to service any of the adviser’s clients, including clients that did not participate in payment of these commissions to the brokers providing these services. Therefore, in some instances, certain IECM Clients may pay commissions for services from which they may not receive any direct benefit and, in turn, other IECM Clients may benefit from research services even though they did not pay commissions for the benefits received.

During the last fiscal year, the Investment Manager paid for the following items with soft dollars: research, investment related news services, data analytics, third-party vendor data, and investment services that included a risk system.

In cases where a product or service obtained with soft dollars provides both research and non-research services to the Investment Manager (*i.e.*, a “mixed-use” item), the Investment Manager makes a good faith estimate of the non-research portion of the services received and pays hard dollars (an actual payment rather than commissions) for the non-research portion. In making good faith allocations between research services and non-research services, a conflict of interest may exist, as it is based on our estimation of the costs of such services and benefits between those that primarily benefit IECM and those that primarily benefit our Clients. In addition, the receipt of brokerage and research services from any broker executing transactions for our Clients may be

considered to be the receipt of an economic benefit by IECM, and although customary, may be deemed to create a conflict of interest between IECM and our Clients. To address and/or mitigate the conflicts surrounding soft dollar arrangements, IECM has adopted written policies and procedures regarding trading, brokerage selection, and soft dollar arrangements. Additionally, IECM prepares an annual budget to assist in the proper utilization of its soft dollars and performs periodic committee reviews of our soft dollar use to help ensure they are in the best interests of our Clients.

On all securities transactions, IECM seeks to achieve best execution from the executing brokers. While best execution is not defined in the securities laws, IECM selects brokers that we believe will provide execution in a manner such that the Client's total cost or proceeds in each transaction is most favorable under the circumstances. In seeking the best available execution for our Clients, we generally consider a variety of factors, both quantitative and qualitative, and the brokers that IECM determines to be most likely to provide the most favorable outcome for the Client may not have the lowest available commission costs.

Portfolio transactions are allocated to brokers on the basis of obtaining the best overall terms available and most favorable outcome for the Client. IECM considers a variety of factors, including, but not limited to: such broker's ability to execute the transaction; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research and related services considered to be of value; the availability of stocks to borrow for short sale transactions; custody; recordkeeping; and the competitiveness of commission rates in comparison with other brokers satisfying the other selection criteria utilized by IECM in its capacity as investment manager. Each prime broker may also provide the Investment Manager with administrative services, such as technology services (including disaster recovery systems), capital introduction services, consulting services, portfolio reporting and access to electronic communication networks. Although many prime brokers provide similar services to investment managers in exchange for brokerage, custody and clearance fees and other charges, if IECM did not receive these services from the prime brokers, IECM would be required to pay for all or some of them. The Investment Manager is not required to direct a particular number of trades to any prime broker or continue to use any prime broker as a Fund's custodian, but the Investment Manager has an incentive to do so based on the prime broker's prior and continued services.

Portfolio transactions are not directed on the basis of receiving investor referrals. IECM has established a best execution committee comprised of senior management employees that meet on a periodic basis to review its arrangements with brokers and evaluate each broker's performance.

In the normal course of business, we do not recommend, request, nor require Clients to direct transactions to be executed through a specified broker (often referred to as directed brokerage). In the event a Client would direct us to execute a trade at a different broker, IECM is not responsible for the quality of execution obtained by such broker, nor for the costs involved in doing so and

accepts no responsibility for best execution in such instances. Managed Accounts are permitted to select their own broker.

If IECM believes it is in the best interest of the Clients, IECM aggregates the purchase or sale of securities for certain or all of the Clients. In such circumstance, IECM allocates on a pro rata basis among the participating Clients, unless investment restrictions or investment guidelines otherwise prohibit a specific Client from participating, and subject to minimum share order quantities and other appropriate factors such as the leveling of accounts, Client tax profiles and the timing of capital flows.

The Investment Manager uses reasonable efforts to allocate investment opportunities (including new issues) in a manner that we believe is equitable over time among Clients, but there can be no assurance that a Client will participate in any particular investment opportunity or on an equal or pro-rata basis with any other Client. In determining how to allocate investment opportunities among Clients, we consider, among other things, investment objectives, investment strategies, tax issues, regulatory consequences, odd lots, investment restrictions, availability of clearing, credit and financing, and other considerations. As a result, we determine that certain investment opportunities are appropriate for certain Clients and not others. The Investment Manager attempts to address this potential conflict of interest of favoring one Client over another by monitoring on an ongoing basis that all Clients are treated fairly and equitably to ensure that investments made for the Funds and Managed Accounts are appropriate without regard to the performance, in accordance with its investment allocation policies and procedures.

From time to time, IECM participates in initial public offerings and secondary offerings (“IPO/SO”) for Clients. However, due to certain factors, such as differing Client objectives, restrictions, and timing constraints, not all Clients will participate in every IPO/SO. For example, Clients that have a more speculative or aggressive investment strategy usually participate in more IPO/SOs than Clients that have restrictive strategies. The Chief Investment Officer and/or portfolio manager determine which Clients are suitable for IPO/SO investment on a case-by-case basis and when more than one Client participates, the shares are allocated on a pro-rata basis, unless deemed to be in the best interest of all the participating Clients to allocate otherwise. It is IECM’s intent to allocate IPO/SO shares among Clients participating in the offering in an equitable manner so as not to give one Client preference over another.

### **ITEM 13: REVIEW OF ACCOUNTS**

Client portfolios are periodically reviewed by IECM’s portfolio managers and research group at the strategy level, portfolio level and securities level to best align each portfolio with the Client’s investment objectives and restrictions. These reviews are risk-based and encompass multiple criteria including, but not limited to, liquidity, market exposure, concentration, specific company research, company announcements and earnings, as well as general market events that may affect

the Client portfolios. Any items that may require attention are promptly conveyed to the appropriate portfolio manager.

IECM provides each investor in the Funds with the following reports in accordance with the terms of the Governing Documents of the applicable Fund: (i) audited annual financial statements within 120 days after the end of the fiscal year; (ii) performance updates on at least a monthly basis; (iii) quarterly investor letter; and (iv) annual tax information necessary to complete the applicable tax returns. Also, on a monthly basis, the third-party administrator sends capital account statements to Fund investors. The Investment Manager provides various reports to its Managed Account clients that includes daily reporting of certain transactions given the nature of managed account structures.

Upon request, certain investors receive additional information and reporting that other investors do not receive. The fact that IECM provides such information upon request to one or more investors does not obligate IECM to affirmatively provide such information to all investors. As a result, certain investors will have more information about a Client than other investors, and IECM has no duty to, and does not intend to, ensure that all investors request, obtain, or possess the same information regarding a Client and its investments. IECM has contact with various investors (personal visits, telephone, email) throughout the year per IECM occasional outreach or investor request.

On a periodic basis, IECM's Chief Compliance Officer or their designee reviews records of trades placed for the Clients. The Chief Compliance Officer or their designee also conducts periodic reviews of Client portfolios in order to monitor adherence to internal investment guidelines, Client mandated or contractual guidelines and regulatory requirements.

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

IECM maintains arrangements with Cetera Advisor Networks LLC, Cetera Advisors LLC, Frontier Solutions, LLC, and Sanctuary Securities, Inc. (collectively referred to as "Third-Party Marketers"). IECM's Third-Party Marketers are unaffiliated broker-dealers that have been contracted to solicit qualified investors to invest in the Intrinsic Edge Funds. Depending on the arrangement, Third-Party Marketers are compensated a set percentage of the Intrinsic Edge Fund management fees and/or performance-based fees paid or allocated to IECM or the General Partner for each investor in the Intrinsic Edge Fund referred by the Third-Party Marketer. The fees paid to such Third-Party Marketer are paid by IECM and are not borne by Clients or investors in the Clients.

#### **ITEM 15: CUSTODY**

IECM does not maintain physical custody of any Client assets.

While IECM places all Intrinsic Edge Funds' assets in custody with independent, unaffiliated qualified custodians, prime brokers and executing broker-dealers, IECM is deemed to have custody of the assets held by the Intrinsic Edge Funds because of the breadth of authority delegated to it under the terms of the Governing Documents. Further, any movement of assets from a Fund to an account in a different name must be approved by such Fund's administrator. The Intrinsic Edge Funds are audited annually, and investors receive annual financial statements within 120 days of the Intrinsic Edge Funds' fiscal year end. Investors should closely review such financial statements. The Intrinsic Edge Fund investors also receive account statements from the relevant Fund's administrator on a monthly basis. Investors should carefully review all account statements and other communications they receive from the Fund's administrator.

IECM does not have custody of the Managed Account assets. Managed Accounts must make their own arrangements for custody of securities in such accounts. Managed Account clients should carefully review information and/or reporting from custodians and should compare such information to any account information provided by the Investment Manager.

#### **ITEM 16: INVESTMENT DISCRETION**

Pursuant to each Fund's Governing Documents, the General Partner or the board of directors, as applicable, has delegated authority to IECM as investment manager with full discretion and authority with respect to the day-to-day management of the assets and liabilities in the Intrinsic Edge Funds and to invest the assets in a manner consistent with the investment objectives and restrictions specified by each Intrinsic Edge Fund.

Managed Accounts grant authority to IECM to manage such assets on a discretionary basis through investment management agreements signed by each party at the outset of an investment management relationship.

#### **ITEM 17: VOTING CLIENT SECURITIES**

IECM utilizes a third-party service provider to monitor and vote the proxies we are required to vote. The service provider has written proxy voting guidelines, which have been reviewed and approved by IECM. Additionally, IECM receives regular reporting from the service provider to ensure that voting is performed in a manner consistent with the best interests of each Fund. The Investment Manager may choose not to vote if doing so is costly, impractical, or deemed otherwise unnecessary or unwarranted for any other reason.

Exceptions to our proxy voting policies and procedures may only be made by a Portfolio Manager.

Investors may request a copy of IECM's current proxy voting policy and/or information on how IECM voted any previous proxies for their account by either calling or writing to us (please refer to Item 1 for contact information).

#### **ITEM 18: FINANCIAL INFORMATION**

IECM does not require or solicit fees six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. IECM does not have any financial condition that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of any bankruptcy petitions.